



**Mayor: Mario Garza**  
**Mayor Pro-Tem: Marco "Markie" Villegas**  
**Commissioners: Leonardo "Lenny" Sanchez**  
**Ernesto "Neto" Guajardo**  
**Adina "Dina" Santillan**

The City of San Juan does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the Office of the City Secretary at 956-223-2200 at least 24 hours prior to the scheduled meeting to make proper arrangements.

**SAN JUAN CITY COMMISSION**

**Location:** San Juan Memorial Library  
Multipurpose Meeting Room  
1010 S. Standard St.  
San Juan, Texas 78589  
**Tuesday, August 22, 2023**

**REGULAR MEETING AGENDA**  
**6:00 PM**

**I. CALL TO ORDER**

**II. INVOCATION**

**III. PLEDGE OF ALLEGIANCE**

**IV. PUBLIC COMMENTS**

**V. PROCLAMATIONS**

- A.** Presentation on a Proclamation Proclaiming the Month of September 2023 as Ovarian Cancer Awareness Month.

**VI. PRESENTATIONS**

- A.** Presentation on Departmental Reports: Department of Finance, Fire Department, Police Department, Municipal Court, and Department of Utilities.

- 1.** Department of Finance Monthly Report. [Leroy Gonzales, Director of Finance]

2. Fire Department Monthly Report. [Tirso Garza, Fire Chief]
3. Police Department Monthly Report. [Leandro Sifuentes, Interim Chief of Police]
4. Municipal Court Monthly Report. [Mary Enriquez, Court Administrator]
5. Department of Utilities Monthly Report. [Juan Carlos Martinez, Interim Director of Utilities  
]

## **VII. PUBLIC HEARING/ORDINANCES**

- A. Consider an Ordinance for a Voluntary Annexation Petition of the Proposed Valley Ranch Subdivision No. 5, 6 and 7; Tract 1: being a 36.99-acre tract of land out of Lots 14 and 15, Stewarts Addition to the Conway Garden Subdivision and Tract 2: being a 3.03-acre tract of land out of Lot 14, Block 27, Alamo Land and Sugar Company's Subdivision, as Requested by Esponjas Development, LTD. [Daniel Tijerina, Director of Planning]
- B. Hold a Public Hearing and Consider an Ordinance Regarding the Rezoning Request from Neighborhood Commercial District (C-1) to the Multi-Family Residence District (R-MF) of Lots 21 thru 24, Block 32, San Juan Original Townsite, located at the Southwest corner of Lincoln and 6th Street, as Requested by Alberto Treviño. [Daniel Tijerina, Director of Planning]
- C. Hold a Public Hearing and Consider an Ordinance Regarding the Conditional Use Permit to operate "The Party Factory" at 1208 N. Raul Longoria Road Suites 7-8, legally described as Lot 1, Gutierrez-Duncan Subdivision, as Requested by Carolina Sandoval. [Daniel Tijerina, Director of Planning]
- D. Consider the Adoption of an Ordinance in First Reading Amending the Code of Ordinances under Appendix A. Unified Development Code, Chapter 2. Zoning Regulations, Article IV. District Use and Area Regulations, Section 1.00 "R-S" Single Family Residential District, Item (j) to Allow Non-enclosed Metal Carports within the Front Setback in Single Family Residential Districts in Subdivisions Recorded before 2015; Providing for Publication; Providing for Codification; Providing for a Severability Clause; Providing for a Repealer Clause; and Ordaining other Provisions Related to the Subject Matter Hereof.
- E. Hold Public Hearing on Adopting the Proposed Tax Rate and Levy for the City of San Juan, Texas for the Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024. [Leroy Gonzales, Director of Finance]
- F. Considering Adoption of an Ordinance in First Reading Amending Chapter 1 General Provisions, Article 1.02 Administration, Division 1 Generally, Section 1.02.004 Agenda Items of the Code of Ordinances of the City of San Juan, Texas, to Modify the Procedures for Placing Agenda Items for Consideration by the City Commission; Providing for Effective Date;



Providing for Publication; Providing for Codification; Providing for a Severability Clause; and Providing for a Repealer Clause. [Benjamin Arjona, City Manager]

- G. Consideration and Action of an Ordinance Authorizing the Issuance of "City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023"; Providing for the Payment of said Certificates by the Levy of an Ad Valorem Tax upon all Taxable Property within the City; and Resolving other Matters Incident and Related to the Issuance, Payment, Security, Sale, and Delivery of said Certificates.

#### **VIII. DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:**

- A. Preliminary and Final Plat Approval of the Keystone Plaza Subdivision being a 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company's Subdivision, located at the Southwest corner of US Business 83 and Cesar Chavez Road, as Requested by Salinas Engineering and Associates. [Daniel Tijerina, Director of Planning]
- B. Consideration and Action regarding a Planned Unit Development at Stewart Coves Subdivision being a 37.258-acre tract of land out of Lots 1 and 6, Stewart's Addition to the Conway Gardens, Located at the Northwest Corner of Moore and Stewart Road, as Requested by Melden & Hunt, Inc. [Daniel Tijerina, Director of Planning]
- C. Consideration and Action on the Variance Request to the Subdivision Ordinance at the Proposed Valley Ranch Subdivision No.6 being a 21.07-acre tract of land out of Lot 14, Stewarts Addition, as Requested by Quintanilla, Headley and Associates, Inc. [Daniel Tijerina, Director of Planning]
- D. Consideration and Action to Allow a Haunted House at the Old San Juan Hotel located at 125 W. US Business 83, legally described as lots 1 thru 6, Block 28, San Juan Original Townsie, as Requested by ZAEFF, LLC. [Daniel Tijerina, Director of Planning]
- E. Consideration and Action to Review the Conditional Use Permit Granted to "El Grullo Drive-Thru" located at 912 E. Business 83, legally described as Lot 1, Mireles Subdivision. [Daniel Tijerina, Director of Planning]
- F. Discussion and Possible Action to Approve \$1,898,984.00 in Rehabilitation Work Needed at the Wastewater Treatment Plant Lift Station by Buy-Board Vendor Southern Trenchless Solutions. Funding is available through American Rescue Plan (ARP) Funds. [Juan Carlos Martinez, Interim Director of Utilities]
- G. Discussion and Possible Action on Stewart Road Safety Concerns.

#### **IX. CONTRACTUALS**

- A. Consideration and Approval of an Interlocal Agreement Between Hidalgo County and the City of San Juan (San Juan I Head Start Center), Located at 200 North Cougar, San Juan, TX.
- B. Consideration and Action of an Interlocal Agreement for the 2023-2024 Fiscal Year with the Hidalgo County Urban County Program. [Daniel Tijerina, Director of Planning]

**X. CONSENT AGENDA**

- A. Consider Second and Final Reading of an Ordinance for a Rezoning Request from Single-Family Residence District (R-S) to Multi-Family Residence District (R-MF) of the property legally described as 9.59-acre tract of land out of Lots 9, 10 and 11, San Juan Hacienda Estates, as Requested by Mario Anaya. [Daniel Tijerina, Director of Planning]
- B. Consider Second and Final Reading of an Ordinance for a Conditional Use Permit for the Sale of Alcoholic Beverages (BG – Wine and Beer Retailer’s Permit) for On-Premise Consumption at “Cheers Food Truck Park Bar, LLC.” located at 232 E. Business 83, legally described as Lettered Blocks (San Juan) Lot 1, Block B, as Requested by Francisco Gortarez. [Daniel Tijerina, Director of Planning]
- C. Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to operate “Marlen’s Event Center” at 905 W. 1st Street Suites A and B, legally described as Lot 2, B.T. No. 1 Subdivision, as Requested by Fernando Rocha. [Daniel Tijerina, Director of Planning]
- D. Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to allow “SJ Food Truck Park” at 2506 N. Raul Longoria Road, legally described as Lot 1, Uresti Subdivision, as Requested by Jose and Eliecer Uresti. [Daniel Tijerina, Director of Planning]
- E. Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to operate “Kairo’s Event Center” at 5201 N. Raul Longoria Road Suite 3, legally described as Lots 5 and 6, Arco Iris Unit No. 2 Subdivision, as Requested by Evangelina Garza Gonzalez. [Daniel Tijerina, Director of Planning]
- F. Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to operate “Ruby’s Event Center” at 2003 N. Veterans Boulevard Suites 1 and 2, legally described as Lot 1, Porciones Center Subdivision, as Requested by Elsa Rubi Juarez. [Daniel Tijerina, Director of Planning]
- G. Consider Second and Final Reading of an Ordinance for a Rezoning Request from the Neighborhood Commercial District (C-1) to the General Business District (C-2) of the 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company’s Subdivision, located at the Southwest corner of U.S. Business 83 and Cesar Chavez Road, as Requested by Raul Cantu. [Daniel Tijerina, Director of Planning]



- H. Consider Second and Final Reading of an Ordinance for a Voluntary Annexation Petition of La Cantera Subdivision, being a 33.774-acre tract of land out of Lots 34, 37 and 38, San Juan Hacienda Estates Unit No. 1, located at the Northeast corner of Nebraska and Hall Acres Road, as Requested by Espino Construction, LLC. [Daniel Tijerina, Director of Planning]
- I. Consider Approval of the Tax Collection Report for the Month of July 2023 [Leroy Gonzales, Director of Finance]

## **XI. EXECUTIVE SESSION**

- A. The San Juan City Commission will Convene in Executive Session in Accordance with the Texas Open Meetings Act, Vernon's Texas Statutes and Code Annotated, Government Code Chapter 551 et seq., and 551.071 Consultation with Attorney.
  - 1. Pursuant to Section §551.071, CONSULTATION WITH ATTORNEY; Discussion and Possible Action Regarding Possible Legal Issues Concerning TXDOT Future Raised Median Project.
  - 2. Pursuant to Section §551.071, CONSULTATION WITH ATTORNEY; Discussion and Possible Action Regarding Legal Issues Concerning the Agreement with Pharr Emergency Ambulance Services.
  - 3. Pursuant to Section §551.071 CONSULTATION WITH ATTORNEY; Discussion and Possible Action Regarding the Entertainment for 2023 Noche De Paz.
  - 4. Pursuant to Section §551.071 Consultation with Attorney and Section §551.087, ECONOMIC NEGOTIATIONS; Deliberation Regarding City Real Estate Properties.

## **XII. RECONVENE**

- A. The City Commission will Reconvene in Open Session to Take Necessary Action, if any, in Accordance with Chapter 551, Open Meetings, Subchapter E, Procedures Relating to Closed Meetings, and Requirements to Vote or Take Final Action in Open Meeting.
  - 1. Pursuant to Section §551.071, CONSULTATION WITH ATTORNEY; Discussion and Possible Action Regarding Possible Legal Issues Concerning TXDOT Future Raised Median Project.
  - 2. Pursuant to Section §551.071, CONSULTATION WITH ATTORNEY; Discussion and Possible Action Regarding Legal Issues Concerning the Agreement with Pharr Emergency Ambulance Services.



3. Pursuant to Section §551.071 CONSULTATION WITH ATTORNEY; Discussion and Possible Action Regarding the Entertainment for 2023 Noche De Paz.
4. Pursuant to Section §551.071 Consultation with Attorney and Section §551.087, ECONOMIC NEGOTIATIONS; Deliberation Regarding City Real Estate Properties.

**XIII. ADJOURNMENT**

**CERTIFICATION**

I certify that the above notice of the Regular Called Meeting of the City of San Juan is true and correct; and that I posted such notice on the bulletin board. A place convenient and readily accessible to the public on the 18th day of August 2023 at 5:00 p.m. in accordance with the Texas Open Meetings Act (Tex. Gov't. Code §551-041 - §551.050).



BRENDA ESCALANTE  
CITY SECRETARY  
CITY OF SAN JUAN, TEXAS

**CERTIFICATION OF REMOVAL**

I certify that the agenda of items to be considered by the City Commission was removed by the City Secretary's Office from the San Juan City Hall bulletin area on the \_\_\_\_\_ of \_\_\_\_\_, 2023.

\_\_\_\_\_  
OFFICE OF THE CITY SECRETARY



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**Adina “Dina” Santillan**

## **MEMORANDUM**

**TO:** Benjamin Arjona, City Manager

**FROM:** Brenda Escalante, City Secretary

**DATE:** 08/18/2023

**SUBJECT:** Presentation on a Proclamation Proclaiming the Month of September 2023 as Ovarian Cancer Awareness Month.

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# PROCLAMATION

## Ovarian Cancer Awareness Month September 2023

WHEREAS, ovarian cancer is the 5th leading cause of death among women, and each year approximately 21,980 women will be diagnosed with ovarian cancer; and

WHEREAS, due to vague symptoms and the lack of a reliable early detection test, most women are not diagnosed until Stage III or later when the cancer has already begun to spread to the lymph nodes and outside of the pelvis; and

WHEREAS, doctors across the country are currently conducting clinical trials and researching ovarian cancer, but for the time being, awareness through education is the best tool for early detection and an increased chance of survival;

The City of San Juan will wear teal to increase awareness in the community and honor those who are, or have been, affected by ovarian cancer.

**THEREFORE, BE IT RESOLVED**, I, Mayor Mario Garza do hereby proclaim September 2023 as Ovarian Cancer Awareness Month in the City of San Juan, encouraging all residents to learn more about the subtle signs, symptoms and current treatment options available to women to identify and overcome this disease.

CITY OF SAN JUAN, TEXAS

**ATTEST:**

Mario Garza, Mayor

Brenda Escalante, City Secretary



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## MEMORANDUM

**TO:** Benjamin Arjona, City Manager

**FROM:** Leroy Gonzales, Director of Finance

**DATE:** 08/14/2023

**SUBJECT:** Department of Finance Monthly Report. [Leroy Gonzales, Director of Finance]

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### Finance Department

#### Department Description

Finance Department has the responsibility to safeguard City’s financial assets and manage its resources in according with state law, City Charter, and ordinances enacted by the City Commission.

- Process accounts payable and payroll for the City of San Juan and
- Economic Development Corporation.
- Provide monthly financial reports to Departments and City Commission
- Generate financial reporting according to GAAP
- Maintain an adequate level of liquidity and meet financial responsibility of City’s
- investments policy prioritizing objective of safety, liquidity and yield
- Issue Purchase Orders on a daily basis

### Additional Information

#### 7 STAFF MEMBERS

Maintained 26 funds, assisted 24 departments and posted 5,428 journal entries, issued 2,788 disbursement checks, 295 Bank Drafts and processed 4,711 payroll checks and direct deposits, through the months of July, 2023.

July Sales Tax 6.44% Increase of \$31,325 Compared to last year.

Audit FY 2021/2022 Started on November 10, 2022 (100% complete)

Reconciled 11 Bank Accounts

Budget Adjustments (74)

Budget Amendments (11)

Internal Budget Amendments (5)

**709 S. Nebraska Ave. • San Juan, Texas 78589-2649**  
**Phone: (956)223-2200 • Fax: (956) 787-5978**

## Manage a 30.2 million budget

- General Fund Budget of 15.8 million
- Utility & Sanitation Fund 4.3 million
- Stormwater Fund 305 thousand
- Debt Service Fund 2.3 million
- Sanitation Fund 4.0 million
- Other Funds 1.7 million

## Utility Billing & Collection Department

### Department Description

The Utility Billing Department is responsible for billing and collection of water usage, sanitary sewer, residential garbage collection and responding to customers complaints.

- The City of San Juan collects about 7,204 water, 10,161 sewer and Brush 9,965 accounts.
- North Alamo Water Supply Corporation service 3,379 sewer accounts and Garbage and Brush 2,907 accounts.
- Per Audited Financial Report, in FY ending 9/30/2022, Utility Fund collected 5.9 million and Sanitation Fund 3.3 million with a combined 9.2 million.
- Email Billing (416)

### Service Orders

|                       |       |
|-----------------------|-------|
| 1. Connects           | 46    |
| 2. Meter information  | 34    |
| 3. Disconnect         | 25    |
| 4. Dead Meters Change | 03    |
| 5. Past Due Notice    | 1,763 |
| 6. Cut List/11th      | 127   |
| 7. Cut List Register  | 24    |

### Payments are made by

60 % paid in person  
1 % juniors  
30 % online  
5 % bank drafts  
5 % other locations

- Staff of 8 Employees

## Purchasing Division

### Purchasing Description

Purchasing Division is responsible for acquiring goods and services for the City, in accordance with



state law, the City's purchasing policies and annual budget.

Activity through May, 2023.

|                                |       |
|--------------------------------|-------|
| • Purchase Orders Issued       | 3,271 |
| • Purchase Order Changes/Voids | 119   |
| • Bid Openings                 | 9     |
| • Public Auction               | 1     |



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## MEMORANDUM

**TO:** Benjamin Arjona, City Manager

**FROM:** Tirso Garza, Fire Chief

**DATE:** 08/15/2023

**SUBJECT:** Fire Department Monthly Report. [Tirso Garza, Fire Chief]

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The San Juan Fire Department did the following activity during the month of July 2023:

### **Emergency Calls**

A total of 59 Calls for the month of July 2023. (Please see attached report.)

- A Shift = 22
- B Shift = 17
- C Shift = 20

### **Pharr EMS**

Due to COVID-19, Pharr EMS responded along with the Fire Department for a total of 16 calls for the month of July 2023. Pharr EMS has not submitted the monthly report.

### **County Calls**

The San Juan Fire Department had a total of one (1) County Call for the month of July 2023, which is the following:

- Incident Number 000553 – Brush Fire for Mutual Aid at Midway 83 and Business 83 Donna, Texas

### **Volunteer Department**

The San Juan Volunteer Fire Department was not able to meet for a monthly business meeting due to COVID-19.

### **Fire Inspections**

A total of 39 inspections were conducted in the month of July 2023. Please see attached for detailed information about each completed inspection.

**709 S. Nebraska Ave. • San Juan, Texas 78589-2649**  
**Phone: (956)223-2200 • Fax: (956) 787-5978**

**Plan Reviews**

The following plans were reviewed for the month of July 2023:

- Keystone Plaza Subdivision
- La Costa
- Plantation Heights
- Keystone Plaza Subdivision
- Rojas Plaza
- Santa Anna Subdivision

**Fuel Utilization**

Please note that the total amount of gallons mentioned in this report belongs only to the logs submitted by the Fire Chief, Lieutenant, or Firefighter in Charge for July 2023 to the Administration Office.

- A total of 341.47 Gallons of Unleaded
- A total of 550.99 Gallons of Diesel



73%

**FIRE**  
Percentage of Total Incidents

27%

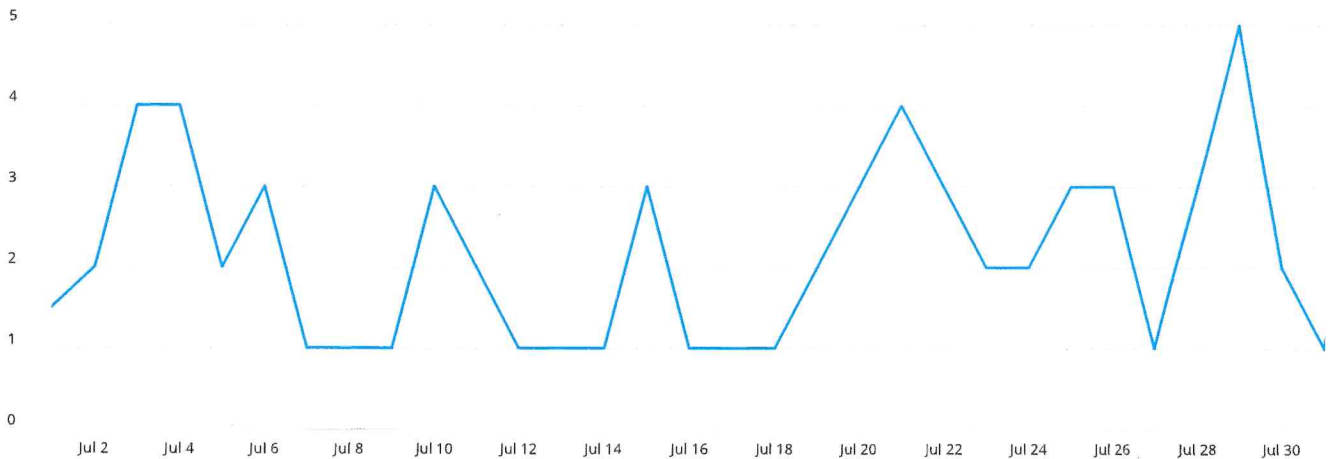
**EMS**  
Percentage of Total Incidents

59

**INCIDENTS**  
In Selected Time Slice

31

**DAYS**  
In Selected Time Slice



| Counts                                                  | % Rows | % Columns | % All   |         |         |        |         |         |         |        |         |         |         |       |
|---------------------------------------------------------|--------|-----------|---------|---------|---------|--------|---------|---------|---------|--------|---------|---------|---------|-------|
| Week Ending                                             | 7/2/23 | 7/9/23    | 7/16/23 | 7/23/23 | 7/30/23 | 8/6/23 | 8/13/23 | 8/20/23 | 8/27/23 | 9/3/23 | 9/10/23 | 9/17/23 | 9/24/23 | Total |
| (11) Structure Fire                                     |        |           |         | 2       | 1       | 1      |         |         |         |        |         |         |         | 4     |
| (14) Natural vegetation fire                            |        | 4         |         | 1       | 1       |        |         |         |         |        |         |         |         | 6     |
| (30) Rescue, emergency medical call (EMS), other        |        |           | 1       |         |         |        |         |         |         |        |         |         |         | 1     |
| (31) Medical assist                                     | 1      |           | 2       | 1       | 2       |        |         |         |         |        |         |         |         | 6     |
| (32) Emergency medical service (EMS) incident           | 1      | 2         |         |         | 6       |        |         |         |         |        |         |         |         | 9     |
| (41) Combustible/f... spills & leaks                    |        |           | 1       | 3       | 2       |        |         |         |         |        |         |         |         | 6     |
| (44) Electrical wiring/equipm. problem                  |        | 1         | 2       |         |         |        |         |         |         |        |         |         |         | 3     |
| (55) Public service assistance                          |        | 1         |         |         | 1       |        |         |         |         |        |         |         |         | 2     |
| (61) Dispatched and canceled en route                   |        | 1         |         |         | 1       |        |         |         |         |        |         |         |         | 2     |
| (70) False alarm and false call, other                  |        | 4         | 4       | 4       | 1       |        |         |         |         |        |         |         |         | 13    |
| (73) System or detector malfunction                     |        | 1         | 2       |         |         |        |         |         |         |        |         |         |         | 3     |
| (74) Unintentional system/detect... operation (no fire) |        | 1         |         | 2       | 1       |        |         |         |         |        |         |         |         | 4     |
| Total                                                   | 2      | 15        | 12      | 13      | 16      | 1      |         |         |         |        |         |         |         | 59    |

## Fire Inspection July 2023

|    | Date    | Name of Business                            | Address                         | Contact                 | Inspector  | App/Deny |
|----|---------|---------------------------------------------|---------------------------------|-------------------------|------------|----------|
| 1  | 7/5/23  | JESSE'S AUTOS                               | 806 W 83, STE A                 | Jesus Reguado           | J. Salinas | Approved |
| 2  | 7/5/23  | ESTAMOS UNIDOS ADC                          | 2109 N RAUL LONGORIA RD         | Vicente Garza           | J. Salinas | Approved |
| 3  | 7/5/23  | TAQUERIA GONZALEZ Y<br>SUPER CARNES ASADAS, | 302 E BUSINESS 83, STE 6 & 7    | Aracely Gonzalez        | J. Salinas | Approved |
| 4  | 7/5/23  | MARLEN'S EVENT CENTER                       | 905 W 1ST, STE A & B            | Fernando Rocha          | J. Salinas | Approved |
| 5  | 7/5/23  | TAQUERIA LA MEXICANA                        | 1803 N RAUL LONGORIA RD         | Leticia Garza           | J. Salinas | Approved |
| 6  | 7/6/23  | MICHELADAS Y MARISCOS EL PRIMO              | 1209 E 495, STE 4               | Georgina Garza de Lujon | J. Salinas | Approved |
| 7  | 7/11/23 | ALL STATE - ELIZABETH GUTIERREZ             | 1002 N RAUL LONGORIA RD         | Elizabeth Gutierrez     | J. Salinas | Approved |
| 8  | 7/12/23 | THE KIDS ACADMEY RGV LLC                    | 1110 S STEWART RD,STE J         | Carmen Campos           | J. Salinas | Approved |
| 9  | 7/12/23 | CABRERA MEAT MARKET & TAQUERIA              | 2211 S VETERANS RD,STE 3        |                         | J. Salinas | Approved |
| 10 | 7/12/23 | BARRETT AUTO GALLERY                        | 411 E 83 EXPY                   |                         | J. Salinas | Approved |
| 11 | 7/12/23 | EL PRIMO DE CHINA                           | 514 S STANDARD AVE              | Carlos Cantu            | J. Salinas | Approved |
| 12 | 7/13/23 | AZIZ QUICK STOP, LLC                        | 2803 N RAUL LONGORIA RD         | Dagoberto Trevino       | J. Salinas | Approved |
| 13 | 7/13/23 | RAUL RESENDEZ STATE FARM,                   | 102 W AMY, STE 1                | Raul Resendez           | J. Salinas | Approved |
| 14 | 7/13/23 | DE LA MANCHA EVENT CENTER                   | 502 N VETERANS RD               | Juan Sanchez            | J. Salinas | Approved |
| 15 | 7/17/23 | VICTORY MOTORS                              | 2710 N RAUL LONGORIA RD         | Jorge Ramsden           | J. Salinas | Approved |
| 16 | 7/17/23 | JUST A CUT                                  | 105 S CESAR CHAVEZ RD           |                         | J. Salinas | Approved |
| 17 | 7/17/23 | DON MARISCO                                 | 901 N RAUL LONGORIA RD, STE 1   | Dionicio Zapata         | J. Salinas | Approved |
| 18 | 7/18/23 | ROCK N THRIFT                               | 109 W US 83 HWY                 | Saul Sanchez            | J. Salinas | Approved |
| 19 | 7/18/23 | CONTRA DIESEL INC                           | 2003 N VETERANS RD, STE UNIT 11 | Moises Rivera           | J. Salinas | Approved |
| 20 | 7/19/23 | ALFA AUTOCLIMAS                             | 2411 N VETERANS RD, STE 6       |                         | J. Salinas | Approved |
| 21 | 7/19/23 | THE WINGS SPORTS BAR                        | 205 W NOLANA LOOP, STE 16-18    | Luis Valencia           | J. Salinas | Approved |
| 22 | 7/19/23 | PITT'S FOOD TRUCK                           | 1802 N RAUL LONGORIA RD,        | Valeria Chapa           | J. Salinas | Approved |
| 23 | 7/25/23 | MCDONALDS,                                  | 824 W 83                        | Alfredo Barrio          | J. Salinas | Approved |
| 24 | 7/26/23 | LITTLE BRIGHT MINDS CHILD DEVELOPMENT 2,    | 120 E 6 TH ST                   | Nancy Cuevas            | J. Salinas | Approved |
| 25 | 7/26/23 | CANTU MACHINERY                             | 4401 N RAUL LONGORIA RD         | Leonel Cantu            | J. Salinas | Denied   |

|    |         |                                          |                                |                   |            |          |
|----|---------|------------------------------------------|--------------------------------|-------------------|------------|----------|
| 26 | 7/26/23 | REMATE SAN JUAN                          | 1310 SGT. LEONEL TREVINO       | Eleazar Gonzalez  | J. Salinas | Approved |
| 27 | 7/26/23 | GARZA'S CABINET SHOP/WAREHOUSE           | 2003 N VETERANS BLVD           | Mario Garza       | J. Salinas | Approved |
| 28 | 7/26/23 | XCELLENT SIGNS                           | 2003 N. VETERANS, STE 17       | Moises Palacios   | J. Salinas | Approved |
| 29 | 7/26/23 | ENFANT JARDI DAYCARE AND LEARNING CENTER | 210 S NEBRASKA AVE             | Angela Cortez     | J. Salinas | Approved |
| 30 | 7/26/23 | PRO SCREEN                               | 508 S NEBRASKA AVE             | Salim L           | J. Salinas | Approved |
| 31 | 7/26/23 | AGUAS FRESCAS DON CHUY #1 LLC            | 1618 MARY ANN ST               | Jesus Colarr      | J. Salinas | Approved |
| 32 | 7/27/23 | GET INKED                                | 200 W EXPRESSWAY 83, STE N     | Adam Altamirano   | J. Salinas | Approved |
| 33 | 7/27/23 | EL RECREO ADULT DAYCARE                  | 1618 N VETERANS, STE F         | Juanita Almaguer  | J. Salinas | Approved |
| 34 | 7/27/23 | LUCY'S BEAUTY SALON                      | 2201 N RAUL LONGORIA, STE 2 RD | Luciana Pedraza   | J. Salinas | Approved |
| 35 | 7/27/23 | EDDIES DRIVE IN,                         | 2801 N VETERANS RD             | Edgar Gutierrez   | J. Salinas | Approved |
| 36 | 7/27/23 | YESENIA BEAUTY SALON                     | 114 CALLE JACARANDA ST         | Yesenia Z Avila   | J. Salinas | Approved |
| 37 | 7/31/23 | PRONTO LUBE                              | 2201 N RAUL LONGORIA RD        | Ricardo Salinas   | J. Salinas | Approved |
| 38 | 7/31/23 | LINE CARE HEALTHCARE SERVICE LLC,        | 302 E BUSINESS 83 HWY          | Maria Gonzalez    | J. Salinas | Approved |
| 39 | 7/31/23 | EL PATO MEXICAN FOOD                     | 1626 N RAUL LONGORIA RD        | Terry Van Burkleo | J. Salinas | Approved |
| 40 |         |                                          |                                |                   |            |          |
| 41 |         |                                          |                                |                   |            |          |
| 42 |         |                                          |                                |                   |            |          |
| 43 |         |                                          |                                |                   |            |          |
| 44 |         |                                          |                                |                   |            |          |
| 45 |         |                                          |                                |                   |            |          |
| 46 |         |                                          |                                |                   |            |          |
| 47 |         |                                          |                                |                   |            |          |
| 48 |         |                                          |                                |                   |            |          |
| 49 |         |                                          |                                |                   |            |          |
| 50 |         |                                          |                                |                   |            |          |
| 51 |         |                                          |                                |                   |            |          |
| 52 |         |                                          |                                |                   |            |          |
| 53 |         |                                          |                                |                   |            |          |
| 54 |         |                                          |                                |                   |            |          |
| 55 |         |                                          |                                |                   |            |          |
| 56 |         |                                          |                                |                   |            |          |



**Mayor: Mario Garza**  
**Mayor Pro-Tem: Marco "Markie" Villegas**  
**Commissioners: Leonardo "Lenny" Sanchez**  
**Ernesto "Neto" Guajardo**  
**Adina "Dina" Santillan**

## MEMORANDUM

**TO:** Benjamin Arjona, City Manager

**FROM:** Leandro Sifuentes, Interim Police Chief

**DATE:** 08/11/2023

**SUBJECT:** Police Department Monthly Report. [Leandro Sifuentes, Interim Chief of Police]

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This memorandum is to keep you all informed on our Monthly operational statistics, and any other significant cases or events that occurred during the month of JULY 2023

### **STATISTICS: POLICE**

|                            |                            |
|----------------------------|----------------------------|
| • Calls for service:       | <b><u>JULY</u></b><br>2233 |
| • Incident reports:        | 301                        |
| • Accidents:               | 175                        |
| • 911 Calls:               | 1760                       |
| • Patrol Citations Issued: | 121                        |
| • Violations:              | 168                        |
| • Patrol & CID Arrests:    | 2                          |
| • CID Issued Warrants:     | 17                         |

### **CRIME STOPPERS:**

• No board meetings were scheduled.

### **SAN JUAN POLICE PERSONNEL:**

One officer moved to Harlingen and was offered a job with HPD  
Evidence Tech. got offered a position with DPS Crime Lab in Weslaco.

### **TELE-COMMUNICATORS:**

**709 S. Nebraska Ave. • San Juan, Texas 78589-2649**  
**Phone: (956)223-2200 • Fax: (956) 787-5978**



- New system arrived and will be installed by South Texas Communication.

### **FLEET**

Patrol Tahoe units started to arrive

### **STATISTICS: ANIMAL CONTROL JULY**

- |                      |    |
|----------------------|----|
| • Calls for Service: | 79 |
| • Citations Issued:  | 10 |
| • Violations:        | 12 |

### **SPECIAL EVENTS:**

- Partnered up with PAL to make NNO 2023 a success

Respectfully,

Leandro Sifuentes  
Interim Chief of Police  
San Juan Police Department  
“A Commitment to the Future”



**Mayor: Mario Garza**  
**Mayor Pro-Tem: Marco “Markie” Villegas**  
**Commissioners: Leonardo “Lenny” Sanchez**  
**Ernesto “Neto” Guajardo**  
**Adina “Dina” Santillan**

## MEMORANDUM

**TO:** Benjamin Arjona, City Manager

**FROM:** Mary Enriquez, Court Administrator

**DATE:** 08/14/2023

**SUBJECT:** Municipal Court Monthly Report. [Mary Enriquez, Court Administrator]

---

The Municipal Court is responsible for the legal enforcement of City Ordinances and laws. It deposits and prepares daily reports to the Department of Finance.

|                   |              |
|-------------------|--------------|
| Amount Collected  | \$ 28,479.63 |
| Defensive Driving | 1            |
| Deferred          | 0            |
| Pre-Trials        | 13           |
| Bench Trials      | 0            |
| Scofflaw          | \$ 8,706.50  |

| COLLECTIONS 2022    | COLLECTIONS 2023    |
|---------------------|---------------------|
| July - \$ 13,999.00 | July - \$ 28,479.63 |

| CITATIONS ISSUED 2022 | CITATIONS ISSUED 2023 |
|-----------------------|-----------------------|
| July - 26             | July - 121            |

| SCOFFLAW COLLECTIONS 2022 | SCOFFLAW COLLECTIONS 2023 |
|---------------------------|---------------------------|
| July - \$ 1,145.90        | July - \$ 8,706.50        |

City Marshal - Warrants and Fines Collected - \$ 4,818.00

Warrants - 16

Phone Calls - 45

**709 S. Nebraska Ave. • San Juan, Texas 78589-2649**  
**Phone: (956)223-2200 • Fax: (956) 787-5978**



**Mayor: Mario Garza**  
**Mayor Pro-Tem: Marco “Markie” Villegas**  
**Commissioners: Leonardo “Lenny” Sanchez**  
**Ernesto “Neto” Guajardo**  
**Adina “Dina” Santillan**

## MEMORANDUM

**TO:** Benjamin Arjona, City Manager

**FROM:** Juan Martinez

**DATE:** 08/15/2023

**SUBJECT:** Department of Utilities Monthly Report. [Juan Carlos Martinez, Interim Director of Utilities ]

---

### Texas Drought Outlook

- 49% of Texas is in a drought (July 31, 2023)
- RGV is Abnormally Dry (No Change In the watershed)
- Falcon and Amistad are @ 23.95%
- STAGE II IS STILL IN FULL EFFECT

### System Outlook

- Water Connections – 7,324
- Sewer Connections – 10,160 (3,318 NAWSC)

### Water Treatment Facility

- Combined Gallons Treated: 96.43 MG
- Combined Gallons Produced: 97.97 MG

### Water Treatment Facility No. 1

- .215 MG treated
- 33.65 MG delivered
- 27.202 MG Transferred from WTF No. 2
- 8.22 MG RAW (Reservoir)
- 0.0 MG Backwash
- 0 MG Well

**709 S. Nebraska Ave. • San Juan, Texas 78589-2649**  
**Phone: (956)223-2200 • Fax: (956) 787-5978**

## Water Treatment Facility No. 2

- 96.217 Treated
- 64.327 MG Delivered
- 27.202 MG Transferred to WTF No. 1
- 102.19 MG RAW (Reservoir)
- 3.701 MG Backwash

WTP 3.5 MGD Expansions and Rehab 100%  
Operated Water Plant as Efficiently as Possible  
Sludge Management Continues to be Critical

## Water Distribution System

- Leaks – 09
- Breaks – 03
- Taps – 01
- Locates - 27

## Water Loss

- Reported – 140,000 gals
- Unreported – 97,000 gals

## Hydrants

- Flushed – 27
- Repaired/Replaced – 0
- STAGE II WATER CONSERVATION STILL IN EFFECT

## Valves

- Worked – 8
- Repaired/Replaced – 0

## Utility Billing

- Work Orders –02

We Continue Our Hydrant and Valve Maintenance

## Wastewater Treatment Facility

- Treated – 65,703 MG
- Wetland – 988,000 G
- 280 - Cubic Yards of Sludge Hauled to Landfill

## Wastewater Collections



## Work orders - 51

- Sewer Main Repaired – 0
- Sewer Backups Reported –17
- Sewer Backups Cleared – 17
- Odor Complaints – 01
- Locates – 32
- Replaced Manhole covers – 01
- Unauthorized Discharges - 0

## Administration

### Financials

- Administration – 59.12 %
- Water Treatment – 17.03 %
- Distribution: – 28.94 %
- Sewer Collection – 24.53 %
- Wastewater Treatment – 26.37 %

## Projects

- WTF No. 2 Pending TWDB Budget Approval
- WWTF Rehab Design – 100% Complete (CHC) Pending Constructability Review
- LS 13 – Construction of Lift Station #13 at 56%.
- Lift Station #11 Rehabilitation Project Completed. (Southern Trenchless Solutions)
- Alta Vista Subdivision Waterline Improvement Project was awarded to RBM Contractors, LLC.
- Alta Vista Subdivision Sanitary Sewer Improvement Project was awarded to RBM Contractors, LLC

## Certification

- Water Treatment - 0
- Distribution – 0
- Sewer Collection - 0
- Wastewater Treatment – 0
- Renewals – 0

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider an Ordinance for a Voluntary Annexation Petition of the Proposed Valley Ranch Subdivision No. 5, 6 and 7; Tract 1: being a 36.99-acre tract of land out of Lots 14 and 15, Stewarts Addition to the Conway Garden Subdivision and Tract 2: being a 3.03-acre tract of land out of Lot 14, Block 27, Alamo Land and Sugar Company's Subdivision, as Requested by Esponjas Development, LTD. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023, the City Commission held the second public hearing about the annexation petition.

Previously, staff provided the following background:

The Planning Department is processing a residential subdivision located at the Southeast corner of Stewart and Hall Acres Road. It is the City's policy to annex subdivisions processed and approved within the city's ETJ. On June 13, 2023, the City Commission approved Resolution 2023-20 accepting the petition for voluntary annexation and setting dates and times for public hearings.

Upon annexation, recording of the subdivision plat, building permits and inspections will be processed by the City for proposed residences. Annexation of this property is being undertaken in accordance with the provisions of the Texas Local Government Code, Chapter 43, Municipal Annexation, Section 43.028 and the City Charter.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

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**ORDINANCE NO.**

**AN ORDINANCE PROVIDING FOR THE EXTENSION ON CERTAIN BOUNDARY LIMITS OF THE CITY OF SAN JUAN, TEXAS; AND THE VOLUNTARY ANNEXATION OF TRACT 1: BEING A 36.99-ACRE TRACT OF LAND OUT OF LOTS 14 AND 15, STEWARTS ADDITION TO THE CONWAY GARDEN SUBDIVISION AND TRACT 2: BEING A 3.03-ACRE TRACT OF LAND OUT OF LOT 14, BLOCK 27, ALAMO LAND AND SUGAR COMPANY'S SUBDIVISION, AS PER VOLUME 6, PAGES 35, MAP RECORDS OF HIDALGO COUNTY, TEXAS.**

**WHEREAS**, Section 43.067 of the Texas Local Government Code provides for an alternate to the standard annexation proceedings where the property owner petitions for annexation; and

**WHEREAS**, the City Commission of the City of San Juan has decided to extend the corporate limits to include tracts of land adjacent to our present corporate limits as shown in **Exhibit "A"**; and

**WHEREAS**, the hereinafter described territory lies within the extraterritorial of the City of San Juan, Texas; and

**WHEREAS**, the territory hereinafter described contains approximately **40.02** acres of land; and

**WHEREAS**, a notice of the City of San Juan proposed annexation was published in a newspaper having general circulation in the City of San Juan, Texas on June 14, 2023 and June 28, 2023 and was published between 11<sup>th</sup> day and 20<sup>th</sup> day before the public hearing dates; and

**WHEREAS**, the first public hearing was held at 6:00 p.m. on June 27, 2023 at the San Juan Memorial Library, located at 1010 S. Standard Avenue, in San Juan, Texas and second public hearing was held at 6:00 pm on July 11, 2023 at San Juan Memorial Library, located at 1010 S. Standard Avenue, in San Juan, Texas so that all interested parties were provided the opportunity to be heard regarding the proposed annexation of those tracts hereinafter described; and

**WHEREAS**, the enclosed municipal service plan for the proposed annexation was available for public inspection and explained in response to questions asked; and

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SAN JUAN, THAT;**

**Exhibit "B"**

**SECTION I:** The following described in **Exhibit "B"** land and territory adjacent to and adjoining the City of San Juan, Texas is hereby added and annexed to the City of San Juan, Texas, and the property herein described is altered and amended so as to include such areas within the corporate limits of the City of San Juan. The description of the property to be annexed is as follows:

**A 36.99 ACRE TRACT OF LAND OUT OF LOTS 14 AND 15, STEWARTS ADDITION TO CONWAY GARDENS SUBDIVISION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 21, PAGE 514, DEED RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3368808, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.**

**BEGINNING AT A COTTON PICKER SPINDLE SET IN THE CENTERLINE OF HALL ACRES ROAD FOR THE NORTHEAST CORNER OF LOT 15 AND THE NORTHEAST CORNER OF THIS TRACT.**

**THENCE; S 00°00'51" W, ALONG THE EAST LINE OF LOT 15, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 20.00 FEET FOR THE SOUTH RIGHT OF WAY LINE OF HALL ACRES ROAD, A TOTAL DISTANCE OF 686.81 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHEAST CORNER OF THE MMGJ SOUTH TEXAS, LLC TRACT (A 2.50 ACRE TRACT OUT OF LOT 15, STEWARTS ADDITION TO CONWAY GARDENS SUBDIVISION, ACCORDING TO GENERAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2812871, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND AN EXTERIOR CORNER OF THIS TRACT.**

**THENCE; S 89°59'26" W, ALONG THE NORTH LINE OF THE MMGJ SOUTH TEXAS, LLC TRACT, A DISTANCE OF 317.74 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RIO DELTA SURVEYING FOUND FOR THE NORTHWEST CORNER OF SAID TRACT AND AN INTERIOR CORNER OF THIS TRACT.**

**THENCE; S 00°03'20" W, ALONG THE WEST LINE OF THE MMGJ SOUTH TEXAS, LLC TRACT, A DISTANCE OF 342.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RIO DELTA SURVEYING FOUND FOR THE SOUTHWEST CORNER OF SAID TRACT AND AN INTERIOR CORNER OF THIS TRACT.**

**THENCE; S 89°58'27" E, ALONG THE SOUTH LINE OF THE MMGJ SOUTH TEXAS, LLC, A DISTANCE OF 317.99 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE EAST LINE OF LOT 15 FOR THE SOUTHEAST CORNER OF SAID TRACT AND AN EXTERIOR CORNER.**

**THENCE; S 00°00'51" W, ALONG THE EAST LINE OF LOT 15, A DISTANCE OF 291.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF LOT 15 AND THE SOUTHEAST CORNER OF THIS TRACT.**

**THENCE; WEST, ALONG THE SOUTH LINE OF LOTS 14 AND 15, A DISTANCE OF 1,303.19 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHWEST CORNER OF THIS TRACT.**

THENCE; NORTH, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 1,300.00 FEET FOR THE SOUTH RIGHT OF WAY LINE OF HALL ACRES ROAD, A TOTAL DISTANCE OF 1,320.00 FEET TO A COTTON PICKER SPINDLE SET ON THE NORTH LINE OF LOT 14 AND IN THE CENTERLINE OF HALL ACRES ROAD FOR THE NORTHWEST CORNER OF THIS TRACT.

THENCE; EAST, ALONG THE NORTH LINE OF LOTS 14 AND 15, AND THE CENTERLINE OF HALL ACRES ROAD, A DISTANCE OF 1,303.19 FEET TO THE POINT OF BEGINNING AND CONTAINING 36.99 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH VALLEY RANCH SUBDIVISION, RECORDED IN INSTRUMENT NUMBER 3215669, MAP RECORDS, HIDALGO COUNTY, TEXAS.

A 3.03 ACRE TRACT OF LAND OUT OF LOT 14, BLOCK 27, ALAMO LAND AND SUGAR COMPANY'S SUBDIVISION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGES 24-26, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 670620, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE WEST LINE OF LOT 14 AND ON THE SOUTH LINE OF A 100.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.2 CANAL RIGHT OF WAY (RECORDED IN VOLUME 0, PAGES 63 AND 64, MAP RECORDS, HIDALGO COUNTY, TEXAS) FOR THE NORTHWEST CORNER OF THIS TRACT, SAID ROD BEARS SOUTH 50.00 FEET FROM THE NORTHWEST CORNER OF LOT 14.

THENCE; EAST, ALONG THE SOUTH LINE OF SAID 100.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.2 CANAL RIGHT OF WAY, A DISTANCE OF 836.83 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE EAST LINE OF LOT 14 FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE; S 00°00'39" E, ALONG THE EAST LINE OF LOT 14, A DISTANCE OF 75.50 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH LINE OF THE RIO FRESH, INC. TRACT (A 429.64 ACRE TRACT OUT OF LOTS 3, 4 AND 11, BLOCK 23, LOTS 1, 2, 6, 7, 10, 11 AND 15, BLOCK 24, LOTS 13 AND 14, BLOCK 27, AND LOTS 15 AND 16, BLOCK 28, ALAMO LAND AND SUGAR COMPANY'S SUBDIVISION, ACCORDING TO GENERAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2440429, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; S 89°59'21" W, ALONG THE NORTH LINE OF THE RIO FRESH, INC. TRACT, A DISTANCE OF 479.03 FEET TO A 1/2" IRON ROD FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 42°59'29" W, ALONG THE NORTH LINE OF THE RIO FRESH, INC. TRACT, A DISTANCE OF 524.75 FEET TO A 1/2" IRON ROD FOUND ON THE WEST LINE OF LOT 14 FOR THE NORTHWEST CORNER OF SAID TRACT AND THE SOUTHWEST CORNER OF THIS TRACT.



THENCE; NORTH, ALONG THE WEST LINE OF LOT 14, A DISTANCE OF 459.42 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.03 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH VALLEY RANCH SUBDIVISION, RECORDED IN INSTRUMENT NUMBER 3215669, MAP RECORDS, HIDALGO COUNTY, TEXAS.

**SECTION II:** The service plan attached to this ordinance as **Exhibit “C”** and being the same service plan presented at the public hearing held regarding this annexation, is hereby approved by the City Commission of the City of San Juan, Texas provided that’s such service plan may be amended or repealed in accordance with Section 43.0672 of the Local Government Code, when in the opinion of the City Commission, changed conditions or subsequent occurrences make the plan unworkable or obsolete.

**SECTION III:** The herein above described property and the area so annexed shall be a part of the City of San Juan, Texas and the property so added hereby shall bear its pro rata share of taxes levied by the City of San Juan, Texas, and inhabitants thereof shall be entitled to all of the rights and privileges of the citizens of San Juan, Texas, in areas having similar characteristics of topography, land utilization and population density, and shall be bound by the acts ordinances, resolutions and regulations of the City of San Juan, Texas.

**SECTION IV:** The zoning of the property shall be classified as Single-Family Residence District (R-S).

**SECTION V:** Upon annexation of the herein above described property, the acreage within the city limits of San Juan after annexation will be increased in an amount which does not exceed the statutory limitation as set out in Chapter 43 of the Texas Local Government Code.

**SECTION VI:** Upon the approval of the second and final reading hereof, the City Secretary of the City of San Juan is hereby authorized and directed to cause a true and correct copy of the caption of this ordinance, including the general description of the property annexed to be published in a newspaper of general circulation in San Juan, Texas.

**SECTION VII:** If any part, phrase or sentence of this Ordinance is held void or unconstitutional by a Court or competent jurisdiction, or if any tract of land or portion of any tract of land hereby annexed shall be held to be ineligible for annexation or wrongfully annexed, the remaining portions of this Ordinance and the remaining tracts so annexed shall be considered severable and shall remain in full force and effect.

**SECTION VIII:** In accomplishing the annexation of the territory annexed by this Ordinance, the City of San Juan has strictly followed the provisions of State Law and the cases as they apply to annexations and any possible deviation from special provisions was unintentional and not material to the accomplishment of this annexation.

**PASSED** and **APPROVED** on first reading on the 22<sup>nd</sup> day of August, 2023.

**PASSED** and **APPROVED** on second reading on the \_\_\_\_ day of \_\_\_\_\_, 2023.

**CITY OF SAN JUAN**

---

**MARIO GARZA, Mayor**

**ATTEST:**

**APPROVED BY:**  
**Palacios, Garza & Thompson, P.C.**

---

**BRENDA ESCALANTE**  
**City Secretary**

---

**City Attorney**

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Hold a Public Hearing and Consider an Ordinance Regarding the Rezoning Request from Neighborhood Commercial District (C-1) to the Multi-Family Residence District (R-MF) of Lots 21 thru 24, Block 32, San Juan Original Townsite, located at the Southwest corner of Lincoln and 6th Street, as Requested by Alberto Treviño. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

Mr. Trevino is applying for a rezoning request from Neighborhood Commercial District (C-1) to Multi-Family Residential District (R-MF) of the four lots located at the Southwest corner of 6th Street and Lincoln Avenue. The surrounding uses of the property are apartment complex to the West side of the property, residential and commercial buildings.

The Future Land Use Map established this property as Residential Use, which include single-family, townhomes and multi-family.

Staff mailed a notice of the public hearing to fourteen (14) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on August 2, 2023.

**RECOMMENDATION:**

Staff recommends approval of the rezoning request.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/17/2023  
CITY COMMISSION – 08/22/2023  
DATE PREPARED – 08/09/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

**APPLICATION:** Rezoning Request from Neighborhood Commercial District (C-1) to Multi-Family Residential District (R-MF) of Lots 21 thru 24, Block 32, San Juan Original Townsite.

**APPLICANT:** Alberto Trevino

**SURVEYOR/ENGINEER:** R.E. Garcia & Associates

**LEGAL:** Lots 21 thru 24, Block 32, San Juan Original Townsite

**LOCATION:** The property is located at the Southwest corner of 6<sup>th</sup> Street and Lincoln Avenue.

**EXISTING ZONING:** Neighborhood Commercial District (C-1)

**EXISTING LAND USE/  
ADJACENT ZONING:** North – Commercial; Neighborhood Commercial District (C-1)  
South – Residential; Neighborhood Commercial District (C-1)  
East – Vacant; Neighborhood Commercial District (C-1)  
West – Apartment Complex; Neighborhood Commercial District (C-1)

**ACCESS AND CIRCULATION:** This property has access along 6<sup>th</sup> Street and Lincoln Avenue.

**PUBLIC SERVICES:** Water and sewer services are provided by the City of San Juan.

**RECOMMENDATION:** Staff recommends approval of the rezoning request.

**EVALUATION AND CONDITIONS FOR APPROVAL**

Mr. Trevino is applying for a rezoning request from Neighborhood Commercial District (C-1) to Multi-Family Residential District (R-MF) of the four lots located at the Southwest corner of 6<sup>th</sup> Street and Lincoln Avenue. The surrounding uses of the property are apartment complex to the West side of the property, residential and commercial buildings.

The Future Land Use Map established this property as Residential Use, which include single-family, townhomes and multi-family.

Staff mailed a notice of the public hearing to fourteen (14) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on August 2, 2023.

**ATTACHMENTS:**

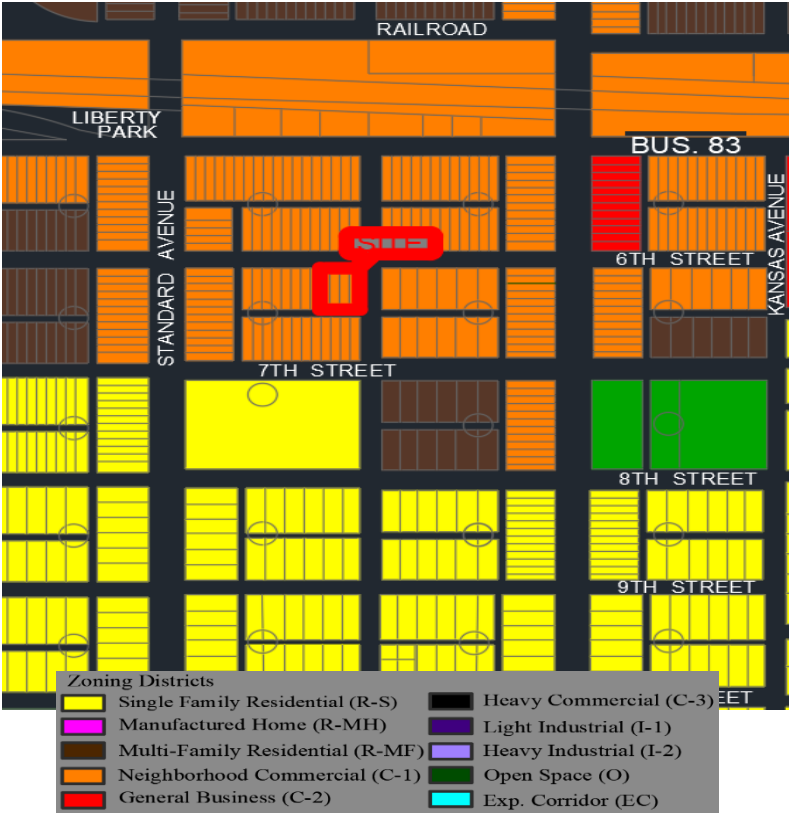
- Proposed Site
- Location Map
- Zoning map
- Survey of the property
- List of neighboring property owners receiving notice
- Ordinance



Proposed Property  
View from 6<sup>th</sup> Street

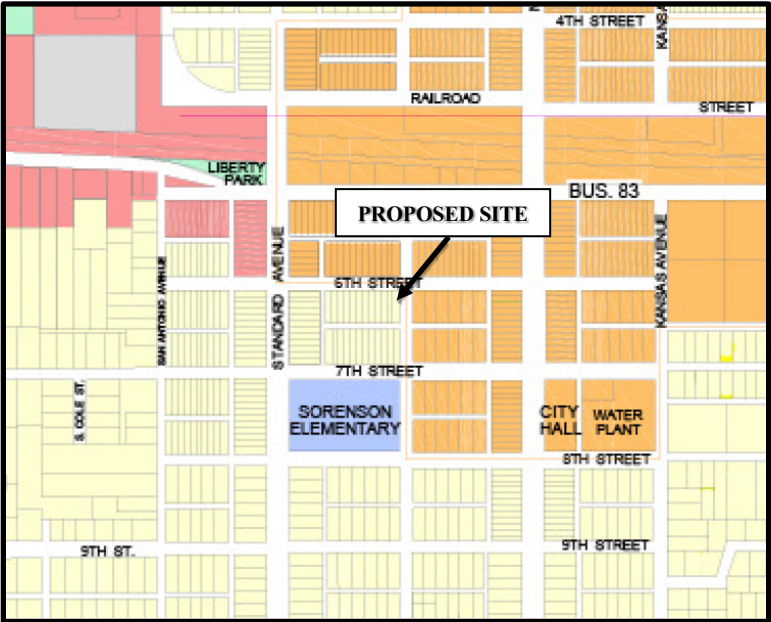


Location Map



Zoning Map





| Proposed Future Land Uses                                                           |                                    |
|-------------------------------------------------------------------------------------|------------------------------------|
|   | Residential                        |
|  | Mixed-Use                          |
|  | Retail/Commercial/Office           |
|  | Community/Government/Institutional |
|  | Industrial/Warehouse               |
|  | Parks and Recreation               |
|  | Floodplain/Agriculture/Open Space  |

Future Land Use Map



**ORDINANCE NO.**

**AN ORDINANCE AMENDING THE ZONING ORDINANCE NO. 98-006 OF THE CITY OF SAN JUAN, TO CHANGE THE ZONING DISTRICT FROM THE NEIGHBORHOOD COMMERCIAL DISTRICT (C-1) TO THE MULTI-FAMILY RESIDENCE DISTRICT (R-MF) OF A PROPERTY LEGALLY DESCRIBED AS LOTS 21 THRU 24, BLOCK 32, SAN JUAN ORIGINAL TOWNSITE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:**

Consistent with the City's land use plan as set-forth in the land use map that is a part of the City's Zoning Ordinance, and consistent with the City's intentions of allowing and encouraging multi-family district development that generates property taxes, water and sewer revenues and sales tax revenues.

The zoning district of the property legally described as Lots 21 thru 24, Block 32, San Juan Original Townsite Subdivision shall be changed to the Multi-Family Residence District (R-MF) and the zoning map shall be amended accordingly.

**PASSED** and **APPROVED** on first reading on the 22<sup>nd</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the \_\_\_\_\_ of \_\_\_\_\_, 2023.

**CITY OF SAN JUAN**

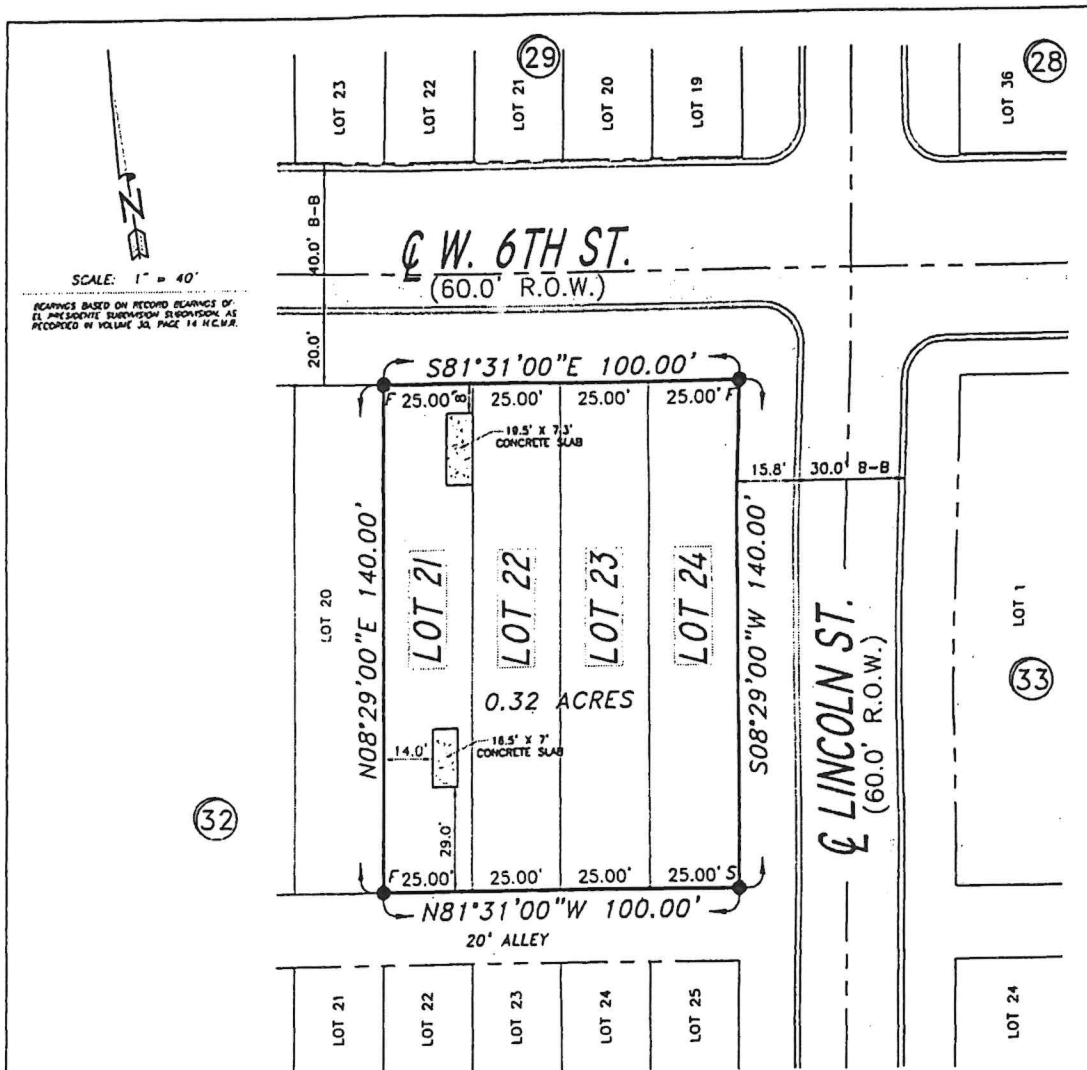
\_\_\_\_\_  
**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**  
Palacios, Garza & Thompson, P.C.

\_\_\_\_\_  
**BRENDA ESCALANTE**  
**CITY SECRETARY**

\_\_\_\_\_  
**CITY ATTORNEY**



**BORROWER:**  
WILLIAM S. MEJIA

**ADDRESS:**  
201 W. 6TH ST.  
SAN JUAN, TEXAS 78589

**LEGEND:**  
F - FOUND 1/2" IRON ROD  
S - SET 1/2" IRON ROD

I, RAUL E. GARCIA, REGISTERED PROFESSIONAL LAND SURVEYOR, CERTIFY THAT THE ABOVE IS A TRUE AND ACCURATE PLAT OF THE LANDS AS SURVEYED UNDER MY DIRECTION AND THAT THERE ARE NO VISIBLE DISCREPANCIES, VISIBLE EASEMENTS, CONFLICTS, SHORTAGES IN AREA, BOUNDARY LINE CONFLICTS, PROTRUSIONS, EXCEPT AS SHOWN.

## PLAT SHOWING

ALL OF LOTS 21, 22, 23 & 24, BLOCK 32, ORIGINAL TOWNSITE OF SAN JUAN, AS RECORDED IN VOLUME 1, PAGE 46, MAP RECORDS, HIDALGO COUNTY, TEXAS.

### PROPERTY SUBJECT TO:

STANDARD EASEMENTS, RULES, REGULATIONS AND RIGHTS IN FAVOR OF HIDALGO COUNTY IRRIGATION DISTRICT NO. 2.

SUBJECT TO RIGHTS OF WAY, EASEMENTS AND CONDITIONS AS MORE FULLY DESCRIBED AND AS REFLECTED BY COMMITMENT FOR TITLE INSURANCE WITH OF NUMBER 15-279191-ED ISSUED BY FIRST NATIONAL TITLE INSURANCE COMPANY, EFFECTIVE DATE: SEPTEMBER 18, 2015.



REGISTERED PROFESSIONAL LAND SURVEYOR # 4204

This survey is being provided solely for the use of the current parties and that no license has been created, expressed or implied, to copy the survey except as is necessary in conjunction with the original transaction which shall take place within a six (6) months time period.

### NOTE:

OVERHEAD AND UNDERGROUND FACILITIES ARE NOT SHOWN ON THIS SURVEY.



**R. E. GARCIA & ASSOCIATES**  
ENGINEERS, SURVEYORS, PLANNERS  
ENGINEER (F-5071) & SURVEYOR (110015390)  
116 NORTH 12th AVE.  
EDINBURG, TEXAS 78541 (956) 381-1061  
EMAIL: REGAASSOC@AOL.COM

### TITLE:

**BOUNDARY SURVEY**

DATE: OCTOBER 21, 2015 REV:

JOB # 2015-155 BOOK T-135/PG.16

SCALE: 1" = 40'

DRAWN BY: D.E.S.

Rezoning Request from Single-Family Residential District (R-S) to Multi-Family Residential District (R-MF) of Lots 21 thru 24, Block 32, San Juan Original Townsite, as Requested by Alberto Trevino.

AAA Family, LTD.  
317 Campo Verde Circle  
San Juan, TX 78589

Perez, Marissa Y.  
P.O. Box 739  
San Juan, Texas 78589

Lizcano, Roel  
100 N. Sugar Rd.  
Pharr, Texas 78577

DeMange, Robert  
P.O. Box 296  
San Juan, Texas 78589

Garcia, Adela  
209 S. 28th Street  
McAllen, Texas 78501

Texas State Bank  
C/O Diana Seale Compass Bank  
15 20th Street Ste. 501  
Birmingham, AL 35233

Alvarado, Christopher  
216 W. 7th Street  
San Juan, Texas 78589

Jimenez, Eric  
305 E. 10<sup>th</sup> Street  
San Juan, Texas 78589

Lopez, Gustavo  
212 W. 7th Street  
San Juan, Texas 78589

Alexander Rosa UREV Trust  
P.O. Box 1213  
San Juan, Texas 78589

Infante, Joe  
P.O. Box 308  
San Juan, Texas 78589

Perez, Eugenio F. and Sylvia  
P.O. Box 739  
San Juan, TX 78589

Alvarado, Carla Erica  
825 W. 7th Street  
San Juan, TX 78589

Sandoval, David and Marta A.  
117 W. 6th Street  
San Juan, TX 78589

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Hold a Public Hearing and Consider an Ordinance Regarding the Conditional Use Permit to operate “The Party Factory” at 1208 N. Raul Longoria Road Suites 7-8, legally described as Lot 1, Gutierrez-Duncan Subdivision, as Requested by Carolina Sandoval. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

The conditional use permit is to operate a child event center at the commercial plaza located in front of the post office. The commercial plaza, which is under construction, is proposing ten (10) suites. Each suite is 1,217 square feet and 81 common parking spaces. The property has one entrance along Raul Longoria Road.

The operation hours for the event center are Monday to Sunday, from 12:00 p.m. to 10:00 p.m.

Staff mailed a notice of the public hearing before the Planning and Zoning Commission to forty-nine (49) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on August 2, 2023.

**RECOMMENDATION:**

Staff recommends approval of the conditional use permit subject to conditions listed in the staff’s report.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/17/2023  
CITY COMMISSION – 08/22/2023  
DATE PREPARED – 08/09/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                                    |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Conditional Use Permit to operate “The Party Factory” Event Center at 1208 N. Raul Longoria Road, Suites 7-8                                                                                                                                                       |
| <b>APPLICANT:</b>                              | Carolina Sandoval                                                                                                                                                                                                                                                  |
| <b>AGENT:</b>                                  | N/A                                                                                                                                                                                                                                                                |
| <b>LEGAL:</b>                                  | Lot 1, Gutierrez-Duncan Subdivision                                                                                                                                                                                                                                |
| <b>LOCATION:</b>                               | The property is located approximately 130 feet North of Amy Drive, along the West side of Raul Longoria Road.                                                                                                                                                      |
| <b>LOT SIZE:</b>                               | 281.87 feet by 222.41 feet (62,382 square feet)                                                                                                                                                                                                                    |
| <b>CURRENT USE OF PROPERTY:</b>                | Commercial Plaza                                                                                                                                                                                                                                                   |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <i>North</i> – Residential; Single-Family Residence District (R-S)<br><i>South</i> – Commercial; General Business District (C-2)<br><i>East</i> – Commercial; General Business District (C-2)<br><i>West</i> – Residential; Multi-Family Residence District (R-MF) |
| <b>ACCESS AND CIRCULATION:</b>                 | The properties have access along Raul Longoria Road.                                                                                                                                                                                                               |
| <b>PUBLIC SERVICES:</b>                        | Water and sewer services are provided by the City of San Juan.                                                                                                                                                                                                     |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval of the conditional use permit subject to conditions listed in the staff’s report.                                                                                                                                                        |



**EVALUATION AND CONDITIONS FOR APPROVAL**

The conditional use permit is to operate a child event center at the commercial plaza located in front of the Post Office. The commercial plaza, which is under construction, is proposing ten (10) suites. Each suite is 1,217 square feet and 81 parking common parking spaces. The property has one entrance along Raul Longoria Road.

The operation hours for the event center are Monday thru Sunday from 12:00 p.m. to 10:00 p.m.

The following are the list of requirements for an event center:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City’s off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.
5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site form a public street;
6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city’s noise ordinance.
9. The business must comply with the City’s Security Cameras Ordinance.

**CONDITIONAL USE PERMIT  
“THE PARTY FACTORY”  
AUGUST 22, 2023**

**PAGE 3**

10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

Staff mailed a notice of the public hearing before the Planning and Zoning Commission to forty-nine (49) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on August 2, 2023.

**ATTACHMENTS:**

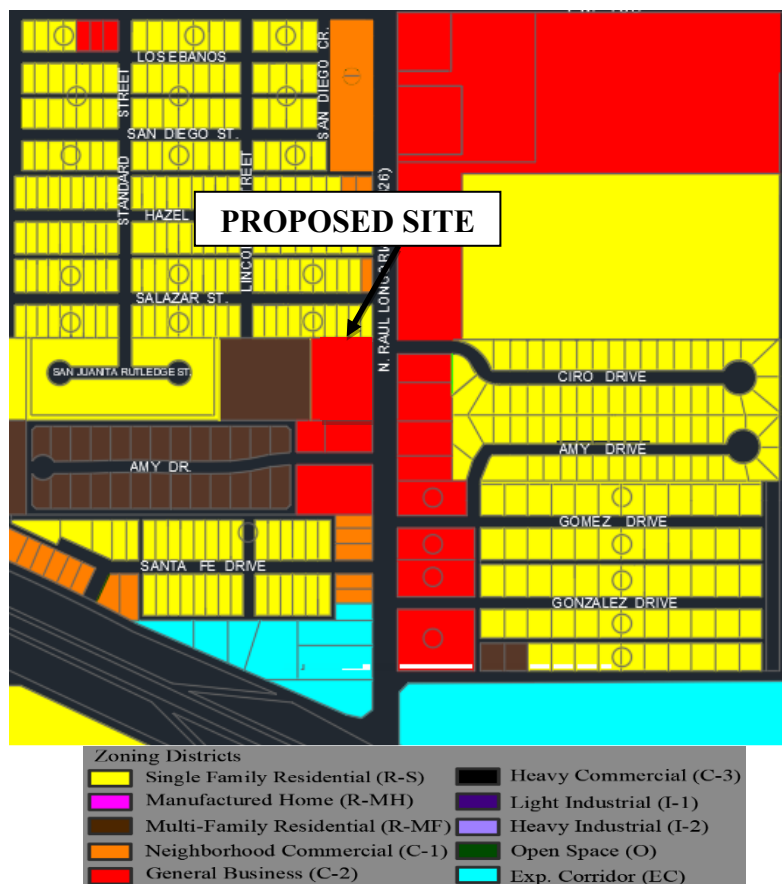
Location Map  
Aerial Photo  
Zoning Map  
Proposed Site Plan  
List of neighboring property owners receiving notice  
Ordinance



Proposed Location



Location Map



Zoning Map



## **ORDINANCE NO.**

### **AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW “THE PARTY FACTORY” AT 1208 N. RAUL LONGORIA ROAD SUITES 7-8, LEGALLY DESCRIBED AS LOT 1, GUTIERREZ-DUNCAN SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Carolina Sandoval has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to allow “The Party Factory” at 1208 N. Raul Longoria Road, Suites 7-8.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Carolina Sandoval has applied for a Conditional Use Permit to operate “The Party Factory” at 1208 N. Raul Longoria Road, Suites 7-8, subject to the following conditions:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.
5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter

fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site from a public street;

6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city's noise ordinance.
9. The business must comply with the City's Security Cameras Ordinance.
10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 22<sup>nd</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the \_\_\_\_ day of \_\_\_\_\_, 2023.

**CITY OF SAN JUAN**

\_\_\_\_\_  
**MARIO GARZA, MAYOR**

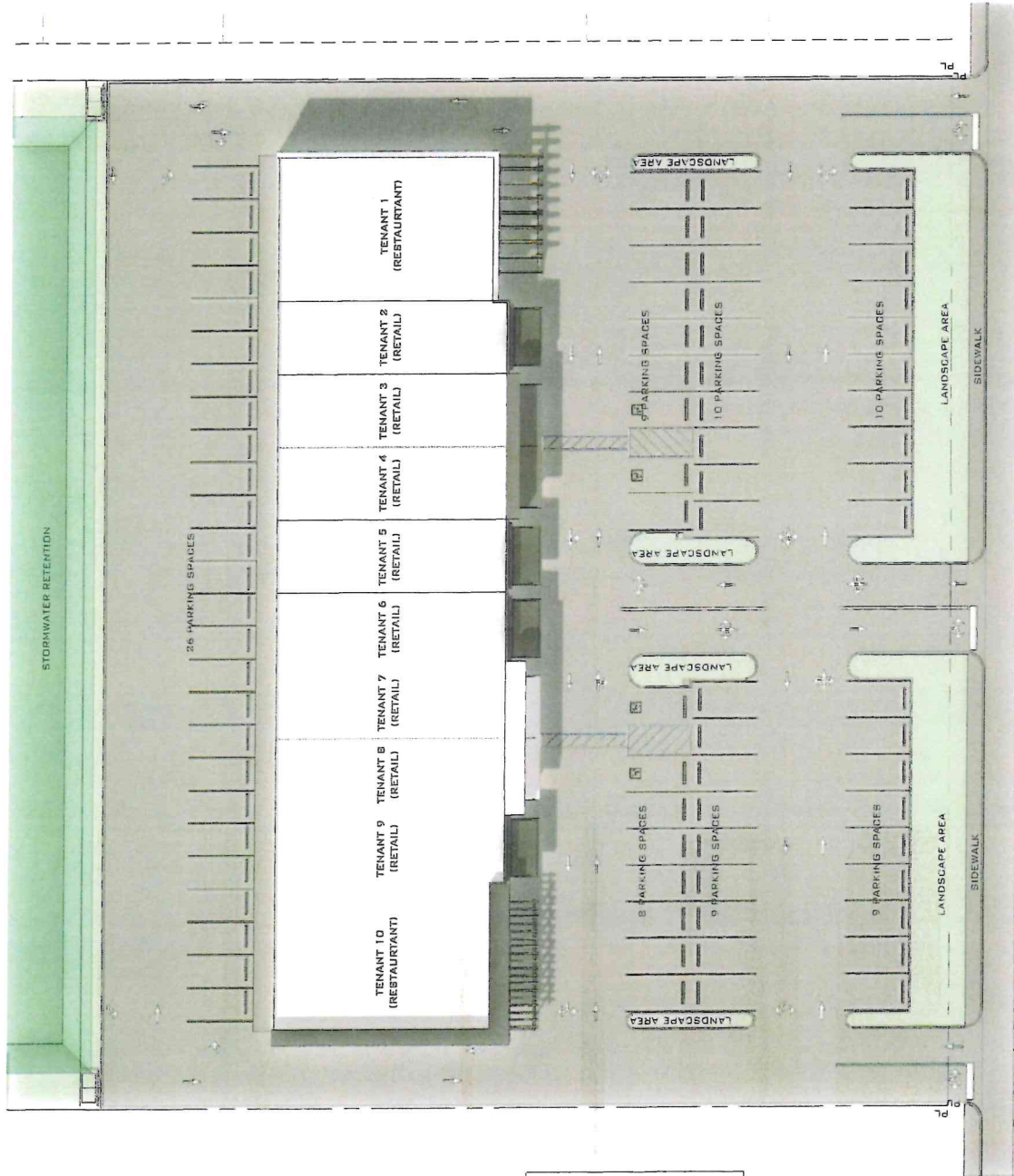
**ATTEST:**

**APPROVED BY:**  
Palacios, Garza & Thompson, P.C.

\_\_\_\_\_  
**BRENDA ESCALANTE**  
**CITY SECRETARY**

\_\_\_\_\_  
**CITY ATTORNEY**





| TENANT SIZE            |          |
|------------------------|----------|
| TENANT 1 (RESTAURANT)  | 2280 SF  |
| TENANT 2 (RETAIL)      | 1214 SF  |
| TENANT 3 (RETAIL)      | 1217 SF  |
| TENANT 4 (RETAIL)      | 1217 SF  |
| TENANT 5 (RETAIL)      | 1215 SF  |
| TENANT 6 (RETAIL)      | 1215 SF  |
| TENANT 7 (RETAIL)      | 1217 SF  |
| TENANT 8 (RETAIL)      | 1214 SF  |
| TENANT 9 (RETAIL)      | 1214 SF  |
| TENANT 10 (RESTAURANT) | 2283 SF  |
| TOTAL LEASABLE AREA    | 14288 SF |

|                        |          |
|------------------------|----------|
| TENANT 1 (RESTAURANT)  | 2280 SF  |
| TENANT 2 (RETAIL)      | 1214 SF  |
| TENANT 3 (RETAIL)      | 1217 SF  |
| TENANT 4 (RETAIL)      | 1217 SF  |
| TENANT 5 (RETAIL)      | 1215 SF  |
| TENANT 6 (RETAIL)      | 1215 SF  |
| TENANT 7 (RETAIL)      | 1217 SF  |
| TENANT 8 (RETAIL)      | 1214 SF  |
| TENANT 9 (RETAIL)      | 1214 SF  |
| TENANT 10 (RESTAURANT) | 2283 SF  |
| TOTAL LEASABLE AREA    | 14288 SF |

**PARKING TABULATION:**  
 COMMERCIAL: 9,594 SF  
 9,594 SF / 400 = 24 SPACES  
 9,194 SF / 400 = 23 SPACES  
 27 COMMERCIAL SPACES REQUIRED  
 RESTAURANT: 4,563 SF  
 4,563 SF / 100 = 46  
 46 RESTAURANT SPACES REQUIRED  
 TOTAL: 27 + 46 = 73  
 73 PARKING SPACES REQUIRED  
 81 PARKING SPACES PROPOSED



1" = 30'-0"

07/04/21

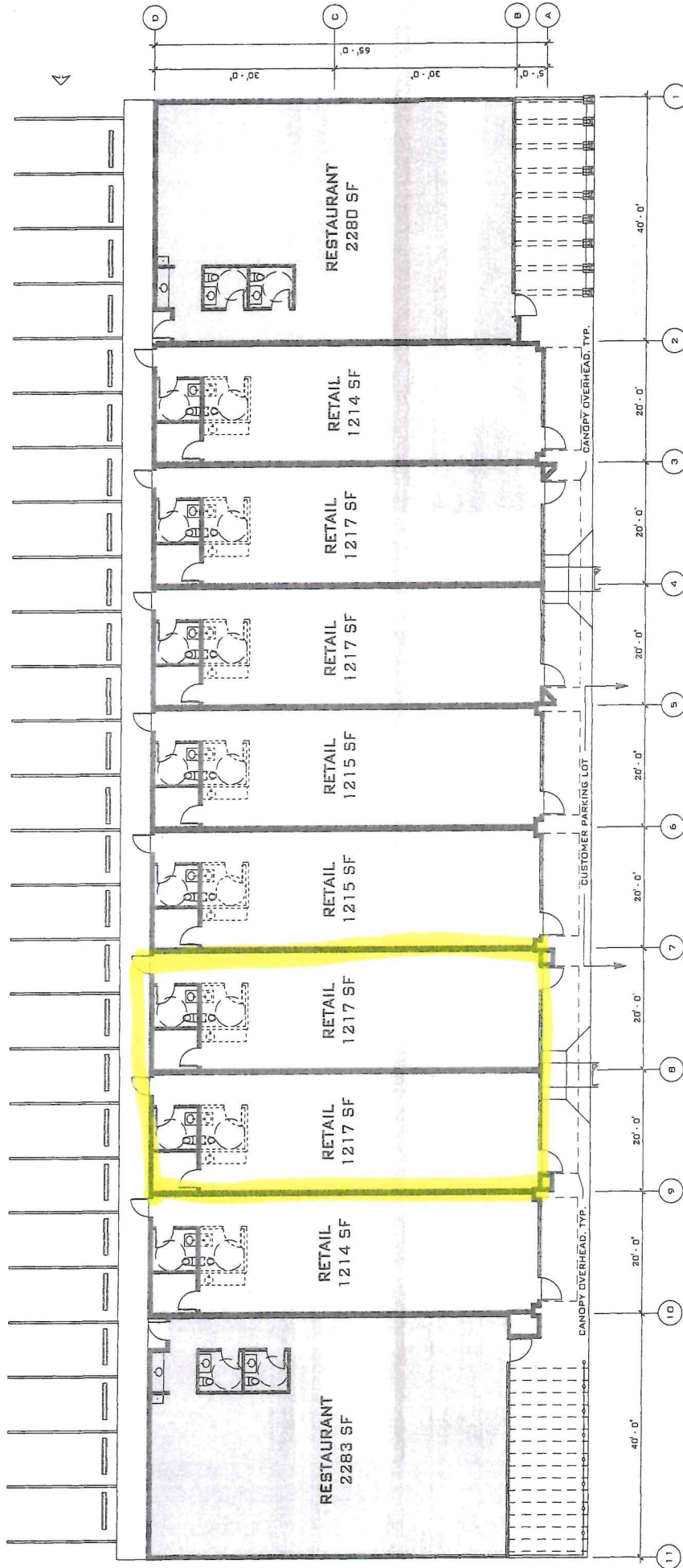
# SHOPPING CENTER - SITE PLAN

RAUL LONGORIA RD, SAN JUAN, TX

CONCEPT DESIGN FOR SHOPPING CENTER AT 1210 N RAUL LONGORIA ROAD, SAN JUAN, TEXAS 78589  
 NOT FOR CONSTRUCTION.



EMPLOYEE PARKING SPACES



 N  
 1/16" = 1'-0"  
 0' 8' 16' 32'

07/04/21

# SHOPPING CENTER - FLOOR PLAN

CONCEPT DESIGN FOR SHOPPING CENTER AT 1210 N RAUL LONGORIA ROAD, SAN JUAN, TEXAS 78589  
 NOT FOR CONSTRUCTION.

RAUL LONGORIA RD, SAN JUAN, TX



PROYECTO:  
PARTY FACTORY

UBICACION:  
N/A

PLANO: ARQUITECTONICO

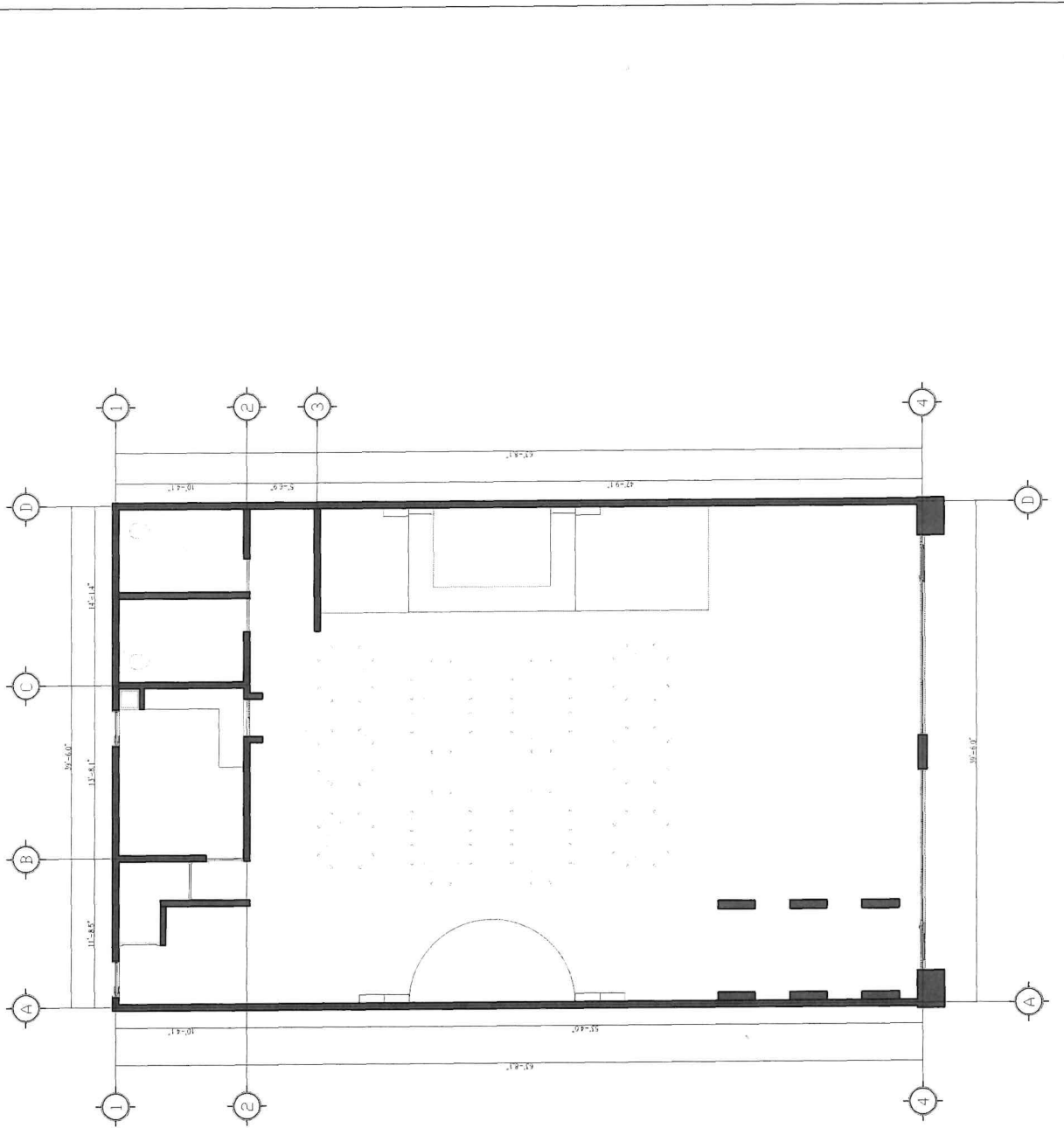
CODIGO:  
PF\_01

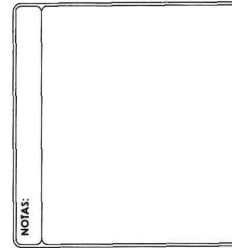
REVISION:  
ARO. OSCAR AGUIRRE

CUADRO DE ÁREAS:

SIMBOLOGIA:

NOTAS:

















Conditional Use Permit to operate "The Party Factory" at 1208 N. Raul Longoria Road Suites 7-8, legally described as Lot 1, Gutierrez-Duncan Subdivision, as Requested by Carolina Sandoval.

Gutierrez-Duncan, LLC.  
Attn. Hector Gutierrez, President  
P.O. Box 279  
Mission, TX 78573

Pulido, Dora A.  
201 W. Salazar St.  
San Juan, TX 78589

Rodriguez, Julian and Mayra  
204 Salazar St.  
San Juan, TX 78589

Housing Authority of the County of  
Hidalgo  
1200 S. Standard Avenue  
San Juan, TX 78589

Gonzalez, Francisco and Concepcion  
Orfila Gonzalez Cust for Zuleika  
Yadira Pena  
203 W. Salazar St.  
San Juan, TX 78589

Villaneda, Henry and Rosario A.  
200 W. Salazar St.  
San Juan, TX 78589

Galvan, Ernesto R. Jr. and Jessica  
and Victoria G. Garcia  
Ernesto & Elvira R. Galvan  
P.O. Box 1594  
San Juan, TX 78589

Cortijo Cuatro Hermanas, LLC.  
10124 Glasscock Rd.  
Mission, TX 78573

Saucedo, Joanna Z.  
120 W. Salazar St.  
San Juan, TX 78589

Rodriguez, Baldemar  
7223 E. Texas Rd.  
Edinburg, TX 78542

Castillo, Manuel  
c/o Raul and Dora Elia Castillo  
207 W. Salazar St.  
San Juan, TX 78589

Cortez, Reynaldo and San Juana  
118 W. Salazar St.  
San Juan, TX 78589

Chavez, Felix  
c/o Maria Monzerato  
P.O. Box 1331  
San Juan, TX 78589

Trevino, Rene G. and Angelica, Carolina  
Castillo and Rene Jr.  
Marisa Santoy  
209 W. Salazar St.  
San Juan, TX 78589

Salinas, Manuel Jr. and Adriana  
Rodriguez ET AL  
114 W. Salazar St.  
San Juan, TX 78589

Coronado, Sabas and Inez  
Rodriguez  
111 Salazar St.  
San Juan, TX 78589

Soto, Roberto and Ninfa  
213 W. Salazar St.  
San Juan, TX 78589

Fonseca, Maria Magdalena  
409 E. Austin Avenue  
Alamo, TX 78516

Ramos, Nerio and Irma A.  
113 W. Salazar St.  
San Juan, TX 78589

Soto, Ninfa S.  
213 W. Salazar St.  
San Juan, TX 78589

Tamez, Sandra Luz  
103 W. 18th Street  
San Juan, TX 78589

Rodriguez, Oscar and Maribel  
115 W. Salazar St.  
San Juan, TX 78589

Lara, Guadalupe E. Rdz.  
1109 E. Eller Avenue  
Pharr, TX 78577

G&G Holding, LLC.  
901 W. Hackberry Avenue  
McAllen, TX 78501

Longoria, Gaspar M. and Antonio  
117 W. Salazar St.  
San Juan, TX 78589

Castillo, Alfredo  
210 W. Salazar St.  
San Juan, TX 78589

Pharr-San Juan-Alamo ISD  
P.O. Box 769  
Pharr, TX 78577

Munoz, Lorian  
5510 Ella St.  
Donna, TX 78537

Trevino, Alexis Adrian  
P.O. Box 805  
San Juan, TX 78589

A&N Iglesia Limited  
712 S. Cage Blvd.  
Pharr, TX 78577

Conditional Use Permit to operate "The Party Factory" at 1208 N. Raul Longoria Road Suites 7-8, legally described as Lot 1, Gutierrez-Duncan Subdivision, as Requested by Carolina Sandoval.

Ashlink, LLC.  
2675 Easy Street  
Edinburg, TX 78539

Valle, Alicia and Ruben Elizondo  
501 W. 11th Street  
Weslaco, TX 78596

Series 4 W Amy Dr A Series of  
Topeli, LLC.  
1015 N. Texas Blvd. #104  
Weslaco, TX 78596

Gonzalez, Pablo  
2211 S. Cesar Chavez Road  
Edinburg, TX 78542

Lujan, Javier  
P.O. Box 704  
Pharr, TX 78577

Villarreal, Victor R.  
20619 Los Venados Dr.  
Edinburg, TX 78542

Salinas, Alberto  
908 Sunni Street  
Palmview, TX 78572

Salazar, Oralia and Gilberto and  
Alejandra Salazar Minors  
P.O. Box 236  
San Juan, TX 78589

Aguilera, Alfredo  
924 Tinman Circle  
Pharr, TX 78577

Ramirez, Maria Teresa Cortes and  
Jose  
1163 Lowell Dr.  
Idaho Falls, ID 83402

Torres, Maria de Jesus  
4307 Rosie Street  
San Juan, TX 78589

Trujillo, Alberto  
1120 29th St.  
Rockford, IL 61108

Villarreal, Victor R.  
20619 Los Venados Dr.  
Edinburg, TX 78542

Belgar Investments, LLC.  
5600 Hiawatha Dr.  
Pharr, TX 78577

Stone White, LLC.  
5103 N. Inca Dr.  
San Juan, TX 78589

Lambert & Cullison Inv.  
P.O. Box 11  
Trenton, TX 75490

Acevedo, Joel J. and Linda G.  
2219 W. Rihnn Dr.  
Edinburg, TX 78539

Sandoval, Carolina  
1104 Sgt. Leonel Trevino Road  
San Juan, TX 78589

Burgos, Roberto M. and Nelza  
Nadia G. Rodriguez  
3505 Santa Lydia  
Mission, TX 78572

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider the Adoption of an Ordinance in First Reading Amending the Code of Ordinances under Appendix A. Unified Development Code, Chapter 2. Zoning Regulations, Article IV. District Use and Area Regulations, Section 1.00 "R-S" Single Family Residential District, Item (j) to Allow Non-enclosed Metal Carports within the Front Setback in Single Family Residential Districts in Subdivisions Recorded before 2015; Providing for Publication; Providing for Codification; Providing for a Severability Clause; Providing for a Repealer Clause; and Ordaining other Provisions Related to the Subject Matter Hereof.

---

**STAFF COMMENTS AND RECOMMENDATIONS:**

The City of San Juan adopted Ordinance 15-10 on August 11, 2015 adding item (j) to Chapter 2. Zoning Regulations, Article IV. District Use and Area Regulations, Section 1.00 "R-S" Single Family Residential District, to allow Non-Enclosed Metal Carports within the Front Setback in Single Family Residential Districts in Subdivisions recorded before 1990.

It is noted that an amendment to the ordinance is warranted at this time. Heat, hail, rain, etc. are some of the reasons that property owners request permits to construct carports within the front yard of their properties.

**RECOMMENDATION:**

Staff recommends approval of the amendment to the ordinance.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

---

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF SAN JUAN, TEXAS AMENDING THE CODE OF ORDINANCES UNDER APPENDIX A. UNIFIED DEVELOPEMNT CODE, CHAPTER 2. ZONING REGULATIONS, ARTICLE IV. DISTRICT USE AND AREA REGULATIONS, SECTION 1.00. “R-S” SINGLE-FAMILY RESIDENTIAL DISTRICT, ITEM (J) TO ALLOW NON-ENCLOSED METAL CARPORTS WITHIN THE FRONT SETBACK IN SINGLE-FAMILY RESIDENTIAL DISTRICTS IN SUBDIVISIONS RECORDED BEFORE 2015; PROVIDING FOR THE EFFECTIVE DATE; PROVIDING FOR PUBLICATION; PROVIDING FOR CODIFICATION; PROVIDING FOR A SERVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.**

**WHEREAS**, the City of San Juan, Texas currently has provisions in its Code of Ordinances that allows for the constructions of non-enclosed metal carports within the front set back of property zoned within a Single-Family Residential District and located within a subdivision recorded before 1990; and

**WHEREAS**, such provisions are found under Appendix A. Unified Development Code, Chapter 2. Zoning Regulations, Article IV. District Use and Area Regulations, Section 1.00. “R-S” Single-Family Residential District, Item (j) under the City’s Code of Ordinances; and

**WHEREAS**, the City Commission desires to amend Section 1.00(j) to allow for the constructions of non-enclosed metal carports within the front set back of property zoned within a Single-Family Residential District and located within a subdivision recorded before 2015, instead of before 1990.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, THAT:**

**SECTION 1.** The City Commission hereby orders that Chapter 2. Zoning Regulation, Article IV. District Use and Area Regulations, Section 1.00. “R-S” Single Family Residential District, Item (j) under Appendix A: Unified Development of the City’s Code of Ordinance be amended by adding the language underlined and deleting the language stricken out as follows:

A non-enclosed metal carport bolted to concrete shall be allowed within the front setback along residential streets in subdivisions recorded before ~~1990~~2015. The carport shall not be larger than 18 feet in length and 18 feet in width.

**SECTION 2. EFFECTIVE DATE.** This ordinance shall take effect after a second reading, where it is read, considered and adopted by the City Commission and until the fifteen (15) days has passed after its first reading.

**SECTION 3. PUBLICATION.** The City Secretary of the City of San Juan is hereby authorized and directed to cause the caption of this ordinance to be published in a newspaper having general circulation in San Juan, Texas, and in accordance with the applicable laws of this State.

**SECTION 4. CODIFICATION.** That this Ordinance shall be codified in the Code of Ordinances of the City of San Juan, Texas.

**SECTION 5. SEVERABILITY.** If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Commission in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

**SECTION 6. REPEALER CLAUSE.** This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

**READ, CONSIDERED, PASSED AND APPROVED** on first reading at a regular meeting of the City Commission of the City of San Juan, Texas, at which a quorum was present and which was held in accordance with Vernon's Texas Codes Ann., Government Code, Section 551.041, on the 22<sup>nd</sup> day of August, 2023.

**READ, CONSIDERED, PASSED AND APPROVED** on second and final reading at a regular meeting of the City Commission of the City of San Juan, Texas, at which a quorum was



present and which was held in accordance with Vernon's Texas Codes Ann., Government Code, Section 551.041, on the 12<sup>th</sup> day of September, 2023.

**CITY OF SAN JUAN, TEXAS**

**BY:** \_\_\_\_\_  
Mario Garza, Mayor

**ATTEST:**

**BY:** \_\_\_\_\_  
Brenda Escalante, City Secretary

**APPROVED AS TO FORM:**

Palacios Garza & Thompson, P.C.

**BY:** \_\_\_\_\_  
City Attorney

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Hold Public Hearing on Adopting the Proposed Tax Rate and Levy for the City of San Juan, Texas for the Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024. [Leroy Gonzales, Director of Finance]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

On Tuesday August 08, 2023, the City Commission voted and approved the Proposed Tax Rate of (\$0.6765/\$100) for the Fiscal Year October 01, 2023 through September 30, 2024 and scheduled one required public hearing on August 22, 2023. However, in accordance with property tax law, if the proposed tax rate (\$0.6766/\$100) exceeds the VAR NOT adjusted for unused (\$0.6765/\$100) , therefore, a public hearing on the proposed rate will be required before the City Commission adopts the Tax Ordinance.

**RECOMMENDATION:**

Consider Reading of Ordinance Adopting the Proposed Tax Rate and Levy for the City of San Juan, for Fiscal Year Beginning October 1, 2023 and Ending September 30, 2024.

**PREPARED BY:**

Leroy Gonzales,  
Director of Finance

**APPROVED BY:**

Benjamin Arjona, City  
Manager

# 2023 Governing Body Summary #1A\*

## Benchmark 2023 Tax Rates

### City of San Juan

Date: 08/08/2023 09:00 AM

| DESCRIPTION OF TAX RATE                    | TAX RATE PER \$100 | THIS YEAR'S TAX LEVY** | ADDITIONAL TAX LEVY |
|--------------------------------------------|--------------------|------------------------|---------------------|
| No-New-Revenue Tax Rate                    | \$0.5894           | \$9,481,127            |                     |
| One Percent \$100 Tax Increase***          | \$0.5953           | \$9,576,034            | \$94,907            |
| One Cent per \$100 Tax Increase***         | \$0.599400         | \$9,641,987            | \$160,860           |
| De Minimis Rate                            | \$0.6802           | \$10,941,741           | \$1,460,614         |
| VAR NOT adjusted for Unused Increment Rate | \$0.6714           | \$10,800,184           | \$1,319,057         |
| VAR adjusted for Unused Increment Rate     | \$0.6766           | \$10,883,831           | \$1,402,704         |
| Last Year's Tax Rate                       | \$0.6765           | \$10,882,223           | \$1,401,096         |
| Proposed Tax Rate                          | \$0.0000           | \$0                    | \$-9,481,127        |

\*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.

\*\*Tax levies are calculated using line 21 of the No-New-Revenue Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.

\*\*\*Tax increase compared to no-new-revenue tax rate.

| Benchmark 2022 and 2023 Tax Rate Comparison<br>City of San Juan, Texas |    |               |                    |               |                     |                      |
|------------------------------------------------------------------------|----|---------------|--------------------|---------------|---------------------|----------------------|
| 2022 Total Taxable Value                                               | \$ | 1,356,348,426 |                    |               |                     |                      |
| 2023 Total Taxable Value                                               | \$ | 1,608,606,484 |                    |               |                     |                      |
| 2021-2022 Taxable Value Increase                                       | \$ | 252,258,058   |                    |               |                     |                      |
|                                                                        |    |               | 2023               |               |                     |                      |
|                                                                        |    |               | Tax Rate Per \$100 | Tax Levy      | Additional Tax Levy | 2020-2021 Comparison |
| No-New-Revenue Rate                                                    |    |               | 0.589400           | \$ 9,481,127  | \$ -                | \$ -                 |
| One Percent per \$100 Tax Increase                                     |    |               | 0.5953             | \$ 9,576,034  | \$ 94,908           |                      |
| One Cent per \$100 Tax Increase                                        |    |               | 0.599400           | \$ 9,641,987  | \$ 160,861          |                      |
| De Minimis Rate                                                        |    |               | 0.680200           | \$ 10,941,741 | \$ 1,460,615        |                      |
| VAR NOT adjusted for Unused                                            |    |               | 0.676600           | \$ 10,883,831 | \$ 1,402,705        |                      |
| Last Year's Current Tax Rate                                           |    |               | 0.676500           | \$ 10,882,223 | \$ 1,401,096        | 1,489,149            |
| Proposed Tax Rate                                                      |    |               | 0.6765             | \$ 10,882,223 | \$ 1,401,096        | 1,706,526            |
|                                                                        |    |               | 2022               |               |                     |                      |
|                                                                        |    |               | Tax Rate Per \$100 | Tax Levy      |                     |                      |
| No-New-Revenue Rate                                                    |    |               | 0.618300           | \$ 8,386,302  |                     |                      |
| One Percent per \$100 Tax Increase                                     |    |               | 0.6245             | \$ 8,470,396  |                     |                      |
| One Cent per \$100 Tax Increase                                        |    |               | 0.628300           | \$ 8,521,937  |                     |                      |
| De Minimis Rate                                                        |    |               | 0.687700           | \$ 9,327,608  |                     |                      |
| VAR NOT adjusted for Unused                                            |    |               | 0.676500           | \$ 9,241,441  |                     |                      |
| Last Year's Current Tax Rate                                           |    |               | 0.687600           | \$ 9,393,074  |                     |                      |
| Proposed Tax Rate                                                      |    |               | 0.6765             | \$ 9,175,697  |                     |                      |

ORDINANCE NO. \_\_\_\_

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE CITY OF SAN JUAN, TEXAS ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF SAN JUAN, TEXAS, FOR THE 2023-2024 FISCAL YEAR ENDING SEPTEMBER 30, 2024 AND THE TAX YEAR 2023 IN CONFORMITY WITH THE CHARTER PROVISIONS AND ORDINANCES OF THE CITY AND THE PROPERTY TAX CODE OF THE STATE OF TEXAS: PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR PUBLICATION; AND ORDIAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER THEREOF.

WHEREAS, Section 26.05 Texas Tax Code provides for the procedures for adoption of the ad valorem tax rate for municipalities; and

WHEREAS, the vote on the tax rate must be a record vote as reflected hereunder and such vote was separate from the vote of the City Commissioners adopting the budget as required by law; and

WHEREAS, a motion being first made as follows: "I move that property taxes be decreased by the Adoption of the Rate of \$0.6765", and upon vote of the City Commissions as follows:

|                                       | <u>Ave</u> | <u>Nav</u> | <u>Absent</u> |
|---------------------------------------|------------|------------|---------------|
| Mayor Mario Garza                     | —          | —          | —             |
| Mayor Pro-Marco "Markie" Villegas     | —          | —          | —             |
| Commissioner Adina Santillan          | —          | —          | —             |
| Commissioner Ernesto "Neto" Guajardo  | —          | —          | —             |
| Commissioner Leonardo "Lenny" Sanchez | —          | —          | —             |

AND, WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SAN JUAN, TEXAS, THAT:

**SECTION I:** There shall be and is hereby levied for the fiscal year ending September 30, 2024, and the Tax year 2023, upon the assessed taxable value of all property of every description subject to taxation within the City of San Juan, Texas, on the 1<sup>st</sup> day of January A.D. 2024, the following tax rates, to wit:

- (a) An ad valorem tax to be computed at the rate of \$0.4664 per \$100.00 of the assessed taxable value thereof estimated in lawful currency of the United States of America for the purpose of paying the general expenses of the City Government for the period ending **September 30, 2024**, as provided in the appropriate ordinance adopted by the Board of Commissioners of the City of San Juan, Texas, and when collected such monies are to be deposited in the fund known as the "General Fund" and disbursed for the purposes stated in said ordinance.
- (b) An ad valorem tax to be computed at the rate of \$0.2101 per \$100.00 of the assessed taxable value thereof estimated in lawful currency of the United States of America for the purpose of paying the interest and principal on the several outstanding debt issues of the City of San Juan, Texas, such levy being in conformity with the requirement of the levy of taxes heretofore made by ordinance and orders of the Board of Commissioners of the said City of San Juan, Texas relating to such indebtedness.



**SECTION II:** All ordinances or parts of ordinance in conflict herewith are hereby repealed.

**SECTION III:** This Ordinance shall be and remain in full force and effect from and after its passage by the Board of Commissioners.

**SECTION IV:** The City Secretary is hereby authorized and directed to cause the caption of this ordinance to be published in a newspaper having general circulation in San Juan, Hidalgo County, Texas in accordance with the Home Rule Charter of the City of San Juan, Texas, Section 2.15 (C) **Printing of Ordinances and Resolutions:** but it shall not be published in the Code of Ordinances of the City of San Juan as it is not amendatory thereof; however, it shall be cited in the appropriate appendix of the Code of Ordinances.

**SECTION V:** If any part or parts of this Ordinance are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to the extent this Ordinance is considered severable.

**READ, CONSIDERED, PASSED and APPROVED on FIRST READING** at a regular meeting of the City Commission of the San Juan, Texas at which a quorum was present and which was held in accordance with Chapter 551 of the Texas Government Code on this **22 day of August 2023**.

**CITY OF SAN JUAN**

By: \_\_\_\_\_

**Mario Garza, Mayor**

**ATTEST:**

By: \_\_\_\_\_

**Brenda Escalante, City Secretary**

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Considering Adoption of an Ordinance in First Reading Amending Chapter 1 General Provisions, Article 1.02 Administration, Division 1 Generally, Section 1.02.004 Agenda Items of the Code of Ordinances of the City of San Juan, Texas, to Modify the Procedures for Placing Agenda Items for Consideration by the City Commission; Providing for Effective Date; Providing for Publication; Providing for Codification; Providing for a Severability Clause; and Providing for a Repealer Clause. [Benjamin Arjona, City Manager]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting of August 8, 2023, Commissioner Ernesto "Neto" Guajardo asked to consider amending Ordinance No. 2008-08 to modify the procedures for placing agenda items for consideration by the City Commission.

**RECOMMENDATION:**

Approve as Recommended by the City Commission.

**PREPARED BY:**

Brenda Escalante,  
City Secretary

**APPROVED BY:**

Benjamin Arjona, City  
Manager



# URBAN COUNTY PROGRAM

1916 TESORO ST. • PHARR, TEXAS 78577 • (956) 787-8127 FAX (956) 318-2988 • E-MAIL:ucp@co.hidalgo.tx.us

August 10, 2023

All City Managers,  
Hidalgo County

Re: 2023-2024 Fiscal Year Interlocal Agreement

To All City Managers:

Attached is the Interlocal Agreement for the 2023-2024 Urban County Program fiscal year that must be approved by your city council. Please return Interlocal Agreement to the Urban County Program office no later than **Monday, September 11, 2023**. In addition, minutes reflecting city council's approval of the Interlocal Agreement are also required. The UCP will accept signed and stamped excerpts of minutes in lieu of official certified minutes not being ready before the due date. Please see guidelines below:

**Codes of Conduct** - In addition to various Exhibits in the Agreement, the Agreement contains Exhibit A-I, the Code of Conduct Certifications. The Code of Conduct must be signed by each city council member, the city secretary, and city manager. Note that there are only five (5) copies of the Code of Conduct included in your Agreement; make additional copies for signature as needed.

**Signing the Codes of Conduct** - In **BLUE INK**, is required for all original signatures.

**Failure to submit the Interlocal Agreement** - The Interlocal Agreement is due every fiscal year for cities participating in the Urban County Program. **Failure to submit approved Interlocal Agreement by September 11, 2023 will result in forfeiture of funds.**

Please note that once the agreement has been returned to UCP with approval certification and signatures, the agreements will then be submitted to Commissioner's Court to complete the required approval process. A completely signed copy will be forwarded to each city for your administration files. Should you have any questions or concerns, please do not hesitate to contact Lupita V. Garcia, UCP Coordinator III or myself at 956-787-8127.

Respectfully,

Steve de la Garza, Director  
Urban County Program

SDLG/mg

Enclosure: Interlocal Agreement with Exhibits.

**ORDINANCE NO.: \_\_\_\_\_**

**AN ORDINANCE AMENDING CHAPTER 1 GENERAL PROVISIONS, ARTICLE 1.02 ADMINISTRATION, DIVISION 1 GENERALLY, SECTION 1.02.004 AGENDA ITEMS OF THE CODE OF ORDINANCES OF THE CITY OF SAN JUAN, TEXAS, TO MODIFY THE PROCEDURES FOR PLACING AGENDA ITEMS FOR CONSIDERATION BY THE CITY COMMISSION; PROVIDING FOR EFFECTIVE DATE; PROVIDING FOR PUBLICATION; PROVIDING FOR CODIFICATION; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR A REPEALER CLAUSE.**

**WHEREAS**, the City of San Juan, Texas, currently has provisions in its Code of Ordinances that delineates how agenda items are placed on the City Commission's agenda for discussion and consideration; and

**WHEREAS**, such provisions are found under Chapter 1 General Provisions, Article 1.02 Administration, Division 1 Generally, Section 1.02.004 Agenda Items under the City's Code of Ordinances; and

**WHEREAS**, the City Commission desires to amend Section 1.02.004 to allow either the Mayor or two (2) members of the Commission, jointly, to add agenda items to be placed on an Agenda for a Regular or Special Meeting of the City Commission.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS; THAT:**

**SECTION 1. AUTHORITY OF LAW:** All requirements of the law have been met in the passing of this Ordinance.

**SECTION 2.** The City Commission hereby orders that Chapter 1 General Provisions, Article 1.02 Administration, Division 1 Generally, Section 1.02.004 Agenda Items under the City's Code of Ordinance be amended by adding the language underlined and deleting the language stricken out as follows:

§ 1.02.004 Agenda items.

The city manager, with the approval of the mayor, shall ~~Final decision to~~ place any item on any city commission meeting agenda, regular or special, ~~shall be determined by~~

~~suggestion of the city manager to the mayor. However, the mayor or two (2) commission members, jointly, may place additional agenda items to be consider by the city commission shall have final authority to determine what item, if any, shall be placed on any meeting agenda of the city commission.~~

**SECTION 3. EFFECTIVE DATE.** This ordinance shall take effect after a second reading, where it is read, considered and adopted by the City Commission and until the fifteen (15) days has passed after its first reading.

**SECTION 4. PUBLICATION.** The City Secretary of the City of San Juan is hereby authorized and directed to cause the caption of this ordinance to be published in a newspaper having general circulation in San Juan, Texas, and in accordance with the applicable laws of this State.

**SECTION 5. CODIFICATION.** That this Ordinance shall be codified in the Code of Ordinances of the City of San Juan, Texas.

**SECTION 6. SEVERABILITY.** If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Commission in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

**SECTION 7. REPEALER CLAUSE.** This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

**READ, PASSED AND APPROVED ON FIRST READING** at a regular meeting of the City Commission of the City of San Juan, Texas, at which a quorum was present and which was held in accordance with Vernon's Texas Codes Annotated, Government Code, Section 551.041 on the 22<sup>nd</sup> day of August, 2023.

**READ, PASSED AND APPROVED IN SECOND READING** at a regular meeting of the City Commission of the City of San Juan, Texas, at which a quorum was present and which was held in accordance with Vernon's Texas Codes Annotated, Government Code, Section 551.041 on the \_\_\_\_\_ day of September, 2023.

**CITY OF SAN JUAN, TEXAS**

**BY:** \_\_\_\_\_  
Mario Garza, Mayor

**ATTEST:**

**BY:** \_\_\_\_\_  
Brenda Escalante, City Secretary

**APPROVED AS TO FORM:**

Palacios Garza & Thompson, P.C.

**BY:** \_\_\_\_\_  
City Attorney



**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Action of an Ordinance Authorizing the Issuance of “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023”; Providing for the Payment of said Certificates by the Levy of an Ad Valorem Tax upon all Taxable Property within the City; and Resolving other Matters Incident and Related to the Issuance, Payment, Security, Sale, and Delivery of said Certificates.

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**STAFF COMMENTS AND RECOMMENDATIONS:**

Consideration and Action of an Ordinance Authorizing the Issuance of “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2023”; Providing for the Payment of said Certificates by the Levy of an Ad Valorem Tax upon all Taxable Property within the City; and Resolving other Matters Incident and Related to the Issuance, Payment, Security, Sale, and Delivery of said Certificates.

**RECOMMENDATION:**

Staff recommends approval as presented.

**PREPARED BY:**

Brenda Escalante,  
City Secretary

**APPROVED BY:**

Benjamin Arjona, City  
Manager

ORDINANCE

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SAN JUAN, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City Commission of the City of San Juan, Texas (the *City*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$9,000,000 as provided pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s parks and recreation facilities; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s law enforcement facilities, public safety facilities (including a fire station) and judicial facilities (including a municipal court), (3) acquiring vehicles, heavy machinery, and equipment for sanitation and street maintenance and repair; (4) constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s utility system; (5) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (6) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; and (7) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. This notice has been posted on the City’s website, if available, and duly published in a newspaper hereby found and determined to be of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation; and

WHEREAS, in accordance with the provisions of Section 271.049, as amended, Texas Government Code, the City confirms that notice of the City's intention to issue certificates of obligation was approved by resolution at a public meeting and stated (1) the then current principal of all outstanding debt of the City; (2) the then current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full, based on the City's expectations relative to the interest due on any variable rate debt obligations, as applicable; (3) the maximum principal amount of the certificates of obligation to be authorized; (4) the estimated combined principal and interest required to pay the certificates of obligation in full; (5) the estimated interest rate for the certificates of obligation or that the maximum interest rate for the certificates of obligation may not exceed the maximum legal interest rate; and (6) the maximum maturity date of the certificates of obligation; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Secretary or Acting City Secretary prior to the date tentatively set in such notice for the passage of this ordinance; and

WHEREAS, the City Commission hereby finds and determines that the issuance of the certificates of obligation, under the terms herein specified, is in the best interests of the City and its residents; and

WHEREAS, the City Commission hereby finds and determines that certificates of obligation in the principal amount of \$\_\_\_\_\_ described in such notice should be issued and sold at this time; now, therefore,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \_\_\_\_\_ AND NO/100 DOLLARS (\$\_\_\_\_\_.00), to be designated and bear the title of "CITY OF SAN JUAN, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023" (the *Certificates*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's parks and recreation facilities; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's law enforcement facilities, public safety facilities (including a fire station) and judicial facilities (including a municipal court), (3) acquiring vehicles, heavy machinery, and equipment for sanitation and street maintenance and repair; (4) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system; (5) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (6) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; and (7) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, pursuant to the authority

conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through Section 271.064, and Chapter 1502, as amended, Texas Government Code.

**SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Certificate Date.** The Certificates are issuable in fully registered form only; shall be dated August 15, 2023 (the *Certificate Date*) and shall be issued in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and the Certificates shall become due and payable on February 15 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

| <u>Dates of<br/>Stated Maturity</u> | <u>Principal<br/>Amounts (\$)</u> | <u>Interest<br/>Rates (%)</u> |
|-------------------------------------|-----------------------------------|-------------------------------|
| 2024                                |                                   |                               |
| 2025                                |                                   |                               |
| 2026                                |                                   |                               |
| 2027                                |                                   |                               |
| 2028                                |                                   |                               |
| 2029                                |                                   |                               |
| 2030                                |                                   |                               |
| 2031                                |                                   |                               |
| 2032                                |                                   |                               |
| 2033                                |                                   |                               |
| 2034                                |                                   |                               |
| 2035                                |                                   |                               |
| 2036                                |                                   |                               |
| 2037                                |                                   |                               |
| 2038                                |                                   |                               |
| 2039                                |                                   |                               |
| 2040                                |                                   |                               |
| 2041                                |                                   |                               |
| 2042                                |                                   |                               |
| 2043                                |                                   |                               |

The Certificates shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to occur on or about September 20, 2023), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on February 15 and August 15 in each year commencing February 15, 2024 (each, an *Interest Payment Date*), while the Certificates are Outstanding.

**SECTION 3. Payment of Certificates - Paying Agent/Registrar.** The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity,

redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (hereinafter defined) of the Certificates.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*), to serve as the initial Paying Agent/Registrar for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

#### SECTION 4. Redemption.

A. Mandatory Redemption. The Certificates stated to mature on February 15, 20\_\_ and February 1, 20\_\_ are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on the dates as set forth below:

| Term Certificates Stated to<br>Mature on February 15, 20__ |                          | Term Certificates Stated to<br>Mature on February 1, 20__ |                          |
|------------------------------------------------------------|--------------------------|-----------------------------------------------------------|--------------------------|
| Year                                                       | Principal<br>Amount (\$) | Year                                                      | Principal<br>Amount (\$) |

\*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date: (i) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation; (ii) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the City; or (iii) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Certificates having Stated Maturities on and after February 15, 20\_\_ shall be subject to redemption prior to Stated Maturity, at the option of the



City, on February 15, 20\_\_\_\_, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

D. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice,

interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

F. Transfer/Exchange of Certificates. Neither the City nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five (45) days prior to the date fixed for redemption of the Certificates or (2) to transfer or exchange any Certificate selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

SECTION 5. Execution – Registration. The Certificates shall be executed on behalf of the City by its Mayor or Mayor Pro Tem under the seal of the City reproduced or impressed thereon and attested by its City Secretary or Acting City Secretary. The signature of either of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6. Registration – Transfer – Exchange of Certificates – Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Certificates, or if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest

and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Certificates to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered upon such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Certificates, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

**SECTION 7. Initial Certificate.** The Certificates herein authorized shall be issued initially either (i) as a single fully registered Certificate in the total principal amount of \$ \_\_\_\_\_ with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate*) and, in either case, the Initial Certificate shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers or their designee, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

## SECTION 8. Forms.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Certificates, or any Stated Maturities thereof, are insured, and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

*(The remainder of this page intentionally left blank)*

B. Form of Definitive Certificate.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

United States of America  
State of Texas  
County of Hidalgo  
CITY OF SAN JUAN, TEXAS  
COMBINATION TAX AND LIMITED PLEDGE REVENUE  
CERTIFICATES OF OBLIGATION, SERIES 2023

Certificate Date:  
July 1, 2022

Interest Rate:

Stated Maturity:

CUSIP No.

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The City of San Juan, Texas (the *City*), a body corporate and municipal corporation in the County of Hidalgo, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about September 20, 2023), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year commencing February 15, 2024 (each, an *Interest Payment Date*), while the Certificates are Outstanding.

Principal and premium, if any, of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ (the *Certificates*) pursuant to an Ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's parks and recreation facilities; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's law enforcement facilities, public safety facilities (including a fire station) and judicial facilities (including a municipal court), (3) acquiring vehicles, heavy machinery, and equipment for sanitation and street maintenance and repair; (4) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system; (5) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (6) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; and (7) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, and the City's Home Rule Charter.

As provided in the Ordinance, the Certificates stated to mature on February 15, 20\_\_\_\_ and February 1, 20\_\_\_\_ are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on the dates as set forth below:

| Term Certificates Stated to<br>Mature on February 15, 20____ |                          | Term Certificates Stated to<br>Mature on February 15, 20____ |                          |
|--------------------------------------------------------------|--------------------------|--------------------------------------------------------------|--------------------------|
| Year                                                         | Principal<br>Amount (\$) | Year                                                         | Principal<br>Amount (\$) |

\*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date: (i) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation; (ii) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the City; or (iii) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As provided in the Ordinance, the Certificates having Stated Maturities on and after February 15, 20\_\_\_\_ shall be subject to redemption prior to Stated Maturity, at the option of the



City, on February 15, 20\_\_\_\_, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption provided, however, that at least thirty (30) days prior written notice shall be sent to the Holders of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues (identified and defined in the Ordinance), being a limited amount of the Net Revenues derived from the operation of the City's combined utility system (the *System*), such lien on and pledge of the limited amount of Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. The City has previously authorized the issuance of the currently outstanding Limited Pledge Obligations (identified and defined in the Ordinance) that are payable, in part, from and secured by a lien on and pledge of a limited amount of the Net Revenues of the System in the manner and as described in the ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations. In the Ordinance, the City reserves and retains the right to issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his

acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein without definition have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that issuance of the Certificates does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Certificates by the levy of a tax and collection of Pledged Revenues as aforestated. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

*[The remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the City has caused this Certificate to be duly executed under its official seal.

CITY OF SAN JUAN, TEXAS

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Mayor

ATTEST:

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City Secretary

(CITY SEAL)

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C. \*Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate Only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF  
PUBLIC ACCOUNTS

§  
§  
§  
§

REGISTER NO.

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_

\_\_\_\_\_  
Comptroller of Public Accounts of the State  
of Texas

(SEAL)

\*NOTE TO PRINTER: Do not print on Definitive Certificates.

D. \*Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued under the provisions of the within-mentioned Ordinance; the Certificate or Certificates of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., Dallas, Texas,  
as Paying Agent/Registrar

By: \_\_\_\_\_  
Authorized Signature

\*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): \_\_\_\_\_ (Social Security or other identifying number): \_\_\_\_\_ the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

Signature guaranteed:

\_\_\_\_\_  
F. Form of Initial Certificate. The Initial Certificate shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

- (i) immediately under the name of the Certificate the headings "Interest Rate" and "Stated Maturity" shall both be completed "as shown below";
- (ii) the first two paragraphs shall read as follows:

The City of San Juan, Texas (the *City*), a body corporate and municipal corporation in the County of Hidalgo, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above stated to mature on the fifteenth day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

| <u>Years of</u><br><u>Stated Maturity</u> | <u>Principal</u><br><u>Amounts (\$)</u> | <u>Interest</u><br><u>Rates (%)</u> |
|-------------------------------------------|-----------------------------------------|-------------------------------------|
|-------------------------------------------|-----------------------------------------|-------------------------------------|

(Information to be inserted  
from schedule in Section 2 hereof)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Closing Date (anticipated to occur on or about September 20, 2023), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year commencing February 15, 2024 (each, an *Interest Payment Date*), while the Certificates are Outstanding.

Principal of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, to Stated Maturity or prior redemption, while Outstanding, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

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G. Insurance Legend. If bond insurance is obtained by the City or the Purchasers for the Certificates, the Definitive Certificates and the Initial Certificate shall bear an appropriate legend as provided by the bond insurer to appear under the following header:

[BOND INSURANCE] or [STATEMENT OF INSURANCE]

SECTION 9. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 44 of this Ordinance have the meanings assigned to them in Sections 27 and 44 of this Ordinance, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Additional Limited Pledge Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or other evidences of indebtedness hereafter issued by the City payable, in part, from a limited pledge of and lien on Net Revenues of the System, being a lien on and pledge of Net Revenues that is subordinate and inferior to the lien thereon and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, which pledge of revenues is limited pursuant to Section 1502.052, as amended, Texas Government Code all as further provided in Section 20 of this Ordinance, and (ii) any obligations issued to refund the foregoing as determined by the City Commission in accordance with any applicable law.

B. The term *Additional Prior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a prior and first lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a prior and first lien on and pledge of the Net Revenues as determined by the City Commission in accordance with any applicable law.

C. The term *Authorized Officials* shall mean the Mayor, the Mayor Pro Tem, the City Manager, the Finance Director, and/or the City Secretary or Acting City Secretary.

D. The term *Certificates* shall mean the \$\_\_\_\_\_ “CITY OF SAN JUAN, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023” authorized by this Ordinance.

E. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

F. The term *City* shall mean the City of San Juan, located in Hidalgo County, Texas and, where appropriate, the City Commission of the City.

G. The term *Closing Date* shall mean the date of physical delivery of the Initial Certificate in exchange for the payment of the agreed purchase price for the Certificates.

H. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

I. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

J. The term *Depository* shall mean an official depository bank of the City.

K. The term *Fiscal Year* shall mean the annual financial accounting period for the System now ending on September 30th of each year; provided, however, the City Commission may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

L. The term *Government Securities*, as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Certificates.

M. The term *Gross Revenues* for any period shall mean all revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, and grants in aid of construction, but including earnings and income derived from the investment or deposit of money in any special fund or account (except the Certificate Fund) created and established for the payment or security of the Certificates.

N. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

O. The term *Insurance Policy* shall mean the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Certificates when due.

P. The term *Insurer* shall mean \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or any successor thereto or assignee thereof.

Q. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being February 15 and August 15 in each year commencing February 15, 2024, while the Certificates are Outstanding.

R. The term *Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System, such pledge being junior and inferior to the lien on and pledge of the Net Revenues of the System that are pledged to the currently outstanding Prior Lien Obligations and may be pledged to the payment of any Additional Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues of the System that are or will be pledged to the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City all as further provided in Section 20 of this Ordinance, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues as determined by the City Commission in accordance with any applicable law.

S. The term *Limited Pledge Obligations* shall mean (i) the Certificates and the outstanding and unpaid obligations of the City that are payable, in part, from and secured by a subordinate and inferior lien on and pledge of a limited amount of the Net Revenues of the System and designated as follows:

(1) “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2014”, dated February 15, 2014, in the original principal amount of \$2,240,000;

(2) “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2015”, dated October 15, 2015, in the original principal amount of \$4,205,000;

(3) “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2017”, dated April 1, 2017, in the original principal amount of \$4,680,000;

(4) “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018”, dated December 1, 2018, in the original principal amount of \$3,020,000;

(5) “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020”, dated August 15, 2020, in the original principal amount of \$4,835,000;

(6) “City of San Juan, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021”, dated September 1, 2021, in the original principal amount of \$8,205,000;

and (ii) obligations hereafter issued to refund any of the foregoing as determined by the City Commission in accordance with any applicable law.

T. The term *Maintenance and Operating Expenses* shall mean all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Commission, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining “Net Revenues”. Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods or services for the System to the extent authorized by law and the provisions of such contract.

U. The term *Net Revenues* for any period shall mean the Gross Revenues of the System less the Maintenance and Operating Expenses of the System.

V. The term *Ordinance* shall mean this ordinance as finally passed and adopted by the City Commission of the City.

W. The term *Outstanding* when used in this Ordinance with respect to Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 29 of this Ordinance; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Ordinance.

X. The term *Pledged Revenues* shall mean, while the Certificates remain Outstanding, an amount of Net Revenues not in excess of \$1,000. The Pledged Revenues shall be deposited, allocated, and expended in accordance with Section 10 of this Ordinance.

Y. The term *Pledged Revenue Amount* shall mean the total amount, not to exceed \$1,000 while the Certificates are Outstanding, of Net Revenues that may be transferred in whole or in part by the City in any given Fiscal Year (however, any amounts transferred prior to the final maturity date of the Certificates may not exceed the total amount of \$1,000) to the Certificate Fund.

Z. The term *Prior Lien Obligations* shall mean (i) the outstanding and unpaid obligations of the City that are payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System and designated as follows:

(1) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2013-A”, dated June 15, 2013, in the original principal amount of \$6,170,000;

(2) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2013-B”, dated October 29, 2013, in the original principal amount of \$1,400,000;

(3) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2014”, dated June 15, 2014, in the original principal amount of \$135,000;

(4) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2017”, dated July 1, 2017, in the original principal amount of \$2,285,000;

(5) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2018”, dated June 1, 2018, in the original principal amount of \$1,270,000;

(6) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019”, dated May 1, 2019 in the original principal amount of \$6,645,000.00;

(7) “City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019A”, dated May 1, 2019, in the original principal amount of \$1,715,000;

and (ii) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the City Commission in accordance with any applicable law.

AA. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 26 of this Ordinance.

BB. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on February 15 of each year the Certificates are Outstanding as set forth in Section 2 of this Ordinance.

CC. The term *Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the City that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Net Revenues of the System, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues of the System that are or may be pledged to the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the limited amount of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, or any Additional Limited Pledge Obligations hereafter issued by the City, all as further provided in Section 20 of this Ordinance and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable

from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues of the System as determined by the City Commission in accordance with any applicable law.

DD. The term *System* shall mean all properties, facilities and plants currently owned, operated and maintained by the City for the supply, treatment and transmission of treated potable water, the collection, treatment and disposal of water-carried wastes, the generation, transmission and distribution of electricity, together with all future extensions, improvements, replacements and additions thereto; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term “System” shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of “Special Facilities Bonds”, which are hereby defined as being special revenue obligations of the City which are not Prior Lien Obligations but which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the currently outstanding Prior Lien Obligations including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10. Certificate Fund - Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023, INTEREST AND SINKING FUND” (the *Certificate Fund*), which fund shall be kept and maintained at the Depository, and money deposited in the Certificate Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

The City, at its sole discretion, may deposit the Pledged Revenue Amount to the Certificate Fund. The Pledged Revenue Amount, if deposited, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. This Pledged Revenue Amount shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance may, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities, including, but not limited to, direct obligations

of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars valuation of taxable property in the City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The City Commission hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay such Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the City.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the City Commission establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Commission shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and



(3) the amount of Pledged Revenues, if any, appropriated and set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12. Pledge of Revenues. The City hereby covenants and agrees that, subject to (i) any prior lien on and pledge of the Net Revenues of the System to the payment and security of the currently outstanding Prior Lien Obligations or any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City and (ii) the lien on and pledge of a limited amount of the Net Revenues to the payment and security of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Pledged Revenues herein made for the payment of the Certificates shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

SECTION 13. System Fund. The City hereby covenants and agrees that all Gross Revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and money of the City and shall be deposited as collected into the "CITY OF SAN JUAN, TEXAS UTILITY SYSTEM FUND" (the *System Fund*). All money deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

- First: to the payment of the reasonable and proper Maintenance and Operating Expenses of the System required by statute or ordinances authorizing the issuance of any indebtedness of the City to be a first charge on and claim against the Gross Revenues of the System;
- Second: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Third: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Junior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Fourth: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any

Subordinate Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance; and

- Fifth: To the payment of the amounts that may be deposited in the special funds and accounts established for the payment of the currently outstanding Limited Pledge Obligations, including the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinances authorizing their issuance.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 14. Deposits to Certificate Fund – Surplus Certificate Proceeds. The City hereby covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, from the Pledged Revenues in the System Fund, after the deduction of all payments required to be made to the special funds or accounts created for the payment, security, and benefit of (i) the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City and (ii) the currently outstanding Limited Pledge Obligations, including the Certificates or any Additional Limited Pledge Obligations hereafter issued by the City, and any amounts budgeted to be paid therefrom in such Fiscal Year.

Accrued interest, if any, received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

SECTION 15. Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16. Maintenance of System - Insurance. The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are held for the benefit of the holders of the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days

after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

SECTION 17. Rates and Charges. The City hereby covenants and agrees with the Holders of the Certificates that rates and charges for utility services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

A. to pay, together with any other lawfully available funds, all operating, maintenance, depreciation, replacement, betterment, and other costs incurred in the maintenance and operation of the System, including, but not limited to, Maintenance and Operating Expenses; provided, however, that the City expressly reserves the right to utilize other lawfully available funds to pay the Maintenance and Operating Expenses;

B. to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof; (ii) the interest on and principal of any Junior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof; (iii) the interest on and principal of any Subordinate Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, and (iv) the amounts that may be deposited in the special funds established for the payment of the currently outstanding Limited Pledge Obligations, the Certificates or any Additional Limited Pledge Obligations hereafter issued by the City; and

C. to pay other legally incurred indebtedness payable from the Net Revenues of the System and/or secured by a lien on the System or the Net Revenues thereof.

SECTION 18. Records and Accounts - Annual Audit. The City further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, as amended, Texas Government Code, or other applicable law. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the System and all properties comprising the same. The City further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Expenses incurred in making the annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses.

SECTION 19. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in

the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 20. Issuance of Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Additional Prior Lien Obligations payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System;

B. Junior Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is junior and inferior to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations and the Certificates and any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City;

C. Subordinate Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City; and

D. Additional Limited Pledge Obligations secured by a lien on and pledge of a limited amount of the Net Revenues in accordance with the provisions of the following paragraph.

Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the holders of the currently outstanding Limited Pledge Obligations and the Certificates) upon such terms and conditions as the City Commission may determine. Additional Limited Pledge Obligations, if issued and payable, in whole or in part,

from Pledged Revenues (defined in the same or similar terms as provided in Section 9 of this Ordinance or in the ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations), shall not in any event be construed to be payable from the Pledged Revenues authorized by this Ordinance or in the respective ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations to be budgeted and appropriated for the payment of the Certificates or the respective ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of the Certificates, the Limited Pledge Obligations, and any Additional Limited Pledge Obligations shall be subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City.

SECTION 21. Special Covenants. The City hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through Section 271.064, and the City's Home Rule Charter;

B. other than for the payment of the currently outstanding Prior Lien Obligations, the currently outstanding Limited Pledge Obligations and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System;

C. as long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease or encumber (except in the manner provided in Section 20 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System;

D. to the extent that it legally may, the City further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing utility systems other than those owned by the City, and the operation of any such systems by anyone other than the City is hereby prohibited; and

E. no free service of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

SECTION 22. Application of the Covenants and Agreements of any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations. It is the intention of the City Commission and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the

System, and the administration and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City; and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, the provisions, agreements, and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. It is expressly recognized that prior to the issuance of any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Limited Pledge Obligations, the City must comply with each of the conditions precedent contained in the respective ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations, Limited Pledge Obligations, and the Certificates, as appropriate.

SECTION 23. Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 24. Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 25. Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or

indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

SECTION 26. Sale of the Certificates; Approval of Purchase Contract; Approval of Official Statement; Proceeds of Sale. The Certificates authorized by this Ordinance are hereby sold by the City to Frost Bank, San Antonio, Texas, as the authorized representative of a group of underwriters (the *Purchasers*, having all of the rights, duties, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated August 22, 2023, attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, at the price of par, plus a [net] reoffering premium of \$\_\_\_\_\_ (including the Purchaser's compensation of \$\_\_\_\_\_), and no accrued interest, and is hereby approved and confirmed. The Initial Certificate shall be registered in the name of Frost Bank. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the City. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of this City Commission, and in regard to the approval and execution of the Purchase Contract, the City Commission hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the City. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.



Proceeds from the sale of the Certificates shall be applied as follows:

(1) Accrued interest, if any, received from the Purchasers shall be deposited into the Certificate Fund.

(2) The City expects to receive a [net] reoffering premium from the sale of the Certificates of \$\_\_\_\_\_ which is allocated by the City in the following manner: (i) \$\_\_\_\_\_ to pay the Purchasers' compensation, (ii) \$\_\_\_\_\_ to pay the Insurer's insurance premium, (iii) \$\_\_\_\_\_ shall be deposited into the construction account established in paragraph (3) below, (iv) \$\_\_\_\_\_ to pay certain costs of issuance of the Certificates, and (v) \$\_\_\_\_\_ shall be deposited into the Certificate Fund.

(3) The balance of the proceeds in the amount of \$\_\_\_\_\_ (being the principal amount of the Certificates in the amount of \$\_\_\_\_\_ and a portion of the [net] reoffering premium in the amount of \$\_\_\_\_\_ derived from the sale of the Certificates (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the project to be constructed with the proceeds of the Certificates and used to pay costs of such projects. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official or any one or more of said officials), shall be and is hereby in all respects, including form and content approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 22, 2023, in the reoffering, sale and delivery of the Certificates to the public. The Mayor, Mayor Pro Tem, and/or City Secretary or Acting City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Commission and constitute the Official Statement authorized for distribution and use by the Purchasers. Each Authorized Official is hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

#### SECTION 27. Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

*Closing Date* means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

*Code* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

*Computation Date* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Gross Proceeds* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

*Investment* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Nonpurpose Investment* means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

*Rebate Amount* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Regulations* means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

*Yield of*

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Certificates means the yield as calculated pursuant to Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption

from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent it will not cause the Certificates to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.1483(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the

earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

J. Certificates Not Hedge Bonds.

(1) The City reasonably expects to spend at least 85% of the spendable proceeds of the Certificates within three years after such Certificates are issued.

(2) Not more than 50% of the proceeds of the Certificates will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

K. Elections. The City hereby directs and authorizes any Authorized Official and Bond Counsel, either individually or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

L. Qualified Tax-Exempt Obligations. The City hereby designates the Certificates as qualified tax-exempt obligations for purposes of section 265(b) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (a) during the calendar year in which the Certificates are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2023 by the City (including any subordinate entities) will not exceed \$10,000,000; and the City will take such action or refrain from such action as is necessary in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 28. Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Certificates to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the City's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the

Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

SECTION 29. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Certificates. In the event of a defeasance of the Certificates, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of redemption premium (if any), and interest due on any defeased Certificate. To the extent applicable, if at all, the City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates, or applicable redemption date of the Certificates, such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the

owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30. Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of Cantu Harden Montoya LLP, San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary or Acting City Secretary of the City is hereby approved and authorized.

SECTION 31. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the City nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33. Ordinance a Contract, Amendments - Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however, that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 34. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being



intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Paying Agent/Registrar, and the Holders.

SECTION 35. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 36. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 37. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Commission hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 38. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 39. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Commission of the City.

SECTION 40. Authorization of Paying Agent/Registrar Agreement. The City Commission of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 41. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 42. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 43. No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

SECTION 44. Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

*EMMA* means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

*Financial Obligation* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Rule* means SEC Rule 15c2-12, as amended from time to time.

*SEC* means the United States Securities and Exchange Commission.

*Undertaking* means the City's continuing disclosure undertaking, described in Paragraphs B through F below, hereunder accepted and entered into by the City for the purpose of compliance with the Rule.

B. Annual Reports.

The City shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2023, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 26 of this Ordinance, being the information described in Exhibit C hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current

Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the City must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the City Secretary or Acting City Secretary within 180 days after the last day of the City's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the City changes its fiscal year, it will file notice of such change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The City shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of Holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

D. Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Certificates to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of

obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Certificates is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Certificates or the initial purchasers in a competitive sale of the Certificates may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the City hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit E, with which the City shall follow to assure compliance with the Undertaking. The City has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the City’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the City and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 45. Book-Entry Only System.

The Certificates shall initially be registered so as to participate in a securities depository system (the DTC System) with the Depository Trust Company, New York, New York, or any successor entity thereto (DTC), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificates described in Section 7) in the form of a single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit D (the Representation Letter).

With respect to the Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a Depository Participant) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates (an Indirect Participant). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co.,

or any Depository Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Certificates, as shown on the Security Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Certificate, of any amount with respect to principal of, premium, if any, or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

**SECTION 46. Further Procedures.** The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Purchase Contract, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance and as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's

office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47. Contract with Financial Advisor and/or Bond Counsel. The City Commission authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with Estrada Hinojosa & Company, Inc., as the financial advisor to the City (the *Financial Advisor*). The City understands that under applicable federal securities laws and regulations that the City must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates. In addition, the City Commission also authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary engagement agreement with Cantu Harden Montoya LLP, as Bond Counsel to the City.

SECTION 48. City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, Bond Counsel to the City, and/or Financial Advisor to the City to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

SECTION 49. Municipal Bond Insurance. The Payment of the debt service requirements on the Certificates is insured by the Insurer pursuant to the Insurance Policy.

SECTION 50. Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption, notwithstanding any provision in the City's Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances.

*(The remainder of this page intentionally left blank)*



PASSED, APPROVED, AND ADOPTED on the 22<sup>nd</sup> day of August, 2023.

CITY OF SAN JUAN, TEXAS

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Mayor

ATTEST:

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City Secretary

(CITY SEAL)

S-1

Signature Page to the Ordinance

#2043690.2

## INDEX TO EXHIBITS

|                 |                                                                     |
|-----------------|---------------------------------------------------------------------|
| Exhibit A.....  | Paying Agent/Registrar Agreement                                    |
| Exhibit B ..... | Purchase Contract                                                   |
| Exhibit C ..... | Description of Annual Financial Information                         |
| Exhibit D.....  | DTC Letter of Representations                                       |
| Exhibit E ..... | General Policies and Procedures Concerning Compliance with the Rule |

**EXHIBIT A**

**PAYING AGENT/REGISTRAR AGREEMENT**

See Tab No. \_\_\_\_

**EXHIBIT B**

**PURCHASE CONTRACT**

See Tab No. \_\_\_\_

## **EXHIBIT C**

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 44 of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The City's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the City attached to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. The information of the type included in Tables 1 through 6 and 8 through 15, and in Appendix B.

#### **Accounting Principles**

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

**EXHIBIT D**

**DTC LETTER OF REPRESENTATIONS**

See Tab No. \_\_\_\_

## EXHIBIT E

### General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 44 of the Ordinance. *Certificates* refer to the Certificates that are the subject of the Ordinance to which this Exhibit is attached.

II. As a capital markets participant, the City is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the *Effective Date*), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the City's compliance with the Rule.

III. The City is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 44C of the Ordinance, which provisions are a part of the Undertaking.

IV. The City is aware that "participating underwriters" (as such term is defined in the Rule) of the Certificates must make inquiry and reasonably believe that the City is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission's Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The City now establishes the following general policies and procedures (the *Policies and Procedures*) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the City's informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the City's obligations under the Rule, the advice from and discussions with the City's internal senior staff (including staff charged with administering the City's financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the *Compliance Team*):

1. the Finance Director (the *Compliance Officer*) shall be responsible for satisfying the City's obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or "tickler" systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the City's information of the type described in Section 44B of the Ordinance;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 44C of the Ordinance;

4. the Compliance Officer shall work with external consultants of the City, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the City and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the City, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Certificates;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any City agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the City; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the City’s internal staff identified by the Compliance Officer to assist with the City’s satisfaction of the terms and provisions of the Undertaking.



**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Preliminary and Final Plat Approval of the Keystone Plaza Subdivision being a 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company's Subdivision, located at the Southwest corner of US Business 83 and Cesar Chavez Road, as Requested by Salinas Engineering and Associates. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

The developer is proposing to develop a 1.32-acres at the Southwest corner of U.S. Business 83 and Cesar Chavez Road. The applicant is proposing a one (1) lot commercial subdivision. The proposed subdivision is located in flood zone “B” according to the FEMA Map, areas or minimum flooding.

It is noted that Project Engineer is requesting a variance on the 15-foot utility easement around the subdivision. They are proposing to leave a 10-foot utility easement.

Water and sewer services will be provided by the City of San Juan. Additional fire hydrants shall be installed as per the San Juan Fire Department requirements.

**RECOMMENDATION:**

Staff recommends approval of the subdivision plat and variance as presented.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/17/2023  
CITY COMMISSION – 08/22/2023  
DATE PREPARED – 08/09/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

**APPLICATION:** Preliminary and Final Plat Approval of Keystone Plaza Subdivision

**APPLICANT:** Raul Cantu

**SURVEYOR/ENGINEER:** Salinas Engineering & Associates

**LEGAL:** Being a 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company Subdivision.

**LOCATION:** The property is located at the Southwest corner of U.S. Business 83 and Cesar Chavez Road.

**EXISTING ZONING:** General Business District (C-2)

**EXISTING LAND USE/  
ADJACENT ZONING:** *North* – Offices; Neighborhood Commercial District (C-1) / Single Family Residence District (R-S)  
*South* – Residential; Manufactured Home District (R-MH)  
*East* – Outside City Limits  
*West* – Commercial; Neighborhood Commercial District (C-1)

**ACCESS AND CIRCULATION:** This property has access along U.S. Business 83 and Cesar Chavez Road.

**PUBLIC SERVICES:** Water and sewer services are provided by the City of San Juan.

**VARIANCES REQUESTED:** The applicant is requesting the following variance (see enclosed letter):  
1. To not comply with the 15-foot utility easement along the perimeter of the subdivision, they are proposing to leave 10-feet.

**RECOMMENDATION:** Staff recommends approval of the subdivision plat and variance as presented.

**EVALUATION AND CONDITIONS FOR APPROVAL**

The developer is proposing to develop a 1.32-acres at the Southwest corner of U.S. Business 83 and Cesar Chavez Road. The applicant is proposing a one (1) lot commercial subdivision. The proposed subdivision is located in a flood zone “B” according to the FEMA Map, areas or minimum flooding.

It is noted that Project Engineer is requesting a variance on the 15-foot utility easement around the subdivision. They are proposing to leave a 10-foot utility easement.

Water and sewer services will be provided by the City of San Juan. Additional fire hydrants shall be installed as per the San Juan Fire Department requirements.

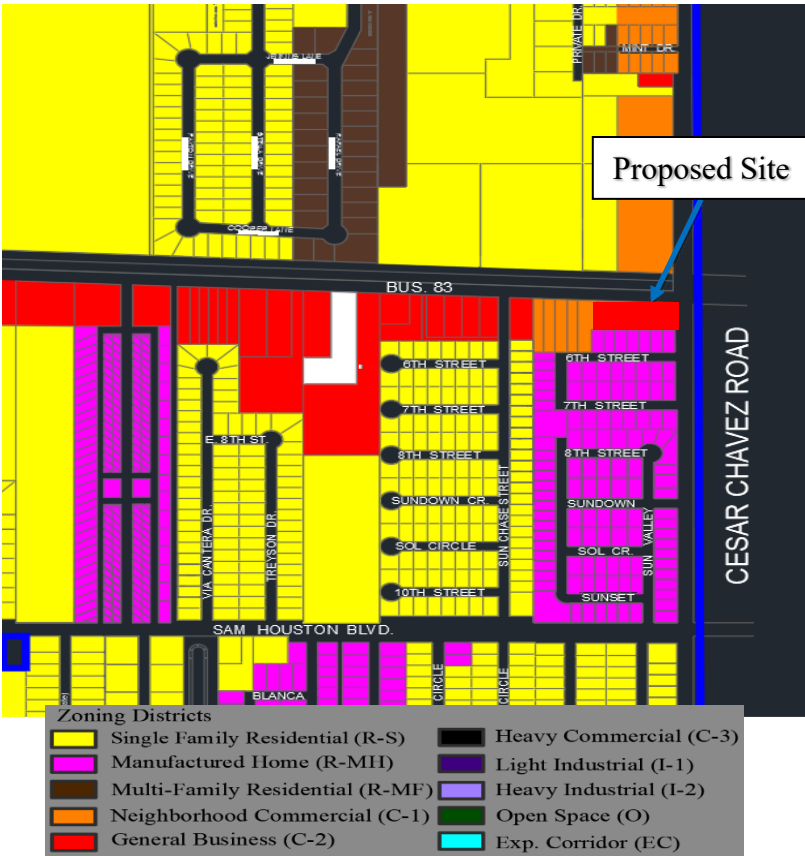
**ATTACHMENTS:**            Location Map  
                                 Zoning Map  
                                 Variance Request Letter  
                                 Comments from City of San Juan, Fire and Utilities Department  
                                 Subdivision Plat



Proposed Site

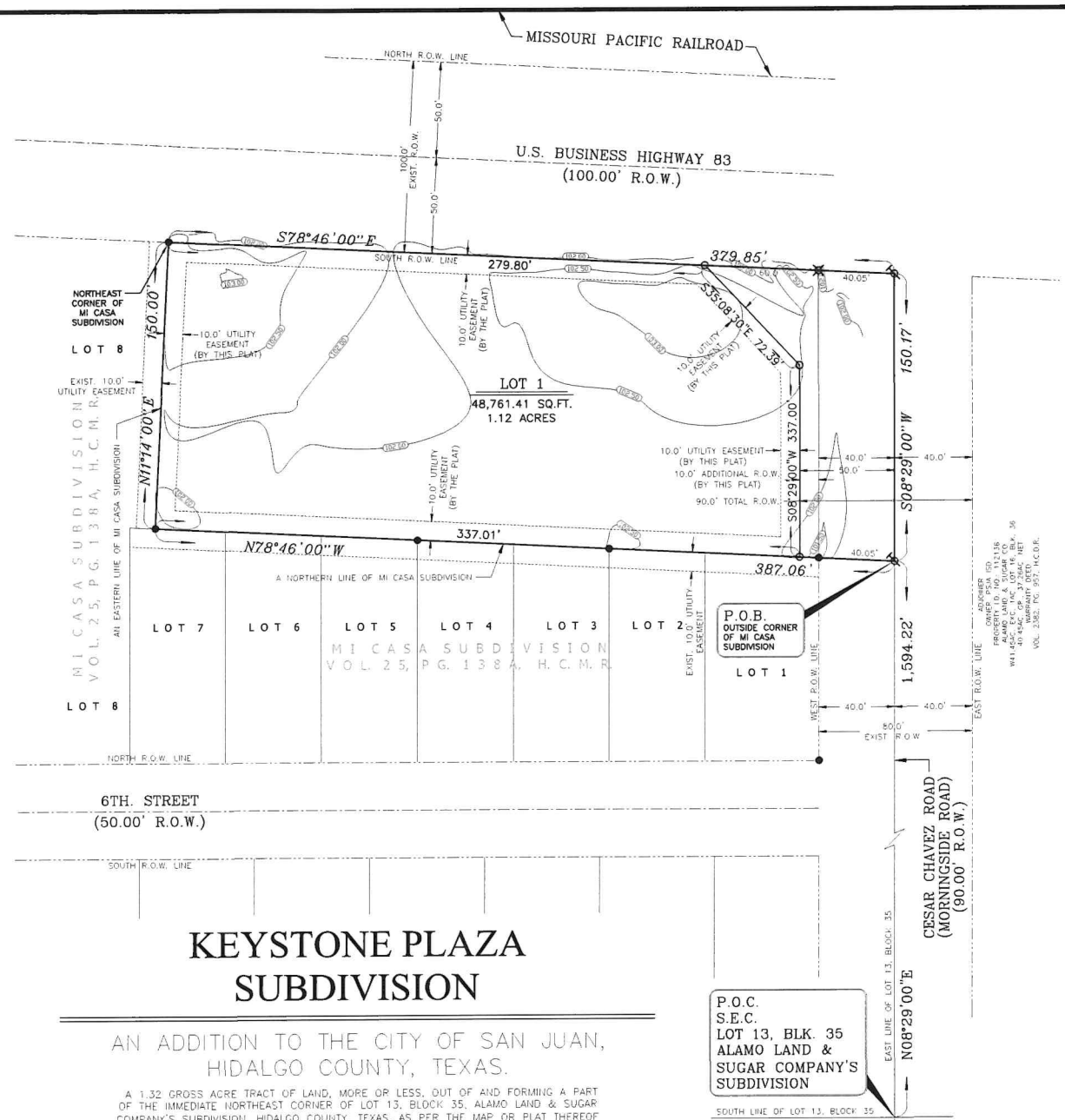


Location Map



Zoning Map





SCALE: 1" = 40'

STATE OF TEXAS  
COUNTY OF HIDALGO

I (WE) THE UNDERSIGNED OWNER (S) OF THE LAND SHOWN ON THIS PLAT, AND DESIGNATED HEREIN AS THE **KEYSTONE PLAZA**, TO THE CITY OF SAN JUAN TEXAS, AND WHOSE NAME IS SUBSCRIBED HERETO, DO HEREBY DEDICATE TO THE USE OF THE PUBLIC ALL STREETS, ALLEYS, PARKS, WATER COURSES, DRAINS, EASEMENTS, AND PUBLIC PLACES THEREON SHOWN FOR THE PURPOSE OF CONSIDERATION THEREIN EXPRESSED.

OWNER: RAUL CANTU  
420 JAMES ST  
SAN JUAN, TX 78589

STATE OF TEXAS  
COUNTY OF HIDALGO

BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED RAUL CANTU, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023.

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
MY COMMISSION EXPIRES: \_\_\_\_\_

APPROVAL BY CITY COMMISSION

APPROVED AND ACCEPTED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS ON THIS, THE \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

MAYOR

DATE

ATTEST: CITY SECRETARY

DATE

APPROVAL BY CITY OF SAN JUAN PLANNING AND ZONING COMMISSION

I, THE UNDERSIGNED, CHAIRPERSON OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF SAN JUAN, HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS WITH ALL OF THE CITY REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THE CITY WHEREIN MY APPROVAL IS REQUIRED.

DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

CHAIRPERSON

STATE OF TEXAS  
COUNTY OF HIDALGO

I, DAVID OMAR SALINAS, P.E., A REGISTERED PROFESSIONAL ENGINEER LICENSED TO PRACTICE IN THE STATE OF TEXAS, REGISTRATION NUMBER TX. 71973, DO HEREBY CERTIFY THAT THIS PLAT HAS BEEN GIVEN PROPER AND ADEQUATE ENGINEERING CONSIDERATION.

DAVID OMAR SALINAS, P.E.  
REG. PROFESSIONAL ENGINEER #71973

STATE OF TEXAS  
COUNTY OF HIDALGO

I, DAVID O. SALINAS, THE UNDERSIGNED, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE A TRUE AND CORRECT REPRESENTATION OF THE SUBDIVISION OF THE LANDS HEREDIN DESCRIBED AS SURVEYED ON THE GROUND UNDER MY DIRECTION, THAT THE WATER AND SEWER SERVICE FACILITIES DESCRIBED BY THE PLAT OR ON THE DOCUMENT ATTACHED ARE IN COMPLIANCE WITH THE MODEL RULES ADOPTED UNDER SECTION 16.343, TEXAS WATER CODE.

DAVID O. SALINAS, R.P.L.S.  
REG. PROFESSIONAL LAND SURVEYOR #5782

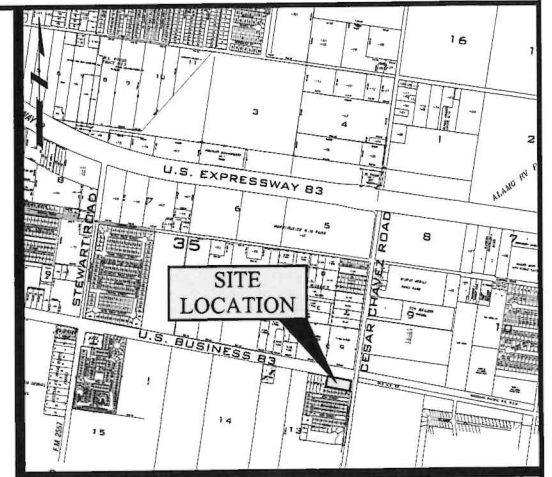
APPROVED BY DRAINAGE DISTRICT:

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 HEREBY CERTIFIES THAT THE DRAINAGE PLANS FOR THIS SUBDIVISION COMPLY WITH THE MINIMUM STANDARDS OF THE DISTRICT ADOPTED UNDER TEXAS WATER CODE 49.211(C). THE DISTRICT HAS NOT REVIEWED AND DOES NOT CERTIFY THAT THE DRAINAGE STRUCTURES DESCRIBED ARE APPROPRIATE FOR THE SPECIFIC SUBDIVISION, BASED ON GENERALLY ACCEPTED ENGINEERING CRITERIA. IT IS THE RESPONSIBILITY OF THE DEVELOPER OF THE SUBDIVISION AND HIS ENGINEER TO MAKE THEIR DETERMINATIONS.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

RAUL E. SESIN, P.E., C.F.M.  
GENERAL MANAGER

DATE



LOCATION MAP

SCALE: 1" = 1000'

METES AND BOUNDS DESCRIPTION

BEING A 1.32 GROSS ACRE TRACT OF LAND, MORE OR LESS, OUT OF AND FORMING A PART OF THE IMMEDIATE NORTHEAST CORNER OF LOT 13, BLOCK 35, ALAMO LAND & SUGAR COMPANY'S SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT THEREOF RECORDED IN VOLUME 01, PAGES 24-26, MAP RECORDS OF HIDALGO COUNTY, TEXAS; SAID 1.32 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 13, LOCATED IN THE CENTER OF CESAR CHAVEZ ROAD (AKA MORNINGSIDE ROAD); THENCE, AS FOLLOWS:

NORTH 08 DEGREES 29 MINUTES EAST, COINCIDENT WITH THE EAST LINE OF SAID LOT 13, A DISTANCE OF 1,594.22 FEET TO A NAIL SET ON THE NORTHEAST CORNER OF MI CASA SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT THEREOF RECORDED IN VOLUME 25, PAGE 138A, MAP RECORDS OF HIDALGO COUNTY, TEXAS, FOR THE SOUTHEAST CORNER AND POINT OF BEGINNING OF THIS HEREIN DESCRIBED TRACT;

(1) THENCE, NORTH 78 DEGREES 46 MINUTES WEST, COINCIDENT WITH A NORTHERN LINE OF SAID MI CASA SUBDIVISION, A DISTANCE OF 40.05 FEET PASSING A 1/2 INCH DIAMETER IRON ROD FOUND ON INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF SAID CESAR CHAVEZ ROAD AND BEING FURTHER LOCATED ON THE NORTHEAST CORNER OF LOT 1 OF SAID MI CASA SUBDIVISION, AT A DISTANCE OF 387.06 FEET IN ALL TO A 1/2 INCH DIAMETER IRON ROD FOUND ON THE NORTH LINE OF LOT 7 OF SAID MI CASA SUBDIVISION FOR THE SOUTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

(2) THENCE, NORTH 11 DEGREES 14 MINUTES EAST, COINCIDENT WITH THE EAST LINE OF LOT 8 OF SAID MI CASA SUBDIVISION BEING ALONG AN INSIDE LINE OF SAID MI CASA SUBDIVISION, A DISTANCE OF 150.0 FEET TO A 1/2 INCH DIAMETER IRON ROD FOUND ON THE NORTHEAST CORNER OF LOT 8 OF SAID MI CASA SUBDIVISION LOCATED ON INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF U.S. BUSINESS HIGHWAY 83 FOR THE NORTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

(3) THENCE, SOUTH 78 DEGREES 46 MINUTES EAST, COINCIDENT WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID U.S. BUSINESS HIGHWAY 83, A DISTANCE OF 339.80 FEET PASS AN INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF SAID CESAR CHAVEZ ROAD, AT A DISTANCE OF 379.85 FEET IN ALL TO A NAIL SET ON INTERSECTION WITH THE EAST LINE OF SAID LOT 13 LOCATED IN THE CENTER OF SAID CESAR CHAVEZ ROAD FOR THE NORTHEAST CORNER OF THIS HEREIN DESCRIBED TRACT;

(4) THENCE, SOUTH 08 DEGREES 29 MINUTES WEST, COINCIDENT WITH THE EAST LINE OF SAID LOT 13, A DISTANCE OF 150.17 FEET TO THE POINT OF BEGINNING, CONTAINING 1.32 GROSS ACRES OF LAND, MORE OR LESS, OF WHICH THE EAST 40.00 FEET (OR 0.14 ACRES, MORE OR LESS) ARE LOCATED WITHIN THE RIGHT-OF-WAY OF SAID CESAR CHAVEZ ROAD, LEAVING 1.18 NET ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING: MI CASA SUBDIVISION, H.C.T.  
N\A\MB: 2023\1.32.071323

KEYSTONE PLAZA  
SUBDIVISION

PREPARED BY: SALINAS ENGINEERING & ASSOCIATES  
DATE OF PREPARATION: AUGUST 15, 2023  
JOB NUMBER: SP-23-25998  
OWNER: RAUL CANTU  
420 JAMES ST.  
SAN JUAN, TX 78589

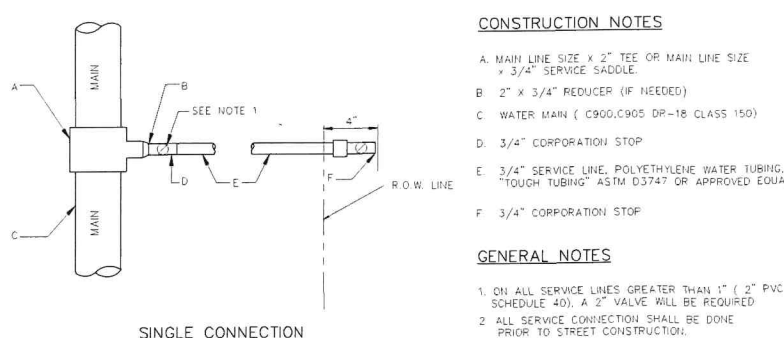
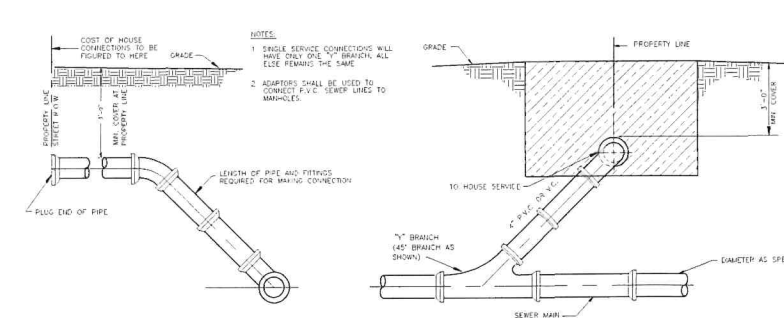
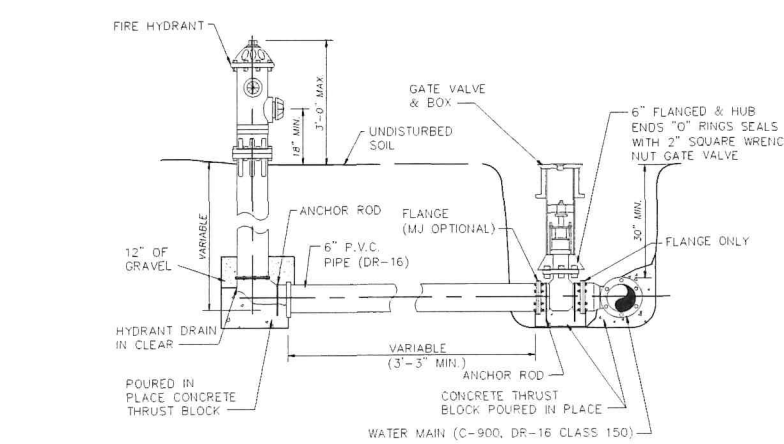
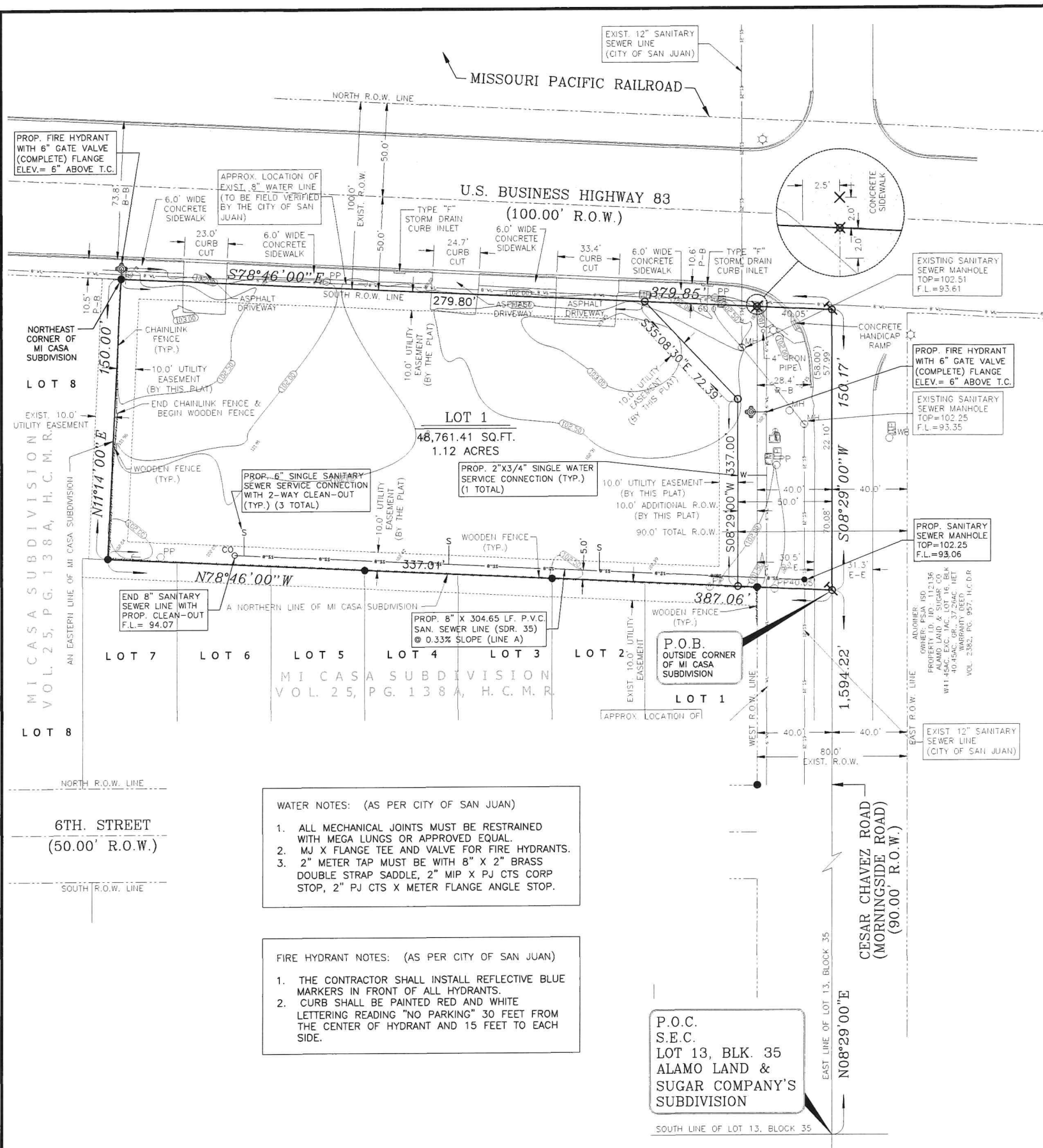
SEA

SALINAS ENGINEERING & ASSOCIATES

(P-6675) (TBPLS-10065700)  
CONSULTING ENGINEERS & SURVEYORS

2221 DAFFODIL - McALLEN, TEXAS 78501  
(956) 682-9081 (956) 686-1489 (FAX)

TBPLS 12100 PARK 35 CIRCLE BLDG 4, SUITE 156, MC-230, AUSTIN, TEXAS 78753 (512) 239-5263



**LEGEND**

- FOUND 1/2" IRON ROD
- FOUND "X" MARK ON CONCRETE
- SET "X" MARK ON CONCRETE
- SET NAIL
- MH AT&T FIBER OPTIC MAINHOLE
- SWB AT&T MARKER
- CABLE MARKER
- GUY WIRE
- MAIL BOX
- PP POWER POLE
- MH SANITARY SEWER MAINHOLE
- SP SINGLE POLE TRAFFIC SIGN
- TP TELEPHONE PEDESTAL
- TL TRAFFIC LIGHT
- R.O.W. RIGHT OF WAY
- P-B PROPERTY LINE TO BACK OF CURB
- B-B BACK OF CURB TO BACK OF CURB
- R-E R.O.W. TO EDGE OF ASPHALT
- E-E EDGE OF ASPHALT TO EDGE OF ASPHALT
- P.O.C. POINT OF COMMENCEMENT
- P.O.B. POINT OF BEGINNING
- H.C.O.R. HIDALGO COUNTY DEED RECORDS
- H.C.O.R. HIDALGO COUNTY OFFICIAL RECORDS
- H.C.M.R. HIDALGO COUNTY MAP RECORDS

- CONSTRUCTION NOTES**
- MAIN LINE SIZE X 2" TEE OR MAIN LINE SIZE X 3/4" SERVICE SADDLE.
  - 2" X 3/4" REDUCER (IF NEEDED)
  - WATER MAIN (C900, C905 DR-18 CLASS 150)
  - 3/4" CORPORATION STOP
  - 3/4" SERVICE LINE, POLYETHYLENE WATER TUBING, "TOUGH TUBING" ASTM D3747 OR APPROVED EQUAL
  - 3/4" CORPORATION STOP

- GENERAL NOTES**
- ON ALL SERVICE LINES GREATER THAN 1" (2" PVC SCHEDULE 40), A 2" VALVE WILL BE REQUIRED
  - ALL SERVICE CONNECTION SHALL BE DONE PRIOR TO STREET CONSTRUCTION.
  - SERVICE CONNECTION LOCATION TO BE SHOWN ON PLANS

**DISCLAIMER:** THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW BY THE CITY OF SAN JUAN ONLY & BY NO OTHERS UNDER THE AUTHORITY OF DAVID OMAR SALINAS, P.E., TX. REG. NO. 71973 ON AUGUST 2, 2023. IT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES

**SALINAS ENGINEERING & ASSOCIATES**  
(F-6676) (TBL-10065700)  
CONSULTING ENGINEERS & SURVEYORS  
2221 DAFFODIL - McALLEN, TEXAS 78501  
(956) 682-6081 (956) 686-1489 FAX  
DAVID OMAR SALINAS, P.E. REG. NO. 71973

Project: **KEYSTONE PLAZA**

Sheet Title: **UTILITY LAYOUT**

David Omar Salinas  
Registered Professional Engineer # 71973

Date: 08/15/2023

Scale: 1"=30'

Designed By: D.O.S.

Drawn By: B.M.

Checked By: D.O.S.

Approved By: D.O.S.

Project No: SP-23-25998

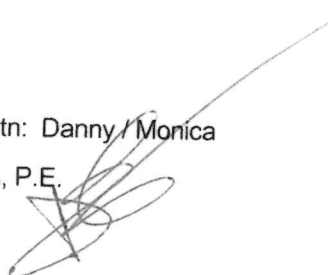
Drawing No: SP-23-25998

Sheet 2 of 2

2

**SALINAS ENGINEERING &  
ASSOCIATES**  
2221 Daffodil Ave.  
McAllen, Texas, 78501  
(956) 682-9081  
dsalinas@salinasengineering.com

# Memo

**To:** City of San Juan Attn: Danny / Monica  
**From:** David Omar Salinas, P.E.   
**CC:** client  
**Date:** 8/8/2023  
**Re:** Keystone Plaza

---

On behalf of developer and the proposed plat for Keystone Plaza, a request is made to the city to approve a 10' U.E. around the perimeter instead of a 15' U.E. – as you know this site is being processed for a retail plaza and the extra 5' saved by a smaller U.E. would go a long way to helping fit all of the building and parking/driveway improvements on this site.

If you have any questions, please advise. Thank you.

July 26, 2023

Monica Gomez  
Assistant Planning Director  
City of San Juan  
709 S. Nebraska Avenue  
San Juan, Texas 78589

RE: 2<sup>nd</sup> Preliminary Plat Review – Keystone Plaza Subdivision

Dear Ms. Gomez:

We have reviewed the preliminary subdivision plat for the above captioned subdivision and offer the following comments:

Subdivision Plat (Sheet 1)

1. General Note No. 3 references the amount of detention that will be required. Need to confirm this once the drainage report is approved by the Hidalgo County Drainage District No. 1.
2. Metes and Bounds, description of the 3<sup>rd</sup> leg is shown as a distance of 379.86-feet. However, the sum of the distances 279.80-feet, 60.00-feet, and 40.05-feet is 379.85-feet. Need to clarify.
3. Metes and Bounds, description of 4<sup>th</sup> leg states that the width of the right-of-way for Cesar Chavez Road is 40.00-feet while the plat shows it to be 40.05-feet. Need to clarify.
4. The width of the utility easement around the perimeter of Lot 1 needs to be increased to 15-feet.
5. The signature lines for Mayor, City Manager, and City Secretary need to be revised as follows:

Approval by City Commission:

Approved and Accepted by the City Commission of the City of San Juan, Texas on this, the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Mayor: \_\_\_\_\_

ATTEST:

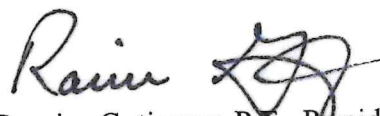
City Secretary: \_\_\_\_\_

Utility Layout (Sheet 2 of 2)

6. Two driveways are less than 26-feet in width. These will have to be widened to be a minimum of 26-feet in width.

These comments are not all encompassing and additional comments may be provided after further review of this subdivision plat.

Sincerely,



Ramiro Gutierrez, P.E., President  
R. Gutierrez Engineering Corporation





Mayor: Mario Garza  
Mayor Pro-Tem: Marco "Markie" Villegas  
Commissioners: Leonardo "Lenny" Sanchez  
Ernesto "Neto" Guajardo  
Adina "Dina" Santillan

---

To: Director of Planning & Zoning , Daniel Tijerina  
From: Interim Director of Utilities, Juan Carlos Martinez  
Date: August 10, 2023  
Subject: Keystone Plaza Subdivision *Review #3*

Department of Utilities reviewed the plans for Keystone Subdivision , comments are as follow:

#### **Water Distribution**

- All Mechanical Joints must be Restrained with Mega Lugs or Approved Equal.
- MJ X Flange Tee and valve for Fire Hydrants.
- 2" Meter Tap must be with 8"x2" Brass Double Strap Saddle, 2" MIP X PJ CTS Corp Stop, 2" PJ CTS X Meter Flange angle stop
- New plan shows a 2"x3/4" single water service, please verify proposed service size.
- 8" waterline location will field verified by contractor.

#### **Collection System**

- Every Sewer service must have a 2 way cleanout at property line.
- Need confirmation sewer line in rear of property will be a private line as discussed by phone with Mr Salinas..
- Additional comments will be provided at the time of Construction Plan Review.

709 S. Nebraska Ave. • San Juan, Texas 78589-2649  
Phone: (956)223-2200 • Fax: (956) 787-5978



**Tirso Garza,**  
Fire Chief

**Carlos Alaniz,**  
Assistant Chief

**Jose J. Salinas,**  
Fire Inspector

**Sandra Guajardo,**  
Adm. Assistant

**Station #1**  
707 S. Nebraska  
San Juan, TX 78589

**Station #2**  
2301 N. Raul Longoria Rd.  
San Juan, TX 78589

**Ph:** (956) 223-2470  
**Fax:** (956) 783-3441

## BUILDING PLAN REVIEW COMMENTS

Building Plan Name: Keystone Plaza Subdivision

Address: \_\_\_\_\_

Date Reviewed: 8/10/2023

**After reviewing plans, the following requirements shall be needed as per the Fire Protection System per IFC 2018:**

1. The hydrant shall be looped to the 8" waterline. (Recommended Mueller Safety Yellow Barrel without the anti-theft device.) The hydrant shall be connected to the existing line.
2. The Developer shall install reflective blue markers in front of all hydrants.
3. Curb shall be painted RED with WHITE lettering reading NO PARKING 30 feet from the center of hydrant and 15 feet to each side.
4. A fire hydrant must be placed within 300 feet of existing fire hydrant.
5. All Entrance and Exits must be 26 feet.

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Action regarding a Planned Unit Development at Stewart Coves Subdivision being a 37.258-acre tract of land out of Lots 1 and 6, Stewart's Addition to the Conway Gardens, Located at the Northwest Corner of Moore and Stewart Road, as Requested by Melden & Hunt, Inc. [Daniel Tijerina, Director of Planning]

---

**STAFF COMMENTS AND RECOMMENDATIONS:**

Melden & Hunt is requesting a Planned Unit Development in the Stewart Coves Subdivision, which is located at the Northwest corner of Moore and Stewart Road. They are proposing one hundred and eighty-four (184) lots with two (2) entrances/ exits along Stewart Road and six (6) common/detention areas inside the subdivision.

Pursuant to article IX Planned Unit Development (PUD), the regulations prescribed shall regulate the procedure for making an application for a permit for a planned unit development, the public hearing, the staff investigation and technical report, the action by the Planning and Zoning Commission, the Planning Director.

Planned Unit Development (PUD):

A real estate development which includes a combination of different dwelling types and/or a variety of land uses which creatively complement each other and harmonize with existing and proposed land uses in the vicinity, and which comply with provisions of the PUD provisions of the Subdivision Regulation.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/17/2023  
CITY COMMISSION – 08/22/2023  
DATE PREPARED – 08/09/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                               |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Planned Unit Development (PUD) at Stewart Coves Subdivision                                                                                                                                                                                   |
| <b>APPLICANT:</b>                              | Rhodes Development, Inc.                                                                                                                                                                                                                      |
| <b>AGENT:</b>                                  | Melden & Hunt, Inc.                                                                                                                                                                                                                           |
| <b>LEGAL:</b>                                  | Being a 37.258-acre tract of land out of Lots 1 and 6, Stewarts Addition to the Conway Gardens                                                                                                                                                |
| <b>LOCATION:</b>                               | The property is located at the Northwest corner of Stewart and Moore Roads                                                                                                                                                                    |
| <b>CURRENT USE OF PROPERTY:</b>                | Vacant                                                                                                                                                                                                                                        |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <u>North</u> – Agriculture; Single-Family Residence District (R-S)<br><u>South</u> – Residential; Single-Family Residence District (R-S)<br><u>East</u> – Agriculture; Single-Family Residence District (R-S)<br><u>West</u> – Drainage Canal |
| <b>ACCESS AND CIRCULATION:</b>                 | The property has access along Moore and Stewart Road.                                                                                                                                                                                         |
| <b>PUBLIC SERVICES:</b>                        | Water and sewer services will be provided by the City of San Juan.                                                                                                                                                                            |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval.                                                                                                                                                                                                                    |

**EVALUATION AND CONDITIONS FOR APPROVAL**

Melden & Hunt is requesting a Planned Unit Development at the Stewart Coves Subdivision, which is located at the Northwest corner of Moore and Stewart Road. They are proposing a one hundred and eighty-four (184) lots with two (2) entrances/exit along Stewart Road and six (6) common/detention areas inside the subdivision.

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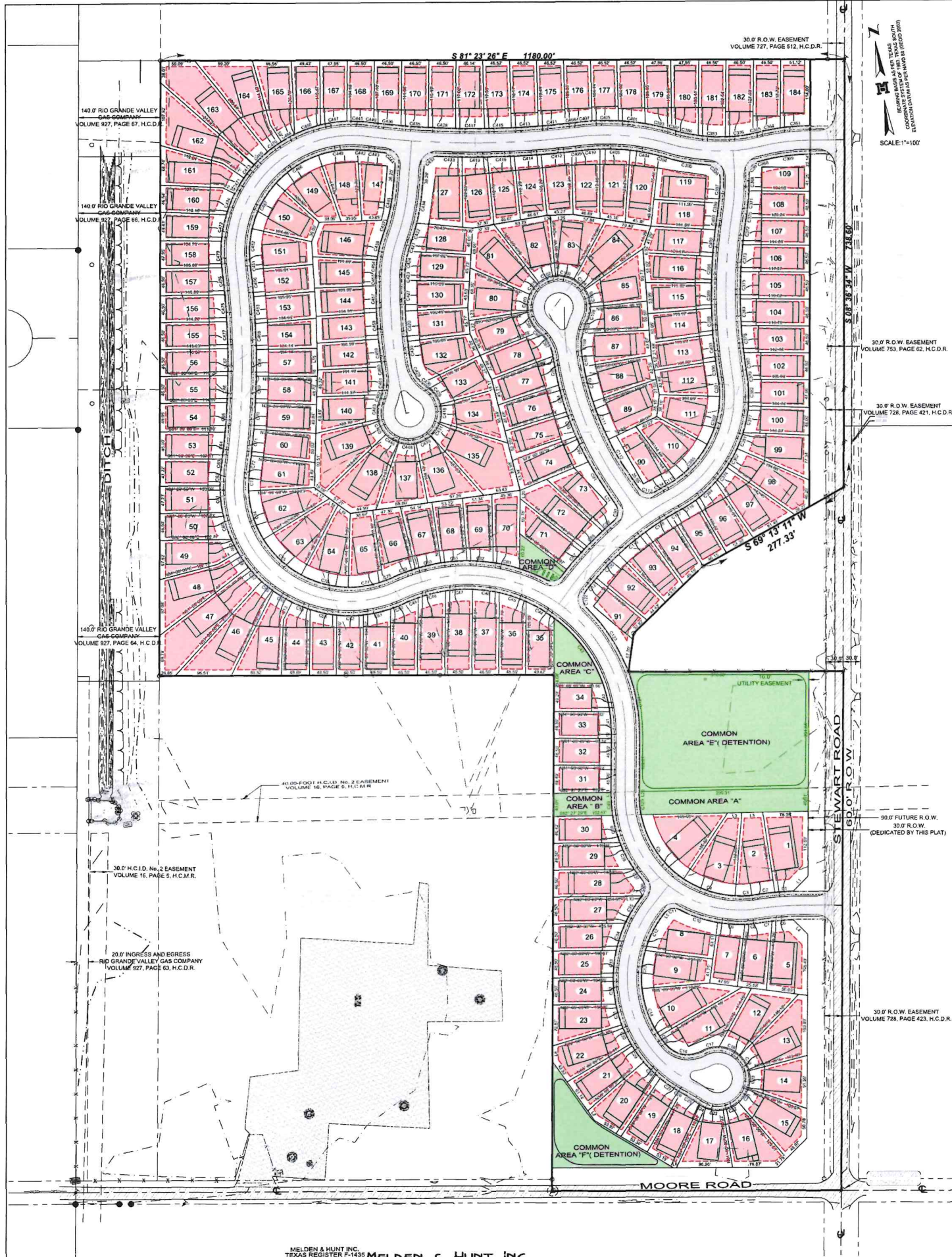
Proposed Site





Location Map





| Lot Area Table |          |       | Lot Area Table |          |       | Lot Area Table |          |       |
|----------------|----------|-------|----------------|----------|-------|----------------|----------|-------|
| Lot #          | SQ. FT.  | Area  | Lot #          | SQ. FT.  | Area  | Lot #          | SQ. FT.  | Area  |
| 1              | 9039.79  | 0.208 | 81             | 7846.91  | 0.176 | 159            | 5138.41  | 0.118 |
| 2              | 7291.84  | 0.167 | 82             | 7006.58  | 0.161 | 160            | 5547.93  | 0.127 |
| 3              | 6199.74  | 0.138 | 83             | 6994.40  | 0.161 | 161            | 7015.50  | 0.161 |
| 4              | 9990.84  | 0.220 | 84             | 7876.57  | 0.181 | 162            | 9989.12  | 0.229 |
| 5              | 7982.06  | 0.183 | 85             | 6316.15  | 0.145 | 163            | 11628.76 | 0.267 |
| 6              | 5352.63  | 0.123 | 86             | 5080.53  | 0.117 | 164            | 9251.57  | 0.212 |
| 7              | 4958.27  | 0.114 | 87             | 6029.83  | 0.138 | 164            | 4023.37  | 0.092 |
| 8              | 7539.48  | 0.173 | 88             | 6219.60  | 0.143 | 165            | 6898.73  | 0.154 |
| 9              | 6424.67  | 0.147 | 89             | 7076.04  | 0.162 | 166            | 5574.29  | 0.128 |
| 10             | 8137.08  | 0.187 | 90             | 6613.27  | 0.152 | 167            | 5007.00  | 0.115 |
| 11             | 7915.79  | 0.182 | 91             | 7034.89  | 0.161 | 168            | 4879.46  | 0.112 |
| 12             | 6910.43  | 0.159 | 92             | 5844.09  | 0.134 | 169            | 5097.14  | 0.117 |
| 13             | 8339.67  | 0.191 | 93             | 5961.92  | 0.137 | 169            | 5636.66  | 0.129 |
| 14             | 6098.13  | 0.140 | 94             | 5355.85  | 0.123 | 170            | 5285.12  | 0.121 |
| 15             | 7504.20  | 0.172 | 95             | 4989.27  | 0.115 | 171            | 5404.47  | 0.124 |
| 16             | 7035.61  | 0.162 | 96             | 5385.48  | 0.124 | 172            | 5653.73  | 0.130 |
| 17             | 6379.34  | 0.146 | 97             | 8997.31  | 0.161 | 173            | 5436.99  | 0.125 |
| 18             | 6233.08  | 0.143 | 98             | 7514.85  | 0.173 | 174            | 5345.29  | 0.123 |
| 19             | 5740.73  | 0.132 | 99             | 6334.94  | 0.145 | 175            | 5186.21  | 0.119 |
| 20             | 7185.44  | 0.165 | 100            | 5087.60  | 0.117 | 176            | 4987.67  | 0.114 |
| 21             | 6366.16  | 0.146 | 101            | 4914.18  | 0.113 | 177            | 4847.85  | 0.111 |
| 22             | 6838.92  | 0.157 | 102            | 5080.28  | 0.117 | 178            | 4961.58  | 0.114 |
| 23             | 6220.42  | 0.143 | 103            | 5339.56  | 0.123 | 179            | 5367.46  | 0.123 |
| 24             | 4940.58  | 0.113 | 104            | 5482.64  | 0.126 | 180            | 5885.41  | 0.135 |
| 25             | 4952.06  | 0.114 | 105            | 5510.30  | 0.126 | 181            | 6137.28  | 0.141 |
| 26             | 5428.37  | 0.125 | 106            | 5422.94  | 0.124 | 182            | 6066.41  | 0.139 |
| 27             | 8449.75  | 0.148 | 107            | 5215.91  | 0.120 | 183            | 5673.53  | 0.130 |
| 28             | 7157.21  | 0.164 | 108            | 4950.50  | 0.114 | 184            | 6005.82  | 1.378 |
| 29             | 5891.28  | 0.135 | 109            | 5942.00  | 0.136 |                |          |       |
| 30             | 5063.87  | 0.116 | 110            | 6428.96  | 0.148 |                |          |       |
| 31             | 4710.14  | 0.108 | 110            | 3370.23  | 0.077 |                |          |       |
| 32             | 4637.85  | 0.106 | 111            | 6366.87  | 0.146 |                |          |       |
| 33             | 4601.07  | 0.106 | 112            | 5494.51  | 0.126 |                |          |       |
| 34             | 4500.04  | 0.103 | 113            | 5107.78  | 0.117 |                |          |       |
| 35             | 5555.43  | 0.128 | 114            | 5258.51  | 0.121 |                |          |       |
| 36             | 6272.95  | 0.144 | 115            | 5476.14  | 0.128 |                |          |       |
| 37             | 6767.36  | 0.155 | 116            | 5615.33  | 0.129 |                |          |       |
| 38             | 6844.49  | 0.157 | 117            | 5422.53  | 0.124 |                |          |       |
| 39             | 6511.38  | 0.149 | 118            | 5184.54  | 0.119 |                |          |       |
| 40             | 5755.10  | 0.132 | 119            | 7337.92  | 0.168 |                |          |       |
| 41             | 5046.12  | 0.116 | 120            | 5941.47  | 0.136 |                |          |       |
| 42             | 4808.37  | 0.110 | 121            | 6013.44  | 0.138 |                |          |       |
| 43             | 5025.00  | 0.115 | 122            | 5434.22  | 0.125 |                |          |       |
| 44             | 5923.61  | 0.127 | 123            | 5216.47  | 0.120 |                |          |       |
| 45             | 7835.23  | 0.180 | 124            | 5004.74  | 0.115 |                |          |       |
| 46             | 9939.95  | 0.228 | 125            | 5272.97  | 0.121 |                |          |       |
| 47             | 11904.78 | 0.264 | 126            | 5900.09  | 0.135 |                |          |       |
| 48             | 8996.44  | 0.207 | 126            | 11572.83 | 0.266 |                |          |       |
| 49             | 6490.66  | 0.149 | 127            | 8113.23  | 0.188 |                |          |       |
| 50             | 5316.16  | 0.122 | 128            | 4836.33  | 0.111 |                |          |       |
| 51             | 4890.13  | 0.112 | 129            | 5280.72  | 0.121 |                |          |       |
| 52             | 4889.01  | 0.112 | 130            | 5345.70  | 0.123 |                |          |       |
| 53             | 5092.56  | 0.117 | 131            | 5241.18  | 0.120 |                |          |       |
| 54             | 5678.90  | 0.130 | 132            | 6600.70  | 0.152 |                |          |       |
| 55             | 5392.85  | 0.124 | 133            | 5536.91  | 0.127 |                |          |       |
| 56             | 5407.55  | 0.124 | 134            | 6386.49  | 0.147 |                |          |       |
| 57             | 4947.20  | 0.114 | 135            | 10517.30 | 0.241 |                |          |       |
| 58             | 4953.18  | 0.114 | 136            | 6925.44  | 0.159 |                |          |       |
| 59             | 5041.50  | 0.116 | 137            | 6313.22  | 0.145 |                |          |       |
| 60             | 5189.30  | 0.119 | 138            | 8521.10  | 0.196 |                |          |       |
| 61             | 5861.88  | 0.135 | 139            | 8636.81  | 0.198 |                |          |       |
| 62             | 7113.87  | 0.163 | 140            | 5657.94  | 0.130 |                |          |       |
| 63             | 7385.60  | 0.170 | 141            | 5357.44  | 0.123 |                |          |       |
| 64             | 7261.28  | 0.167 | 142            | 5128.95  | 0.118 |                |          |       |
| 65             | 6362.35  | 0.146 | 143            | 4892.11  | 0.112 |                |          |       |
| 66             | 6111.85  | 0.140 | 144            | 4987.78  | 0.114 |                |          |       |
| 67             | 5302.44  | 0.122 | 145            | 5326.15  | 0.122 |                |          |       |
| 68             | 5215.20  | 0.120 | 146            | 7502.06  | 0.172 |                |          |       |
| 69             | 5427.23  | 0.125 | 147            | 6601.24  | 0.152 |                |          |       |
| 70             | 5983.88  | 0.137 | 148            | 6419.79  | 0.147 |                |          |       |
| 71             | 5716.67  | 0.131 | 149            | 6738.98  | 0.155 |                |          |       |
| 72             | 7096.59  | 0.163 | 150            | 6508.94  | 0.149 |                |          |       |
| 73             | 6805.89  | 0.159 | 151            | 5902.87  | 0.136 |                |          |       |
| 74             | 6187.48  | 0.142 | 152            | 4919.34  | 0.113 |                |          |       |
| 75             | 5503.05  | 0.128 | 153            | 4871.95  | 0.112 |                |          |       |
| 76             | 5209.59  | 0.120 | 154            | 5047.34  | 0.116 |                |          |       |
| 77             | 5309.10  | 0.122 | 155            | 5359.09  | 0.123 |                |          |       |
| 78             | 5364.29  | 0.123 | 156            | 5237.38  | 0.120 |                |          |       |
| 79             | 5437.23  | 0.125 | 157            | 5042.09  | 0.116 |                |          |       |
| 80             | 6259.78  | 0.144 | 158            | 4913.92  | 0.113 |                |          |       |

| Buildable Area |         |       | Buildable Area |         |       | Buildable Area |         |       |
|----------------|---------|-------|----------------|---------|-------|----------------|---------|-------|
| Lot #          | SQ. FT. | Area  | Lot #          | SQ. FT. | Area  | Lot #          | SQ. FT. | Area  |
| 1              | 5499.34 | 0.126 | 81             | 5089.96 | 0.117 | 161            | 4561.71 | 0.105 |
| 2              | 4502.25 | 0.103 | 82             | 4468.32 | 0.103 | 162            | 6824.31 | 0.157 |
| 3              | 5059.16 | 0.116 | 83             | 4469.41 | 0.103 | 163            | 8216.27 | 0.189 |
| 4              | 5865.66 | 0.135 | 84             | 5358.30 | 0.123 | 164            | 6251.24 | 0.144 |
| 5              | 4624.34 | 0.106 | 85             | 3893.64 | 0.089 | 165            | 4343.06 | 0.100 |
| 6              | 3097.66 | 0.071 | 86             | 2841.92 | 0.065 | 166            | 3250.45 | 0.075 |
| 7              | 2792.67 | 0.064 | 87             | 3579.28 | 0.082 | 167            | 2825.81 | 0.065 |
| 8              | 3561.38 | 0.082 | 88             | 3684.10 | 0.085 | 168            | 2728.21 | 0.063 |
| 9              | 3829.21 | 0.088 | 89             | 4272.84 | 0.098 | 169            | 2903.42 | 0.067 |
| 10             | 4787.29 | 0.110 | 90             | 2775.38 | 0.064 | 170            | 3052.84 | 0.070 |
| 11             | 4408.38 | 0.101 | 91             | 2692.59 | 0.062 | 171            | 3147.66 | 0.072 |
| 12             | 4304.03 | 0.099 | 92             | 3429.49 | 0.079 | 172            | 3320.37 | 0.078 |
| 13             | 5516.34 | 0.127 | 93             | 3494.81 | 0.080 | 173            | 3172.73 | 0.073 |
| 14             | 3730.61 | 0.086 | 94             | 3060.55 | 0.070 | 174            | 3101.13 | 0.071 |
| 15             | 4979.22 | 0.114 | 95             | 2791.89 | 0.064 | 175            | 2975.20 | 0.068 |
| 16             | 4537.42 | 0.104 | 96             | 3122.81 | 0.072 | 176            | 2800.68 | 0.064 |
| 17             | 3940.87 | 0.090 | 97             | 4504.10 | 0.103 | 177            | 2706.74 | 0.062 |
| 18             | 3797.19 | 0.087 | 98             | 4921.26 | 0.113 | 178            | 2789.72 | 0.064 |
| 19             | 3429.39 | 0.079 | 99             | 3989.19 | 0.092 | 179            | 3099.68 | 0.071 |
| 20             | 4644.64 | 0.107 | 100            | 2887.89 | 0.066 | 180            | 3516.22 | 0.081 |
| 21             | 3971.10 | 0.091 | 101            | 2758.08 | 0.063 | 181            | 3725.65 | 0.086 |
| 22             | 4399.68 | 0.101 | 102            | 2884.90 | 0.066 | 182            | 3664.77 | 0.084 |
| 23             | 3846.82 | 0.088 | 103            | 3093.96 | 0.071 | 183            | 3339.71 | 0.077 |
| 24             | 2774.03 | 0.064 | 104            | 3205.16 | 0.074 | 184            | 3108.41 | 0.071 |
| 25             | 2780.75 | 0.064 | 105            | 3231.66 | 0.074 |                |         |       |
| 26             | 3119.73 | 0.072 | 106            | 3161.75 | 0.073 |                |         |       |
| 27             | 3837.03 | 0.088 | 107            | 2998.91 | 0.069 |                |         |       |
| 28             | 4424.32 | 0.102 | 108            | 2784.43 | 0.064 |                |         |       |
| 29             | 3435.97 | 0.079 | 109            | 2488.29 | 0.057 |                |         |       |
| 30             | 2844.84 | 0.065 | 110            | 3686.05 | 0.085 |                |         |       |
| 31             | 2604.80 | 0.060 | 111            | 3617.33 | 0.083 |                |         |       |
| 32             | 2545.44 | 0.058 | 112            | 3104.13 | 0.071 |                |         |       |
| 33             | 2518.91 | 0.058 | 113            | 2920.96 | 0.067 |                |         |       |
| 34             | 2383.63 | 0.055 | 114            | 3040.62 | 0.070 |                |         |       |
| 35             | 3126.01 | 0.072 | 115            | 3221.38 | 0.074 |                |         |       |
| 36             | 3792.97 | 0.087 | 116            | 3323.34 | 0.076 |                |         |       |
| 37             | 4215.48 | 0.097 | 117            | 3152.48 | 0.072 |                |         |       |
| 38             | 4280.27 | 0.098 | 118            | 2971.63 | 0.068 |                |         |       |
| 39             | 3994.46 | 0.092 | 119            | 3408.16 | 0.078 |                |         |       |
| 40             | 3359.88 | 0.077 | 120            | 3542.75 | 0.081 |                |         |       |
| 41             | 2842.49 | 0.065 | 121            | 3584.91 | 0.082 |                |         |       |
| 42             | 2672.90 | 0.061 | 122            | 3149.30 | 0.072 |                |         |       |
| 43             | 2829.39 | 0.065 | 123            | 2953.24 | 0.068 |                |         |       |
| 44             | 3355.79 | 0.077 | 124            | 2831.17 | 0.065 |                |         |       |
| 45             | 5084.24 | 0.117 | 125            | 3040.52 | 0.070 |                |         |       |
| 46             | 6823.09 | 0.157 | 126            | 3571.68 | 0.082 |                |         |       |
| 47             | 8093.03 | 0.186 | 127            | 3943.42 | 0.091 |                |         |       |
| 48             | 6027.85 | 0.138 | 128            | 2657.02 | 0.061 |                |         |       |
| 49             | 4194.81 | 0.096 | 129            | 3026.59 | 0.069 |                |         |       |
| 50             | 3038.90 | 0.070 | 130            | 3055.63 | 0.070 |                |         |       |
| 51             | 2735.32 | 0.063 | 131            | 2979.38 | 0.068 |                |         |       |
| 52             | 2736.93 | 0.063 | 132            | 3885.88 | 0.089 |                |         |       |
| 53             | 2900.10 | 0.067 | 133            | 3182.04 | 0.073 |                |         |       |
| 54             | 3334.88 | 0.077 | 134            | 3940.28 | 0.090 |                |         |       |
| 55             | 3130.56 | 0.072 | 135            | 7410.22 | 0.170 |                |         |       |
| 56             | 3150.50 | 0.072 | 136            | 4408.66 | 0.101 |                |         |       |
| 57             | 2792.37 | 0.064 | 137            | 3933.67 | 0.090 |                |         |       |
| 58             | 2795.58 | 0.064 | 138            | 5850.04 | 0.134 |                |         |       |
| 59             | 2886.93 | 0.066 | 139            | 5827.96 | 0.134 |                |         |       |
| 60             | 2967.40 | 0.068 | 140            | 3327.93 | 0.076 |                |         |       |
| 61             | 3409.81 | 0.078 | 141            | 3104.65 | 0.071 |                |         |       |
| 62             | 4170.27 | 0.096 | 142            | 2915.66 | 0.067 |                |         |       |
| 63             | 4414.80 | 0.101 | 143            | 2743.36 | 0.063 |                |         |       |
| 64             | 4349.46 | 0.100 | 144            | 2806.57 | 0.064 |                |         |       |
| 65             | 3807.25 | 0.087 | 145            | 3096.05 | 0.071 |                |         |       |
| 66             | 3613.19 | 0.083 | 146            | 4630.57 | 0.106 |                |         |       |
| 67             | 3075.53 | 0.071 | 147            | 2725.54 | 0.063 |                |         |       |
| 68             | 3005.68 | 0.069 | 148            | 3801.66 | 0.087 |                |         |       |
| 69             | 3186.19 | 0.073 | 149            | 3875.01 | 0.089 |                |         |       |
| 70             | 3569.96 | 0.082 | 150            | 3703.43 | 0.085 |                |         |       |
| 71             | 3294.90 | 0.076 | 151            | 3369.93 | 0.077 |                |         |       |
| 72             | 4494.50 | 0.103 | 152            | 2785.30 | 0.063 |                |         |       |
| 73             | 3150.44 | 0.072 | 153            | 2728.39 | 0.063 |                |         |       |
| 74             | 4169.88 | 0.096 | 154            | 2673.65 | 0.066 |                |         |       |
| 75             | 2807.42 | 0.064 | 155            | 3112.17 | 0.071 |                |         |       |
| 76             | 2976.79 | 0.068 | 156            | 3015.49 | 0.069 |                |         |       |
| 77             | 3032.36 | 0.070 | 157            | 2860.20 | 0.066 |                |         |       |
| 78             | 3097.66 | 0.071 | 158            | 2758.35 | 0.063 |                |         |       |
| 79             | 3195.43 | 0.073 | 159            | 2930.46 | 0.067 |                |         |       |
| 80             | 3894.38 | 0.089 | 160            | 3295.69 | 0.076 |                |         |       |

LEGEND

FOUND NO.4 R

FOUND PK NAI



**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Action on the Variance Request to the Subdivision Ordinance at the Proposed Valley Ranch Subdivision No.6 being a 21.07-acre tract of land out of Lot 14, Stewarts Addition, as Requested by Quintanilla, Headley and Associates, Inc. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

Quintanilla, Headley and Associates, Project Engineer for Valey Ranch Subdivision No. 6 is requesting some variances to the Subdivision Ordinance as follows:

1. To not comply with the 20-foot rear setback as required, they are proposing 10-foot.
2. To not comply with the 6-foot side setback for non-corner lots, they are proposing 5-foot.
3. To not comply with the 15-foot Utility Easement, they are proposing a 10-foot easement.
4. To not comply with the 150-foot minimum lot frontage for multi-family lots, they are proposing 75 feet, 80 feet and 87.79 feet.
5. To not comply with the minimum lot area of 22,500 square feet for multi-family lots, they are proposing 9, 750 sq. ft - 11,419.69 sq. ft.
6. To not comply with the minimum lot depth of 150-feet for multi-familly lots, they are proposing 130-feet for all lots.
7. To allow a sanitary sewer manholes, fiberglass monolithic open with concrete foundation poured in place.

**RECOMMENDATION:**

Staff recommends approval of the variance requested.

**PREPARED BY:**

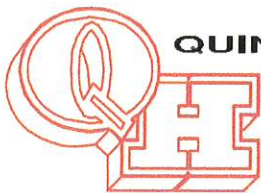
Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

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**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Alfonso Quintanilla, P.E. # 95534 R.P.L.S #4856 Eulalio Ramirez, P.E. # 77062

Engineering Firm Registration No. F-1513

Surveying Firm Registration No. 100411-00

Municipal & County Projects ★ Subdivisions ★ Surveys

August 9, 2023

Mr. Daniel Tijerina  
Director of Planning  
City of San Juan  
709 S. Nebraska Ave.  
San Juan, Texas 78589

**Re: Valley Ranch Subdivision No. 6**

Dear Mr. Tijerina,

On behalf of the developer, I am hereby requesting the following variances:

- Rear Setback
  - Required 20.00', proposed 10.00'
- Side Setback for Non-Corner Lots
  - Required 6.0', proposed 5.00'
- 15.0' Utility Easement
  - Required 15.0', proposed 10.00'
- Lot Frontage for Multi-Family Residential District (R-MF)
  - Required 150.0', Proposed 75.0', 80.0' and 87.79'
- Lot Area for Multi-Family Residential District (R-MF)
  - Required 22,500 sq. ft., Proposed 9,750 sq. ft. – 11,412.69 sq. ft.
- Lot Depth for Multi-Family Residential District (R-MF)
  - Required 150.0', Proposed 130.0' for all Lots
- Allow sanitary sewer manholes fiberglass monolithic open bottom with concrete foundation poured in place

Please present this plat along with this request to the Planning and Zoning Commission for their consideration. Should you have any questions or need additional information, please feel free to contact me at 381-6480.

Respectfully,

Alfonso Quintanilla, P.E., R.P.L.S.  
President





**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Action to Allow a Haunted House at the Old San Juan Hotel located at 125 W. US Business 83, legally described as lots 1 thru 6, Block 28, San Juan Original Townsie, as Requested by ZAEFF, LLC. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

The applicant is requesting to renew a permit that was granted last year to operate a Haunted House at the San Juan Hotel during the month of October. They are proposing to operate from October 1st to October 31st from 7:00 p.m. to 12:00 a.m. A floor plat is attached for reference.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

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MEETING DATES:  
CITY COMMISSION – 08/22/2023  
DATE PREPARED – 08/17/2023

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**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                                                |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | To Renew a Permit to Operate a Hanted House at the Old San Juan Hotel located at 125 W. US Business 83.                                                                                                                                                                        |
| <b>APPLICANT:</b>                              | ZAEEE, LLC.                                                                                                                                                                                                                                                                    |
| <b>SURVEYOR/ENGINEER:</b>                      | N/A                                                                                                                                                                                                                                                                            |
| <b>LEGAL:</b>                                  | Lots 1-6, Block 28, San Juan Original Townsite                                                                                                                                                                                                                                 |
| <b>LOCATION:</b>                               | The property is located at the Southwest corner of Business 83 and Lincoln Avenue.                                                                                                                                                                                             |
| <b>EXISTING ZONING:</b>                        | Neighborhood Commercial District                                                                                                                                                                                                                                               |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <i>North</i> – Commercial; Neighborhood Commercial District (C-1)<br><i>South</i> – Commercial; Neighborhood Commercial District (C-1)<br><i>East</i> – Commercial; Neighborhood Commercial District (C-1)<br><i>West</i> – Commercial; Neighborhood Commercial District (C-1) |
| <b>ACCESS AND CIRCULATION:</b>                 | This property has access along Business Hwy 83                                                                                                                                                                                                                                 |
| <b>PUBLIC SERVICES:</b>                        | Water and sewer services are provided by the City of San Juan.                                                                                                                                                                                                                 |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval.                                                                                                                                                                                                                                                     |

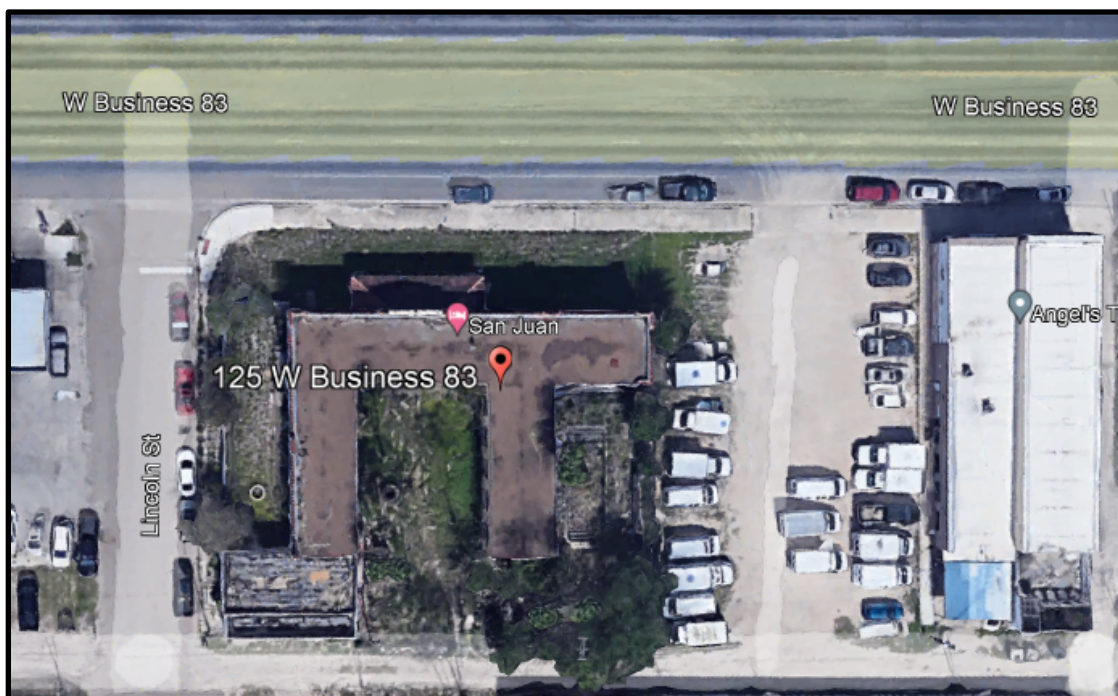


**EVALUATION AND CONDITIONS FOR APPROVAL**

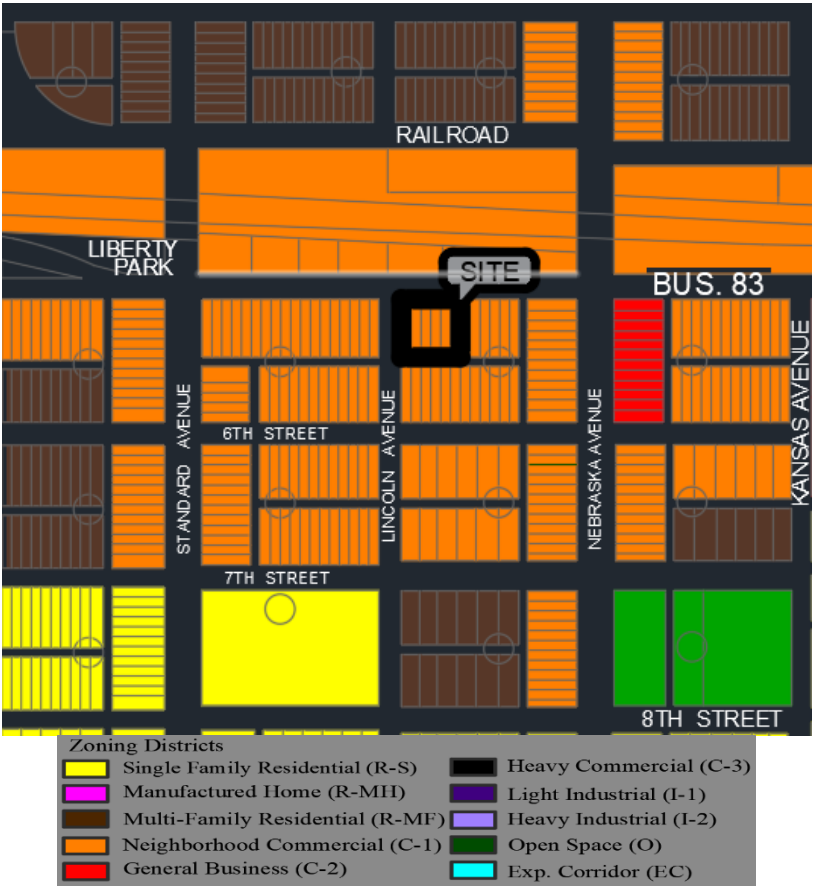
The applicant is requesting to renew a permit to operate a Haunted House at the San Juan Hotel starting October 1<sup>st</sup> through October 31<sup>st</sup>. Operation hours are from 7:00 p.m. to 12:00 a.m. A copy of the contract, liability insurance and floor plan were submitted for review.

**ATTACHMENTS:**

- Aerial Photo
- Zoning Map
- Site Plan
- Proposed Parking Area
- Ordinance



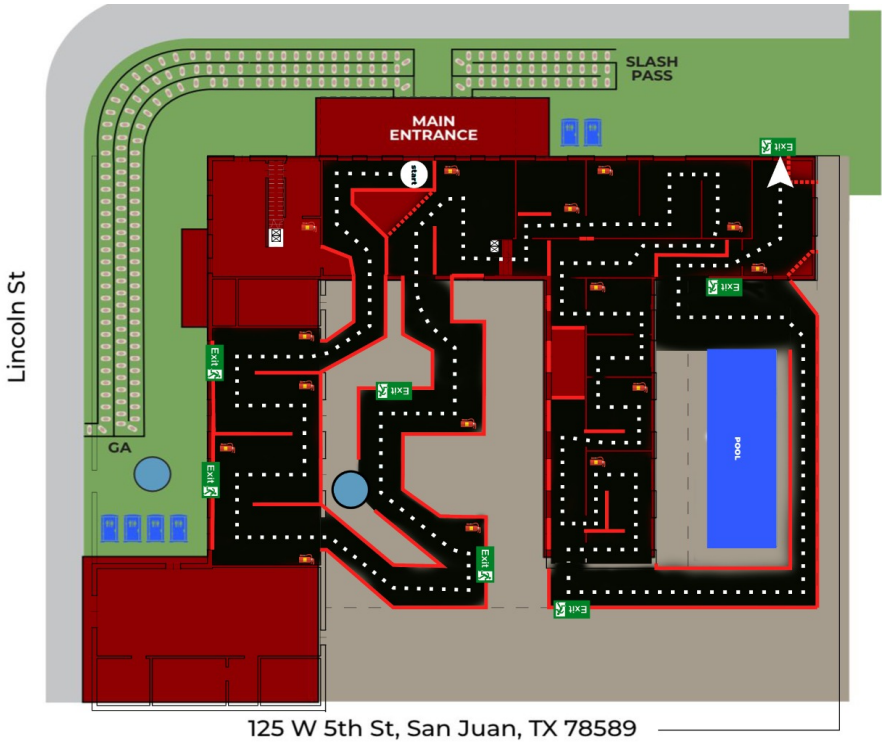
Aerial Map



Zoning Map



Proposed Site



Site Plan



Proposed Parking Area





## **ORDINANCE NO.**

**AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW A HAUNTED HOUSE AT THE SAN JUAN HOTEL LOCATED AT 125 W. BUSINESS 83, LEGALLY DESCRIBED AS LOTS 1 THROUGH 6, BLOCK 28, SAN JUAN ORIGINAL TOWNSITE, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, ZAEEE, LLC. has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to allow a Haunted House at the Old San Juan Hotel located at 125 W. Business 83.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to ZAEEE, LLC. for a Conditional Use Permit to allow a Haunted House at 125 W. Business 83, subject to the following conditions:

1. A final inspection must be completed prior to opening.
2. Sheriff's and Constables will provide a traffic control plan and assist with parking.
3. Generators will be used for power.
4. Swimming pool area shall be filled by dirt and fenced.
5. All safety hazards identify by staff shall be corrected.
6. Insurance shall be provided with the City of San Juan as an additional insured.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 22<sup>nd</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the \_\_\_\_ day of \_\_\_\_\_, 2023.

**CITY OF SAN JUAN**

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**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**

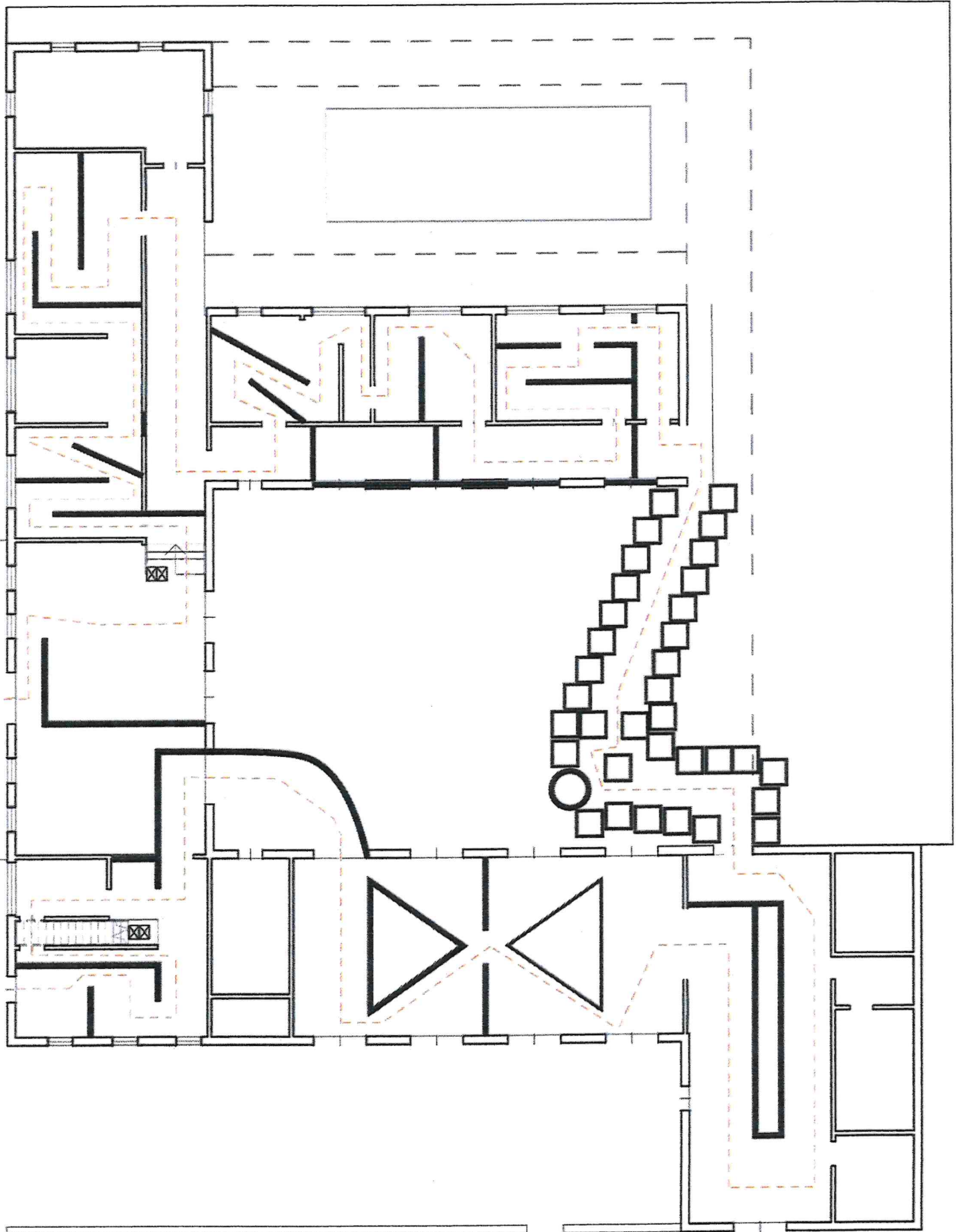
Palacios, Garza & Thompson, P.C.

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**BRENDA ESCALANTE  
CITY SECRETARY**

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**CITY ATTORNEY**



Entrance

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Action to Review the Conditional Use Permit Granted to "El Grullo Drive-Thru" located at 912 E. Business 83, legally described as Lot 1, Mireles Subdivision. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

The San Juan City Commission approved on March 28, 2023 an Ordinance No. 23-08 to allow "El Grullo Drive-Thru" and the Sale of Alcoholic Beverages for Off-Premise Consumption at 912 E. Business 83. The Code Enforcement Inspectors visited the business after a complaint received regarding the employees' attire, which is against the city ordinance (Sexually Oriented Business).

The establishment was closed to the public on August 11, 2023 by City Inspectors.

**RECOMMENDATION:**

Staff recommends approval subject to compliance with all City Codes and Ordinances.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

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MEETING DATES:  
CITY COMMISSION – 08/22/2023  
DATE PREPARED – 08/17/2023

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**STAFF REPORT**  
**GENERAL INFORMATION**

|                                |                                                                                                                                                                                                                                 |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>            | To review the Conditional Use Permit to operate “El Grullo Drive-Thru”                                                                                                                                                          |
| <b>APPLICANT:</b>              | Ricardo Lara                                                                                                                                                                                                                    |
| <b>SURVEYOR/ENGINEER:</b>      | N/A                                                                                                                                                                                                                             |
| <b>LEGAL:</b>                  | Lot 1, Mireles Subdivision                                                                                                                                                                                                      |
| <b>LOCATION:</b>               | 912 E. Business 83                                                                                                                                                                                                              |
| <b>EXISTING ZONING:</b>        | <u>North</u> – Residential; Single-Family Residence District (R-S)<br>/                                                                                                                                                         |
| <b>ADJACENT ZONING:</b>        | Neighborhood Commercial District (R-MF)<br><u>South</u> – Commercial; Heavy Commercial District (C-3)<br><u>East</u> – Commercial; Heavy Commercial District (C-3)<br><u>West</u> – Commercial; General Business District (C-2) |
| <b>ACCESS AND CIRCULATION:</b> | This property has access along Business 83                                                                                                                                                                                      |
| <b>PUBLIC SERVICES:</b>        | Water and sewer service are provided by the City of San Juan.                                                                                                                                                                   |

**EVALUATION AND CONDITIONS FOR APPROVAL**

The San Juan City Commission approved on March 28, 2023 an Ordinance No. 23-08 to allow "El Grullo Drive-Thru" and the Sale of Alcoholic Beverages for Off-Premise Consumption at 912 E. Business 83. The Code Enforcement Inspectors visited the business after a complaint received regarding the employees' attire, which is against the city ordinance (Sexually Oriented Business).

The establishment was closed to the public on August 11, 2023 by City Inspectors.

**ATTACHMENTS:**

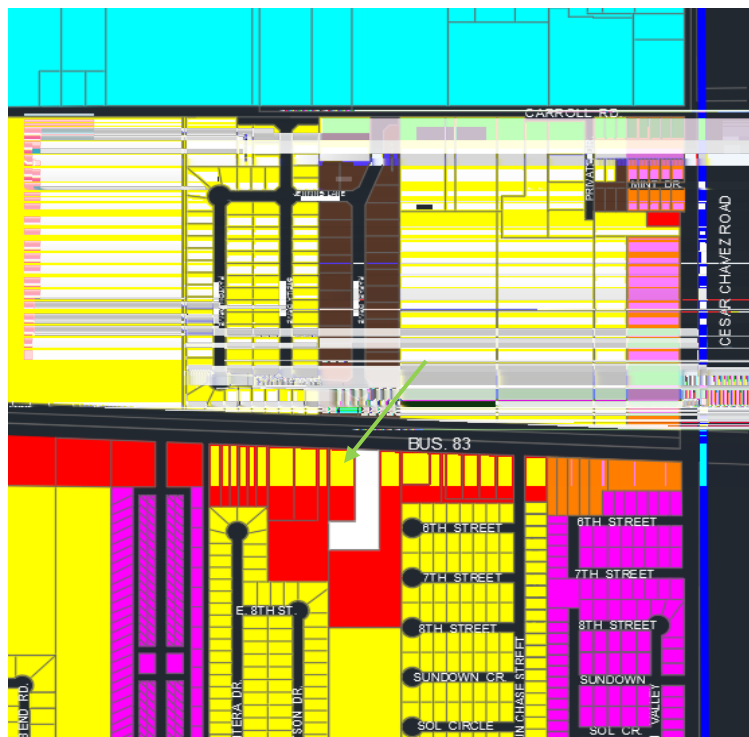
Proposed Site  
Location Map  
Base Map  
Zoning map  
Site Plan  
List of neighboring property owners receiving notice  
Ordinance



**Location Map**

**CONDITIONAL USE PERMIT  
EL GRULLO DRIVE-THRU  
MARCH 28, 2023**

**PAGE 4**





| Zoning Districts                                                                  |                                 |                                                                                   |                        |
|-----------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------|------------------------|
|  | Single Family Residential (R-S) |  | Heavy Commercial (C-3) |
|  | Manufactured Home (R-MH)        |  | Light Industrial (I-1) |
|  | Multi-Family Residential (R-MF) |  | Heavy Industrial (I-2) |
|  | Neighborhood Commercial (C-1)   |  | Open Space (O)         |
|  | General Business (C-2)          |  | Exp. Corridor (EC)     |

## Zoning Map



**ORDINANCE NO. 2023-08**

**AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGES (WINE AND BEER) FOR OFF-PREMISE CONSUMPTION AT "EL GRULLO DRIVE-THRU" LOCATED AT 912 E. BUSINESS 83, LEGALLY DESCRIBED AS LOT 1, MIRELES SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Ricardo Lara. has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan for the Sale of Alcoholic Beverages (wine and beer) for Off-Premise Consumption at "El Grullo Drive-Thru".

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Ricardo Lara has applied for a Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "El Grullo Drive-Thru" located at 912 E. Business 83, subject to the following conditions:

1. The applicant must comply with the City's *Security Cameras Ordinance*.
2. Owner agrees to pay an annual fee to the City of San Juan to maintain the alcohol license, conditional use, occupational license and health permits.
3. No loading or unloading of merchandise in a public street.
4. Must maintain the buffer with the residential uses to the South.
5. There shall be no smoking inside the premises at any time.
6. The business must comply with the city's noise ordinance.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 28<sup>th</sup> day of February, 2023.

**PASSED** and **APPROVED** on second and final reading on the 28<sup>th</sup> day of March, 2023.

**CITY OF SAN JUAN**



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**MARIO GARZA, MAYOR**

**ATTEST:**



**BRENDA ESCALANTE**  
**CITY SECRETARY**

**APPROVED BY:**

Palacios, Garza & Thompson, P.C.



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**CITY ATTORNEY**

**§ 4.10.001. Purpose and intent.**

- (a) It is the purpose of this article to regulate sexually oriented businesses to promote the health, safety, morals and general welfare of the citizens of the city, and to establish reasonable and uniform regulations to prevent the concentration of sexually oriented businesses within the city. The provisions of this article have neither the purpose nor the effect of imposing a limitation or restriction on the context of any communicative materials, including sexually oriented materials. Similarly, it is neither the intent nor effect of this article to restrict or deny access by adults to sexually oriented materials protected by the First Amendment to the constitution, or to deny access by the distributors and exhibitors of sexually oriented entertainment to their intended market.
  - (b) It is the intent of the city commission that the location regulations of section 4.10.013 of this article are promulgated pursuant to chapter 243 of the Texas Local Government Code.
- (Ordinance 15-04 adopted 4/14/15)

**§ 4.10.002. Definitions.**

Adult arcade. Any place to which the public is permitted wherein coin-operated or slug-operated or electronically, or mechanically controlled still or motion-picture machines, projectors, or other image-producing devices are maintained to show images to five (5) or fewer persons per machine at any one time, and where the images so displayed are distinguished or characterized by the depicting or describing of “specified sexual activities” or “specified anatomical areas.”

Adult bookstore or adult video store. A commercial establishment that as one of its principal businesses purposes offers for sale or rental for any form of consideration, any one or more of the following:

- (1) Books, magazines, periodicals or other printed matter, photographs, films, motion-pictures, video reproductions or other visual representation which depict or describe “specified sexual activities” or “specified sexual areas”; or
- (2) Instruments, devices, or paraphernalia which are designed for use in connection with “specified sexual activities.”

Adult cabaret. A night club, bar, restaurant, or similar commercial establishment that regularly features:

- (1) Persons who appear in a state of nudity or semi-nudity;
- (2) Live performances which are characterized by the exposure of “specified anatomical areas” or by “specified sexual activities”; or
- (3) Films, motion-pictures, video reproductions, or other photographic reproductions which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas.”

Adult motel. A hotel, motel or similar commercial establishment that:

- (1) Offers accommodations to the public for any form of consideration; provides patrons with closed circuit television transmissions, films, motion-pictures, video reproductions or other photographic reproductions which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas”; and has a sign visible from the public right-of-way which advertises that availability of this type of photographic reproductions;
- (2) Offers a sleeping room for rent for a period of time that is less than ten (10) hours; or
- (3) Allows a tenant or occupant of a sleeping room to sublet the room for a period of time that is less

:1

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than ten (10) hours.

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Adult motion-picture theater. A commercial establishment where, for any form of consideration, films, motion-pictures, video reproductions or similar photographic reproductions are regularly shown that are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas.”

Adult theater. A theater, concert hall, auditorium, or similar commercial establishment that regularly features persons who appear in a state of nudity or live performances which are characterized by the exposure of “specified sexual activities” or “specified anatomical areas.”

Chief of police. The chief of police of the City of San Juan, Texas or his/her designated agent.

Child-care facility. A building used as a day nursery, children’s boarding home, child placement agency, religious or charitable encampment for children or any other place for the care or custody of children under sixteen (16) years of age.

Church. A building in which persons regularly assemble for worship, intended primarily for purposes connected with faith or for propagating a particular form of belief.

Dwelling unit. A building or structure, manufactured home or mobile home used and occupied for human habitation.

Escort. A person who, for consideration, agrees or offers to act as a companion, guide, or date for another person, or who agrees or offers to privately model lingerie or to privately perform a striptease for another person.

Escort agency. A person who, or business association that, furnishes, offers or advertises to furnish escorts as one of its primary business purposes, for a fee, tip, or other consideration.

Establishment. Includes any of the following:

- (1) The opening or commencement of any sexually oriented business as a new business;
- (2) The conversion of any existing business, whether or not a sexually oriented business, to any sexually oriented business;
- (3) The addition of any sexually oriented business to any other existing sexually oriented business; or
- (4) The relocation of any sexually oriented business.

Footcandle. A unit of illuminance or illumination, equivalent to the illumination produced by a source of one candle at a distance of one foot and equal to one lumen incident per square foot.

Licensee. A person in whose name a license to operate a sexually oriented business has been issued, as well as the individual listed as an applicant on the application for a license.

Nude model studio. Any place where a person who appears in a state of nudity or displays “specified anatomical areas” is provided to be observed, sketched, drawn, painted, sculptured, photographed, or similarly depicted by other persons who pay money or any other form of consideration.

Nudity or a state of nudity.

- (1) The appearance of a human bare buttock, anus, male genitals, female genitals, or female breast; or
- (2) A state of dress that fails to opaquely cover a human buttock, anus, male genitals, female genitals, or areola of the female breast.

Operates or causes to be operated. To cause to function or to put or keep in operation. A person may be

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found to be operating or causing to be operated a sexually oriented business whether or not that person is an owner, part owner, or licensee of the business.

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Person. An individual, proprietorship, partnership, corporation, association, or other legal entity.

Semi-nude. A state of dress in which clothing covers no more than the genitals, pubic region, and areolae of the female breast, as well as portions of the body covered by supporting straps or devices.

Sexual encounter center. A business or commercial enterprise that offers for any form of consideration.

- (1) Physical contact in the form of wrestling or tumbling between persons of the opposite sex; or
- (2) Activities between male and female persons and/or persons of the same sex when one or more of the persons is in a state of nudity or semi-nudity.

Sexually oriented business. An adult arcade, adult bookstore or adult video store, adult cabaret, adult motel, adult motion-picture theater, adult theater, escort agency, nude modeling studio or a sexual encounter center.

Specified anatomical areas. Human genitals in a state of sexual arousal.

Specified sexual activities. Includes any of the following:

- (1) The fondling or other erotic touching of human genitals, pubic region, buttocks, anus, or female breasts;
- (2) Sex acts, normal or perverted, actual or simulated, including intercourse, oral copulation, or sodomy;
- (3) Masturbation, actual or simulated; or
- (4) Excretory functions as part of or in connection with any of the activities set forth in subsections (1) through (3) above.

Substantial enlargement of a sexually oriented business. The increase in floor area occupied by business by more than twenty percent (20%), as the floor area exists on the date of passage of this article.

Transfer of ownership or control of a sexually oriented business. Includes any of the following:

- (1) The sale, lease or sublease of the business;
- (2) The transfer of securities that constitute a controlling interest in the business, whether by sale, exchange or similar means; or
- (3) The establishment of a trust, gift, or other similar legal device that transfers the ownership control of the business, except for transfer by bequest or other operation of law upon the death of the person possessing the ownership or control.

(Ordinance 15-04 adopted 4/14/15)

#### **§ 4.10.003. Classification of sexually oriented businesses.**

Sexually oriented businesses are classified as follows:

- (1) Adult arcades;
- (2) Adult bookstores or adult video stores;
- (3) Adult cabaret;

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§ 4.10.005

- (4) Adult motels;
  - (5) Adult motion-picture theaters;
  - (6) Adult theaters;
  - (7) Escort agencies;
  - (8) Nude model studios; and
  - (9) Sexual encounter centers.
- (Ordinance 15-04 adopted 4/14/15)

**§ 4.10.004. License requirements.**

- (a) A person commits an offense if he/she operates a sexually oriented business without a valid license, issued by the city for the particular type of business.
- (b) An application for a license must be made on a form provided by the chief of police. The application form shall be sworn to and shall be accompanied by a sketch or diagram showing the configuration of the premises, including a statement of the total floor space occupied by the business. The sketch or diagram need not be professionally prepared, but must be drawn to a designated scale and drawn with marked dimensions of the interior of the premises to an accuracy of plus or minus six inches (6"). The police chief has the option to reject the application if the sketch or diagram is not legible in his/her opinion.
- (c) The applicant must be qualified according to the provisions of this article and the premises must be found to be in compliance with the law by the city's chief building official and fire marshal.
- (d) If a person who wishes to operate a sexually oriented business is an individual, he must sign the application for a license as the applicant. If a person who wishes to operate a sexually oriented business is other than an individual, each individual who has a twenty percent (20%) or greater interest in the business must sign the application for a license as applicant. Each applicant must be qualified under section 4.10.005 and each applicant shall be considered a licensee if a license is, granted.

(Ordinance 15-04 adopted 4/14/15)

**§ 4.10.005. Issuance of a license.**

- (a) The chief of police shall approve the issuance of a license by the city secretary to an applicant within thirty (30) days after receipt of an application unless he finds one or more of the following to be true:
  - (1) An applicant is under eighteen (18) years of age.
  - (2) An applicant or an applicant's spouse is overdue in his payment to the city for any taxes, fines or penalties assessed against him/her or imposed upon him/her in relation to a sexually oriented business.
  - (3) An applicant has failed to provide information reasonably necessary for issuance of the license or has falsely answered a question or request for information on the application form.
  - (4) An applicant or an applicant's spouse has been convicted of a violation of a provision of this article, other than the offense of operating a sexually oriented business without a license, within two (2) years immediately preceding the application. The fact that a conviction is being



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appealed shall have no effect.

- (5) An applicant is residing with a person who has been denied a license by the city to operate a sexually oriented business within the preceding twelve (12) months, or residing with a person whose license to operate a sexually oriented business has been revoked within the preceding twelve (12) months.
- (6) The premises to be used for the sexually oriented business have not been approved by the city's chief building official and fire marshal as being in compliance with applicable building and fire codes.
- (7) The license fee required by this article has not been paid.
- (8) An applicant has been employed in a sexually oriented business in a managerial capacity within the preceding twelve (12) months and has demonstrated that he/she is unable to operate or manage a sexually oriented business premises in a peaceful and law-abiding manner, thus necessitating action by law enforcement officers.
- (9) An applicant for the proposed establishment is in violation of or is not in compliance with any section of this article.
- (10) An applicant or an applicant's spouse has been convicted of a crime involving any of the following offenses as described in chapter 43 of the Texas Penal Code:
  - (A) Prostitution.
  - (B) Promotion of prostitution.
  - (C) Aggravated promotion of prostitution.
  - (D) Compelling prostitution.
  - (E) Obscenity.
  - (F) Sale, distribution, or display of harmful material to a minor.
  - (G) Sexual performance by a child.
  - (H) Possession or promotion of child pornography.
- (11) An applicant or an applicant's spouse has been convicted of a crime involving any of the following offenses as described in chapter 21 of the Texas Penal Code:
  - (A) Public lewdness.
  - (B) Indecent exposure.
  - (C) Indecency with a child.
- (12) An applicant or an applicant's spouse has been convicted of a crime involving any of the offenses as described in chapter 22 of the Texas Penal Code.
- (13) An applicant or an applicant's spouse has been convicted of a crime involving incest, solicitation of a child, or harboring a runaway child as described in chapter 25 of the Texas Penal Code.

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§ 4.10.020

(14) An applicant or an applicant's spouse has been convicted of a crime involving criminal attempt, conspiracy or solicitation to commit any of the following offenses for which:

- (A) Less than two (2) years have elapsed since the date of conviction or the date of release from confinement imposed for the conviction, whichever is the later date, if the conviction is of a misdemeanor offense;
- (B) Less than five (5) years have elapsed since the date of conviction or the date of release from confinement for the conviction, whichever is the later date, if the conviction is of a felony offense; or
- (C) Less than five (5) years have elapsed since the date of the last conviction, whichever is the later date, if the convictions are of two (2) or more misdemeanor offenses or combination of misdemeanor offenses occurring within any twenty-four (24) month period.

- (b) The fact that a conviction is being appealed shall have no effect on the disqualification of the applicant or applicant's spouse.
- (c) The license, if granted, shall state on its face the name of the person or persons to whom it is granted, the expiration date, and the address of the sexually oriented business. The license shall be posted in a conspicuous place at or near the entrance to the sexually oriented business so that it may be easily read at any time.

(Ordinance 15-04 adopted 4/14/15)

#### **§ 4.10.009. Suspension.**

The chief of police shall suspend a license for a period not to exceed thirty (30) days if he/she determines that a licensee or an employee of a licensee has:

- (1) Violated or is not in compliance with any section of this article;
- (2) Engaged in excessive consumption of alcoholic beverages while on the sexually oriented business premises;
- (3) Refused to allow an inspection of the sexually oriented business premises as authorized by this article;
- (4) Knowingly permitted gambling by any person on the sexually oriented business premises; or
- (5) Demonstrated inability to operate or manage a sexually oriented business in a peaceful and law-abiding manner, thus necessitating action by law enforcement officers.

(Ordinance 15-04 adopted 4/14/15)

#### **§ 4.10.020. Display of sexually explicit material to minors.**

- (a) A person commits an offense if, in a business establishment open to persons under the age of seventeen (17) years, he/she displays a book, pamphlet, newspaper, magazine, film, or video reproduction in a manner calculated to arouse sexual lust or passion for commercial gain or to exploit sexual lust or perversion for commercial gain, including any of the following:

- (1) Human sexual intercourse, masturbation, or sodomy;
- (2) Fondling or other erotic touching of human genitals, pubic region, buttocks, or a portion of the female breast;

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- (3) Less than completely and opaquely covered human genitals, buttocks, or that portion of the female breast below the top of the areola; or
- (4) Human male genitals in a discernibly larger or fuller than normal state because of swelling, whether covered or uncovered.
- (b) In this section “display” means to locate an item in such a manner that, without obtaining assistance from an agent or employee of the business establishment:
  - (1) It is available to the general public for handling and inspection; or
  - (2) The cover, outside packaging on the item or contents of the item is visible to members of the general public.

(Ordinance 15-04 adopted 4/14/15)

**§ 4.10.021. Enforcement.**

- (a) Except as provided by subsection (b) of this section, any person violating section 4.10.013 of this article, upon conviction, is punishable by a fine not to exceed three thousand (\$3,000.00) dollars for each offense and a separate offense shall be deemed committed upon each day during or on which a violation occurs.
- (b) If the sexually oriented business is a nude model studio or sexual encounter center, then violation of section 4.10.004(a) or section 4.10.013 of this article is punishable as a class A misdemeanor.
- (c) Except as provided by subsection (b) of this section above, any person violating a provision of this article other than section 4.10.013, upon conviction, is punishable by a fine not to exceed three thousand (\$3,000.00) dollars for each offense and a separate offense shall be deemed committed upon each day during or on which a violation occurs.
- (d) It is a defense to prosecution under sections 4.10.004(a), 4.10.013, 4.10.016(d) of this article that a person appearing in a state of nudity of semi-nudity did so in a modeling class operated:
  - (1) By a proprietary school licensed by the state, a college, junior college, or university supported entirely by or partly by taxation;
  - (2) By a private college or university which maintains and operates educational programs in which credits are transferable to a college, junior college, or university supported entirely or partly by taxation; or
  - (3) In a structure:
    - (A) Which has no sign visible from the exterior of the structure and no other advertising that indicates a nude or semi-nude person is available for viewing; or
    - (B) Where in order to participate in a class a student must enroll at least three (3) days in advance of the class; and
    - (C) Where no more than one (1) nude or semi-nude model is on the premises at any time.
    - (D) It is a defense to prosecution under section 4.10.004(a) or section 4.10.013 of this article that each item of descriptive, printed film, or video material offered for sale or rental, taken as a whole, contains serious literary, artistic, political, or scientific value.

(Ordinance 15-04 adopted 4/14/15)

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Discussion and Possible Action to Approve \$1,898,984.00 in Rehabilitation Work Needed at the Wastewater Treatment Plant Lift Station by Buy-Board Vendor Southern Trenchless Solutions. Funding is available through American Rescue Plan (ARP) Funds. [Juan Carlos Martinez, Interim Director of Utilities]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

Lift Station Requires Rehabilitation and Expansion for the City's Future Growth. Rehabilitation will Consist of Relining Existing Concrete Wet-well, Pump System Upgrades , Replacement of Internal wet-well Piping and Electrical Upgrades.

**RECOMMENDATION:**

Staff Recommends Approval.

**PREPARED BY:**

Juan Martinez

**APPROVED BY:**

Benjamin Arjona, City  
Manager

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P O Box 8084; Weslaco, TX 78599  
1200 W Exp 83, La Feria, TX 78559  
Ph# 956-277-0354 Fax# 956-277-0355  
Adminstx@southern-trenchless.com

Quote Issued 6/19/2023

Quote # 23-016-215

Invoice Issued: \_\_\_\_\_

Invoice: \_\_\_\_\_

Purchase Order #: \_\_\_\_\_

### BuyBoard # 635-21

Project: City of San Juan -  
WWTP Pumps & Structure Rehab

| Line | Item | Description                                             | Qty   | Unit | Unit Price | Total      |
|------|------|---------------------------------------------------------|-------|------|------------|------------|
| 1    | 231  | Mobilization / Demobilization                           | 2     | EA   | 7,500.00   | 15,000.00  |
| 2    | 95   | Manhole Rehabilitation - cementitious                   | 4,850 | SF   | 19.80      | 96,030.00  |
| 3    | 98   | Manhole Rehabilitation - epoxy                          | 4,850 | SF   | 23.40      | 113,490.00 |
| 4    | 93   | Scaffold Setup                                          | 25    | VF   | 800.00     | 20,000.00  |
| 5    | 112  | Set Up 8" Pump (Per Pump)                               | 2     | EA   | 1,936.00   | 3,872.00   |
| 6    | 116  | Set Up 8" Piping                                        | 150   | LF   | 24.00      | 3,600.00   |
| 7    | 122  | Operate 8" pumping System                               | 42    | Day  | 2,320.00   | 97,440.00  |
| 8    | 528  | Vac-Truck Lift Station/Manhole Sludge Removal           | 40    | HR   | 400.00     | 16,000.00  |
| 9    | 502  | Structural Concrete ( form & pour )                     | 1,610 | CF   | 150.00     | 241,500.00 |
| 10   | 522  | Installation of Wet Well Access Hatch with Safety Grate | 6     | EA   | 4,800.00   | 28,800.00  |
| 11   | 523  | Remove & Replace Discharge Pipe ( 4" - 8" diameter )    | 300   | VF   | 720.00     | 216,000.00 |

### Total

#### Exclusions:

1. Does Not Include ByPass or Point Repairs
2. Water to be Provided by the City at no charge to Southern Trenchless, LLC.
3. Waste to be disposed of at City Wastewater Facility at no charge to Southern Trenchless Solutions, LLC.

#### Instructions

\*\*Upon Receipt of Signed Proposal & Purchase Order we will begin to execute contract.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

\*\*\* Please Make Checks Payable To:

Southern Trenchless Solutions, LLC.  
PO Box 8084  
Weslaco, TX 78599



*We Appreciate Your Business!!!*



P O Box 8084; Weslaco, TX 78599  
 1200 W Exp 83, La Feria, TX 78559  
 Ph# 956-277-0354 Fax# 956-277-0355  
 Adminstx@southern-trenchless.com

Quote Issued 6/19/2023

Quote # 23-016-215

Invoice Issued: \_\_\_\_\_

Invoice: \_\_\_\_\_

Purchase Order #: \_\_\_\_\_

### BuyBoard # 635-21

Project: City of San Juan -  
 WWTP Pumps & Structure Rehab

| Line | Item | Description                                                             | Qty   | Unit | Unit Price | Total      |
|------|------|-------------------------------------------------------------------------|-------|------|------------|------------|
| 12   | 526  | Remove & Replace Wet Well Accessories (Pumps and Valves)                | 3,500 | LB   | 160.00     | 560,000.00 |
| 13   | MISC | Remove Existing Electrical for Station an Provide all Required Material | 1     | EA   | 76,000.00  | 76,000.00  |
| 14   | 212  | Utility Crew                                                            | 378   | HR   | 200.00     | 75,600.00  |
| 15   | 131  | 24 HR ByPass Watch                                                      | 1,440 | HR   | 16.00      | 23,040.00  |
| 16   | 516  | Crane w/ Operator                                                       | 6     | Day  | 4,000.00   | 24,000.00  |
| 17   | 519  | Pipe or Other Confined Space Man Entry Safety System                    | 42    | Day  | 1,456.00   | 61,152.00  |
| 18   | 226  | 10" to 12" Open Cut Installation Sewer/Water (0'-6' deep)               | 125   | LF   | 56.00      | 7,000.00   |
| 19   | 227  | 15" to 18" Open Cut Installation Sewer/Water (0'-6' deep)               | 155   | LF   | 132.00     | 20,460.00  |
| 18   | MISC | Contingency                                                             | 1     | EA   | 200,000.00 | 200,000.00 |

### Total

#### Exclusions:

1. Does Not Include ByPass or Point Repairs
2. Water to be Provided by the City at no charge to Southern Trenchless, LLC.
3. Waste to be disposed of at City Wastewater Facility at no charge to Southern Trenchless Solutions, LLC.

#### Instructions

\*\*Upon Receipt of Signed Proposal & Purchase Order we will begin to execute contract.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

\*\*\* Please Make Checks Payable To:

Southern Trenchless Solutions, LLC.  
 PO Box 8084  
 Weslaco, TX 78599



***We Appreciate Your Business!!!***





**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Discussion and Possible Action on Stewart Road Safety Concerns.

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**STAFF COMMENTS AND RECOMMENDATIONS:**

Discussion and Possible Action, if any, regarding Stewart Road safety concerns.

**RECOMMENDATION:**

Approval as recommended by the City Commission.

**PREPARED BY:**

Benjamin Arjona,  
City Manager

**APPROVED BY:**

Benjamin Arjona, City  
Manager

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**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Approval of an Interlocal Agreement Between Hidalgo County and the City of San Juan (San Juan I Head Start Center), Located at 200 North Cougar, San Juan, TX.

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**STAFF COMMENTS AND RECOMMENDATIONS:**

Hidalgo County Head Start Program is requesting to extend a center Interlocal Agreement for two (2) years to the existing contract between Hidalgo County and the City of San Juan (San Juan I Head Start Center) for the property located at 200 North Cougar, San Juan, TX, 78589.

**RECOMMENDATION:**

Staff Recommends Approval of the Interlocal Agreement.

**PREPARED BY:**

Brenda Escalante,  
City Secretary

**APPROVED BY:**

Benjamin Arjona, City  
Manager



## Two Year Inter-local Agreement Extension

|                                                            |       |       |         |   |        |
|------------------------------------------------------------|-------|-------|---------|---|--------|
| AT                                                         | 11:45 | FILED | O'CLOCK | A | M      |
| JUN 12 2023                                                |       |       |         |   |        |
| ARTURO GUAJARDO JR., COUNTY CLERK<br>HIDALGO COUNTY, TEXAS |       |       |         |   |        |
| BY                                                         |       |       |         |   | DEPUTY |

The purpose of this letter is to exercise Hidalgo County's option to extend a center Inter-local Agreement for two (2) years as stated in the existing contract dated January 1, 2012 between Hidalgo County and the **City of San Juan (San Juan I Head Start Center)** for the property located at 200 North Cougar, San Juan, TX., 78589 (The "Original Inter-local Agreement").

If the **City of San Juan** agrees to this two (2) year extension of the original Inter-local Agreement under the same existing terms and conditions, please have the authorized individual sign this Inter-local Agreement Extension. It should be noted that the basis of this two (2) year extension is listed under ARTICLE 1.03, Renewal or Termination, of the original Inter-local Agreement.

The beginning and ending date of the extension shall be July 1, 2023 through June 30, 2025. The original Inter-local Agreement is extended for a period of two (2) years with all conditions including the lease amount remaining the same.

ACCEPTED AND AGREED:

### City of San Juan

Authorized Official:

BY: \_\_\_\_\_

Date: \_\_\_\_\_

Head Start Program

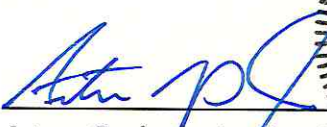
By:  \_\_\_\_\_

Richard Cortez, County Judge

By:  \_\_\_\_\_

Irma Pena, Executive Director

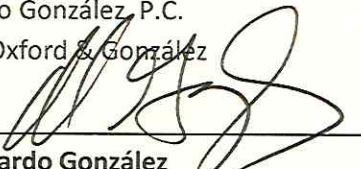
ATTEST:

By:  \_\_\_\_\_  
Arturo Guajardo, Jr., County Clerk



Approved As to Form:

Ricardo González, P.C.  
DBA, Oxford & González

By:  \_\_\_\_\_  
Ricardo González

AI- 90942

Date approved by Policy Council: 05-17-2023

Date approved by Commissioner's Court: 05-30-2023

APPROVED BY  
COMMISSIONERS COURT  
ON: 5/30/23 

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consideration and Action of an Interlocal Agreement for the 2023-2024 Fiscal Year with the Hidalgo County Urban County Program. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

This is an Interlocal Agreement between the City of San Juan and the Hidalgo County Urban County Program for the 2023 - 2024 Fiscal Year to set out basic administrative understandings for the expenditure of the CDBG funds to be carried out in the City's jurisdiction.

**RECOMMENDATION:**

Approval of the Interlocal Agreement with the Hidalgo County Urban County Program.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

# INTERLOCAL AGREEMENT

STATE OF TEXAS           §  
                                          §  
COUNTY OF HIDALGO   §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the “County” and the [City of San Juan](#), a municipal corporation under the laws of the State of Texas, hereafter referred to as “City”.

## WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the “essential powers” to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated [\\$7,727,601.00](#) of Fiscal Year [2023](#) Community Development Block Grant (CDBG) Funds under Grant No. [B-23-UC-48-0501](#) to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City’s population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR.570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

## SECTION I Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City’s jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

## SECTION II Applicability of Uniform Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments.” (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data,

information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B Matrix. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with 2 CFR Part 200 and with the following sections of 24 CFR Part 85 “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government”:

- (1) Section 85.3, “Definitions”;
- (2) Section 85.6, “Exceptions”;
- (3) Section 85.12, Special grant or subgrant conditions for “high-risk “grantees”;
- (4) Section 85.20, “Standards for financial management systems,” except paragraph (a);
- (5) Section 85.21, “Payment,” except as modified by SS570.513;
- (6) Section 85.22, “Allowable costs”;
- (7) Section 85.26, “Non-federal audits”
- (8) Section 85.32, “Equipment,” except in all cases in which the equipment is sold, the proceeds shall be program income;
- (9) Section 85.33, “Supplies”;
- (10) Section 85.34, “Copyrights”;
- (11) Section 85.35, “Sub-awards to debarred and suspended parties”;
- (12) Section 85.36, “Procurement,” except paragraph (a);
- (13) Section 85.37, “Subgrants”;
- (14) Section 85.40, “Monitoring and reporting program performance,” except paragraphs (b)-(d) and (f);
- (15) Section 85.41, “Financial Reporting.” except paragraphs (a), (b), and (e);
- (16) Section 85.42, “Retention and access requirements for records”;
- (17) Section 85.43, “Enforcement”;
- (18) Section 85.44, “Termination for convenience”;
- (19) Section 85.51, “Later disallowances and adjustments”; and
- (20) Section 85.52, “Collection of amounts due.”

the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

### **SECTION III Other Program Requirements**

The City agrees to comply with “Other Program Requirements” as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

### **SECTION IV Allocation**

The City understands that the Urban County allocation has been set at [\\$7,727,601.00](#) for [Fiscal Year 2023](#) and that City’s allotment has been set at [\\$294,597.00](#). The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement and that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen

participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2023**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2024**; Funds in excess of the 1.5 standards shall be subject to the Recapture by the Urban County Program, and/or any applicable Redistribution & Recapture Policy. The County shall recapture any and all unobligated funds that a City fails to expend or obligate, by **June 30, 2024** and shall expend such funds at the discretion of the Hidalgo County Commissioners' Court. The Hidalgo County Commissioners' Court may take any type of remedial action, including but not limited to Recapture, at any time to comply with any and all rules, regulations and decisions, and timeliness requirements as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds.

## **SECTION V**

### **Access**

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

## **SECTION VI**

### **Monitoring**

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

## **SECTION VII**

### **Conflict of Interest**

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.



No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment A-1)

### **SECTION VIII Religious Activities**

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

### **SECTION IX Real and Property Assets**

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of \$ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over \$25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet

one of the national objectives or in any case where the City no longer uses the asset for its intended use.

## **SECTION X**

### **Jurisdiction**

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). (See Exhibit-E)

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year [\(B-23-UC-48-0501\)](#) and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

## **SECTION XI**

### **Payment Requests and Program Income**

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

## **SECTION XII**

### **Section 108 Loan Guarantee**

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds

requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan are included herein as Exhibit C, if applicable.

### **SECTION XIII**

#### **Legal Action**

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

### **SECTION XIV**

#### **Suspension and Termination**

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

### **SECTION XV**

#### **Changes or Amendments**

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

### **SECTION XVI**

#### **Essential Powers**

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2023-2027 Five-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The

City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2023-2027 Five-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this \_\_\_\_\_ Day of \_\_\_\_\_, 2023.

ATTEST:

\_\_\_\_\_  
Arturo Guajardo, Jr.  
County Clerk

\_\_\_\_\_  
Richard F. Cortez,  
Hidalgo County Judge

ATTEST:

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

**APPROVED AS TO FORM**  
Hidalgo County Criminal District Attorney's Office  
Toribio "Terry" Palacios

By: \_\_\_\_\_  
Victor M. Garza, Asst. District Attorney

Date: \_\_\_\_\_

## **The following Exhibits are incorporated into the 2023 Interlocal Agreement:**

|                    |                                                    |
|--------------------|----------------------------------------------------|
| <b>Exhibit A</b>   | 2023 Proposed Activities                           |
| <b>Exhibit A-1</b> | Code of Conduct Enforcement                        |
| <b>Exhibit B</b>   | Urban County Program Matrix                        |
| <b>Exhibit C</b>   | Section 108 Loan Guarantee Program                 |
| <b>Exhibit D</b>   | CDBG Regulations and other<br>Program Requirements |
| <b>Exhibit E</b>   | Audit Finding or Exceptions                        |

## Exhibit A

### 2023 Proposed Activities

| 2023                                                                                            | SAN JUAN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$294,597.00  |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>21A</b><br><b>Exempt</b><br><b>58.34 (a)(3)</b>                                              | <b>GENERAL PROGRAM ADMINISTRATION</b><br>Funds shall be used for expenses related to compliance with CDBG requirements including but not limited to advertisements, postings and coordinating eligible related projects.<br>Location: City Hall 709 S. Nebraska Ave., San Juan, Texas 78589                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 3,000.00   |
| <b>03K</b><br><b>Cat. Subj. to</b><br><b>58.5(a) (1)</b><br><b>Converts to</b><br><b>Exempt</b> | <b>STREET IMPROVEMENTS</b><br>Project consists of street paving (overlay) within the City of San Juan to include but not limited to the adjacent/abutting streets within the same general vicinity. Other expenditures include professional engineering service fees, surveying, geo-technical and construction material testing fees, and related appurtenances.<br>Locations: <b>Royal Palm Street</b> (From Coconut Palm Ave. to Washingtonia Palm Ave.) <b>Third Street</b> (From Stewart Road. To Washingtonia Palm Ave.) <b>Palmetto</b> (From Coconut Palm Ave. to Washingtonia Palm Ave.)<br>Census Data: 0218.04 (01)<br>National Objective: 77.17% LMA<br>Goal Outcome Indicator: 1380<br>Beneficiary Type: People | \$ 279,597.00 |
| <b>05A</b><br><b>Exempt</b><br><b>58.34(a)(4)</b>                                               | <b>SENIOR SERVICES – Amigos Del Valle</b><br>Project expenditures include but are not limited to the reimbursement of expenses related to the delivery of meals to the elderly (62 years older) within the city of San Juan. Nutritional Health Education will be a new service provided by staff.<br><br>Location: Nutrition Center/Senior Center – 600 W. 1 <sup>st</sup> Street, San Juan, TX 78589<br>National Objective: LMC<br>Goal Outcome Indicator: 8<br>Beneficiary Type: People                                                                                                                                                                                                                                   | \$5,000.00    |
| <b>05M</b><br><b>Exempt</b><br><b>58.34 (a)(4)</b>                                              | <b>HEALTH SERVICES – Nuestra Clinica Del Valle</b><br>Project expenditures include reimbursement of expenses associated with medical services and procedures to include but not limited to, dental services, support services of pharmacy, radiology, laboratory, sub-specialty referral, for the low income and uninsured residents of the San Juan area.<br><br>Location: 801 W. 1st St., San Juan, TX 78589<br>National Objective: LMC<br>Goal Outcome Indicator: 50<br>Beneficiary Type: People                                                                                                                                                                                                                          | \$7,000.00    |

## **Exhibit A-1**

### **Code of Conduct Certifications**



# CODE OF CONDUCT

No employee, officer or agent of the **County of Hidalgo-Urban County Program, sub-grantee or subrecipient** shall participate in selection or in the award or administration of a contract or conduct business with a vendor if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- A. *the employee, officer or any agent*
- B. *any member of his immediate family*
- C. *his or her partner*
- D. *an organization which employs or is about to employ, any of the above, has a financial or other interest in the firm selected for award.*

The *Urban County Program's , sub-grantee or subrecipient, officers, employees or agents* shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, or vendors or potential vendors. Depending on gravity, violation of this Code of Conduct could result in dismissal, probation or suspension of officers, employees or agents involved or termination of contractual agreements with subrecipients.

## **Non-disclosure Policy**

No disclosure of verbal or written price quotations shall be made by any *Urban County Program* employee, sub-grantee or subrecipient. Violation of the nondisclosure policy shall be subject to disciplinary action as provided by the *County of Hidalgo* or termination of contractual agreements when a subrecipient/sub-grantee employee is involved.

## **Personal Interest**

No member of the *Hidalgo County Commissioners* or any officer or employee of the *Urban County Program, sub-grantee or subrecipient* shall have a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the *Urban County Program, sub-grantee or subrecipient* or to a contractor supplying the *Urban County Program, sub-grantee or subrecipient* of any land or rights or interest in any land, material, supplies, or services, or in any matter in which he acts for the *Urban County Program*. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the *Urban County Program, sub-grantee or subrecipient* found guilty shall thereby forfeit his or her office. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the *Urban County Program, sub-grantee or subrecipient* shall render the contract voidable by the *Urban County Director or the board of Commissioners*.

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***Employee, Officer, or Agent Acknowledgment***

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***Print or Type Name and Position/Title***

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***Entity/Organization Name***

---

***Date***

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***Employee, Officer, or Agent Acknowledgment***

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***Print or Type Name and Position/Title***

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***Employee, Officer, or Agent Acknowledgment***

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***Print or Type Name and Position/Title***

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***Entity/Organization Name***

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***Date***

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**Print or Type Name and Position/Title**

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**Date**

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- C. *his or her partner*
- D. *an organization which employs or is about to employ, any of the above, has a financial or other interest in the firm selected for award.*

The *Urban County Program's , sub-grantee or subrecipient, officers, employees or agents* shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements, or vendors or potential vendors. Depending on gravity, violation of this Code of Conduct could result in dismissal, probation or suspension of officers, employees or agents involved or termination of contractual agreements with subrecipients.

## **Non-disclosure Policy**

No disclosure of verbal or written price quotations shall be made by any *Urban County Program* employee, sub-grantee or subrecipient. Violation of the nondisclosure policy shall be subject to disciplinary action as provided by the *County of Hidalgo* or termination of contractual agreements when a subrecipient/sub-grantee employee is involved.

## **Personal Interest**

No member of the *Hidalgo County Commissioners or any officer or employee of the Urban County Program, sub-grantee or subrecipient* shall have a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the *Urban County Program, sub-grantee or subrecipient* or to a contractor supplying the *Urban County Program, sub-grantee or subrecipient* of any land or rights or interest in any land, material, supplies, or services, or in any matter in which he acts for the *Urban County Program*. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the *Urban County Program, sub-grantee or subrecipient* found guilty shall thereby forfeit his or her office. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the *Urban County Program, sub-grantee or subrecipient* shall render the contract voidable by the *Urban County Director or the board of Commissioners*.

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**Employee, Officer, or Agent Acknowledgment**

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**Print or Type Name and Position/Title**

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**Entity/Organization Name**

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**Date**

# **Exhibit B**

## **Urban County Matrix**

### **Pre-Bid Activities**

#### ***Development of Annual Workplan***

This activity is a city responsibility with the county involvement only as is necessary to assure that the individual activities meet one of the three national objectives.

#### ***Revisions or Amendments to Annual Workplan***

Same as above (only two amendments allowed per fiscal year)

#### ***Eligibility Test on Activities***

This is a county responsibility working with the cities to assure all activities meet one of the three national objectives. The County will assure that the 51 percent benefit to low and moderate income persons can be verified and that the activities are eligible for funding. The county may request an eligibility determination from HUD should a difference of opinion arise between the City and the County.

#### ***Public Hearings***

This responsibility will be a shared responsibility between the Cities and the County. In accordance with the adopted Citizen Participation Plan, the Cities will conduct a public hearing in their respective Cities after public notice. The County will then have a second public hearing at the County level on the county-wide workplan, after public notice.

#### ***Environmental Assessment***

This is a County responsibility with concurrence and assistance by the Cities. The County will determine what level of clearance is needed and will do noise, hazard, historical, floodplain, etc. assessments as may be needed with as much city input as possible. The County Judge will consider the “do nothing” alternative after consultation with the respective Mayors. The County Judge and or UCP Staff will direct all mitigation efforts if necessary. The County Judge will sign all environmental assessment reviews and findings. (A County Signatory may be appointed: UCP Director)

#### ***Advertise for Professional Services***

This is a County responsibility whereby the County will advertise once a year for all professional services through a statement of qualifications process. The County will provide all data concerning proposed activities and type of services needed. This list will be sent to all Cities so that the Cities may decide on the professional services as they see the need for the services. Should a city need services not available from the list (UC-1 List) of Professional Services, the City shall advertise for the service after consulting with the Urban County Program staff.

### ***Selection of Professional Services Provider***

This is a City and County shared responsibility, based on the Texas Local Government code and other applicable laws and regulations. County will make sure that the provider is not a contractor's debarred list by consulting with the System for Award Management (SAM) website ([www.sam.gov](http://www.sam.gov)), prior to recommendation for awarding a contractor to Hidalgo County Commissioner's Court.

### ***Execute Professional Contracts***

The City will negotiate the Professional Service Contract, and submit a Best and Final Offer (BAFO) along with Scope of Services, Project Cost Estimate, Certificate of Debarment, CIQ Form and IRS W-9 Form. The County will prepare the Professional Contract Agreement documents and submit to Hidalgo County Commissioner's Court for approval of contract. Any modifications to the County contracts require prior approval of the County Legal Department. Once approved, the County will forward the contracts to the Professional Service Provider for proper signatures, they will return to the County for the County's execution and County will issue Notice to Proceed.

### ***Review of Preliminary Drawings***

This is a city responsibility.

### ***Solicit Davis-Bacon Wage Rates***

This is a County responsibility. The County will obtain wage rates from HUD for specific projects and will forward wage rates to the respective Cities and the Professional Service Provider to include in the bid specification packages.

### ***Review and Approval of Final Plans and Specifications***

This is a City responsibility where by the Mayor's signature will be required on all plans and specifications prior to bidding. Final plans should be forwarded to Urban County Program office prior to bid advertisement for compliance check.

### ***Advertise for Construction Bid***

This is a County responsibility. The County will advertise for all construction projects and will instruct bidders as to the availability of plans and specs, (to be picked up at Professional Service Provider's choice of location), and will advise bidders as to who will accept bids. (Hidalgo County Purchasing Department – any given Wednesday at 9:30am)

### ***Pre-Bid Conference***

This is a County responsibility. County will conduct a pre-bid conference if necessary at the Urban County program Conference Room, accompanied by the Professional Service Provider and the project's respective City.



## **Bid Activities**

### ***Ten Day Wage Rate Check***

This is a County responsibility. Ten days prior to any bid opening, the County will ascertain as to the applicability of the wage rate in the bid documents. Should the wage rate change all appropriate engineers will be notified and instructed to change wage rates.

### ***Accept Construction Bids***

This is a County Purchasing Department responsibility. The Hidalgo County Purchasing Department will accept bids as per the conditions set forth in the specification handbook.

### ***Accept and Tabulate Bids***

This is a County Purchasing Department responsibility with an Urban County, City, and Professional Service Provider representative at bid opening. The respective Professional Service Provider will review the bids received and make their recommendation to the Urban County Program.

### ***Research Apparent Low Bidder***

This is a shared responsibility. The respective Professional Service Provider will research and review apparent low bidder's past performances and their bids. The Urban County program will research the list of Debarred Contractor's and make a finding in the regard.

### ***Bid Recommendation***

This is a City responsibility. The respective Professional Service Provider will recommend the lowest and most responsible bid to the City. The city will send a recommendation to the County. County will request approval by Hidalgo County Commissioner's Court for approval of contract.

### ***Contract Award***

The County upon approval by Hidalgo County Commissioner's Court will prepare the contract documents and forward them to the approved Contractor for execution.

## **Pre-Construction Activities**

### ***Construction Contract and Bonds***

This is a shared responsibility. The Professional Service Provider will coordinate the execution of construction contracts to include Insurance, Payment and Performance Bonds. Once they receive four (4) original set of construction contracts they will submit to the County for execution. Any modifications to the construction contracts require prior review by Legal Department and approval by Hidalgo County Commissioner's Court.

### ***Pre-Construction Conference***

The Urban County Program will conduct a Pre-construction conference to inform the contractor of the various federal regulations such as Affirmative Action, Section 3 Compliance, and Davis-Bacon Wage Compliance. The Pre-construction conference will be held at the Urban County

Program Conference Room, with the city and professional service provider representatives present. Once contracts are signed, County will prepare and issue a Notice to Proceed.

#### ***Document Posting and Construction Signs***

This is a shared responsibility. The city and Professional Service Provider will ensure itself that the appropriate documents are posted at the site and that the construction sign is erected.

### **Construction Activities**

#### ***Davis-Bacon Compliance***

This is a shared responsibility. The City may be asked to conduct wage rate employee interviews. The County will conduct wage rate interviews and review wage rates on payroll reports submitted with request for payments.

#### ***Periodic Project Inspections***

This is a shared responsibility. The City, County, and Professional Service Providers will conduct periodic site inspections of the project site.

#### ***Payment Request Approval***

This is a shared responsibility. The Professional Service Provider will review and sign off on request for payments and forward RFP to the City for signature and approval, and forward the final RFP to the County for review and approval of payment.

#### ***Change Orders***

This is a shared responsibility. Professional Service Provider will recommend any change orders after negotiating said change order with the contractor. All change orders must have City's approval prior to submission to County for review and approval.

#### ***Contract Amendment***

This is a shared responsibility. The City will recommend any contract amendments to the County. County will consider and take appropriate action to approve or deny the contract amendment if necessary.

#### ***Final Payment Approval***

This is a shared responsibility. The City and Professional Service Provider will conduct final project site inspections to ensure that construction has been completed as per plans and specifications prior to submitting final request for payment recommendation to the County. County will ensure that all applicable laws and regulations have been complied with. County will review wage rate compliance, release of liens, certification of construction completion, warranty certification and other pertinent documents.

# **Exhibit C**

## **Section 108 Loan Guarantee Program**

### **Introduction**

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

Regulations governing the Section 108 program may be found at [24 CFR 570](#), Subpart M, Loan Guarantees.

### **Eligible Applicants**

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

### **Eligible Activities**

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community.

### **Maximum Commitment Amount**

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.
2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.
3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

### **Loan Details**

**Security:** The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

**Repayment:** The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

**Financing Source:** Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

**Interest Rates:** Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

**Default:** To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

**For More Information visit [www.hud.gov](http://www.hud.gov)**

Source: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/108](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/108)

# **Exhibit D**

## **CDBG Regulations and Other Program Requirements**

### ***Subpart A—General Provisions***

SOURCE: 53 FR 34437, Sept. 6, 1988, unless otherwise noted.

#### ***§ 570.1 Purpose and primary objective.***

(a) This part describes policies and procedures applicable to the following programs authorized under title I of the Housing and Community Development Act of 1974, as amended:

- (1) Entitlement grants program (subpart D);
- (2) Nonentitlement Funds: HUD-administered Small Cities and Insular Area programs (subpart F);
- (3) State program: State-administered CDBG nonentitlement funds (subpart I);
- (4) Special Purpose Grants (subpart E);
- (5) Urban Development Action Grant program (subpart G); and
- (6) Loan Guarantees (subpart M).

(b) Subparts A, C, J, K, and O apply to all programs in paragraph (a) except as modified or limited under the provisions of these subparts or the applicable program regulations. In the application of the subparts to Special Purpose Grants or the Urban Development Action Grant program, the reference to funds in the form of grants in the term “*CDBG funds*”, as defined in § 570.3, shall mean the grant funds under those programs. The subparts do not apply to the State program (subpart I) except to the extent expressly referred to.

(c) The primary objective of the programs authorized under title I of the Housing and Community Development Act of 1974, as amended, is described in section 101(c) of the Act (42 U.S.C. 5301(c)).

[53 FR 34437, Sept. 6, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 61 FR 11475, Mar. 20, 1996; 69 FR 32778, June 10, 2004]

#### ***§ 570.3 Definitions.***

The terms *HUD* and *Secretary* are defined in 24 CFR part 5. All of the following definitions in this section that rely on data from the United States Bureau of the Census shall rely upon the data available from the latest decennial census.

*Act* means title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 *et seq.* ).

*Age of housing* means the number of year-round housing units, as further defined in section 102(a)(11) of the Act.

*Applicant* means a State or unit of general local government that makes application pursuant to the provisions of subpart E, F, G or M.

*Buildings for the general conduct of government* shall have the meaning provided in section 102(a)(21) of the Act.

*CDBG funds* means Community Development Block Grant funds, including funds received in the form of grants under subpart D, F, or § 570.405 of this part, funds awarded under section 108(q) of the Housing and Community Development Act of 1974, loans guaranteed under subpart M of this part, urban renewal surplus grant funds, and program income as defined in § 570.500(a).

*Chief executive officer* of a State or unit of general local government means the elected official or the legally designated official, who has the primary responsibility for the conduct of that entity's governmental affairs. Examples of the "chief executive officer" of a unit of general local government are: the elected mayor of a municipality; the elected county executive of a county; the chairperson of a county commission or board in a county that has no elected county executive; and the official designated pursuant to law by the governing body of a unit of general local government.

*City* means the following:

(1) For purposes of Entitlement Community Development Block Grant and Urban Development Action Grant eligibility:

(i) Any unit of general local government that is classified as a municipality by the United States Bureau of the Census, or

(ii) Any other unit of general local government that is a town or township and that, in the determination of the Secretary:

(A) Possesses powers and performs functions comparable to those associated with municipalities;

(B) Is closely settled (except that the Secretary may reduce or waive this requirement on a case by case basis for the purposes of the Action Grant program); and

(C) Contains within its boundaries no incorporated places as defined by the United States Bureau of the Census that have not entered into cooperation agreements with the town or township for a period covering at least 3 years to undertake or assist in the undertaking of essential community development and housing assistance activities. The determination of eligibility of a town or township to qualify as a city will be based on information available from the United States Bureau of the Census and information provided by the town or township and its included units of general local government.

(2) For purposes of Urban Development Action Grant eligibility only, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the counties of Kauai, Maui, and Hawaii in the State of Hawaii, and Indian tribes that are eligible recipients under the State and Local Government Fiscal Assistance Act of 1972 and located on reservations in Oklahoma as determined by the Secretary of the Interior or in Alaskan Native Villages.

*Community Development Financial Institution* has the same meaning as used in the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 note).

*Consolidated plan.* The plan prepared in accordance with 24 CFR part 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to HUD programs, including the CDBG program. An approved consolidated plan means a consolidated plan that has been approved by HUD in accordance with 24 CFR part 91.

*Discretionary grant* means a grant made from the various Special Purpose Grants in accordance with subpart E of this part.

*Entitlement amount* means the amount of funds which a metropolitan city is entitled to receive under the Entitlement grant program, as determined by formula set forth in section 106 of the Act.

*Extent of growth lag* shall have the meaning provided in section 102(a)(12) of the Act.

*Extent of housing overcrowding* shall have the meaning provided in section 102(a)(10) of the Act.

*Extent of poverty* means the number of persons whose incomes are below the poverty level based on data compiled and published by the United States Bureau of the Census available from the latest census referable to the same point or period in time and the latest reports from the Office of Management and Budget. For purposes of this part, the Secretary has determined that it is neither feasible nor appropriate to make adjustments at this time in the computations of “extent of poverty” for regional or area variations in income and cost of living.

*Family* refers to the definition of “family” in 24 CFR 5.403.

*Household* means all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status.

*Income.* For the purpose of determining whether a family or household is low- and moderate-income under subpart C of this part, grantees may select any of the three definitions listed below for each activity, except that integrally related activities of the same type and qualifying under the same paragraph of § 570.208(a) shall use the same definition of income. The option to choose a definition does not apply to activities that qualify under § 570.208(a)(1) (Area benefit activities), except when the recipient carries out a survey under § 570.208(a)(1)(vi). Activities qualifying under § 570.208(a)(1) generally must use the area income data supplied to recipients by HUD. The three definitions are as follows:

(1)(i) “Annual income” as defined under the Section 8 Housing Assistance Payments program at 24 CFR 813.106 (except that if the CDBG assistance being provided is homeowner rehabilitation under § 570.202, the value of the homeowner's primary residence may be excluded from any calculation of Net Family Assets); or

(ii) Annual income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

(A) Wages, salaries, tips, commissions, etc.;

(B) Self-employment income from own nonfarm business, including proprietorships and partnerships;

(C) Farm self-employment income;

(D) Interest, dividends, net rental income, or income from estates or trusts;

(E) Social Security or railroad retirement;

(F) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;

(G) Retirement, survivor, or disability pensions; and



(H) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

(iii) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.

(2) Estimate the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is provided for the individual, family, or household (as applicable). Estimated annual income shall include income from all family or household members, as applicable. Income or asset enhancement derived from the CDBG-assisted activity shall not be considered in calculating estimated annual income.

*Insular area* shall have the meaning provided in section 102(a)(24) of the Act.

*Low- and moderate-income household* means a household having an income equal to or less than the Section 8 low-income limit established by HUD.

*Low- and moderate-income person* means a member of a family having an income equal to or less than the Section 8 low-income limit established by HUD. Unrelated individuals will be considered as one-person families for this purpose.

*Low-income household* means a household having an income equal to or less than the Section 8 very low-income limit established by HUD.

*Low-income person* means a member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

*Metropolitan area* shall have the meaning provided in section 102(a)(3) of the Act.

*Metropolitan city* shall have the meaning provided in section 102(a)(4) of the Act except that the term "central city" is replaced by "principal city."

*Microenterprise* shall have the meaning provided in section 102(a)(22) of the Act.

*Moderate-income household* means a household having an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD.

*Moderate-income person* means a member of a family that has an income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD. Unrelated individuals shall be considered as one-person families for this purpose.

*Nonentitlement amount* means the amount of funds which is allocated for use in a State's nonentitlement areas as determined by formula set forth in section 106 of the Act.

*Nonentitlement area* shall have the meaning provided in section 102(a)(7) of the Act.

*Population* means the total resident population based on data compiled and published by the United States Bureau of the Census available from the latest census or which has been upgraded by the Bureau to reflect the changes resulting from the Boundary and Annexation Survey, new incorporations and consolidations of governments pursuant to § 570.4, and which reflects, where applicable, changes resulting from the Bureau's latest population determination through its estimating technique using natural changes (birth and death) and net migration, and is referable to the same point or period in time.

*Small business* means a business that meets the criteria set forth in section 3(a) of the Small Business Act (15 U.S.C. 631, 636, 637).

*State* shall have the meaning provided in section 102(a)(2) of the Act.

*Unit of general local government* shall have the meaning provided in section 102(a)(1) of the Act.

*Urban county* shall have the meaning provided in section 102(a)(6) of the Act. For the purposes of this definition, HUD will determine whether the county's combined population contains the required percentage of low- and moderate-income persons by identifying the number of persons that resided in applicable areas and units of general local government based on data from the most recent decennial census, and using income limits that would have applied for the year in which that census was taken.

*Urban Development Action Grant* (UDAG) means a grant made by the Secretary pursuant to section 119 of the Act and subpart G of this part.

[53 FR 34437, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 56 FR 56126, Oct. 31, 1991; 60 FR 1915, 1943, Jan. 5, 1995; 60 FR 56909, Nov. 9, 1995; 61 FR 5209, Feb. 9, 1996; 61 FR 11475, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004; 77 FR 5675, Feb. 3, 2012]

#### **§ 570.4 Allocation of funds.**

(a) The determination of eligibility of units of general local government to receive entitlement grants, the entitlement amounts, the allocation of appropriated funds to States for use in nonentitlement areas, the reallocation of funds, the allocation of appropriated funds to insular areas, and the allocation of appropriated funds for discretionary grants under the Secretary's Fund shall be governed by the policies and procedures described in sections 106 and 107 of the Act, as appropriate.

(b) The definitions in § 570.3 shall govern in applying the policies and procedures described in sections 106 and 107 of the Act.

(c) In determining eligibility for entitlement and in allocating funds under section 106 of the Act for any federal fiscal year, HUD will recognize corporate status and geographical boundaries and the status of metropolitan areas and principal cities effective as of July 1 preceding such federal fiscal year, subject to the following limitations:

(1) With respect to corporate status as certified by the applicable State and available for processing by the Census Bureau as of such date;

(2) With respect to boundary changes or annexations, as are used by the Census Bureau in preparing population estimates for all general purpose governmental units and are available for processing by the Census Bureau as of such date, except that any such boundary changes or annexations which result in the population of a unit of general local government reaching or exceeding 50,000 shall be recognized for this purpose whether or not such changes are used by the Census Bureau in preparing such population estimates; and

(3) With respect to the status of Metropolitan Statistical Areas and principal cities, as officially designated by the Office of Management and Budget as of such date.

(d) In determining whether a county qualifies as an urban county, and in computing entitlement amounts for urban counties, the demographic values of population, poverty, housing overcrowding, and age of housing of any Indian tribes located within the county shall be excluded. In allocating amounts to States for use in nonentitlement areas, the demographic values of population, poverty, housing overcrowding and age of housing of all Indian tribes located in all non-entitled areas shall be excluded. It is recognized that all

such data on Indian tribes are not generally available from the United States Bureau of the Census and that missing portions of data will have to be estimated. In accomplishing any such estimates the Secretary may use such other related information available from reputable sources as may seem appropriate, regardless of the data's point or period of time and shall use the best judgement possible in adjusting such data to reflect the same point or period of time as the overall data from which the Indian tribes are being deducted, so that such deduction shall not create an imbalance with those overall data.

(e) Amounts remaining after closeout of a grant which are required to be returned to HUD under the provisions of § 570.509, Grant closeout procedures, shall be considered as funds available for reallocation unless the appropriation under which the funds were provided to the Department has lapsed.

[53 FR 34437, Sept. 6, 1988, as amended at 68 FR 69582, Dec. 12, 2003; 69 FR 32778, June 10, 2004]

## **§ 570.5 Waivers.**

HUD's authority for the waiver of regulations and for the suspension of requirements to address damage in a Presidentially declared disaster area is described in 24 CFR part 5 and in section 122 of the Act, respectively.

[61 FR 11476, Mar. 20, 1996]

## **Subpart B [Reserved]**

## **Subpart C—Eligible Activities**

SOURCE: 53 FR 34439, Sept. 6, 1988, unless otherwise noted.

## **§ 570.200 General policies.**

(a) *Determination of eligibility.* An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) *Compliance with section 105 of the Act.* Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) *Compliance with national objectives.* Grant recipients under the Entitlement and HUD-administered Small Cities programs and recipients of insular area funds under section 106 of the Act must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the recipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement or HUD-administered Small Cities programs, and each recipient of insular area funds under section 106 of the Act must ensure and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are found in § 570.208.

(3) *Compliance with the primary objective.* The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, entitlement recipients, non-entitlement CDBG grantees in Hawaii, and recipients of insular area funds under section 106 of the Act must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under § 570.208(a) or under

§ 570.208(d)(5) or (6) for benefiting low- and moderate-income persons. For grants under section 107 of the Act, insular area recipients must meet this requirement for each separate grant. See § 570.420(d)(3) for additional discussion of the primary objective requirement for insular areas funded under section 106 of the Act. The requirements for the HUD-administered Small Cities program in New York are at § 570.420(d)(2). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under § 570.205 and § 570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to § 570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M shall also be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under § 570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under § 570.208(a) shall be counted for this purpose in their entirety.

(4) *Compliance with environmental review procedures.* The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 58), as applicable.

(5) *Cost principles.* Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR PART 200 <sup>1</sup> All items of cost listed in Attachment B of these Circulars that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under this subpart C, except for the following:

<sup>1</sup> These circulars are available from the American Communities Center by calling the following toll-free numbers: (800) 998-9999 or (800) 483-2209 (TDD).

(i) Depreciation methods for fixed assets shall not be changed without HUD's specific approval or, if charged through a cost allocation plan, the Federal cognizant agency.

(ii) Fines and penalties (including punitive damages) are unallowable costs to the CDBG program.

(iii) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) *Special policies governing facilities.* The following special policies apply to:

(1) *Facilities containing both eligible and ineligible uses.* A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) *Fees for use of facilities.* Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) *Special assessments under the CDBG program.* The following policies relate to special assessments under the CDBG program:

(1) *Definition of special assessment.* The term “special assessment” means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) *Special assessments to recover capital costs.* Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(3) *Public improvements not initially assisted with CDBG funds.* The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in § 570.208(a)(1), (b), or (c); and

(iii) The requirements of § 570.200(c)(2)(ii) are met.

(d) *Consultant activities.* Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) *Employer-employee type of relationship.* No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of

the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation.

(2) *Independent contractor relationship.* Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 85.36, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

(f) *Means of carrying out eligible activities.* (1) Activities eligible under this subpart, other than those authorized under § 570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 85.36; or

(ii) Through loans or grants under agreements with subrecipients, as defined at § 570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under § 570.204(a) may only be undertaken by entities specified in that section.

(g) *Limitation on planning and administrative costs.* No more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in §§ 570.205 and 570.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

(h) *Reimbursement for pre-award costs.* The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan, an amended consolidated plan action plan, or an application under subpart M of this part, except that a new entitlement grantee preparing to receive its first allocation of CDBG funds may incur costs necessary to develop its consolidated plan and undertake other administrative actions necessary to receive its first grant, prior to the costs being included in its consolidated plan;

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or \$300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi) of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) *Urban Development Action Grant.* Grant assistance may be provided with Urban Development Action Grant funds, subject to the provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of § 570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) *Faith-based activities.* (1) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program. Neither the Federal government nor a State or local government receiving funds under CDBG programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(2) Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

(3) A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide CDBG-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded

religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(4) An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

(5) CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in this part. Sanctuaries, chapels, or other rooms that a CDBG-funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition ( see 24 CFR parts 84 and 85).

(6) If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

[53 FR 34439, Sept. 6, 1988, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 68 FR 56404, Sept. 30, 2003; 69 FR 32778, June 10, 2004; 70 FR 76369, Dec. 23, 2005; 72 FR 46370, Aug. 17, 2007]

## **§ 570.201 Basic eligible activities.**

CDBG funds may be used for the following activities:

(a) *Acquisition.* Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of § 570.207.

(b) *Disposition.* Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in § 570.504.

(c) *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in § 570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in § 570.207(a)(1).) In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in § 570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group



homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in § 570.204 may acquire title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in § 570.200(b).

(d) *Clearance and remediation activities.* Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites and remediation of known or suspected environmental contamination. Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD. Remediation may include project-specific environmental assessment costs not otherwise eligible under § 570.205.

(e) *Public services.* Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in § 570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:

(i) For an entitlement grantee, 15% of the program income it received during the preceding program year; plus

(ii) A portion of the grant received for the program year which is the highest of the following amounts:

(A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;

(B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;

(C) The amount of funds it obligated for public services in the 1982 program year; or,

(D) The amount of funds it obligated for public services in the 1983 program year.

(f) *Interim assistance.* (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:

(i) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and

(ii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

(2) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:

(i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;

(ii) The clearance of streets, including snow removal and similar activities, and

(iii) The improvement of private properties.

(3) All activities authorized under paragraph (f)(2) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) *Payment of non-Federal share.* Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) *Urban renewal completion.* Payment of the cost of completing an urban renewal project funded under title I of the Housing Act of 1949 as amended. Further information regarding the eligibility of such costs is set forth in § 570.801.

(i) *Relocation.* Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of § 570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of § 570.606(d).

(j) *Loss of rental income.* Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.

(k) *Housing services.* Housing services, as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21)).

(l) *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m) *Construction of housing.* CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.

(n) *Homeownership assistance.* CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.

(o)(1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(2) Services provided this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.

(3) For purposes of this paragraph (o), “persons developing microenterprises” means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(4) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).

(p) *Technical assistance.* Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under § 570.205.

(q) *Assistance to institutions of higher education.* Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

[53 FR 34439, Sept. 6, 1988, as amended at 53 FR 31239, Aug. 17, 1988; 55 FR 29308, July 18, 1990; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 67 FR 47213, July 17, 2002; 71 FR 30034, May 24, 2006]

## **§ 570.202 *Eligible rehabilitation and preservation activities.***

(a) *Types of buildings and improvements eligible for rehabilitation assistance.* CDBG funds may be used to finance the rehabilitation of:

(1) Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;

(2) Low-income public housing and other publicly owned residential buildings and improvements;

(3) Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvement to the exterior of the building, abatement of asbestos hazards, lead-based paint hazard evaluation and reduction, and the correction of code violations;

(4) Nonprofit-owned nonresidential buildings and improvements not eligible under § 570.201(c); and

(5) Manufactured housing when such housing constitutes part of the community's permanent housing stock.

(b) *Types of assistance.* CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3) of this section.

(1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;

(2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;

(3) Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the recipient to be necessary or appropriate to achieve the locality's community development objectives;

(4) Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;

(5) Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;

(6) Connection of residential structures to water distribution lines or local sewer collection lines;

(7) For rehabilitation carried out with CDBG funds, costs of:

(i) Initial homeowner warranty premiums;

(ii) Hazard insurance premiums, except where assistance is provided in the form of a grant; and

(iii) Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, pursuant to § 570.605.

(8) Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;

(9) Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section, under section 312 of the Housing Act of 1964, as amended, under section 810 of the Act, or under section 17 of the United States Housing Act of 1937;

(10) Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937; and

(11) Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section.

(c) *Code enforcement.* Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

(d) *Historic preservation.* CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government.

(e) *Renovation of closed buildings.* CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing.

(f) *Lead-based paint activities.* Lead-based paint activities pursuant to § 570.608.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 60 FR 56911, Nov. 9, 1995; 64 FR 50225, Sept. 15, 1999; 71 FR 30035, May 24, 2006]

### **§ 570.203 *Special economic development activities.***

A recipient may use CDBG funds for special economic development activities in addition to other activities authorized in this subpart that may be carried out as part of an economic development project. Guidelines for selecting activities to assist under this paragraph are provided at § 570.209. The recipient must ensure that the appropriate level of public benefit will be derived pursuant to those guidelines before obligating funds under this authority. Special activities authorized under this section do not include assistance for the construction of new housing. Activities eligible under this section may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination. Special economic development activities include:

(a) The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions. Such activities may be carried out by the recipient or public or private nonprofit subrecipients.

(b) The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project, excluding those described as ineligible in § 570.207(a). In selecting businesses to assist under this authority, the recipient shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods.

(c) Economic development services in connection with activities eligible under this section, including, but not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

[53 FR 34439, Sept. 6, 1988, as amended at 60 FR 1944, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

## **§ 570.204 Special activities by Community-Based Development Organizations (CBDOs).**

(a) *Eligible activities.* The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project. The funded project activities may include those listed as eligible under this subpart, and, except as described in paragraph (b) of this section, activities not otherwise listed as eligible under this subpart. For purposes of qualifying as a project under paragraphs (a)(1), (a)(2), and (a)(3) of this section, the funded activity or activities may be considered either alone or in concert with other project activities either being carried out or for which funding has been committed. For purposes of this section:

(1) Neighborhood revitalization project includes activities of sufficient size and scope to have an impact on the decline of a geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government which is under 25,000 population;

(2) Community economic development project includes activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs and those activities specified at 24 CFR 91.1(a)(1)(iii); activities under this paragraph may include costs associated with project-specific assessment or remediation of known or suspected environmental contamination;

(3) Energy conservation project includes activities that address energy conservation, principally for the benefit of the residents of the recipient's jurisdiction; and

(4) To carry out a project means that the CBDO undertakes the funded activities directly or through contract with an entity other than the grantee, or through the provision of financial assistance for activities in which it retains a direct and controlling involvement and responsibilities.

(b) *Ineligible activities.* Notwithstanding that CBDOs may carry out activities that are not otherwise eligible under this subpart, this section does not authorize:

(1) Carrying out an activity described as ineligible in § 570.207(a);

(2) Carrying out public services that do not meet the requirements of § 570.201(e), except that:

(i) Services carried out under this section that are specifically designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services; and

(ii) Services of any type carried out under this section pursuant to a strategy approved by HUD under the provisions of 24 CFR 91.215(e) shall not be subject to the limitations in § 570.201(e)(1) or (2), as applicable;

(3) Providing assistance to activities that would otherwise be eligible under § 570.203 that do not meet the requirements of § 570.209; or

(4) Carrying out an activity that would otherwise be eligible under § 570.205 or § 570.206, but that would result in the recipient's exceeding the spending limitation in § 570.200(g).

(c) *Eligible CBDOs.* (1) A CBDO qualifying under this section is an organization which has the following characteristics:

(i) Is an association or corporation organized under State or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation within the jurisdiction of the recipient, or in the case of an urban county, the jurisdiction of the county; and

(ii) Has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low and moderate income; and

(iii) May be either non-profit or for-profit, provided any monetary profits to its shareholders or members must be only incidental to its operations; and

(iv) Maintains at least 51 percent of its governing body's membership for low- and moderate-income residents of its geographic area of operation, owners or senior officers of private establishments and other institutions located in and serving its geographic area of operation, or representatives of low- and moderate-income neighborhood organizations located in its geographic area of operation; and

(v) Is not an agency or instrumentality of the recipient and does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees or officials of an ineligible entity (even though such persons may be otherwise qualified under paragraph (c)(1)(iv) of this section); and

(vi) Except as otherwise authorized in paragraph (c)(1)(v) of this section, requires the members of its governing body to be nominated and approved by the general membership of the organization, or by its permanent governing body; and

(vii) Is not subject to requirements under which its assets revert to the recipient upon dissolution; and

(viii) Is free to contract for goods and services from vendors of its own choosing.

(2) A CBDO that does not meet the criteria in paragraph (c)(1) of this section may also qualify as an eligible entity under this section if it meets one of the following requirements:

(i) Is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or

(ii) Is an SBA approved Section 501 State Development Company or Section 502 Local Development Company, or an SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended; or

(iii) Is a Community Housing Development Organization (CHDO) under 24 CFR 92.2, designated as a CHDO by the HOME Investment Partnerships program participating jurisdiction, with a geographic area of operation of no more than one neighborhood, and has received HOME funds under 24 CFR 92.300 or is expected to receive HOME funds as described in and documented in accordance with 24 CFR 92.300(e).

(3) A CBDO that does not qualify under paragraph (c)(1) or (2) of this section may also be determined to qualify as an eligible entity under this section if the recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization's charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under paragraph (c)(1) or (2) of this section.

[60 FR 1944, Jan. 5, 1995, as amended at 71 FR 30035, May 24, 2006]

***§ 570.205 Eligible planning, urban environmental design and policy-planning-management-capacity building activities.***

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

(1) Comprehensive plans;

(2) Community development plans;

(3) Functional plans, in areas such as:

(i) Housing, including the development of a consolidated plan;

(ii) Land use and urban environmental design;

(iii) Economic development;

(iv) Open space and recreation;

(v) Energy use and conservation;

(vi) Floodplain and wetlands management in accordance with the requirements of Executive Orders 11988 and 11990;

(vii) Transportation;

(viii) Utilities; and

(ix) Historic preservation.

(4) Other plans and studies such as:

(i) Small area and neighborhood plans;

(ii) Capital improvements programs;

(iii) Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§ 570.201-570.204);

(iv) The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR part 58, including project specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§ 570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of § 570.200(g);

(v) Strategies and action programs to implement plans, including the development of codes, ordinances and regulations;



- (vi) Support of clearinghouse functions, such as those specified in Executive Order 12372; and
- (vii) Analysis of impediments to fair housing choice.
- (viii) Developing an inventory of properties with known or suspected environmental contamination.
- (5) [Reserved]
- (6) Policy—planning—management—capacity building activities which will enable the recipient to:
  - (1) Determine its needs;
  - (2) Set long-term goals and short-term objectives, including those related to urban environmental design;
  - (3) Devise programs and activities to meet these goals and objectives;
  - (4) Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and
  - (5) Carry out management, coordination and monitoring of activities necessary for effective planning implementation, but excluding the costs necessary to implement such plans.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006]

## **§ 570.206 *Program administrative costs.***

Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan. This does not include staff and overhead costs directly related to carrying out activities eligible under § 570.201 through § 570.204, since those costs are eligible as part of such activities.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the recipient's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year (or the grant period for grants under subpart F). Program administration includes the following types of assignments:

- (i) Providing local officials and citizens with information about the program;
- (ii) Preparing program budgets and schedules, and amendments thereto;
- (iii) Developing systems for assuring compliance with program requirements;
- (iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;

- (v) Monitoring program activities for progress and compliance with program requirements;
  - (vi) Preparing reports and other documents related to the program for submission to HUD;
  - (vii) Coordinating the resolution of audit and monitoring findings;
  - (viii) Evaluating program results against stated objectives; and
  - (ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i) through (viii) of this section.
- (2) Travel costs incurred for official business in carrying out the program;
  - (3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and
  - (4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds.
- (c) *Fair housing activities.* Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.
- (d) [Reserved]
- (e) *Indirect costs.* Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with 2 CFR PART 200 as applicable.
- (f) *Submission of applications for federal programs.* Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.
- (g) *Administrative expenses to facilitate housing.* CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons. Examples of eligible actions are as follows:
- (1) The cost of conducting preliminary surveys and analysis of market needs;
  - (2) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and "sketch drawings," but excluding architectural, engineering, and other

details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details;

(3) Reasonable costs associated with development of applications for mortgage and insured loan commitments, including commitment fees, and of applications and proposals under the Section 8 Housing Assistance Payments Program pursuant to 24 CFR parts 880-883;

(4) Fees associated with processing of applications for mortgage or insured loan commitments under programs including those administered by HUD, Farmers Home Administration (FmHA), Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA);

(5) The cost of issuance and administration of mortgage revenue bonds used to finance the acquisition, rehabilitation or construction of housing, but excluding costs associated with the payment or guarantee of the principal or interest on such bonds; and

(6) Special outreach activities which result in greater landlord participation in Section 8 Housing Assistance Payments Program-Existing Housing or similar programs for low and moderate income persons.

(h) *Section 17 of the United States Housing Act of 1937.* Reasonable costs equivalent to those described in paragraphs (a), (b), (e) and (f) of this section for overall program management of the Rental Rehabilitation and Housing Development programs authorized under section 17 of the United States Housing Act of 1937, whether or not such activities are otherwise assisted with funds provided under this part.

(i) Whether or not such activities are otherwise assisted by funds provided under this part, reasonable costs equivalent to those described in paragraphs (a), (b), (e), and (f) of this section for overall program management of:

(1) A Federally designated Empowerment Zone or Enterprise Community; and

(2) The HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 54 FR 37411, Sept. 8, 1989; 60 FR 56912, Nov. 9, 1995; 69 FR 32778, June 10, 2004]

### **§ 570.207 *Ineligible activities.***

The general rule is that any activity that is not authorized under the provisions of §§ 570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a) The following activities may not be assisted with CDBG funds:

(1) *Buildings or portions thereof, used for the general conduct of government* as defined at § 570.3(d) cannot be assisted with CDBG funds. This does not include, however, the removal of architectural barriers under § 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in § 570.208.

(2) *General government expenses.* Except as otherwise specifically authorized in this subpart or under 2 CFR PART 200—expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

(3) *Political activities.* CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

(b) The following activities may not be assisted with CDBG funds unless authorized under provisions of § 570.203 or as otherwise specifically noted herein or when carried out by an entity under the provisions of § 570.204.

(1) *Purchase of equipment.* The purchase of equipment with CDBG funds is generally ineligible.

(i) *Construction equipment.* The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to 2 CFR PART 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible under § 570.201(c).

(ii) *Fire protection equipment.* Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under § 570.201(c).

(iii) *Furnishings and personal property.* The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR PART 200 as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to § 570.201(e).

(2) *Operating and maintenance expenses.* The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible under § 570.201(e), even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are:

(i) Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with a disabilities, parking and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and

(ii) Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

(3) *New housing construction.* For the purpose of this paragraph, activities in support of the development of low or moderate income housing including clearance, site assemblage, provision of site improvements and provision of public improvements and certain housing pre-construction costs set forth in § 570.206(g), are not considered as activities to subsidize or assist new residential construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except:

(i) As provided under the last resort housing provisions set forth in 24 CFR part 42;

(ii) As authorized under § 570.201(m) or (n);

(iii) When carried out by an entity pursuant to § 570.204(a);

(4) *Income payments.* The general rule is that CDBG funds may not be used for income payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 56912, Nov. 9, 1995; 65 FR 70215, Nov. 21, 2000]

## **§ 570.208 *Criteria for national objectives.***

The following criteria shall be used to determine whether a CDBG-assisted activity complies with one or more of the national objectives as required under § 570.200(a)(2):

(a) *Activities benefiting low- and moderate-income persons.* Activities meeting the criteria in paragraph (a) (1), (2), (3), or (4) of this section as applicable, will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. (The recipient shall appropriately ensure that activities that meet these criteria do not benefit moderate income persons to the exclusion of low income persons.)

(1) *Area benefit activities.* (i) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

(ii) For metropolitan cities and urban counties, an activity that would otherwise qualify under § 570.208(a)(1)(i), except that the area served contains less than 51 percent low- and moderate-income residents, will also be considered to meet the objective of benefiting low- and moderate-income persons where the proportion of such persons in the area is within the highest quartile of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. This exception is inapplicable to non-entitlement CDBG grants in Hawaii. In applying this exception, HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose, as follows:

(A) All census block groups in the recipient's jurisdiction shall be rank ordered from the block group of highest proportion of low and moderate income persons to the block group with the lowest. For urban counties, the rank ordering shall cover the entire area constituting the urban county and shall not be done separately for each participating unit of general local government.

(B) In any case where the total number of a recipient's block groups does not divide evenly by four, the block group which would be fractionally divided between the highest and second quartiles shall be considered to be part of the highest quartile.

(C) The proportion of low and moderate income persons in the last census block group in the highest quartile shall be identified. Any service area located within the recipient's jurisdiction and having a proportion of low and moderate income persons at or above this level shall be considered to be within the highest quartile.

(D) If block group data are not available for the entire jurisdiction, other data acceptable to the Secretary may be used in the above calculations.

(iii) An activity to develop, establish, and operate for up to two years after the establishment of, a uniform emergency telephone number system serving an area having less than the percentage of low- and moderate-income residents required under paragraph (a)(1)(i) of this section or (as applicable) paragraph (a)(1)(ii) of this section, provided the recipient obtains prior HUD approval. To obtain such approval, the recipient must:

(A) Demonstrate that the system will contribute significantly to the safety of the residents of the area. The request for approval must include a list of the emergency services that will participate in the emergency telephone number system;

(B) Submit information that serves as a basis for HUD to determine whether at least 51 percent of the use of the system will be by low- and moderate-income persons. As available, the recipient must provide information that identifies the total number of calls actually received over the preceding 12-month period for each of the emergency services to be covered by the emergency telephone number system and relates those calls to the geographic segment (expressed as nearly as possible in terms of census tracts, block numbering areas, block groups, or combinations thereof that are contained within the segment) of the service area from which the calls were generated. In analyzing this data to meet the requirements of this section, HUD will assume that the distribution of income among the callers generally reflects the income characteristics of the general population residing in the same geographic area where the callers reside. If HUD can conclude that the users have primarily consisted of low- and moderate-income persons, no further submission is needed by the recipient. If a recipient plans to make other submissions for this purpose, it may request that HUD review its planned methodology before expending the effort to acquire the information it expects to use to make its case;

(C) Demonstrate that other Federal funds received by the recipient are insufficient or unavailable for a uniform emergency telephone number system. For this purpose, the recipient must submit a statement explaining whether the lack of funds is due to the insufficiency of the amount of the available funds, restrictions on the use of such funds, or the prior commitment of funds by the recipient for other purposes; and

(D) Demonstrate that the percentage of the total costs of the system paid for by CDBG funds does not exceed the percentage of low- and moderate-income persons in the service area of the system. For this purpose, the recipient must include a description of the boundaries of the service area of the emergency telephone number system, the census divisions that fall within the boundaries of the service area (census tracts or block numbering areas), the total number of persons and the total number of low- and moderate-income persons within each census division, the percentage of low- and moderate-income persons within the service area, and the total cost of the system.

(iv) An activity for which the assistance to a public improvement that provides benefits to all the residents of an area is limited to paying special assessments (as defined in § 570.200(c)) levied against residential properties owned and occupied by persons of low and moderate income.

(v) For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service area.

(vi) In determining whether there is a sufficiently large percentage of low- and moderate-income persons residing in the area served by an activity to qualify under paragraph (a)(1) (i), (ii), or (vii) of this section, the most recently available decennial census information must be used to the fullest extent feasible, together with the section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. Recipients that believe that the census data does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the service area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percent of such persons that are low and moderate income. HUD will accept information obtained through such surveys, to be used in lieu of the decennial census data, where it determines that the survey was conducted in such a manner that the results meet standards of statistical reliability that are comparable to that of the decennial census data for areas of similar size. Where there is substantial evidence that provides a clear basis to believe that the use of the decennial census data would substantially overstate the

proportion of persons residing there that are low and moderate income, HUD may require that the recipient rebut such evidence in order to demonstrate compliance with section 105(c)(2) of the Act.

(vii) Activities meeting the requirements of paragraph (d)(5)(i) of this section may be considered to qualify under this paragraph, provided that the area covered by the strategy is either a Federally-designated Empowerment Zone or Enterprise Community or primarily residential and contains a percentage of low- and moderate-income residents that is no less than the percentage computed by HUD pursuant to paragraph (a)(1)(ii) of this section or 70 percent, whichever is less, but in no event less than 51 percent. Activities meeting the requirements of paragraph (d)(6)(i) of this section may also be considered to qualify under paragraph (a)(1) of this section.

(2) *Limited clientele activities.* (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. (The following kinds of activities may not qualify under paragraph (a)(2) of this section: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to low- and moderate-income persons to be considered is the creation or retention of jobs, except as provided in paragraph (a)(2)(iv) of this section.) To qualify under paragraph (a)(2) of this section, the activity must meet one of the following tests:

(A) Benefit a clientele who are generally presumed to be principally low and moderate income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

(B) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or

(C) Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or

(D) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

(ii) An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" will be presumed to qualify under this criterion if it is restricted, to the extent practicable, to the removal of such barriers by assisting:

(A) The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under paragraph (a)(1) of this section;

(B) The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under paragraph (a)(1) or (4) of this section; or

(C) The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under paragraph (a)(3) of this section.

(iii) A microenterprise assistance activity carried out in accordance with the provisions of § 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low- and moderate-income persons. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

(iv) An activity designed to provide job training and placement and/or other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify under this paragraph in the following limited circumstance:

(A) In such cases where such training or provision of supportive services assists business(es), the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and

(B) The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.

(3) *Housing activities.* An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the recipient, a subrecipient, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure. Where housing activities being assisted meet the requirements of paragraph § 570.208 (d)(5)(ii) or (d)(6)(ii) of this section, all such housing may also be considered for this purpose as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The recipient shall adopt and make public its standards for determining “affordable rents” for this purpose. The following shall also qualify under this criterion:

(i) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:

(A) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project;

(B) Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and

(C) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.

(ii) When CDBG funds are used to assist rehabilitation eligible under § 570.202(b)(9) or (10) in direct support of the recipient's Rental Rehabilitation program authorized under 24 CFR part 511, such funds shall be considered to benefit low and moderate income persons where not less than 51 percent of the units assisted, or to be assisted, by the recipient's Rental Rehabilitation program overall are for low and moderate income persons.

(iii) When CDBG funds are used for housing services eligible under § 570.201(k), such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME-assisted and the requirements at 24 CFR 92.252 or 92.254 are met.

(4) *Job creation or retention activities.* An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. To qualify under this paragraph, the activity must meet the following criteria:

(i) For an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.



(ii) For an activity that retains jobs, the recipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:

(A) The job is known to be held by a low- or moderate-income person; or

(B) The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

(iii) Jobs that are not held or filled by a low- or moderate-income person may be considered to be available to low- and moderate-income persons for these purposes only if:

(A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and

(B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.

(iv) For purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be a low- or moderate-income person if:

(A) He/she resides within a census tract (or block numbering area) that either:

( 1 ) Meets the requirements of paragraph (a)(4)(v) of this section; or

( 2 ) Has at least 70 percent of its residents who are low- and moderate-income persons; or

(B) The assisted business is located within a census tract (or block numbering area) that meets the requirements of paragraph (a)(4)(v) of this section and the job under consideration is to be located within that census tract.

(v) A census tract (or block numbering area) qualifies for the presumptions permitted under paragraphs (a)(4)(iv)(A)( 1 ) and (B) of this section if it is either part of a Federally-designated Empowerment Zone or Enterprise Community or meets the following criteria:

(A) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;

(B) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and

(C) It evidences pervasive poverty and general distress by meeting at least one of the following standards:

( 1 ) All block groups in the census tract have poverty rates of at least 20 percent;

( 2 ) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or

( 3 ) Upon the written request of the recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.

(vi) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

(A) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

(B) Where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during each program year.

(C) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during each program year.

(D) Where CDBG funds are used for activities meeting the criteria listed at § 570.209(b)(2)(v), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(E) Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(F) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.

( 1 ) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

( 2 ) In any case where the cost per job to be created or retained (as determined under paragraph (a)(4)(vi)(F)( 1 ) of this section) is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its action plan under part 91 of this title and the date one year after the physical completion of the facility/improvement. In addition, the assisted activity must comply with the public benefit standards at § 570.209(b).

(b) *Activities which aid in the prevention or elimination of slums or blight.* Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

(1) *Activities to address slums or blight on an area basis.* An activity will be considered to address prevention or elimination of slums or blight in an area if:

(i) The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;

(ii) The area also meets the conditions in either paragraph (A) or (B):

(A) At least 25 percent of properties throughout the area experience one or more of the following conditions:

( 1 ) Physical deterioration of buildings or improvements;

( 2 ) Abandonment of properties;

( 3 ) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;

( 4 ) Significant declines in property values or abnormally low property values relative to other areas in the community; or

( 5 ) Known or suspected environmental contamination.

(B) The public improvements throughout the area are in a general state of deterioration.

(iii) Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall establish definitions of the conditions listed at § 570.208(b)(1)(ii)(A), and maintain records to substantiate how the area met the slums or blighted criteria. The designation of an area as slum or blighted under this section is required to be re-determined every 10 years for continued qualification. Documentation must be retained pursuant to the recordkeeping requirements contained at § 570.506 (b)(8)(ii).

(iv) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

(2) *Activities to address slums or blight on a spot basis.* The following activities may be undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area: acquisition; clearance; relocation; historic preservation; remediation of environmentally contaminated properties; or rehabilitation of buildings or improvements. However, rehabilitation must be limited to eliminating those conditions that are detrimental to public health and safety. If acquisition or relocation is undertaken, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

(3) *Activities to address slums or blight in an urban renewal area.* An activity will be considered to address prevention or elimination of slums or blight in an urban renewal area if the activity is:

(i) Located within an urban renewal project area or Neighborhood Development Program (NDP) action area; i.e., an area in which funded activities were authorized under an urban renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to title I of the Housing Act of 1949; and

(ii) Necessary to complete the urban renewal plan, as then in effect, including *initial* land redevelopment permitted by the plan.

NOTE: Despite the restrictions in (b) (1) and (2) of this section, any rehabilitation activity which benefits low and moderate income persons pursuant to paragraph (a)(3) of this section can be undertaken without regard to the area in which it is located or the extent or nature of rehabilitation assisted.

(c) *Activities designed to meet community development needs having a particular urgency.* In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.

(d) *Additional criteria.* (1) Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be based on the planned use of the property after acquisition. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under § 570.505.

(2) Where the assisted activity is relocation assistance that the recipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary on the part of the grantee the recipient may qualify the assistance either on the basis of the national objective addressed by the displacing activity or on the basis that the recipients of the relocation assistance are low and moderate income persons.

(3) In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet the requirements of paragraph (a)(1) of this section as well as those of paragraph (a)(4) of this section in order to qualify as benefiting low and moderate income persons.

(4) CDBG funds expended for planning and administrative costs under § 570.205 and § 570.206 will be considered to address the national objectives.

(5) Where the grantee has elected to prepare an area revitalization strategy pursuant to the authority of § 91.215(e) of this title and HUD has approved the strategy, the grantee may also elect the following options:

(i) Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities in the area for which, pursuant to the strategy, CDBG assistance is obligated during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(6) Where CDBG-assisted activities are carried out by a Community Development Financial Institution whose charter limits its investment area to a primarily residential area consisting of at least 51 percent low- and moderate-income persons, the grantee may also elect the following options:

(i) Activities carried out by the Community Development Financial Institution for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities for which the Community Development Financial Institution obligates CDBG assistance during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(7) Where an activity meeting the criteria at § 570.209(b)(2)(v) may also meet the requirements of either paragraph (d)(5)(i) or (d)(6)(i) of this section, the grantee may elect to qualify the activity under either the area benefit criteria at paragraph (a)(1)(vii) of this section or the job aggregation criteria at paragraph (a)(4)(vi)(D) of this section, but not both. Where an activity may meet the job aggregation criteria at both paragraphs (a)(4)(vi)(D) and (E) of this section, the grantee may elect to qualify the activity under either criterion, but not both.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56912, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 71 FR 30035, May 24, 2006; 72 FR 46370, Aug. 17, 2007]

### ***§ 570.209 Guidelines for evaluating and selecting economic development projects.***

The following guidelines are provided to assist the recipient to evaluate and select activities to be carried out for economic development purposes. Specifically, these guidelines are applicable to activities that are eligible for CDBG assistance under § 570.203. These guidelines also apply to activities carried out under the authority of § 570.204 that would otherwise be eligible under § 570.203, were it not for the involvement of a Community-Based Development Organization (CBDO). (This would include activities where a CBDO makes loans to for-profit businesses.) These guidelines are composed of two components: guidelines for evaluating project costs and financial requirements; and standards for evaluating public benefit. The standards for evaluating public benefit are *mandatory*, but the guidelines for evaluating projects costs and financial requirements are not.

(a) *Guidelines and objectives for evaluating project costs and financial requirements.* HUD has developed guidelines that are designed to provide the recipient with a framework for financially underwriting and selecting CDBG-assisted economic development projects which are financially viable and will make the most effective use of the CDBG funds. These guidelines, also referred to as the underwriting guidelines, are published as appendix A to this part. The use of the underwriting guidelines published by HUD is not mandatory. However, grantees electing not to use these guidelines would be expected to conduct basic financial underwriting prior to the provision of CDBG financial assistance to a for-profit business. Where appropriate, HUD's underwriting guidelines recognize that different levels of review are appropriate to take into account differences in the size and scope of a proposed project, and in the case of a microenterprise or other small business to take into account the differences in the capacity and level of sophistication among businesses of differing sizes. Recipients are encouraged, when they develop their own programs and underwriting criteria, to also take these factors into account. The objectives of the underwriting guidelines are to ensure:

- (1) That project costs are reasonable;
- (2) That all sources of project financing are committed;
- (3) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- (4) That the project is financially feasible;
- (5) That to the extent practicable, the return on the owner's equity investment will not be unreasonably high; and
- (6) That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

(b) *Standards for evaluating public benefit.* The grantee is responsible for making sure that at least a minimum level of public benefit is obtained from the expenditure of CDBG funds under the categories of eligibility governed by these guidelines. The standards set forth below identify the types of public benefit that will be recognized for this purpose and the minimum level of each that must be obtained for the amount of CDBG funds used. Unlike the guidelines for project costs and financial requirements covered under paragraph (a) of this section, the use of the standards for public benefit is mandatory. Certain public facilities and improvements eligible under § 570.201(c) of the regulations, which are undertaken for economic development purposes, are also subject to these standards, as specified in § 570.208(a)(4)(vi)(F)(2).

(1) *Standards for activities in the aggregate.* Activities covered by these guidelines must, in the aggregate, either:

(i) Create or retain at least one full-time equivalent, permanent job per \$35,000 of CDBG funds used; or

(ii) Provide goods or services to residents of an area, such that the number of low- and moderate-income persons residing in the areas served by the assisted businesses amounts to at least one low- and moderate-income person per \$350 of CDBG funds used.

(2) *Applying the aggregate standards.* (i) A metropolitan city, an urban county, a non-entitlement CDBG grantee in Hawaii, or an Insular Area shall apply the aggregate standards under paragraph (b)(1) of this section to all applicable activities for which CDBG funds are first obligated within each single CDBG program year, without regard to the source year of the funds used for the activities. For Insular Areas, the preceding sentence applies to grants received in program years after Fiscal Year 2004. A grantee under the HUD-administered Small Cities Program, or Insular Areas CDBG grants prior to Fiscal Year 2005, shall apply the aggregate standards under paragraph (b)(1) of this section to all funds obligated for applicable activities from a given grant; program income obligated for applicable activities will, for these purposes, be aggregated with the most recent open grant. For any time period in which a community has no open HUD-administered or Insular Areas grants, the aggregate standards shall be applied to all applicable activities for which program income is obligated during that period.

(ii) The grantee shall apply the aggregate standards to the number of jobs to be created/retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, the grantee may elect to count the activity under either the jobs standard or the area residents standard, but not both.

(iv) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the aggregate standards.

(v) Any activity subject to these guidelines which meets one or more of the following criteria may, at the grantee's option, be excluded from the aggregate standards described in paragraph (b)(1) of this section:

(A) Provides jobs exclusively for unemployed persons or participants in one or more of the following programs:

( 1 ) Jobs Training Partnership Act (JTPA);

( 2 ) Jobs Opportunities for Basic Skills (JOBS); or

( 3 ) Aid to Families with Dependent Children (AFDC);

- (B) Provides jobs predominantly for residents of Public and Indian Housing units;
  - (C) Provides jobs predominantly for homeless persons;
  - (D) Provides jobs predominantly for low-skilled, low- and moderate-income persons, where the business agrees to provide clear opportunities for promotion and economic advancement, such as through the provision of training;
  - (E) Provides jobs predominantly for persons residing within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
  - (F) Provides assistance to business(es) that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
  - (G) Stabilizes or revitalizes a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
  - (H) Provides assistance to a Community Development Financial Institution that serve an area that is predominantly low- and moderate-income persons;
  - (I) Provides assistance to a Community-Based Development Organization serving a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
  - (J) Provides employment opportunities that are an integral component of a project designed to promote spatial deconcentration of low- and moderate-income and minority persons;
  - (K) With prior HUD approval, provides substantial benefit to low-income persons through other innovative approaches;
  - (L) Provides services to the residents of an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title;
  - (M) Creates or retains jobs through businesses assisted in an area pursuant to a strategy approved by HUD under the provisions of § 91.215(e) of this title.
  - (N) Directly involves the economic development or redevelopment of environmentally contaminated properties.
- (3) *Standards for individual activities.* Any activity subject to these guidelines which falls into one or more of the following categories will be considered by HUD to provide insufficient public benefit, and therefore may under no circumstances be assisted with CDBG funds:
- (i) The amount of CDBG assistance exceeds either of the following, as applicable:
    - (A) \$50,000 per full-time equivalent, permanent job created or retained; or
    - (B) \$1,000 per low- and moderate-income person to which goods or services are provided by the activity.
  - (ii) The activity consists of or includes any of the following:
    - (A) General promotion of the community as a whole (as opposed to the promotion of specific areas and programs);
    - (B) Assistance to professional sports teams;

(C) Assistance to privately-owned recreational facilities that serve a predominantly higher-income clientele, where the recreational benefit to users or members clearly outweighs employment or other benefits to low- and moderate-income persons;

(D) Acquisition of land for which the specific proposed use has not yet been identified; and

(E) Assistance to a for-profit business while that business or any other business owned by the same person(s) or entity(ies) is the subject of unresolved findings of noncompliance relating to previous CDBG assistance provided by the recipient.

(4) *Applying the individual activity standards.* (i) Where an activity is expected both to create or retain jobs and to provide goods or services to residents of an area, it will be disqualified only if the amount of CDBG assistance exceeds both of the amounts in paragraph (b)(3)(i) of this section.

(ii) The individual activity standards in paragraph (b)(3)(i) of this section shall be applied to the number of jobs to be created or retained, or to the number of persons residing in the area served (as applicable), as determined at the time funds are obligated to activities.

(iii) Where CDBG assistance for an activity is limited to job training and placement and/or other employment support services, the jobs assisted with CDBG funds shall be considered to be created or retained jobs for the purposes of applying the individual activity standards in paragraph (b)(3)(i) of this section.

(c) *Amendments to economic development projects after review determinations.* If, after the grantee enters into a contract to provide assistance to a project, the scope or financial elements of the project change to the extent that a significant contract amendment is appropriate, the project should be reevaluated under these and the recipient's guidelines. (This would include, for example, situations where the business requests a change in the amount or terms of assistance being provided, or an extension to the loan payment period required in the contract.) If a reevaluation of the project indicates that the financial elements and public benefit to be derived have also substantially changed, then the recipient should make appropriate adjustments in the amount, type, terms or conditions of CDBG assistance which has been offered, to reflect the impact of the substantial change. (For example, if a change in the project elements results in a substantial reduction of the total project costs, it may be appropriate for the recipient to reduce the amount of total CDBG assistance.) If the amount of CDBG assistance provided to the project is increased, the amended project must still comply with the public benefit standards under paragraph (b) of this section.

(d) *Documentation.* The grantee must maintain sufficient records to demonstrate the level of public benefit, based on the above standards, that is actually achieved upon completion of the CDBG-assisted economic development activity(ies) and how that compares to the level of such benefit anticipated when the CDBG assistance was obligated. If the grantee's actual results show a pattern of substantial variation from anticipated results, the grantee is expected to take all actions reasonably within its control to improve the accuracy of its projections. If the actual results demonstrate that the recipient has failed the public benefit standards, HUD may require the recipient to meet more stringent standards in future years as appropriate.

[60 FR 1947, Jan. 5, 1995, as amended at 60 FR 17445, Apr. 6, 1995; 71 FR 30035, May 24, 2006; 72 FR 12535, Mar. 15, 2007; 72 FR 46370, Aug. 17, 2007]

## ***§ 570.210 Prohibition on use of assistance for employment relocation activities.***

(a) *Prohibition.* CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one LMA to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA from which the relocation occurs.

(b) *Definitions.* The following definitions apply to this section:



(1) *Directly assist.* Directly assist means the provision of CDBG funds for activities pursuant to:

(i) § 570.203(b); or

(ii) §§ 570.201(a)-(d), 570.201(l), 570.203(a), or § 570.204 when the grantee, subrecipient, or, in the case of an activity carried out pursuant to § 570.204, a Community Based Development Organization (CDBO) enters into an agreement with a business to undertake one or more of these activities as a condition of the business relocating a facility, plant, or operation to the grantee's LMA. Provision of public facilities and indirect assistance that will provide benefit to multiple businesses does not fall under the definition of "directly assist," unless it includes the provision of infrastructure to aid a specific business that is the subject of an agreement with the specific assisted business.

(2) *Labor market area (LMA).* For metropolitan areas, an LMA is an area defined as such by the BLS. An LMA is an economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence. In addition, LMAs are non-overlapping and geographically exhaustive. For metropolitan areas, grantees must use employment data, as defined by the BLS, for the LMA in which the affected business is currently located and from which current jobs may be lost. For non-metropolitan areas, an LMA is either an area defined by the BLS as an LMA, or a state may choose to combine non-metropolitan LMAs. States are required to define or reaffirm prior definitions of their LMAs on an annual basis and retain records to substantiate such areas prior to any business relocation that would be impacted by this rule. Metropolitan LMAs cannot be combined, nor can a non-metropolitan LMA be combined with a metropolitan LMA. For the HUD-administered Small Cities Program, each of the three participating counties in Hawaii will be considered to be its own LMA. Recipients of Fiscal Year 1999 Small Cities Program funding in New York will follow the requirements for State CDBG recipients.

(3) *Operation.* A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.

(4) *Significant loss of jobs.* (i) A loss of jobs is significant if: The number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; or in all cases, a loss of 500 or more jobs. Notwithstanding the aforementioned, a loss of 25 jobs or fewer does not constitute a significant loss of jobs.

(ii) A job is considered to be lost due to the provision of CDBG assistance if the job is relocated within three years of the provision of assistance to the business; or the time period within which jobs are to be created as specified by the agreement between the business and the recipient if it is longer than three years.

(c) *Written agreement.* Before directly assisting a business with CDBG funds, the recipient, subrecipient, or a CDBO (in the case of an activity carried out pursuant to § 570.204) shall sign a written agreement with the assisted business. The written agreement shall include:

(1) *Statement.* A statement from the assisted business as to whether the assisted activity will result in the relocation of any industrial or commercial plant, facility, or operation from one LMA to another, and, if so, the number of jobs that will be relocated from each LMA;

(2) *Required information.* If the assistance will not result in a relocation covered by this section, a certification from the assisted business that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the agreement is signed that would result in a significant job loss as defined in this rule; and

(3) *Reimbursement of assistance.* The agreement shall provide for reimbursement of any assistance provided to, or expended on behalf of, the business in the event that assistance results in a relocation prohibited under this section.

(d) *Assistance not covered by this section.* This section does not apply to:

(1) *Relocation assistance.* Relocation assistance required by the Uniform Assistance and Real Property Acquisition Policies Act of 1970, (URA) (42 U.S.C. 4601-4655);

(2) *Microenterprises.* Assistance to microenterprises as defined by Section 102(a)(22) of the Housing and Community Development Act of 1974; and

(3) *Arms-length transactions.* Assistance to a business that purchases business equipment, inventory, or other physical assets in an arms-length transaction, including the assets of an existing business, provided that the purchase does not result in the relocation of the sellers' business operation (including customer base or list, goodwill, product lines, or trade names) from one LMA to another LMA and does not produce a significant loss of jobs in the LMA from which the relocation occurs.

[70 FR 76369, Dec. 23, 2005]

### ***Subpart K—Other Program Requirements***

SOURCE: 53 FR 34456, Sept. 6, 1988, unless otherwise noted.

#### ***§ 570.600 General.***

(a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under section 106 of the Act, other than grants to states made pursuant to section 106(d) of the Act, for purposes of the Secretary's determinations under section 104(e)(1) of the Act, including statutes expressly made applicable by the Act and certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular Areas Program in § 570.405 and § 570.440 with the exception of § 570.612. The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For laws that the Secretary will treat as applicable to grants made to states under section 106(d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104(e)(2) of the Act, see § 570.487.

(b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.

(c) In addition to grants made pursuant to section 106(b) and 106(d)(2)(B) of the Act (subparts D and F, respectively), the requirements of this subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to subpart M.

[53 FR 34456, Sept. 6, 1988, as amended at 61 FR 11477, Mar. 20, 1996; 72 FR 12536, Mar. 15, 2007]

#### ***§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.***

(a) The following requirements apply according to sections 104(b) and 107 of the Act:

(1) Public Law 88-352, which is title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.* ), and implementing regulations in 24 CFR part 1.

(2) Public Law 90-284, which is the Fair Housing Act (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant under subpart D of this part, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to assume the responsibility of fair housing planning by conducting an

analysis to identify impediments to fair housing choice within its jurisdiction, taking appropriate actions to overcome the effects of any impediments identified through that analysis, and maintaining records reflecting the analysis and actions in this regard.

(b) Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652; 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR part 107, also apply.

[61 FR 11477, Mar. 20, 1996]

### ***§ 570.602 Section 109 of the Act.***

Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6.

[64 FR 3802, Jan. 25, 1999]

### ***§ 570.603 Labor standards.***

(a) Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.* ) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

(b) The regulations in 24 CFR part 70 apply to the use of volunteers.

[61 FR 11477, Mar. 20, 1996]

### ***§ 570.604 Environmental standards.***

For purposes of section 104(g) of the Act, the regulations in 24 CFR part 58 specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these environmental review, decision making, and action responsibilities by execution of grant agreements with the Secretary.

[61 FR 11477, Mar. 20, 1996]

### ***§ 570.605 National Flood Insurance Program.***

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under subpart D of this part or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with 24 CFR part 91), section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) and the regulations in 44 CFR parts 59 through 79 apply to funds provided under this part 570.

[61 FR 11477, Mar. 20, 1996]

## **§ 570.606 Displacement, relocation, acquisition, and replacement of housing.**

(a) *General policy for minimizing displacement.* Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) *Relocation assistance for displaced persons at URA levels.* (1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR part 24, which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

(2) *Displaced person.* (i) For purposes of paragraph (b) of this section, the term “ *displaced person* ” means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, or acquisition for an activity assisted under this part. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.

(C) Before the date described in paragraph (b)(2)(i)(A) or (B) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the “initiation of negotiations” if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

( 1 ) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or

( 2 ) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/complex; or

( 3 ) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of paragraph (b)(2)(i) of this section, the term “ *displaced person* -” does not include:

(A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

(B) A person who moves into the property after the date of the notice described in paragraph (b)(2)(i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.

(C) A person who is not displaced as described in 49 CFR 24.2(g)(2).

(D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.

(iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.

(3) *Initiation of negotiations.* For purposes of determining the type of replacement housing assistance to be provided under paragraph (b) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term “ *initiation of negotiations* ” means the execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.

(c) *Residential anti-displacement and relocation assistance plan.* The grantee shall comply with the requirements of 24 CFR part 42, subpart B.

(d) *Optional relocation assistance.* Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to paragraph (b) or (c) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under paragraphs (b) or (c) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., 24 CFR 570.201(i), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

(e) *Acquisition of real property.* The acquisition of real property for an assisted activity is subject to 49 CFR part 24, subpart B.

(f) *Appeals.* If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in 49 CFR 24.10. In addition, a low- or moderate-income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State CDBG program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.

(g) *Responsibility of grantee or State.* (1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section.

(2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources.

(3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the Office of Management and Budget under OMB control number 2506-0102)

[61 FR 11477, Mar. 20, 1996, as amended at 61 FR 51760, Oct. 3, 1996]

### ***§ 570.607 Employment and contracting opportunities.***

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR 1964-1965 Comp. p. 339; 3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1966-1970., p. 803; 3 CFR, 1978 Comp., p. 230; 3 CFR, 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), 67 FR 77141, 3 CFR, 2002 Comp., p. 258; and the implementing regulations at 41 CFR chapter 60; and

(b) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

[68 FR 56405, Sept. 30, 2003]

### ***§ 570.608 Lead-based paint.***

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this part apply to activities under this program.

[64 FR 50226, Sept. 15, 1999]

### ***§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.***

The requirements set forth in 24 CFR part 5 apply to this program.

[61 FR 5209, Feb. 9, 1996]

### ***§ 570.610 Uniform administrative requirements and cost principles.***

The recipient, its agencies or instrumentalities, and subrecipients shall comply with the policies, guidelines, and requirements of 24 CFR part 85 and 2 CFR PART 200 as applicable, as they relate to the acceptance and use of Federal funds under this part. The applicable sections of 24 CFR parts 84 and 85 are set forth at § 570.502.

<sup>2</sup> See footnote 1 at § 570.200(a)(5).

[60 FR 56916, Nov. 9, 1995]

### ***§ 570.611 Conflict of interest.***

(a) *Applicability.* (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities

that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to § 570.203, 570.204, 570.455, or 570.703(i)).

(b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) *Threshold requirements.* HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995]

### **§ 570.612 Executive Order 12372.**

(a) *General.* Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to the CDBG Entitlement program and the UDAG program. The Executive Order applies to all activities proposed to be assisted under UDAG, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAG funds for activities subject to review.

### **§ 570.613 Eligibility restrictions for certain resident aliens.**

(a) *Restriction.* Certain newly legalized aliens, as described in 24 CFR part 49, are not eligible to apply for benefits under covered activities funded by the programs listed in paragraph (e) of this section. "Benefits" under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in paragraph (e) of this section. "Benefits" do not include relocation services and payments to which displacees are entitled by law.

(b) *Covered activities.* "Covered activities" under this section means activities meeting the requirements of § 570.208(a) that either:

(1) Have income eligibility requirements limiting the benefits exclusively to low and moderate income persons; or

(2) Are targeted geographically or otherwise to primarily benefit low and moderate income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application.

(c) *Limitation on coverage.* The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this section.

(d) *Compliance.* Compliance can be accomplished by obtaining certification as provided in 24 CFR 49.20.

(e) *Programs affected.* (1) The Community Development Block Grant program for small cities, administered under subpart F of part 570 of this title until closeout of the recipient's grant.

(2) The Community Development Block Grant program for entitlement grants, administered under subpart D of part 570 of this title.

(3) The Community Development Block Grant program for States, administered under subpart I of part 570 of this title until closeout of the unit of general local government's grant by the State.

(4) The Urban Development Action Grants program, administered under subpart G of part 570 of this title until closeout of the recipient's grant.



[55 FR 18494, May 2, 1990]

## **§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.**

(a) The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of “residential structure” as defined in 24 CFR 40.2 or the definition of “building” as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

(b) The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

[60 FR 56917, Nov. 9, 1995]

### **UPDATE: Effective March 2015**

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance supersedes, consolidates and streamlines requirements from 8 OMB Circulars referenced in Exhibit D - CDBG Regulations and Other Program Requirements:

|         |         |
|---------|---------|
| A - 21  | A - 110 |
| A - 87  | A - 122 |
| A - 89  | A - 133 |
| A - 102 | A - 50  |

To view Notice SD-2015-01 Issued by the U.S. Department of Housing and Urban Development, please visit the following link:

[www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf](http://www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf)

## **Exhibit E**

### **Audit Findings or Exceptions**

(N/A - No audit findings or exceptions)

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Rezoning Request from Single-Family Residence District (R-S) to Multi-Family Residence District (R-MF) of the property legally described as 9.59-acre tract of land out of Lots 9, 10 and 11, San Juan Hacienda Estates, as Requested by Mario Anaya. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

Mr. Anaya is applying for a rezoning from a Single-Family Residence District (R-S) to a Multi-Family Residence District (R-MF) of a 9.591-acre property located on Veterans Boulevard and Moore Road, just South of Hacienda Palms Subdivision. The property is 530.50 feet by 825.35 feet total.

The surrounding properties consist of commercial and residential uses along Veterans Boulevard; Heavy Commercial and Light Industrial along Conway Road.

Staff mailed a notice of the public hearing before the Planning and Zoning Commission to twenty-one (21) property owners within a two hundred (200) foot radius and received one call against this request.

**RECOMMENDATION:**

Staff recommends denial.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

---

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 06/01/2023  
CITY COMMISSION – 08/08/2023  
DATE PREPARED – 07/05/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

**APPLICATION:** Rezoning Request from Single-Family Residence District (R-S) to Multi-Family Residence District (R-MF).

**APPLICANT:** Mario Anaya

**SURVEYOR/ENGINEER:** Carrizales Land Surveying, LLC.

**LEGAL:** Being a 9.591-acre tract of land out of Lots 9, 10 and 11, San Juan Hacienda Estates Subdivision

**LOCATION:** The property is located at Veterans Boulevard and Conway Road.

**EXISTING ZONING:** Single-Family Residence District (R-S)

**EXISTING LAND USE/  
ADJACENT ZONING:** *North* – Commercial and Residential; Single-Family Residence (R-S) / General Business District (C-2)  
*South* – Agriculture; Single-Family Residence District (R-S)  
*East* – Agriculture; Single-Family Residence District (R-S)  
*West* – Outside City Limits

**ACCESS AND CIRCULATION:** This property has access along Veterans Boulevard

**PUBLIC SERVICES:** Water and Sewer services are provided by the City of San Juan.

**RECOMMENDATION:** Staff recommends denial.

**EVALUATION AND CONDITIONS FOR APPROVAL**

Mr. Anaya is applying for a rezoning from Single-Family Residence District (R-S) to Multi-Family Residence District (R-MF) of a 9.591-acre property located on Veterans Boulevard and Moore Road, just South of Hacienda Palms Subdivision. The property is 530.50 feet by 825.35 feet total.

The surrounding properties consist of Commercial and Residential uses along Veterans Boulevard; Heavy Commercial and Light Industrial along Conway Road.

Staff mailed a notice of the public hearing before the Planning and Zoning Commission to twenty-one (21) property owners within a two hundred (200) foot radius and received one call against this request.

**ATTACHMENTS:**

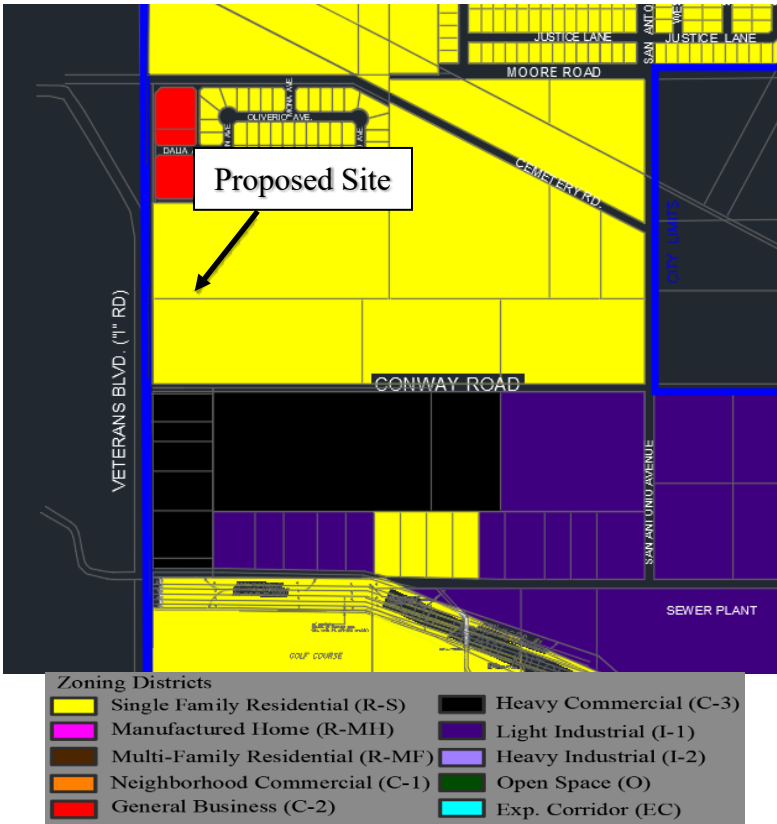
- Proposed Site
- Location Map
- Zoning Map
- Survey of the property
- List of neighboring property owners receiving notice
- Ordinance



Proposed Site



Location Map



Zoning Map



**ORDINANCE NO.**

**AN ORDINANCE AMENDING THE ZONING ORDINANCE NO. 98-006 OF THE CITY OF SAN JUAN, TO CHANGE THE ZONING DISTRICT FROM SINGLE-FAMILY RESIDENCE DISTRICT (R-S) TO MULTI-FAMILY RESIDENCE DISTRICT (R-MF) OF A PROPERTY LEGALLY DESCRIBED AS 9.59-ACRE TRACT OF LAND OUT OF LOTS 9, 10 AND 11, SAN JUAN HACIENDA ESTATES UNIT NO. 1, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:**

Consistent with the City's land use plan as set-forth in the land use map that is a part of the City's Zoning Ordinance, and consistent with the City's intentions of allowing and encouraging multi-family district development that generates property taxes, water and sewer revenues and sales tax revenues.

The zoning district of the property legally described as 9.59-acre tract of land out of Lots 9, 10 and 11, San Juan Hacienda Estates Unit No. 1 Subdivision shall be changed to Multi-Family Residence District (R-MF) and the zoning map shall be amended accordingly.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the 22<sup>nd</sup> of August, 2023.

**CITY OF SAN JUAN**

\_\_\_\_\_  
**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**  
Palacios, Garza & Thompson, P.C.

\_\_\_\_\_  
**BRENDA ESCALANTE**  
**CITY SECRETARY**

\_\_\_\_\_  
**CITY ATTORNEY**







# Carrizales Land Surveying, LLC

Texas Registered Surveying Firm

TBPELS Firm No:10194417

## METES AND BOUNDS DESCRIPTION

### A 9.591 ACRE TRACT

A MEASURED 9.591 ACRE TRACT OF LAND, MORE OF LESS, BEING OUT OF LOTS 9, 10, AND 11, OF THE SAN JUAN HACIENDA ESTATES SUBDIVISION, UNIT 1, A MAP OF WHICH IS RECORDED IN VOLUME 6, PAGE 35, MAP RECORDS, HIDALGO COUNTY, TEXAS (MRHCT), ALL BEING OUT OF THE NARCISO CABAZOS SURVEY "PORCION 71", ABSTRACT 30, IN HIDALGO COUNTY, TEXAS, SAME BEING THE CALLED 9.57 ACRE TRACT AS DESCRIBED AND CONVEYED TO TEYSHA GROUP, LLC, BY VIRTUE OF SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 3316407, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS (ORHCT), SAID 9.591 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:

**COMMENCING** at a calculated point within the right of way of S. Veterans Boulevard ("I" Road) for the northwest corner of said Lot 9; Thence South 81 degrees 26 minutes 27 seconds East, along the north line of said Lot 9, a distance of 49.28 feet (Record ~ 50.00 feet) to a half (1/2)-inch iron rod with a cap stamped "CVQ" found [N:16587103.6800, E:1092055.7990] on the east right of way line of said S. Veterans Boulevard ("I" Road) being the southwest corner of Hacienda Palms Subdivision recorded in Volume 50, Page 6, MRHCT, for the Northwest corner of this tract of land and the **POINT OF BEGINNING**;

**THENCE** South 81 degrees 26 minutes 27 seconds East, along the south line of said Hacienda Palms Subdivision and the north line of said Lot 9, a distance of 552.45 feet to a calculated point for the Northeast corner of this tract of land;

**THENCE** South 8 degrees 33 minutes 39 seconds West, a distance of 825.35 feet to a half (1/2)-inch iron rod found for the Southeast corner of this tract of land;

**THENCE** North 81 degrees 26 minutes 27 seconds West, parallel to the south line of said Lot 11, a distance of 530.51 feet to a five eights (5/8)-inch iron rod with an aluminum cap stamped "Ardurra" found on the east right of way line of said S. Veterans Boulevard ("I" Road) for the beginning of a non-tangent curve concave westerly, said curve has a radius of 7,689.00 feet, a chord bearing of South 83 degrees 17 minutes 35 seconds East a chord length of 122.66 feet, for the Southwest corner of this tract of land;

**THENCE** northerly along said curve and the east right of way line of said S. Veterans Boulevard ("I" Road) through a central angle of 0 degrees 54 minutes 51 seconds, an arc distance of 122.66 feet to a five eights (5/8)-inch iron rod with an aluminum cap stamped "Ardurra" found on the south line of a called 0.58 acre tract of land conveyed to Guadalupe and Antonia Cano by virtue of Warranty Deed with Vendor's Lien recorded in Document Number 121882, ORHCT, for an Exterior corner of this tract of land;

**THENCE** South 81 degrees 26 minutes 27 seconds East, along the south line of said 0.58-acre tract of land, a distance of 139.56 feet to a five eights (5/8)-inch iron rod with an aluminum cap stamped "Ardurra" found at the southeast corner of said 0.58 acre tract of land for the an Interior corner of this tract of land;

**THENCE** North 8 degrees 33 minutes 39 seconds East, along the east line of said 0.58-acre tract of land, a distance of 122.31 feet to a five eights (5/8)-inch iron rod with an aluminum cap stamped "Ardurra" found at the northeast corner of said 0.58-acre tract of land for an Interior corner of this tract of land;

**THENCE** North 81 degrees 26 minutes 27 seconds West, along the north line of said 0.58-acre tract of land a distance of 146.16 feet to a five eights (5/8)-inch iron rod with an aluminum cap stamped "Ardurra" found on the east right of way line of said S. Veterans Boulevard ("I" Road) for the beginning of a non-tangent curve concave easterly, said curve has a radius of 7,589.00 feet, a chord bearing of North 84 degrees 18 minutes 36 seconds West, and a chord length of 320.56 feet, for an Exterior corner of this tract of land;

**THENCE** northerly along said curve and the east right of way line of said S. Veterans Boulevard ("I" Road) through a central angle of 2 degrees 25 minutes 13 seconds, an arc distance of 320.58 feet to a half (1/2)-inch iron rod with a pink cap stamped "CLS RPLS #6388" set on the south line of a called 0.49-acre tract of land conveyed to Rogelio and Felipa Cano by virtue of Warranty Deed recorded in Document Number 356120, ORHCT, for an Exterior corner of this tract of land;

**THENCE** South 81 degrees 26 minutes 27 seconds East, along the south line of said 0.49-acre tract of land, a distance of 120.19 feet to a half (1/2)-inch iron rod with a pink cap stamped "CLS RPLS #6388" set at the southeast corner of said 0.49-acre tract of land for an Interior corner of this tract of land;

# Carrizales Land Surveying, LLC

Texas Registered Surveying Firm

TBPELS Firm No:10194417

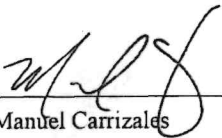
**THENCE** North 8 degrees 33 minutes 39 seconds East, along the east line of said 0.49-acre tract of land a distance of 125.00 feet a half (1/2)-inch iron rod with a pink cap stamped "CLS RPLS #6388" set at the northeast corner of said 0.49-acre tract of land for an Interior corner of this tract of land;

**THENCE** North 81 degrees 26 minutes 27 seconds West, along the north line of said 0.49-acre tract of land a distance of 121.30 feet to a five eighths (5/8)-inch iron rod with an aluminum cap stamped "Ardurra" found on the east right of way line of said S. Veterans Boulevard ("I" Road) for an Exterior corner of this tract of land;

**THENCE** North 8 degrees 33 minutes 39 seconds East, along the east right of way line of said S. Veterans Boulevard ("I" Road) 135.05 feet to the **POINT OF BEGINNING**; containing 9.591 acres of land, more or less.

All coordinates, bearings, and distances noted within this metes and bounds description are in U.S. Survey Feet and reference the Texas State Plane Coordinate System South Zone 4205 and in grid coordinates.

A survey plat of even date accompanies this metes and bounds description.

  
Manuel Carrizales  
Registered Professional Land Surveyor  
Texas Registration Number 6388

5-11-2023  
Date



Rezoning Request from Single-Family Residence District (R-S) to Multi-Family Residence District (R-MF) of a 9.59-acre tract of land out of Lots 9, 10 and 11, San Juan Hacienda Estates, as Requested by Mario R. Anaya.

Anaya R. Mario  
1013 Cimarron Dr  
Mission, Texas 78572

Enriquez, Jose  
2210 Justin Avenue  
San Juan, Texas 78589

Lozano, Francisco  
704 Beatrice Avenue  
San Juan, Texas 78589

Teysha Group LLC  
4121 N. 10<sup>th</sup> Street  
Box 209  
McAllen, Texas 78504

Tobar, Oscar  
C/O Jennifer Del Carmen  
811 Beatrice Avenue  
San Juan, Texas 78589

Cano, Guadalupe & Antonia  
P.O. Box 1388  
San Juan, Texas 78589

Mendoza, Juan Jose  
809 Beatrice Avenue  
San Juan, Texas 78589

Cano, Rogelio & Felipa  
P.O. Box 661  
San Juan, Texas 78589

Lopez, Carlos & Angelica S  
807 Beatrice Avenue  
San Juan, Texas 78589

MMGJ South Texas LLC  
401 W. Dallas Avenue  
McAllen, Texas 78501

Cortez, Guadalupe  
801 Beatrice Avenue  
San Juan, Texas 78589

Richey, Florence  
2105 W. Ridge Circle  
Kerrville, Texas 78028

Orta, Sandra & Miguel A  
709 Beatrice Avenue  
San Juan, Texas 78589

Area Holdings LTD  
2121 Umar Avenue  
McAllen, Texas 78504

Garcia, Roberto & Gloria  
705 Beatrice Avenue  
San Juan, Texas 78589

Cano, Lupe  
P.O. Box 661  
San Juan, Texas 78589

Vela, Juan & Dayana  
804 Beatrice Avenue  
San Juan, Texas 78589

Gonzalez, Epigmenio & Liliana  
P.O. Box 2535  
Edinburg, Texas 78540

Cano, Ramona & Reynaldo G.  
800 Beatrice Avenue  
San Juan, Texas 78589

Munoz, Erik P & Karla P  
2208 Justin Avenue  
San Juan, Texas 78589

Garza, Heriberto & Janet Lopez  
802 Beatrice Avenue  
San Juan, Texas 78589

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Conditional Use Permit for the Sale of Alcoholic Beverages (BG – Wine and Beer Retailer’s Permit) for On-Premise Consumption at “Cheers Food Truck Park Bar, LLC.” located at 232 E. Business 83, legally described as Lettered Blocks (San Juan) Lot 1, Block B, as Requested by Francisco Gortarez. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

The Conditional Use Permit is to Sale Alcoholic Beverages at “Cheers Food Truck Bar, LLC.” located at the Southwest corner of Iowa and U.S. Business 83. The applicant is proposing to sell alcohol in one of the food trucks inside the Food Court. The liquor permit is for on-premise consumption only. The hours of operation are Monday through Saturday from 10:00 a.m. to 10:00 p.m.

The area is characterized by commercial uses along a high-speed and commercial arterial (U.S. Business 83).

The applicant will need to comply with the Texas Alcoholic Beverages Commission (TABC) and City requirements for the alcohol sale at the subject location. Additional permits may be required with the City of San Juan for different alcohol permits.

Staff mailed a notice of the public hearing to nine (9) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/03/2023  
CITY COMMISSION – 08/08/2023  
DATE PREPARED – 07/14/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Conditional Use Permit for the Sale of Alcoholic Beverage (Wine and Beer Retailer’s Permit) for On-Premises Consumption at “Cheers Food Truck Bar, LLC.”                                                                                                    |
| <b>APPLICANT:</b>                              | Francisco Gortarez                                                                                                                                                                                                                                          |
| <b>SURVEYOR/ENGINEER:</b>                      | N/A                                                                                                                                                                                                                                                         |
| <b>LEGAL:</b>                                  | Lettered Blks (San Juan) Lot 1, Block B                                                                                                                                                                                                                     |
| <b>LOCATION:</b>                               | 232 E. Business Highway 83<br>Located at the Southwest corner of Business 83 and Iowa Avenue.                                                                                                                                                               |
| <b>CURRENT USE:</b>                            | Commercial                                                                                                                                                                                                                                                  |
| <b>PROPOSED USE:</b>                           | Food Court Park                                                                                                                                                                                                                                             |
| <b>EXISTING ZONING:</b>                        | General Business District (C-2)                                                                                                                                                                                                                             |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <u>North</u> – Commercial, Neighborhood Commercial District (C-1)<br><u>South</u> – Event Center; General Business District (C-2)<br><u>East</u> – Commercial; General Business District (C-2)<br><u>West</u> – Commercial; General Business District (C-2) |
| <b>ACCESS AND CIRCULATION:</b>                 | This property has access along Iowa and U.S. Business 83.                                                                                                                                                                                                   |
| <b>PUBLIC SERVICES:</b>                        | Water and sewer services are provided by the City of San Juan.                                                                                                                                                                                              |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval of the conditional use permit subject to the conditions listed in the staff report.                                                                                                                                               |

**EVALUATION AND CONDITIONS FOR APPROVAL**

The Conditional Use Permit is to Sale Alcoholic Beverages at “Cheers Food Truck Bar, LLC.” located at the Southwest corner of Iowa and U.S. Business 83. The applicant is proposing to sell alcohol in one of the food trucks inside the Food Court. The liquor permit is for on-premise consumption only. The hours of operation are Monday through Saturday from 10:00 a.m. to 10:00 p.m.

The area is characterized by commercial uses along a high-speed and commercial arterial (U.S. Business 83).

The applicant will need to comply with the Texas Alcoholic Beverages Commission (TABC) and City requirements for the alcohol sale at the subject location. Additional permits may be required with the City of San Juan for different alcohol permits.

The following is the list of requirements:

1. The applicant complies with the hours of operation for the On-Premise Consumption of wine and beer as allowed by the City of San Juan and the Texas Alcoholic Beverages Commission (TABC).
2. Adequate security lighting must be provided for customer’s safety and crime prevention purposes.
3. The applicant needs to comply with all city requirements: building, fire code, landscaping, parking and all other city requirements.
4. The business must comply with the City of San Juan Noise Ordinance.
5. No loading or unloading of merchandise in a public street.
6. Owner agrees to pay an annual fee to the City of San Juan to maintain the alcohol license, conditional use, occupational license and health permits.
7. The Conditional Use Permit may be revoked at any time by the Planning and Zoning and City Commission.

Staff mailed a notice of the public hearing to nine (9) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**ATTACHMENTS:**                      Location Map  
                                                 Zoning Map  
                                                 Site Plan  
                                                 List of neighboring property owners receiving notice  
                                                 Ordinance



View from Business 83

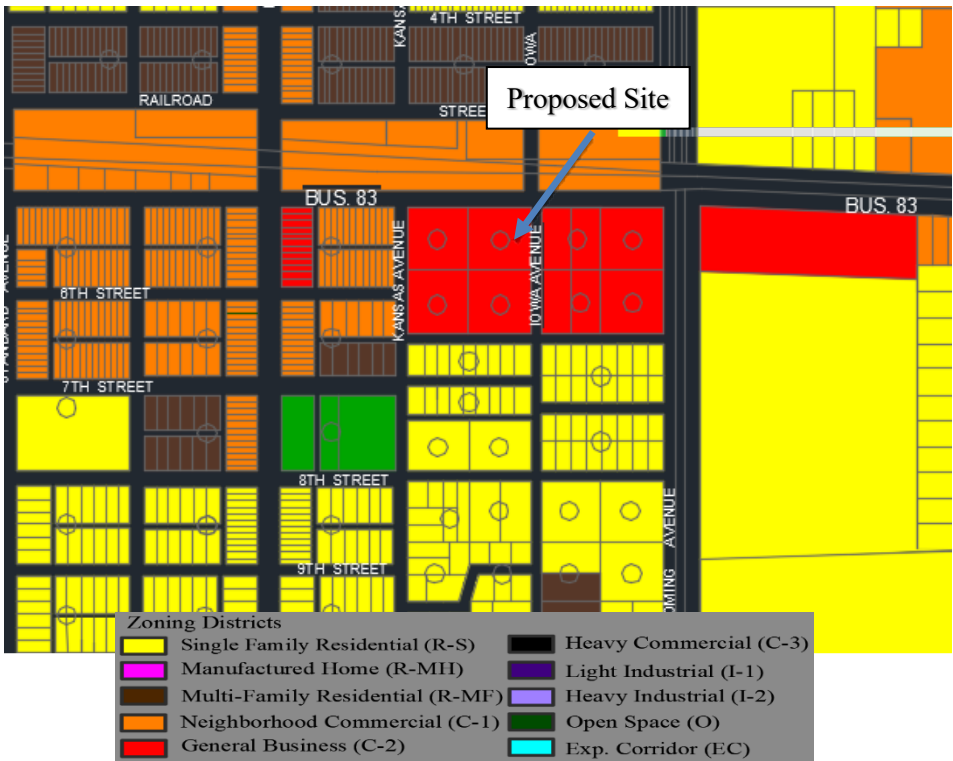


View from Iowa Avenue





Location Map



Zoning Map





## **ORDINANCE NO.**

**AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION AT “CHEERS FOOD TRUCK PARK BAR, LLC.” LOCATED AT 232 E, BUSINESS 83, LEGALLY DESCRIBED AS LEGALLY DESCRIBED AS LETTERED BLOCKS (SAN JUAN) LOT 1, BLOCK B, PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Franciso Gortarez has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan for the Sale of Alcoholic Beverages for On-Premise Consumption at “Cheers Food Truck Park Bar, LLC”.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Francisco Gortarez for the Sale of Alcoholic Beverages for On-Premise Consumption at “Cheers Food Truck Park Bar, LLC.” at property legally described as the Pecan Estates Block 2, subject to the following conditions:

1. The applicant complies with the hours of operation for the On-Premise Consumption of wine and beer as allowed by the City of San Juan and the Texas Alcoholic Beverages Commission (TABC).
2. Adequate security lighting must be provided for customer’s safety and crime prevention purposes.
3. The applicant needs to comply with all city requirements: building, fire code, landscaping, parking and all other city requirements.
4. The business must comply with the City of San Juan Noise Ordinance.
5. No loading or unloading of merchandise in a public street.
6. Owner agrees to pay an annual fee to the City of San Juan to maintain the alcohol license, conditional use, occupational license and health permits.
7. The Conditional Use Permit may be revoked at any time by the Planning and Zoning and City Commission.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the 22<sup>nd</sup> day of August, 2023.

**CITY OF SAN JUAN**

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**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**  
Palacios, Garza & Thompson, P.C.

---

**Brenda Escalante**  
**CITY SECRETARY**

---

**CITY ATTORNEY**



jmerc  
DESIGN  
CONSULTING, LLC

J. MERCADO  
EDINBURG, TEXAS  
jmercDESIGN@gmail.com  
954-792-0523

THESE DRAWINGS SHALL  
REMAIN THE PROPERTY OF  
jmercDESIGN. THEY MAY NOT  
BE RE-USED, REPRODUCED OR  
ALTERED IN ANY WAY  
WITHOUT PRIOR WRITTEN  
APPROVAL FROM AND WITH  
APPROPRIATE COMPENSATION  
TO jmercDESIGN.



Pharr,  
Preliminary Site Layout  
Texas

Food Truck Park



| NO. | DATE | DESCRIPTION |
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Site  
TITLE

ISSUE DATE

JOB NUMBER

jmerc  
DRAWN BY

CHECKED BY

SHEET NUMBER

X1.1

E. BUSINESS 83

EXISTING  
PARKING

EXISTING  
FACILITY

RESTROOMS

BAR

10' CONC  
STAGING AREA

GREEN AREA

30x30  
STAGE

60x50 SEATING  
AREA (PARTIAL  
COVERED)

42 PARKING SPACES (INCLUDES 2 ADA)



PROPOSED SITE LAYOUT  
SCALE : 1" = 16'-0"

- SITE NOTES:
- 42 PARKING SPACES  
(INCLUDING 2 ADA SPACES)
  - 19 FOOD TRUCK SPACES
  - 2 MALE / 2 FEMALE RESTROOMS
  - 1 BAR LOCATION
  - 30x30 STAGE AREA
  - 50x60 CONC PAD SEATING AREA

Conditional Use Permit for the Sale of Alcoholic Beverages (BG – Wine and Beer Retailer’s Permit) for On-Premise Consumption “Cheers Food Truck Bar, LLC.” at 232 E. Business Highway 83, legally described as Lettered Blocks (San Juan) Lot 1, Block B, as Requested by Francisco Gortarez.

Salinas, Marivel  
113 Alfredo Street  
San Juan, Texas 78589

Los Gatitos Bridal Inc.  
522 S. Iowa  
San Juan, Texas 78589

Cano. Joel  
605 Sam Houston Blvd.  
San Juan, Texas 78589

JMJ Cadena Investment LLC.  
901 Sam Houston Blvd.  
San Juan, Texas 78589

Regalado, Esteban & Juana A.  
2610 Quince Ave.  
McAllen, Texas 78501

Missouri Pacific Railroad  
1400 Douglas Street  
Stop 1640  
Omaha, NE 68179-0002

Sesatty Enterprise LLC.  
2600 Santa Laura  
Mission, Texas 78572

TMF Ent Properties LLC.  
216 E. Business 83  
San Juan, Texas 78589

Texas Department of Transportation  
P.O. Box EE  
Pharr, Texas 785711

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to operate “Marlen’s Event Center” at 905 W. 1st Street Suites A and B, legally described as Lot 2, B.T. No. 1 Subdivision, as Requested by Fernando Rocha. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

The Conditional Use Permit is to operate an event center at a commercial plaza located at Southeast corner of Veterans Boulevard and 1st Street. The plaza has six (6) suites in total, with a Child Event Center and EDC Offices occupying two suites each business. Each suite is 1,200 square feet and there are a total of 42 common parking spaces in the commercial plaza. The property has two entrances along First Street.

The operation hours are Monday thru Friday from 10:00 a.m. to 3:00 p.m.

Staff mailed a notice of the public hearing to eleven (11) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/03/2023  
CITY COMMISSION – 08/08/2023  
DATE PREPARED – 07/14/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                       |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Conditional Use Permit to allow “Marlen’s Event Center” in a commercial area.                                                                                                                                                                         |
| <b>APPLICANT:</b>                              | Fernando Rocha                                                                                                                                                                                                                                        |
| <b>SURVEYOR/ENGINEER:</b>                      | N/A                                                                                                                                                                                                                                                   |
| <b>LEGAL:</b>                                  | Lot 2, B.T. No. 1 Subdivision                                                                                                                                                                                                                         |
| <b>LOCATION:</b>                               | 905 W. 1 <sup>st</sup> Street, Suites A and B                                                                                                                                                                                                         |
| <b>PROPOSED USE OF PROPERTY:</b>               | Event Center                                                                                                                                                                                                                                          |
| <b>EXISTING ZONING:</b>                        | General Business District (C-2)                                                                                                                                                                                                                       |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <i>North</i> – Commercial; General Business District (C-2)<br><i>South</i> – Vacant; Multi-Family Residence District (R-MF)<br><i>East</i> – Commercial; General Business District (C-2)<br><i>West</i> – Commercial; General Business District (C-2) |
| <b>ACCESS AND CIRCULATION:</b>                 | This property has access along 1 <sup>st</sup> Street.                                                                                                                                                                                                |
| <b>PUBLIC SERVICES:</b>                        | Water and sewer services are provided by the City of San Juan.                                                                                                                                                                                        |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval of the conditional use permit subject to the conditions listed in the staff report.                                                                                                                                         |

**EVALUATION AND CONDITIONS FOR APPROVAL**

The Conditional Use Permit is to operate an event center at a commercial plaza located at Southeast corner of Veterans Boulevard and 1<sup>st</sup> Street. The plaza has six (6) suites in total, with a Child Event Center and EDC Offices occupying two suites each business. Each suite is 1,200 square feet and there are a total of 42 common parking spaces in the commercial plaza. The property has two entrances along First Street.

The operation hours are Monday thru Friday from 10:00 a.m. to 3:00 p.m.

The following are the list of requirements for an event center:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.
5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site form a public street;
6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city’s noise ordinance.
9. The business must comply with the City’s *Security Cameras Ordinance*.

**CONDITIONAL USE PERMIT  
“MARLEN’S EVENT CENTER”  
AUGUST 22, 2023**

**PAGE 3**

10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

Staff mailed a notice of the public hearing to eleven (11) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**ATTACHMENTS:**

- Proposed Site
- Location Map
- Zoning Map
- List of neighboring property owners receiving notice
- Ordinance

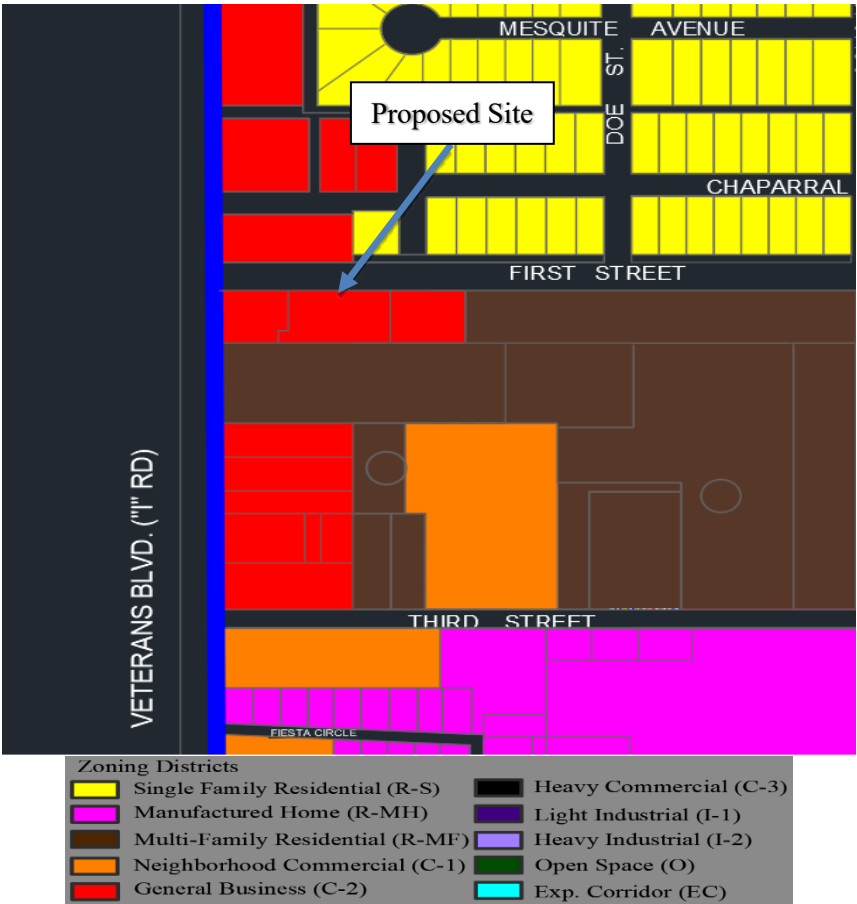


Proposed Site





Location Map



Zoning Map



## **ORDINANCE NO.**

### **AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW “MARLEN’S EVENT CENTER” AT 905 W. 1<sup>ST</sup> STREET, SUITES A AND B, LEGALLY DESCRIBED AS LOT 2, B.T. NO. 1 SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Fernando Rocha has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to allow “Marlen’s Event Center” at 905 W. 1<sup>st</sup> Street, Suites A and B.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Fernando Rocha has applied for a Conditional Use Permit to operate “Marlen’s Event Center” at 905 W. 1<sup>st</sup> Street, Suites A and B, subject to the following conditions:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.
5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site form a public street;

6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city's noise ordinance.
9. The business must comply with the City's *Security Cameras Ordinance*.
10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the 22<sup>nd</sup> day of August, 2023.

**CITY OF SAN JUAN**

---

**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**

Palacios, Garza & Thompson, P.C.

---

**BRENDA ESCALANTE**  
**CITY SECRETARY**

---

**CITY ATTORNEY**

**Legal Description and Physical Address**

B.T. NO. 1 LOT 2

905 W 1<sup>st</sup> Street, San Juan, TX 78577 Suite A&B

## **Proposal**

We are excited to propose the establishment of an event venue, Marlen's Event Center, within our town, catering to a wide array of celebrations including birthdays, baby showers, weddings, quinceñeras, banquets, and much more. Our vision is to create a vibrant and versatile space that brings people together, fostering joyous moments and unforgettable experiences.

Our event venue aims to fill a crucial need in our community, providing a dedicated space that can accommodate various types of gatherings. With its flexible layout and modern amenities, our venue will be adaptable to meet the unique requirements of each occasion. We strive to create an inviting environment that sets the stage for memorable celebrations, where the community can come together to honor special milestones and create cherished memories.

### **Employees**

0 Employees living inside home.

2 Employees not living inside home.



Lot 2

61

HUISACHE SUBDIVISION UNIT No. 3.

50

Page 265

JUNE 12, 2023

To Whom It May Concern:

I, Fernando Rocha will operate business on 905 W 1<sup>st</sup>  
Suite A and B San Juan ,Texas 78589.

The hours of operation for business will be

Monday : 10:00 A.M. - 3:00 P.M.

Tuesday: 10:00 A.M. - 3:00 P.M.

Wednesday: 10:00 A.M. - 3:00 P. M.

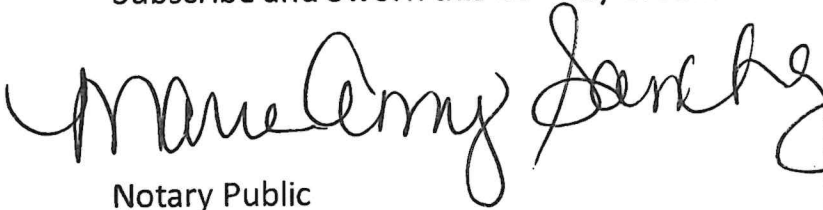
Thursday: 10:00 A.M.- 3:00 P. M.

Friday: 10:00 A.M.- 3:00 P.M.

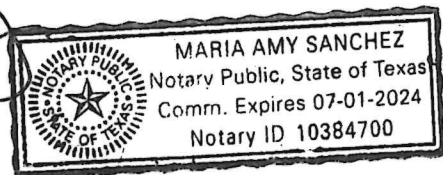


FERNANDO ROCHA

Subscribe and Sworn this 12<sup>th</sup> day of June 2023.



Notary Public





Conditional Use Permit to operate "Marlen's Event Center" at 905 W. 1<sup>st</sup> Street Suites 2-3, legally described as Lot 2, B.T. No. 1 Subdivision, as Requested by Fernando Rocha.

Rocha, Fernando  
915 E. Hawk Avenue  
Pharr, Texas 78577

Nava Gregorio, & Cynthia  
900 Sundance Lane  
San Juan, Texas 78589

Coronado, Joel & Crimilda  
601 E. Evans Avenue  
Pharr, Texas 78577

Reyes, Susana  
813 W. Chaparral Street  
San Juan, Texas 78589

Hernandez, Jaime & Hernandez  
Maximus  
2508 Lindberg Avenue  
McAllen, Texas 78501

Yucas Properties LP  
5219 N. McColl Road.  
McAllen, Texas 78504

Rubio, Oscar  
Cortazar, Alejandro  
13203 Park Manor Street  
San Antonio, Texas 78230

Martínez, Jorge A & Cavazos,  
Claudia  
811 W. Chaparral Street  
San Jua, Texas 78589

AAAR Family LTD.  
317 Campo Verde Circle  
San Juan, Texas 78589

De Leon, Heraclio R & Herminia  
901 W. Chaparral Street  
San Juan, Texas 78589

Acevedo, Nestor Sanchez  
809 W. Chaparral Street  
San Juan, Texas 78589

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to allow “SJ Food Truck Park” at 2506 N. Raul Longoria Road, legally described as Lot 1, Uresti Subdivision, as Requested by Jose and Eliecer Uresti. [Daniel Tijerina, Director of Planning]

---

**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

*MOBILE FOOD COURT:* A ‘Mobile Food Court’ is a parcel of commercially zoned property where through the required conditional use permit regulatory process, mobile food vending structures congregate to offer food and/or beverages for sale to the public.

On February 28, 2023, the San Juan City Commission approved Ordinance 2023-04, which only allows food trucks inside of a Mobile Food Court thru a Conditional Use Permit.

The applicant is proposing a Mobile Food Court in front of the UB Warehouse, along the West side Raul Longoria, South of Eldora Road. They are proposing eight (8) food trucks (7’ x 16’), sitting, parking, restroom facilities, dumpster and landscaping areas.

The proposed operation hours are Sunday thru Thursday from 6:00 a.m. to 11:00 p.m. and Friday and Saturday 6:00 a.m. to 1:00 a.m.

Staff mailed a notice of the public hearing to thirty-six (36) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**RECOMMENDATION:**

Staff recommends approval of the conditional use permit subject to conditions listed in the staff’s report.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/03/2023  
CITY COMMISSION – 08/08/2023  
DATE PREPARED – 07/14/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

**APPLICATION:** Conditional Use Permit to operate a Mobile Food Court and the Sale of Alcoholic Beverage (Wine and Beer) for On-Premises Consumption at “SJ Food Truck Park”

**APPLICANT:** Jose and Eliecer Uresti

**SURVEYOR/ENGINEER:** Mas Engineering, LLC.

**LEGAL:** Lot 1, Uresti Subdivision

**LOCATION:** The property is located South of the Storage Depot along Raul Longoria Road, South of Eldora Road.

**EXISTING ZONING:** General Business District (C-2)

**EXISTING LAND USE/  
ADJACENT ZONING:** *North* – Residential; Single-Family Residence District (R-S) / General Business District (C-2)  
*South* – Vacant; General Business District (C-2) / Multi-Family Residence District (R-MF)  
*East* – Residence; Single-Family Residence District (R-S)  
*West* – Residence; Single-Family Residence District (R-S)

**ACCESS AND CIRCULATION:** This property has access along Raul Longoria Road.

**PUBLIC SERVICES:** Water services is provided by the North Alamo Water Supply Corporation; sewer will be provided by the City of San Juan.

**RECOMMENDATION:** Staff recommends approval of the conditional use permit subject to conditions listed in the staff’s report.

**EVALUATION AND CONDITIONS FOR APPROVAL**

MOBILE FOOD COURT: A *‘Mobile Food Court’* is a parcel of commercially zoned property where through the required conditional use permit regulatory process, mobile food vending structures congregate to offer food and/or beverages for sale to the public.

On February 28, 2023, the San Juan City Commission approved Ordinance 2023-04, which only allows food trucks inside of a Mobile Food Court thru a Conditional Use Permit.

The applicant is proposing a Mobile Food Court in front of the UB Warehouse, along the West side Raul Longoria, South of Eldora Road. They are proposing eight (8) food trucks (7’ x 16’), sitting, parking, restroom facilities, dumpster and landscaping areas.

The proposed operation hours are Sunday thru Thursday from 6:00 a.m. to 11:00 p.m. and Friday and Saturday 6:00 a.m. to 1:00 a.m.

The following is a list of requirements for a Mobile Food Courts:

1. A mobile food court shall be no less than ten thousand square feet (10,000 square feet);
2. A mobile food court shall only be permitted through a conditional use permit within General Business District (C-2);
3. A permit issued for a Conditional Use Permit is not transferable;
4. Late hours after 10:00 p.m. will be require on-site uniformed security to monitor the noise and traffic;
5. Mobile food court permits shall be valid for one year from the date of the conditional use permit approval. It is noted that if the permit is not used within six months, the permit shall be automatically cancelled;
6. A mobile food truck shall be a minimum of ten feet from each other to avoid congestion;
7. There shall be paved parking area; there shall be a minimum of 2 parking spaces per mobile food unit or one parking space for each 4 seats for patron use, whichever is greater;
8. As part of the parking plan, an engineered detention plan that complies with the property’s pre-development storage capacity shall be provided for the City’s review/examination;
9. Shall comply with the city’s landscaping codes;
10. Any buffering that may be required shall not be less than six feet in height. No signage/logo/emblem or similar feature, shall be placed;
11. No mobile food vendor shall be placed in a manner that may cause a sight obstruction to general traffic/pedestrian patterns.

**CONDITIONAL USE PERMIT  
“SJ FOOD TRUCK PARK”  
AUGUST 22, 2023**

**PAGE 3**

12. Fire lanes must be marked as per Fire Marshal;
13. A mobile food court shall provide restroom facilities on-site;
14. Site and surrounding areas to be cleared of debris on a daily basis;
15. No loudspeakers/amplifications;
16. No flashing, strobe lights or blinking lights;
17. Must comply with the 2018 ICC and Fire Codes and 2017 NEC Codes;
18. Must comply with the Occupancy, Health and Food Handlers Permits;
19. Must comply with the TABC requirements;
20. Must comply with the ADA requirements;
21. Must provide copy of the sale tax number and contact information for operator and employees.

Staff mailed a notice of the public hearing to thirty-six (36) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**ATTACHMENTS:**

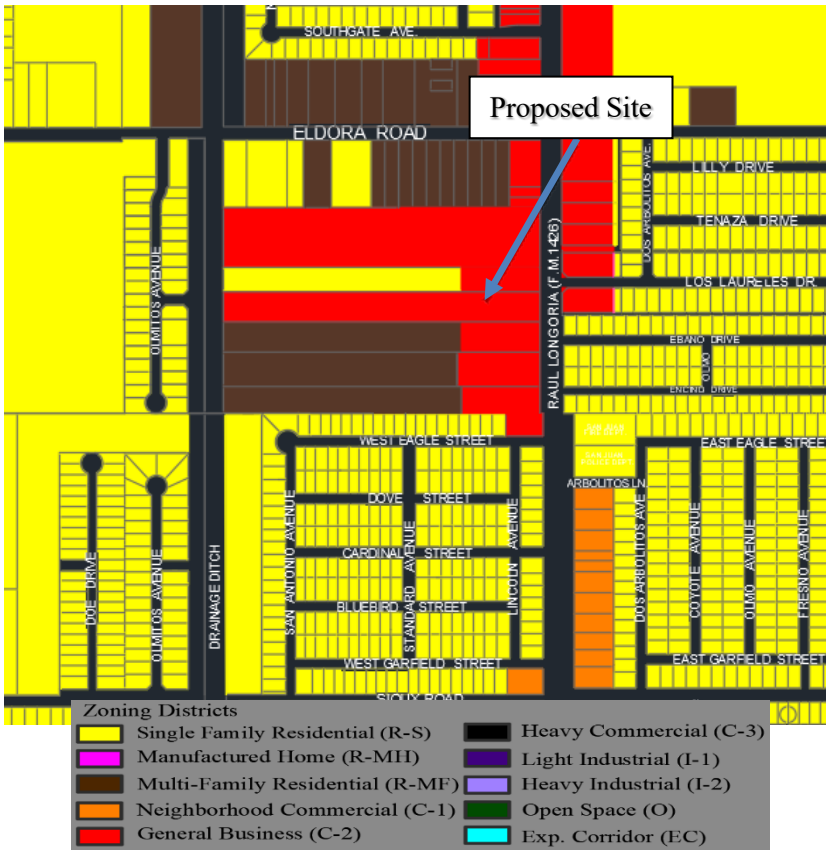
- Location Map
- Zoning Map
- Site Plan
- Conditional Use Permit Application
- List of neighboring property owners receiving notice
- Ordinance



Proposed Site



Location Map



Zoning Map



## **ORDINANCE NO.**

**AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW A MOBILE FOOD COURT AND THE SALE OF ALCOHOLIC BEVERAGES FOR ON PREMISE CONSUMPTION AT “CHEERS FOOD PARK” LOCATED AT 232 E. BUSINESS HIGHWAY 83, LEGALLY DESCRIBED AS LETTERED BLOCKS (SAN JUAN) LOT 1, BLOCK B, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Marivel Salinas, has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to allow a Mobile Food Court and the Sale of Alcoholic Beverages (wine and beer) for On-Premise Consumption at “Cheers Food Park”.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Marivel Rodriguez for a Conditional Use Permit to allow a Mobile Food Court and the Sale of Alcoholic Beverages for On-Premise Consumption at “Cheers Food Park” located at 232 E. Business Highway 83, subject to the following conditions:

1. A mobile food court shall be no less than ten thousand square feet (10,000 square feet);
2. A mobile food court shall only be permitted through a conditional use permit within General Business District (C-2);
3. A permit issued for a Conditional Use Permit is not transferable;
4. Late hours after 10:00 p.m. will be require on-site uniformed security to monitor the noise and traffic;
5. Mobile food court permits shall be valid for one year from the date of the conditional use permit approval. It is noted that if the permit is not used within six months, the permit shall be automatically cancelled;
6. A mobile food truck shall be a minimum of ten feet from each other to avoid congestion;
7. There shall be paved parking area; there shall be a minimum of 2 parking spaces per mobile food unit or one parking space for each 4 seats for patron use, whichever is greater;
8. As part of the parking plan, an engineered detention plan that complies with the property’s pre-development storage capacity shall he provided for the City’s review/examination;

9. Shall comply with the city's landscaping codes;
10. Any buffering that may be required shall not be less than six feet in height. No signage/logo/emblem or similar feature, shall be placed;
11. No mobile food vendor shall be placed in a manner that may cause a sight obstruction to general traffic/pedestrian patterns.
12. Fire lanes must be marked as per Fire Marshal;
13. A mobile food court shall provide restroom facilities on-site;
14. Site and surrounding areas to be cleared of debris on a daily basis;
15. No loudspeakers/amplifications;
16. No flashing, strobe lights or blinking lights;
17. Must comply with the 2018 ICC and Fire Codes and 2017 NEC Codes;
18. Must comply with the Occupancy, Health and Food Handlers Permits;
19. Must comply with the TABC requirements;
20. Must comply with the ADA requirements;
21. Must provide copy of the sale tax number and contact information for operator and employees.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the 22<sup>nd</sup> day of August, 2023.

**CITY OF SAN JUAN**

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**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**  
Palacios, Garza & Thompson, P.C.

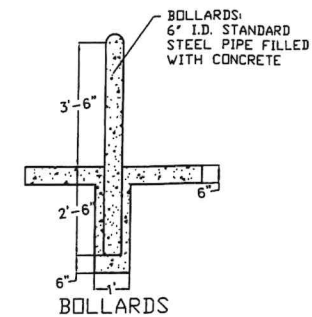
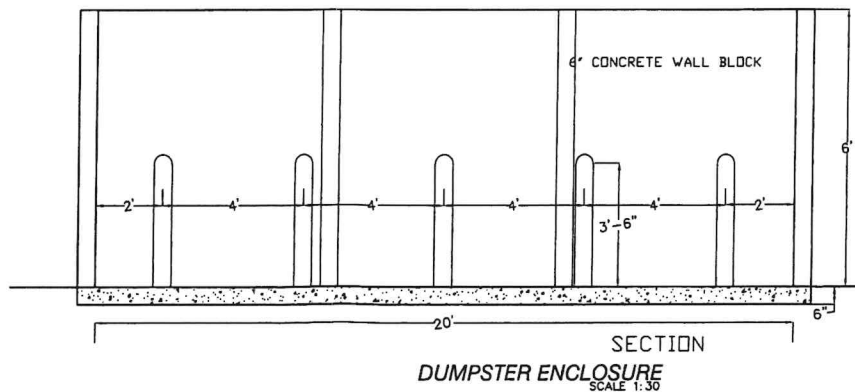
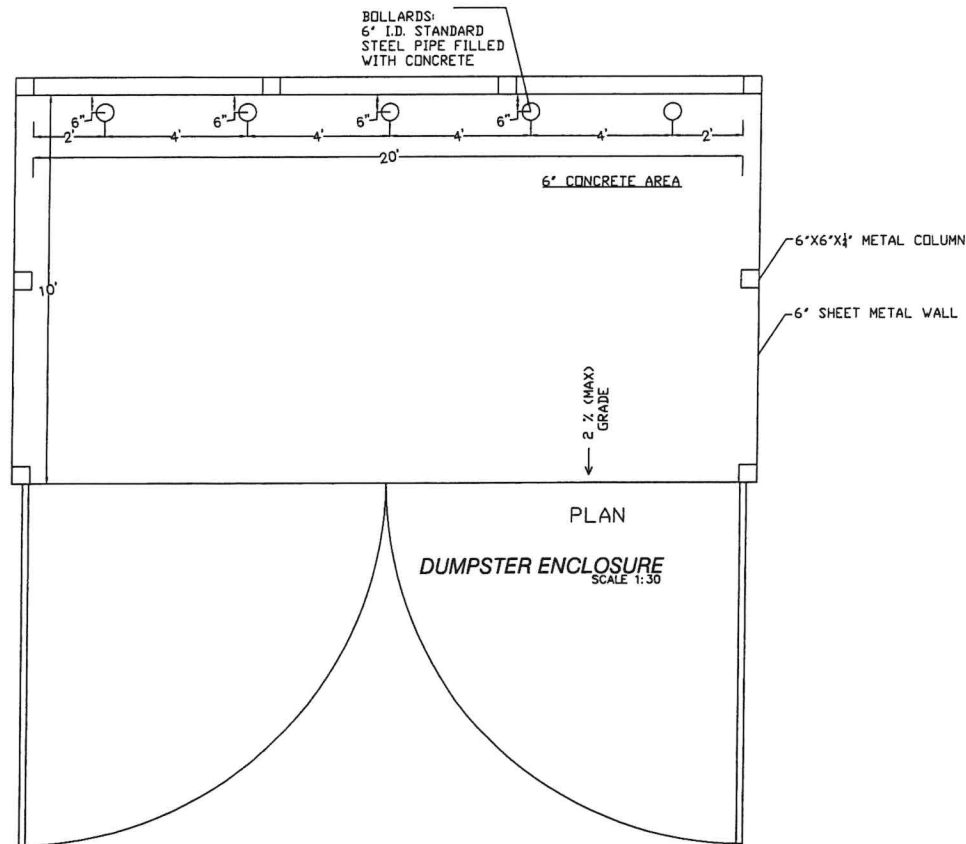
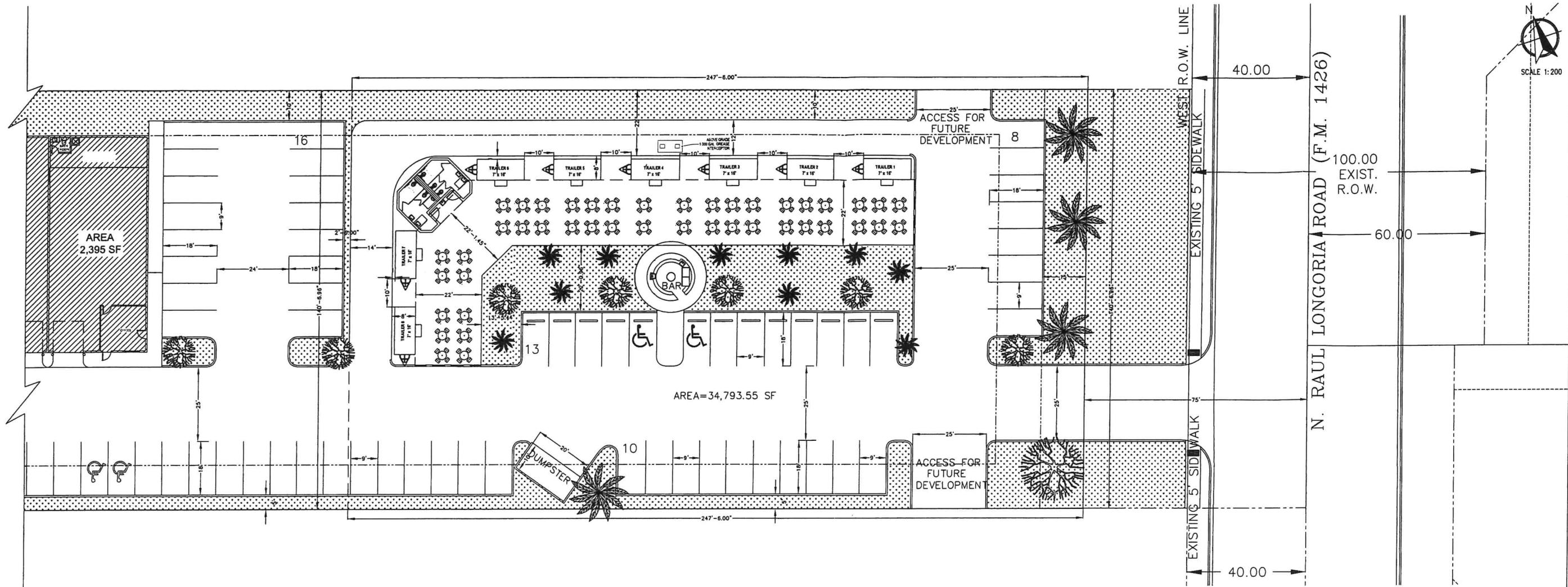
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**BRENDA ESCALANTE**  
**CITY SECRETARY**

---

**CITY ATTORNEY**





**MAS ENGINEERING LLC.**  
CONSULTING ENGINEERING  
FIRM NO. F-15499

3911 N 10TH STREET, SUITE H  
MCALLEN, TEXAS, 78501  
PH. (956) 537-1311  
E-MAIL: MSALINAS6973@ATT.NET

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SHEET NAME:  
**SITE PLAN**

REVISION: 1 BY: JB APPROVED BY: MAS

DATE OF PREPARATION:  
07-18-2023

PROJECT No. SHEET No.  
A-1

Conditional Use Permit to allow "SJ Food Truck Park" at 2506 N. Raul Longoria Road, legally described as Lot 1, Uresti Subdivision, as Requested by Jose and Eliecer Uresti.

Uresti, Jose and Eliecer E.  
2912 N. Raul Longoria Road  
San Juan, TX 78589

Pena, Javier  
410 Hackberry Avenue  
Mission, Texas 78572

JWTC Homes LTD  
O'Connor & Associates  
2805 Memorial Road Ste. D  
La Feria, Texas 78559

Uresti, Eliecer & Jose  
2603 E. 20<sup>th</sup> Street  
Mission, TX 78572

Garcia, Jose E  
2306 Fresno Street  
San Juan, Texas 78589

Alejandro Tortilla Factory &  
Bakery LLC.  
P.O. Box 789  
McAllen, Texas 78589

Ortiz, Victor  
113 W. Eldora Road  
San Juan, Texas 78589

De Leon, Rolando & Graciela  
P.O. Box 616  
San Juan, Texas 78589

Hepburn, Bruce M  
P.O. Box 68  
San Juan, Texas 78589

ALPEG Properties, LLC  
3900 N. 10th Street Ste 940  
McAllen, Texas 78501

Puente, Ruby M  
808 E. 15<sup>th</sup> Street  
San Juan, Texas 78589

Torres, Pedro Jr.  
Ortega, Angela  
2438 Carianna Ave.  
Mission, Texas 78572

Troy Investment Company No. 30  
LP  
P.O. Box 3817  
Brownsville, TX 78523-3817

Valencia, Jesus & Flor  
2814 N. 44<sup>th</sup> Lane  
McAllen, Texas 78501

Ozuna, Oscar  
P.O. Box 3412  
McAllen, Texas 78502

Gonzalez, Blanca Gomez  
500 Wichita Avenue  
McAllen, TX 78503

Soto, Leticia  
109 W. Eldora Road  
San Juan, Texas 78589

Castillo, Anel  
203 W. Eldora Road  
San Juan, Texas 78589

RSBR Investments LLC.  
P.O. Box 885  
West Plains, MO 65775-0885

Villarreal, Blanca  
P.O. Box 2037  
San Juan, Texas 78589

Celis, Cruz  
416 Huisache Street  
San Juan, Texas 78589

ARC DGSJNTX001 LLC.  
Attn. Ryan LLC.  
P.O. Box 460369 Dept. 100  
Houston, TX 77056-8369

Arteaga, Rogelio  
211 W. Eldora Road  
San Juan, Texas 78589

Tikiland Company LLC  
908 W. Ferguson Ave.  
Pharr, Texas 78577

Cantu, Jose & Maria C  
307 W. Eldora Road  
San Juan, Texas 78589

Alvarez, Amador A  
2508 Olmitos Ave.  
San Juan, Texas 78589

Bernal Daniela  
2206 Olmitos Ave.  
San Juan, Texas 78589

De la Torre, Abiel  
2007 Loma Alta Drive  
San Juan, Texas 78589

Cuevas, Hugo A  
327 W. Kelly  
Pharr, Texas 78577

Wollny, Robert & Claudia  
2602 Olmitos Ave.  
San Juan, Texas 78589

Conditional Use Permit to allow "SJ Food Truck Park" at 2506 N. Raul Longoria Road, legally described as Lot 1, Uresti Subdivision, as Requested by Jose and Eliecer Uresti.

Martinez, Luis & Enedelia  
2604 Olmitos Ave.  
San Juan, Texas 78589

Olvera, Federico Lopez  
921 Valle Vista  
Pharr, Texas 78577

ARC DGSJNTX 001 LLC  
Attn: Ryan LLC  
P.O. Box 460369 Dept. 100  
Houston, Texas 77056-8369

Morales, Sergio G  
509 W. Nolana  
McAllen, Texas 78504

Cadena, Leonarda  
727 E. Daniele Street Apt.1  
Pharr, Texas 78577

Mendez, Patricio & Isabel Q  
2608 Olmitos Ave.  
San Juan, Texas 78589

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to operate “Kairo’s Event Center” at 5201 N. Raul Longoria Road Suite 3, legally described as Lots 5 and 6, Arco Iris Unit No. 2 Subdivision, as Requested by Evangelina Garza Gonzalez. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

The Conditional Use Permit is to operate an event center in a commercial plaza located at Southeast corner of Raul Longoria Road and Liberty Loop North. The commercial plaza has five (5) suites in total, with a Church, Barber Shop and some offices. Each suite is 1,600 square feet and there are a total of 24 common parking spaces in the commercial plaza. The property has one entrance/exit along North Liberty Loop.

The proposed office hours are Monday thru Friday are from 10:00 a.m. to 5:00 p.m., Saturdays from 10:00 a.m. to 2:00 p.m. and operation hours for the event center are Friday to Sunday from 4:00 p.m. to 8:00 p.m.

Staff mailed a notice of the public hearing to twenty (20) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**RECOMMENDATION:**

Staff recommends approval of the conditional use permit subject to the conditions listed in the staff report.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

**MEETING DATES:**  
**PLANNING AND ZONING COMMISSION – 08/03/2023**  
**CITY COMMISSION – 08/08/2023**  
**DATE PREPARED – 07/14/2023**

**PAGE 1**

**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                  |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Conditional Use Permit to allow “Kairo’s Event Center” in a commercial area.                                                                                                                                                                     |
| <b>APPLICANT:</b>                              | Evangelina Garza Gonzalez                                                                                                                                                                                                                        |
| <b>SURVEYOR/ENGINEER:</b>                      | N/A                                                                                                                                                                                                                                              |
| <b>LEGAL:</b>                                  | Lots 5 and 6, Arco Iris Unit No. 2 Subdivision                                                                                                                                                                                                   |
| <b>LOCATION:</b>                               | 5201 N. Raul Longoria Road Suite 3                                                                                                                                                                                                               |
| <b>PROPOSED USE OF PROPERTY:</b>               | Event Center                                                                                                                                                                                                                                     |
| <b>EXISTING ZONING:</b>                        | General Business District (C-2)                                                                                                                                                                                                                  |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <i>North</i> – Vacant; General Business District (C-2)<br><i>South</i> – Commercial; General Business District (C-2)<br><i>East</i> – Residential; General Business District (C-2)<br><i>West</i> – Residential; General Business District (C-2) |
| <b>ACCESS AND CIRCULATION:</b>                 | This property has access along Raul Longoria Road.                                                                                                                                                                                               |
| <b>PUBLIC SERVICES:</b>                        | Water service is provided by the North Alamo Water Supply Corporation; sewer by the City of San Juan.                                                                                                                                            |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval of the conditional use permit subject to the conditions listed in the staff report.                                                                                                                                    |

**EVALUATION AND CONDITIONS FOR APPROVAL**

The Conditional Use Permit is to operate an event center in a commercial plaza located at Southeast corner of Raul Longoria Road and Liberty Loop North. The commercial plaza has five (5) suites in total, with a Church, Barber Shop and some offices. Each suite is 1,600 square feet and there are a total of 24 common parking spaces in the commercial plaza. The property has one entrance/exit along North Liberty Loop.

The proposed office hours are Monday thru Friday are from 10:00 a.m. to 5:00 p.m., Saturdays from 10:00 a.m. to 2:00 p.m. and operation hours for the event center are Friday to Sunday from 4:00 p.m. to 8:00 p.m.

The following are the list of requirements for an event center:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.
5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site form a public street;
6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city’s noise ordinance.

**CONDITIONAL USE PERMIT  
“KAIROS EVENT CENTER”  
AUGUST 22, 2023**

**PAGE 3**

9. The business must comply with the City’s *Security Cameras Ordinance*.
10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

Staff mailed a notice of the public hearing to twenty (20) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**ATTACHMENTS:**

- Proposed Site
- Location Map
- Zoning Map
- List of neighboring property owners receiving notice
- Ordinance

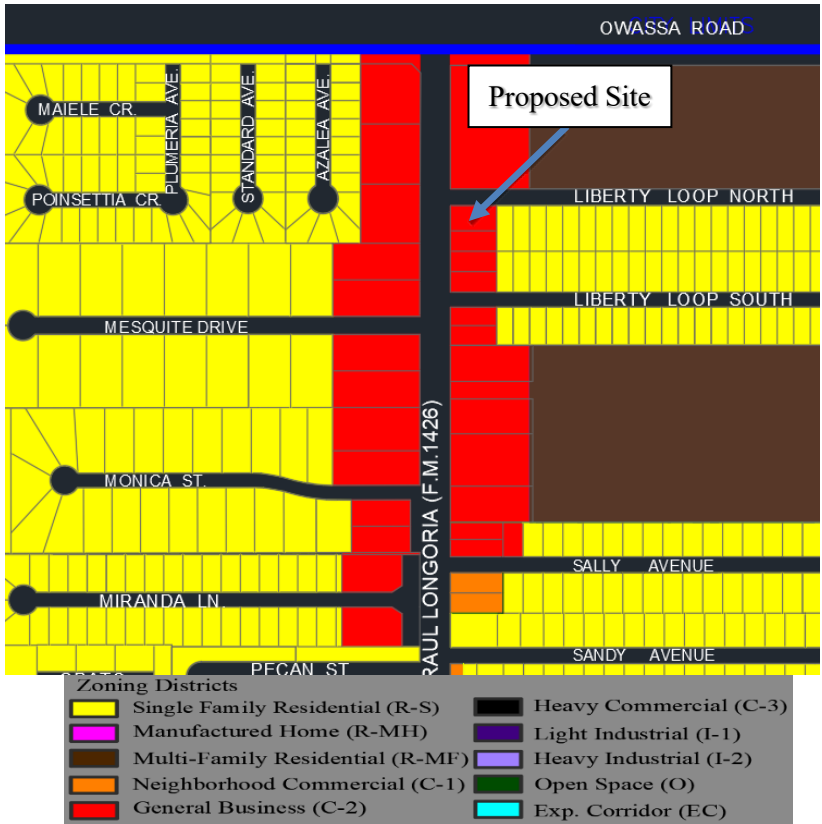


Proposed Site





Location Map



Zoning Map





## **ORDINANCE NO.**

**AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW “KAIRO’S EVENT CENTER” AT 5201 N. RAUL LONGORIA ROAD, SUITE 3, LEGALLY DESCRIBED AS LOTS 5 AND 6, ARCOIRIS NO. 2 SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Evangelina Garza Gonzalez has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to allow “Kairo’s Event Center” at 5201 N. Raul Longoria Road, Suite 3.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Evangelina Garza Gonzalez has applied for a Conditional Use Permit to operate “Kairo’s Event Center” at 5201 N. Raul Longoria Road, Suite 3, subject to the following conditions:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.

5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site from a public street;
6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city's noise ordinance.
9. The business must comply with the City's *Security Cameras Ordinance*.
10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED and APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED and APPROVED** on second and final reading on the 22<sup>nd</sup> day of August, 2023.

**CITY OF SAN JUAN**

---

**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**

Palacios, Garza & Thompson, P.C.

---

**BRENDA ESCALANTE**  
**CITY SECRETARY**

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**CITY ATTORNEY**

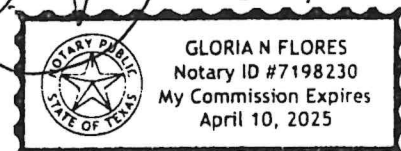
06-30-2023

A Quien Corresponda:

Por medio del presente les informo  
sobre los requisitos para autorización de  
Salon de Eventos Kairos Event Center

- Presentando plano de negocio y estacionamiento  
y dimensiones y ubicación de la bodega
- Horarios de Oficina de 10:am a 5 P.M.  
de lunes a viernes y 10.am a 2: P.M. Sabado  
Eventos de viernes a domingo de 4 a 8 P.M.
- Descripción Legal: Arco Iris UT No. 2 lote 5 y 6  
Domicilio 5201 N. Raul Longoria Rd. San Juan TX  
78589 Quit "A"
- Numero de empleados 2
- La Propuesta Narrativa:  
Para organizar eventos pequeños como  
Baby Shower, Aniversarios, Despedida de Soltera,  
Graduaciones, Revelación de Sexo, etc.

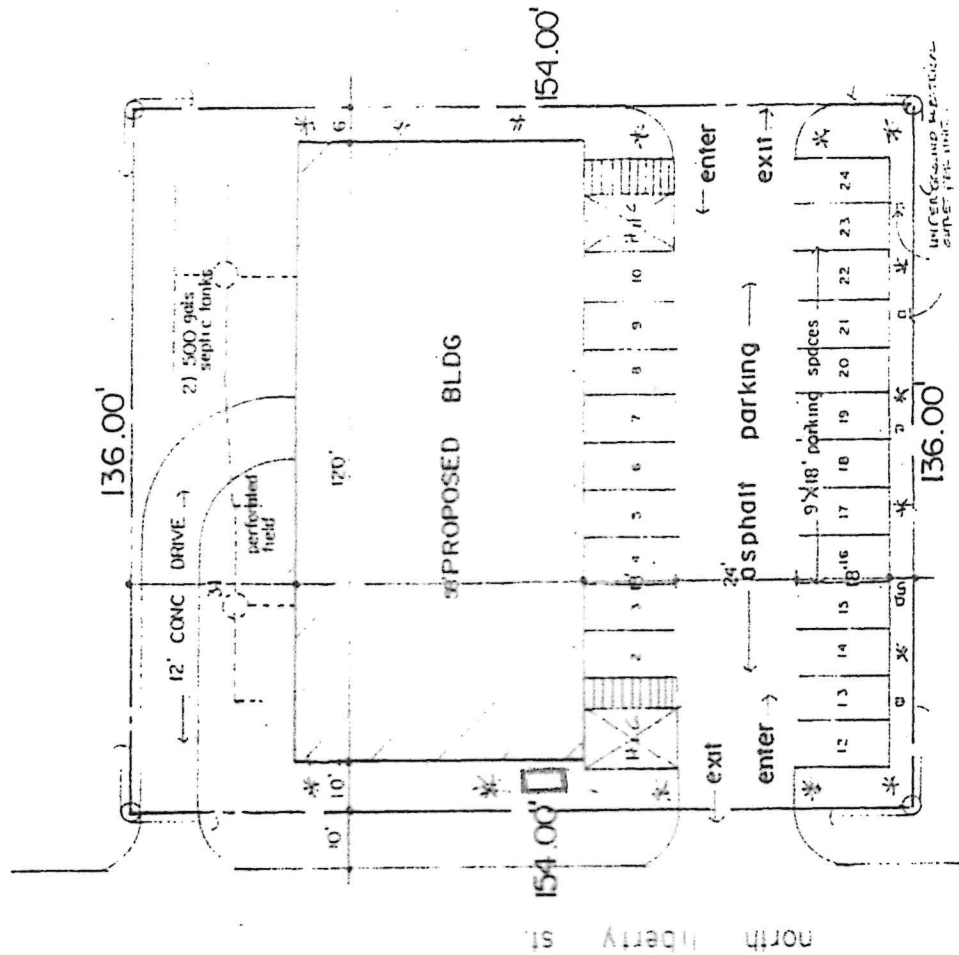
Subscribed and Sworn to  
before me this 29<sup>th</sup> of June,  
2023.



LOT 5 AND 6 ARCO IRIS  
SUBDIVISION CITY OF SAN JUAN TEXAS.

PLOT PLAN  
SC. 1" = 20'

Arco Iris UT No. 2 Lots. 5 & 6



RAUL LONGORIA

Conditional Use Permit to operate "Kairo's Event Center" at 5201 N. Raul Longoria Road Suite 3, legally described as Lots 5 and 6, Arco Iris Unit No. 2 Subdivision, as Requested by Evangelina Garza.

Gonzalez Garza, Evangelina  
110 Southgate Ave.  
San Juan, Texas 78589

Hinostroza, Alfonso  
P.O. Box 2550  
San Juan, Texas 78589

Garcia, Hilario & Maria E.  
102 N. Liberty Loop  
San Juan, Texas 78589

Garza, Ana L  
104 N. Liberty Loop  
San Juan, Texas 78589

Quintanilla, Jose G  
106 N. Liberty Loop  
San Juan, Texas 78589

Dana, Manuel & Martha L.  
108 N. Liberty Loop  
San Juan, Texas 78589

Ortega, Hilario & Lucia  
105 S. Liberty Loop  
San Juan, Texas 78589

Hilton, Angelica  
107 S. Liberty Loop  
San Juan, Texas 78589

Rodriguez, Amado & Celia  
1305 Rejamen Drive  
San Juan, Texas 78589

Rios, Irineo & Ludivina  
P.O. Box 1566  
San Juan, Texas 78589

Leon, Manuel  
5109 N. Raul Longoria Road  
San Juan, Texas 78589

Mendez, Joe Daniel  
108 S. Liberty Loop  
San Juan, Texas 7859

Karr, Griselda & Angel J  
910 E. Villegas Ave.  
Pharr, Texas 78577

Rivera, Maria De Jesus  
104 S. Liberty Loop  
San Juan, Texas 78589

Perez, Alejandro  
102 S. Liberty Loop  
San Juan, Texas 78589

Saenz, Blanca  
P.O. Box 974  
San Juan, Texas 78589

Estrada, Carmen & Raul  
1008 San Cristobal Street  
San Juan, Texas 78589

Ortiz, Maria  
2422 Majestic Lane  
Edinburg, Texas 78542

Figueroa, Noe & Gertudes  
5106 N. Raul Longoria Road  
San Juan, Texas 78589

Gallegos, Javier  
3710 Elizondo Drive  
Edinburg, Texas 78589

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Conditional Use Permit to operate “Ruby’s Event Center” at 2003 N. Veterans Boulevard Suites 1 and 2, legally described as Lot 1, Porciones Center Subdivision, as Requested by Elsa Rubi Juarez. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

The Conditional Use Permit is to operate an event center at a commercial plaza located at Veterans Boulevard and Sioux Road. The commercial plaza six (6) suites in total, with a restaurant, beauty salon and some office spaces. Both suites are approximately 2,000 square feet total and there is a total of 42 parking spaces with two entrances/exit along Veterans Boulevard.

The operation hours are Monday thru Sunday 8:00 a.m. thru 12:00 p.m.

It is noted that on July 2022, Sweet Events, was approved at same location and now is changing owners and business name.

Staff mailed a notice of the public hearing to twenty-seven (27) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**RECOMMENDATION:**

Staff recommends approval of the conditional use permit subject to the conditions listed in the staff report.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

MEETING DATES:  
PLANNING AND ZONING COMMISSION – 08/03/2023  
CITY COMMISSION – 08/08/2023  
DATE PREPARED – 07/14/2023

PAGE 1

**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Conditional Use Permit to allow “Ruby’s Event Center” in a commercial area.                                                                                                                                                                                                                                 |
| <b>APPLICANT:</b>                              | Elsa Rubi Juarez                                                                                                                                                                                                                                                                                            |
| <b>SURVEYOR/ENGINEER:</b>                      | N/A                                                                                                                                                                                                                                                                                                         |
| <b>LEGAL:</b>                                  | Lot 1, Porciones Center Subdivision                                                                                                                                                                                                                                                                         |
| <b>LOCATION:</b>                               | 2003 N. Veterans Boulevard, Suites 1 and 2                                                                                                                                                                                                                                                                  |
| <b>PROPOSED USE OF PROPERTY:</b>               | Event Center                                                                                                                                                                                                                                                                                                |
| <b>EXISTING ZONING:</b>                        | General Business District (C-2) / Single-Family Residence District (R-S)                                                                                                                                                                                                                                    |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <i>North</i> – Residential; General Business District (C-2) / Single-Family Residence District (R-S)<br><i>South</i> – Church; General Business District (C-2) / Single-Family Residence District<br><i>East</i> – Residential; Single-Family Residence District (R-S)<br><i>West</i> – Outside city limits |
| <b>ACCESS AND CIRCULATION:</b>                 | This property has access along Veterans Boulevard.                                                                                                                                                                                                                                                          |
| <b>PUBLIC SERVICES:</b>                        | Water service is provided by the North Alamo Water Supply Corporation; sewer by the City of San Juan.                                                                                                                                                                                                       |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval of the conditional use permit subject to the conditions listed in the staff report.                                                                                                                                                                                               |

**EVALUATION AND CONDITIONS FOR APPROVAL**

The Conditional Use Permit is to operate an event center at a commercial plaza located at Veterans Boulevard and Sioux Road. The commercial plaza six (6) suites in total, with a restaurant, beauty salon and some office spaces. Both suites are approximately 2,000 square feet total and there is a total of 42 parking spaces with two entrances/exit along Veterans Boulevard.

The operation hours are Monday thru Sunday 8:00 a.m. thru 12:00 p.m.

It is noted that on July 2022, Sweet Events, was approved at same location and now is changing owners and business name.

The following are the list of requirements for an event center:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.
5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site form a public street;
6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city’s noise ordinance.



**CONDITIONAL USE PERMIT  
“RUBY’S EVENT CENTER”  
AUGUST 22, 2023**

**PAGE 3**

9. The business must comply with the City’s *Security Cameras Ordinance*.
10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

Staff mailed a notice of the public hearing to twenty-seven (27) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**ATTACHMENTS:**

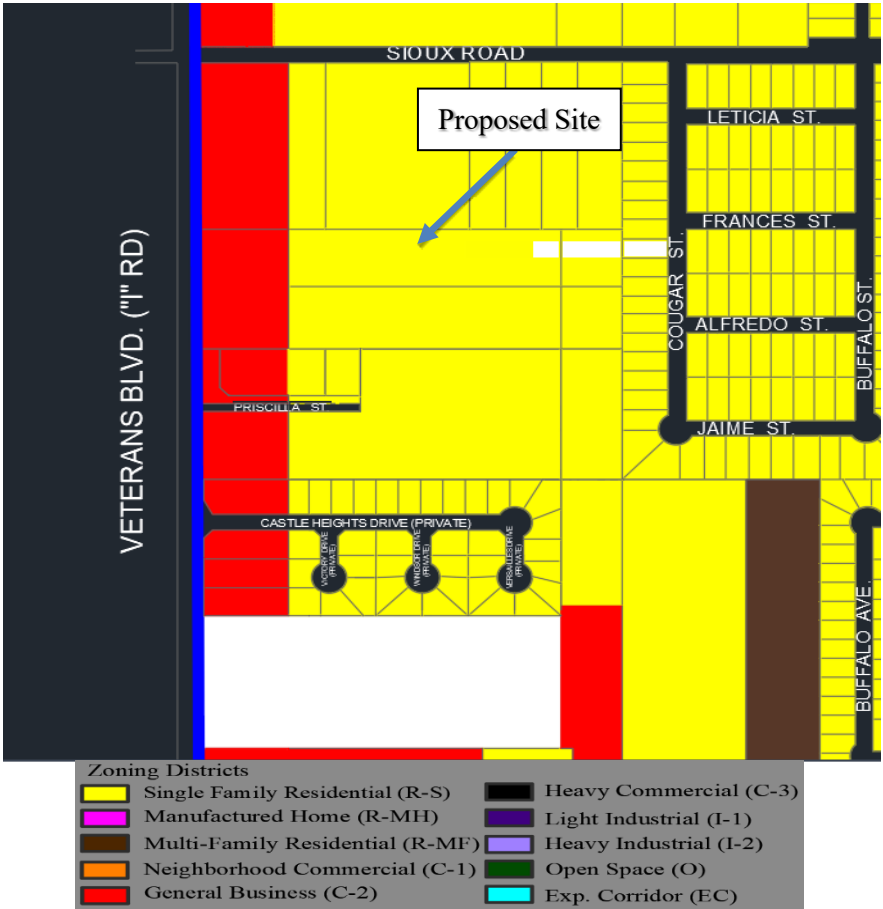
- Proposed Site
- Location Map
- Zoning Map
- List of neighboring property owners receiving notice
- Ordinance



Proposed Site



Location Map



Zoning Map



## **ORDINANCE NO.**

### **AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT TO ALLOW “RUBY’S EVENT CENTER” AT 2003 N. VETERANS BOULEVARD, SUITES 1 AND 2, LEGALLY DESCRIBED AS LOT 1, PORCIONES CENTER SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.**

**WHEREAS**, Elsa Rubi Juarez has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan to allow “Ruby’s Event Center” at 2003 N. Veterans Boulevard, Suites 1 and 2.

**WHEREAS**, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:**

**SECTION I.** That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Elsa Rubi Juarez has applied for a Conditional Use Permit to operate “Ruby’s Event Center” at 2003 N. Veterans Boulevard, Suites 1 and 2, subject to the following conditions:

1. The property line of the lot of any business, especially those having late hours (after 10:00 p.m.) must be a minimum of three hundred (300) feet from the nearest residence, church, school or publicly-owned property or must provide sufficient buffering and sound insulation of the building such that the business is not visible and cannot be heard from the residential areas, and must be designed to prevent disruption of the character of adjacent residential areas.
2. The business must be as close as possible to a major arterial, and shall not allow the traffic it generates onto residential streets, or allow it to exit into and disrupt residential areas;
3. The business must provide parking in accordance with the City off-street parking regulations and make provisions to prevent use of adjacent streets for parking, especially those in adjacent residential areas, by providing additional on-site parking.
4. The business must do everything possible to prevent the unauthorized parking of its patrons on adjacent businesses or residential properties including, when necessary, the installation of fences and hedges, and the reorientation of entrances. The loading and unloading of equipment to be on premises only.

5. The business should do everything possible and be designed to discourage criminal activities and vandalism, both on site and on adjacent properties. Provision of sufficient lighting and perimeter fencing, elimination of dark areas, and the orientation of the building such that it provides maximum visibility of as much as possible of the site from a public street;
6. The business must make provisions to keep litter to a minimum, and to keep it from blowing onto adjacent streets and properties;
7. The business shall restrict the number of persons within the building to the number determined for occupancy levels by the Fire Department.
8. The business must comply with the city's noise ordinance.
9. The business must comply with the City's *Security Cameras Ordinance*.
10. Owner agrees to pay an annual fee to the City of San Juan to maintain the Occupational License and Conditional Use Permit thru the City.
11. There shall be no smoking inside the premises at any time.

**SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE.** This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the 22<sup>nd</sup> day of August, 2023.

**CITY OF SAN JUAN**

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**MARIO GARZA, MAYOR**

**ATTEST:**

**APPROVED BY:**

Palacios, Garza & Thompson, P.C.

---

**BRENDA ESCALANTE**  
**CITY SECRETARY**

---

**CITY ATTORNEY**

State of Texas

Hidalgo County

Affidavit: Operation Hours

To whom it may concern:

This are my Operations days and hours.

**MONDAY TO SUNDAYS**

**HOURS: 8: AM TO 12:00 AM.**

EVERY DAY THAT IS RENTED THE HOURS VARY- SOME WILL RENT 3-5 HOURS IN THE MORNING OR NIGHT.

Thank you:

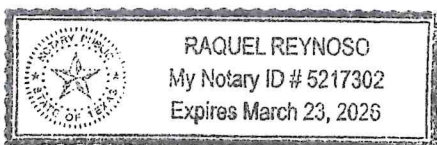
Elsa R Juarez

ELSA RUBI JUAREZ

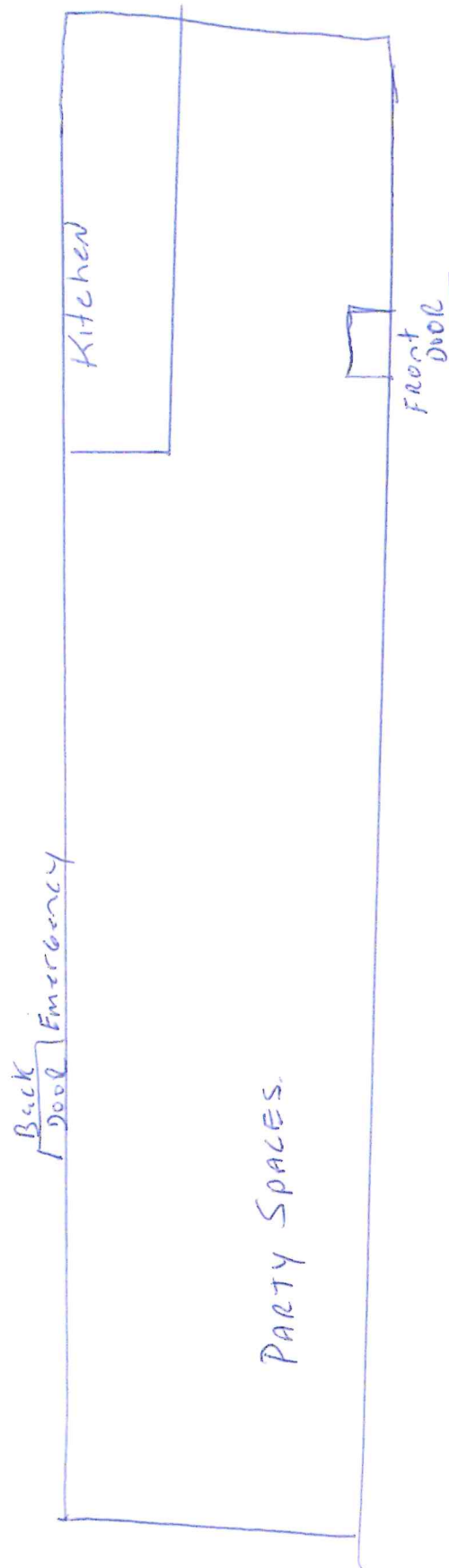
Signed and sworn before me notary Public on this day of 7/3/2023/

Raquel Reynoso

RAQUEL REYNOSO



BACK = 50 parking spaces.

[illegible]



Conditional Use permit to operate "Ruby's Event Center" located at 2003 N. Veteran's Boulevard Suites 1 and 2, legally described as Lot 1, Porciones Center Subdivision, as Requested by Elsa Rubi Juarez

Juarez, Elsa Rubi  
2213 N. 47<sup>th</sup> Street  
McAllen, Texas 78501

Vasquez, Ramon  
P.O. Box 2805  
San Juan, Texas 78589

Igelsia Evangelista  
De Fe El Shaddai  
P.O. Box 1418  
Pharr, Texas 78577

Keller, James C.  
P.O. Box 255  
McAllen, Texas 78202

Villescas, Jesus & Aleida  
805 W. Sioux Road  
San Juan, Texas 78589

Gutierrez, Edgar, & Veronica  
707 W. Sioux Road  
San Juan, Texas 78589

Rodriguez, Arturo & Valerie  
P.O. Box 1181  
San Juan, Texas 78589

Romo, Oscar & Sylvia  
703 W. Sioux Road  
San Juan, Texas 78589

Diaz, Juan  
1207 Sunset Street  
San Juan, Texas 78589

Padilla, Francisco  
P.O. Box 1039  
San Juan, Texas 78589

Hernandez, Gilberto & Pina  
Veronica  
2020 Cougar Street  
San Juan, Texas 78589

Gonzalez, Paulita  
2708 Idela Avenue  
McAllen, Texas 78503

Segura, Luisa  
2016 Cougar Street  
San Juan, Texas 78589

Beltran, Raquel  
2014 Cougar Street  
San Juan, Texas 78589

Urbina, Herminio & Maria E.  
2012 Cougar Street  
San Juan, Texas 78589

Martinez, Nelda D  
2010 Cougar Street  
San Juan, Texas 78589

Pequeno Isaac & Gonzalez  
Esperanza  
1410 Maryann Street  
San Juan, Texas 78589

Gonzalez, Lourdes O  
2004 Cougar Street  
San Juan, Texas 78589

Caudillo, Mateo  
1508 S. Ivy Street  
Medford, OR 97501

Franco, Maria  
428 S. 15th Street  
Alamo, Texas 78516

Guerra, Pedro & Esmeralda  
P.O. Box 2997  
San Juan, Texas 78589

Rubaldino, Adela  
2006 Cougar Street  
San Juan, Texas 78589

Castillo, Minerva  
605 Francis Street  
San Juan, Texas 78589

Hernandez, Consuelo  
606 Francis Street  
San Juan, Texas 78589

Martinez, Juan  
1920 Cougar Street  
San Juan, Texas 78589

Guevara, Marivel  
605 Alfredo Street  
San Juan, Texas 78589

Rodriguez, Jose L & Cortez  
Michelle  
1708 Wayne Drive  
Edinburg, Texas 78542

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Rezoning Request from the Neighborhood Commercial District (C-1) to the General Business District (C-2) of the 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company's Subdivision, located at the Southwest corner of U.S. Business 83 and Cesar Chavez Road, as Requested by Raul Cantu. [Daniel Tijerina, Director of Planning]

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**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023 the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

Mr. Cantu is applying for a rezoning from Neighborhood Commercial District (C-1) to the General Business District (C-2) of a 1.32-acre tract located at the Southwest corner of U.S. Business 83 and Cesar Chavez Road.

The surrounding properties consist of commercial and residential uses along U.S. Business Highway 83 and Cesar Chavez Road.

According to the Future Land Use Map, the property is commercial use. (See attachment)

Staff mailed a notice of the public hearing to twenty-three (23) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**RECOMMENDATION:**

Staff recommends approval of the rezoning request.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager



MEETING DATES:  
PLANNING AND ZONING COMMISSION – 07/20/2023  
CITY COMMISSION – 07/25/2023  
DATE PREPARED – 07/15/2023

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**STAFF REPORT**  
**GENERAL INFORMATION**

|                                                |                                                                                                                                                                                                                                                                                   |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>APPLICATION:</b>                            | Rezoning Request from Neighborhood Commercial District (C-1) to General Business District (C-2).                                                                                                                                                                                  |
| <b>APPLICANT:</b>                              | Raul Cantu                                                                                                                                                                                                                                                                        |
| <b>SURVEYOR/ENGINEER:</b>                      | Salinas Engineering & Associates                                                                                                                                                                                                                                                  |
| <b>LEGAL:</b>                                  | Being a 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company Subdivision.                                                                                                                                                                                |
| <b>LOCATION:</b>                               | The property is located at the Southwest corner of U.S. Business 83 and Cesar Chavez Road.                                                                                                                                                                                        |
| <b>EXISTING ZONING:</b>                        | Neighborhood Commercial District (C-1)                                                                                                                                                                                                                                            |
| <b>EXISTING LAND USE/<br/>ADJACENT ZONING:</b> | <u>North</u> – Offices; Neighborhood Commercial District (C-1) / Single Family Residence District (R-S)<br><u>South</u> – Residential; Manufactured Home District (R-MH)<br><u>East</u> – Outside City Limits<br><u>West</u> – Commercial; Neighborhood Commercial District (C-1) |
| <b>ACCESS AND CIRCULATION:</b>                 | This property has access along U.S. Business 83 and Cesar Chavez Road.                                                                                                                                                                                                            |
| <b>PUBLIC SERVICES:</b>                        | Water and sewer services are provided by the City of San Juan.                                                                                                                                                                                                                    |
| <b>RECOMMENDATION:</b>                         | Staff recommends approval of the rezoning request.                                                                                                                                                                                                                                |

**EVALUATION AND CONDITIONS FOR APPROVAL**

Mr. Cantu is applying for a rezoning from Neighborhood Commercial District (C-1) to the General Business District (C-2) of a 1.32-acre tract located at the Southwest corner of U.S. Business 83 and Cesar Chavez Road.

The surrounding properties consist of commercial and residential uses along U.S. Business Highway 83 and Cesar Chavez Road.

According to the Future Land Use Map, the property is commercial use. (See attachment)

Staff mailed a notice of the public hearing to twenty-three (23) property owners within a two hundred (200) foot radius and received no comments in favor or against the request. Notice of this public hearing was published in The Advance on July 19, 2023.

**ATTACHMENTS:**

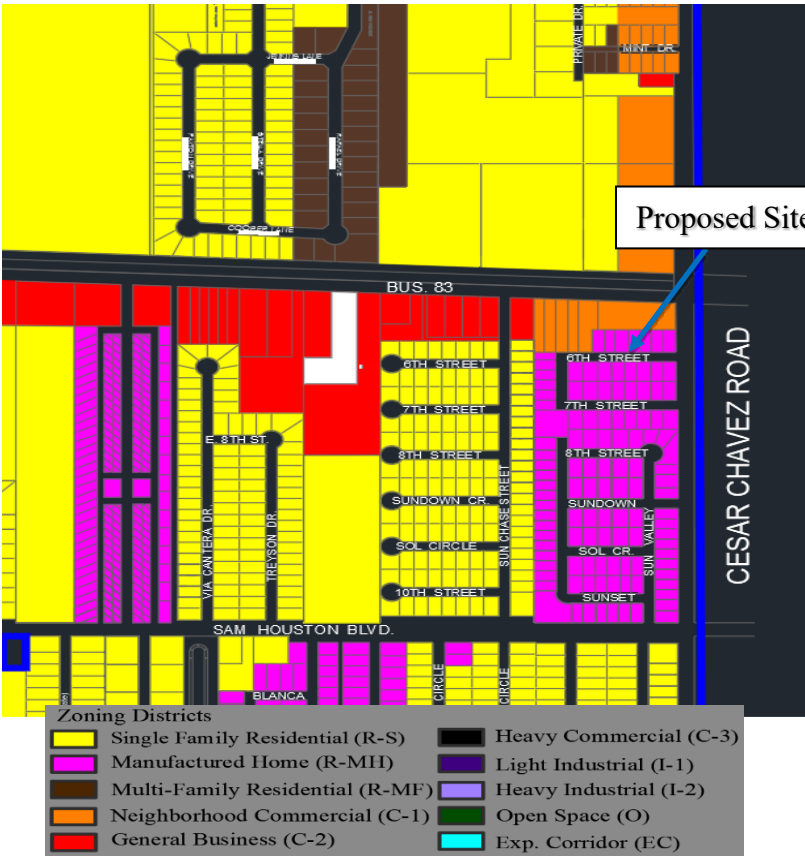
- Proposed Site
- Location Map
- Zoning Map
- Survey of the property
- List of neighboring property owners receiving notice
- Ordinance



Proposed Site



Location Map



Zoning Map



**ORDINANCE NO.**

**AN ORDINANCE AMENDING THE ZONING ORDINANCE NO. 98-006 OF THE CITY OF SAN JUAN, TO CHANGE THE ZONING DISTRICT FROM THE NEIGHBORHOOD COMMERCIAL DISTRICT (C-1) TO THE GENERAL BUSINESS DISTRICT (C-2) OF A PROPERTY LEGALLY DESCRIBED AS THE 1.32-ACRE TRACT OF LAND OUT OF LOT 13, BLOCK 35, ALAMO LAND AND SUGAR COMPANY'S SUBDIVISION BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:**

Consistent with the City's land use plan as set-forth in the land use map that is a part of the City's Zoning Ordinance, and consistent with the City's intentions of allowing and encouraging commercial district development that generates property taxes, water and sewer revenues and sales tax revenues.

The zoning district of the property legally described as 1.32-acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company's Subdivision shall be changed to the General Business District (C-2) and the zoning map shall be amended accordingly.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second and final reading on the 22<sup>nd</sup> of August, 2023.

**CITY OF SAN JUAN**

\_\_\_\_\_  
**MARIO GARZA, MAYOR**

**ATTEST:**

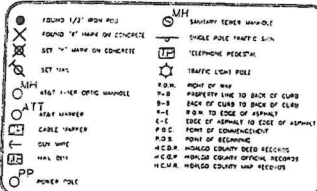
**APPROVED BY:**  
Palacios, Garza & Thompson, P.C.

\_\_\_\_\_  
**BRENDA ESCALANTE**  
**CITY SECRETARY**

\_\_\_\_\_  
**CITY ATTORNEY**



# LEGEND

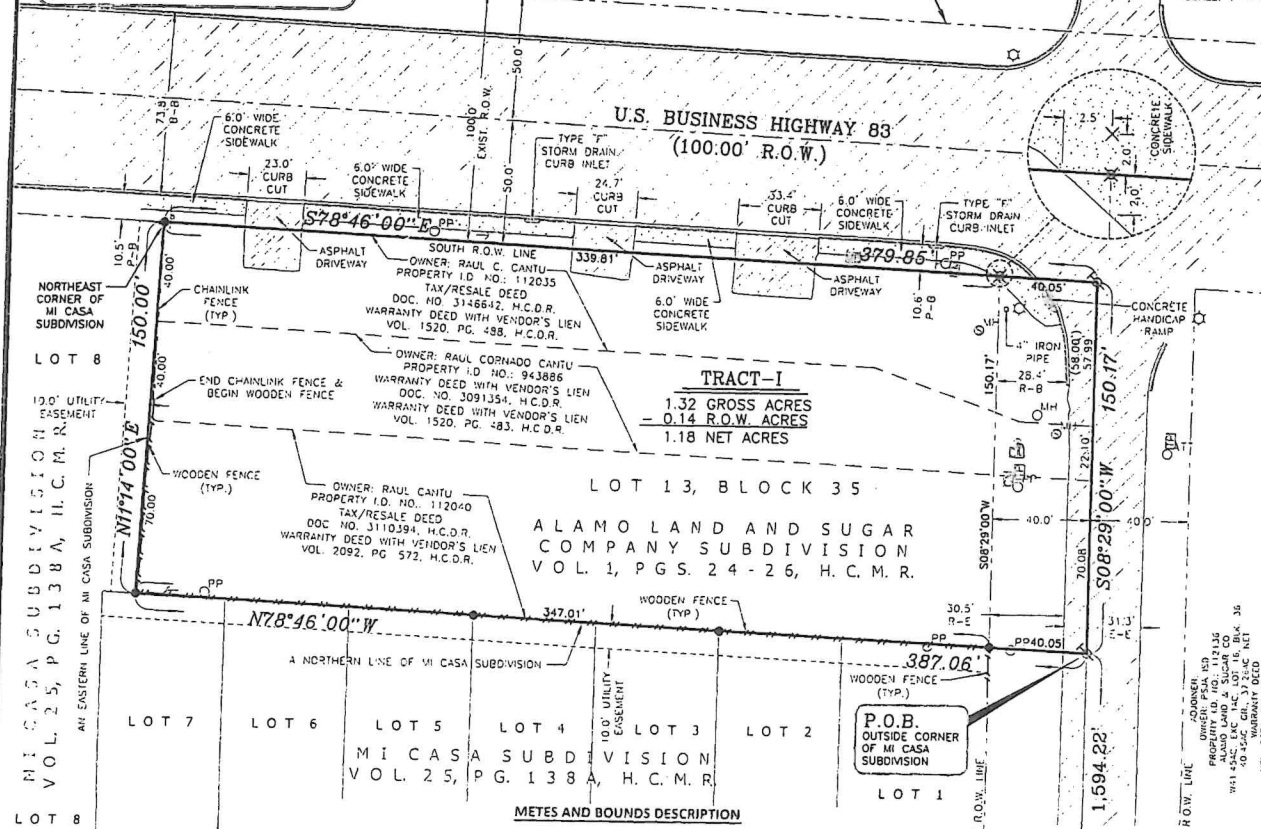


**SALINAS ENGINEERING & ASSOCIATES**  
**CONSULTING ENGINEERS & SURVEYORS**  
 2221 DAFFODIL AVE. - MCALLEN, TEXAS 78501  
 (956) 682-9081 (956) 686-1489 (FAX)  
 dsalinas@salinasengineering.com

TBPLS 12100 PARK 35 CIRCLE BLDG. A, SUITE 156, MC-730, AUSTIN, TEXAS 78573 (512) 239-5263

MISSOURI PACIFIC RAILROAD

SCALE: 1" = 50'



**METES AND BOUNDS DESCRIPTION**

BEING A 1.32 GROSS ACRE TRACT OF LAND, MORE OR LESS, OUT OF AND FORMING A PART OF THE IMMEDIATE NORTHWEST CORNER OF LOT 13, BLOCK 35, ALAMO LAND & SUGAR COMPANY'S SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT THEREOF RECORDED IN VOLUME 01, PAGES 24-26, MAP RECORDS OF HIDALGO COUNTY, TEXAS; SAID 1.32 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 13 LOCATED IN THE CENTER OF CESAR CHAVEZ ROAD (AKA MORNINGSIDER ROAD); THENCE, AS FOLLOWS:

NORTH 08 DEGREES 29 MINUTES EAST, COINCIDENT WITH THE EAST LINE OF SAID LOT 13, A DISTANCE OF 1,594.22 FEET TO A NAIL SET ON THE NORTH AND EAST CORNER OF MI CASA SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT THEREOF RECORDED IN VOLUME 25, PAGE 138A, MAP RECORDS OF HIDALGO COUNTY, TEXAS, FOR THE SOUTHEAST CORNER AND POINT OF BEGINNING OF THIS HEREIN DESCRIBED TRACT;

- THENCE, NORTH 78 DEGREES 46 MINUTES WEST, COINCIDENT WITH A NORTHERN LINE OF SAID MI CASA SUBDIVISION, A DISTANCE OF 40.05 FEET PASSING A 1/2 INCH DIAMETER IRON ROD FOUND ON INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF SAID CESAR CHAVEZ ROAD AND BEING FURTHER LOCATED ON THE NORTHEAST CORNER OF LOT 1 OF SAID MI CASA SUBDIVISION, AT A DISTANCE OF 387.06 FEET IN ALL TO A 1/2 INCH DIAMETER IRON ROD FOUND ON THE NORTH LINE OF LOT 7 OF SAID MI CASA SUBDIVISION FOR THE SOUTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;
- THENCE, NORTH 11 DEGREES 14 MINUTES EAST, COINCIDENT WITH THE EAST LINE OF LOT 8 OF SAID MI CASA SUBDIVISION BEING ALONG AN INSIDE LINE OF SAID MI CASA SUBDIVISION, A DISTANCE OF 150.0 FEET TO A 1/2 INCH DIAMETER IRON ROD FOUND ON THE NORTHEAST CORNER OF LOT 8 OF SAID MI CASA SUBDIVISION LOCATED ON INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF U.S. BUSINESS HIGHWAY 83 FOR THE NORTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;
- THENCE, SOUTH 78 DEGREES 46 MINUTES EAST, COINCIDENT WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID U.S. BUSINESS HIGHWAY 83, A DISTANCE OF 339.81 FEET PASS AN INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF SAID CESAR CHAVEZ ROAD, AT A DISTANCE OF 379.85 FEET IN ALL TO A NAIL SET ON INTERSECTION WITH THE EAST LINE OF SAID LOT 13 LOCATED IN THE CENTER OF SAID CESAR CHAVEZ ROAD FOR THE NORTHEAST CORNER OF THIS HEREIN DESCRIBED TRACT;
- THENCE, SOUTH 08 DEGREES 29 MINUTES WEST, COINCIDENT WITH THE EAST LINE OF SAID LOT 13, A DISTANCE OF 150.17 FEET TO THE POINT OF BEGINNING, CONTAINING 1.32 GROSS ACRES OF LAND, MORE OR LESS, OF WHICH THE EAST 40.00 FEET (OR 0.14 ACRES, MORE OR LESS) ARE LOCATED WITHIN THE RIGHT-OF-WAY OF SAID CESAR CHAVEZ ROAD, LEAVING 1.18 NET ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING: MI CASA SUBDIVISION, H.C.T.  
 N: 114° 13' 12" 0.00223

P.O.C.  
 S.E.C.  
 LOT 13,  
 BLK. 35

## GENERAL PLAT NOTES:

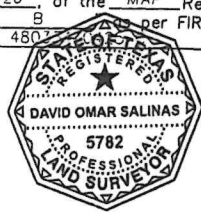
- Being Part: Warranty Deed with Vendor's Lien conveys from L.B.T. Land Co., Inc. to the undersigned P. Benham and Hubert W. Benham dated January 30, 1985 and recorded in Volume 2092, Page 572, Deed Records of Hidalgo County, Texas.
- This survey was prepared without the benefit of a title policy. The existence of any easements is not within the scope of this boundary/surveying survey. Any easement shown herein was taken directly from the plat of record. This survey is for the exclusive use of the land shown herein and may not be copied or transferred to another party without the express written consent of the surveyor.
- There are no discrepancies, conflicts, encroachments or shortages in area, encroachments or any overlapping improvements, which are apparent statements except as shown or noted herein.
- The surveyor has made no attempt to locate or define railroads, navigable water areas, habitats, endangered species or any other environmentally sensitive areas on the tract of land shown herein. Nor does this survey make any representations of being an environmental assessment of the tract of land shown herein.
- The surveyor has made no attempt to locate or define archaeological sites, historical sites or undeveloped cemeteries on the tract of land shown herein. Nor does this survey make any representations of being an archaeological or historical survey of the tract of land shown herein.
- The surveyor has made no attempt to locate abandoned, or abandoned all and gas wells, or any other wells on the tract of land shown herein. Nor has the surveyor made any attempt to research same with the Railroad Commission of Texas or any other State agency. Nor has the surveyor investigated any mineral or royalty interests in the tract of land shown herein.
- This is a standard survey and does not include a subsurface utility or topographic investigation.
- If the survey is made under a plat and signature of the Professional Land Surveying Practices Act enacted under Article 3272c, Vernon's Texas Civil Statutes.
- This survey is subject to the following:  
 Right of Way Easement in favor of Valley Electric & Ice Company, dated October 23, 1923, recorded in Volume 187, Page 280, Deed Records, Hidalgo County, Texas.

This is to certify that I have, this date, made a careful and accurate standard land survey on the ground of property which is located at 1612 E. BUSINESS 83 in SAN JUAN, Texas, described as follows: BEING A 1.32 GROSS ACRE TRACT OF LAND, MORE OR LESS, OUT OF AND FORMING A PART OF THE IMMEDIATE NORTHEAST CORNER OF

(SEE METES AND BOUNDS DESCRIPTION)  
 Lot 13, Block 35, of ALAMO LAND AND SUGAR COMPANY SUBDIVISION, HIDALGO CO.

Texas, according to the plat recorded in Volume 1, Page 24-26, of the MAP Records of Hidalgo County, Texas. I further certify that this property lies in Zone "B" per FIRM (Flood Insurance Rate Map) dated NOV. 16, 1982 Community Panel No. 4807

A.E.  
 DRN. BY  
 JUNE 2, 2023  
 DATE  
 S-23-25998  
 JOB NO.



REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5782

## METES AND BOUNDS DESCRIPTION

BEING A 1.32 GROSS ACRE TRACT OF LAND, MORE OR LESS, OUT OF AND FORMING A PART OF THE IMMEDIATE NORTHEAST CORNER OF LOT 13, BLOCK 35, ALAMO LAND & SUGAR COMPANY'S SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT THEREOF RECORDED IN VOLUME 01, PAGES 24-26, MAP RECORDS OF HIDALGO COUNTY, TEXAS; SAID 1.32 ACRE TRACT OF LAND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 13 LOCATED IN THE CENTER OF CESAR CHAVEZ ROAD (AKA MORNINGSIDERoad); THENCE, AS FOLLOWS:

NORTH 08 DEGREES 29 MINUTES EAST, COINCIDENT WITH THE EAST LINE OF SAID LOT 13, A DISTANCE OF 1,594.22 FEET TO A NAIL SET ON THE NORTH AND EAST CORNER OF MI CASA SUBDIVISION, HIDALGO COUNTY, TEXAS, AS PER THE MAP OR PLAT THEREOF RECORDED IN VOLUME 25, PAGE 138A, MAP RECORDS OF HIDALGO COUNTY, TEXAS, FOR THE SOUTHEAST CORNER AND POINT OF BEGINNING OF THIS HEREIN DESCRIBED TRACT;

- (1) THENCE, NORTH 78 DEGREES 46 MINUTES WEST, COINCIDENT WITH A NORTHERN LINE OF SAID MI CASA SUBDIVISION, A DISTANCE OF 40.05 FEET PASSING A ½ INCH DIAMETER IRON ROD FOUND ON INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF SAID CESAR CHAVEZ ROAD AND BEING FURTHER LOCATED ON THE NORTHEAST CORNER OF LOT 1 OF SAID MI CASA SUBDIVISION, AT A DISTANCE OF 387.06 FEET IN ALL TO A ½ INCH DIAMETER IRON ROD FOUND ON THE NORTH LINE OF LOT 7 OF SAID MI CASA SUBDIVISION FOR THE SOUTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;
- (2) THENCE, NORTH 11 DEGREES 14 MINUTES EAST, COINCIDENT WITH THE EAST LINE OF LOT 8 OF SAID MI CASA SUBDIVISION BEING ALONG AN INSIDE LINE OF SAID MI CASA SUBDIVISION, A DISTANCE OF 150.0 FEET TO A ½ INCH DIAMETER IRON ROD FOUND ON THE NORTHEAST CORNER OF LOT 8 OF SAID MI CASA SUBDIVISION LOCATED ON INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF U.S. BUSINESS HIGHWAY 83 FOR THE NORTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;
- (3) THENCE, SOUTH 78 DEGREES 46 MINUTES EAST, COINCIDENT WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID U.S. BUSINESS HIGHWAY 83, A DISTANCE OF 339.81 FEET PASS AN INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF SAID CESAR CHAVEZ ROAD, AT A DISTANCE OF 379.85 FEET IN ALL TO A NAIL SET ON INTERSECTION WITH THE EAST LINE OF SAID LOT 13 LOCATED IN THE CENTER OF SAID CESAR CHAVEZ ROAD FOR THE NORTHEAST CORNER OF THIS HEREIN DESCRIBED TRACT;
- (4) THENCE, SOUTH 08 DEGREES 29 MINUTES WEST, COINCIDENT WITH THE EAST LINE OF SAID LOT 13, A DISTANCE OF 150.17 FEET TO THE POINT OF BEGINNING, CONTAINING 1.32 GROSS ACRES OF LAND, MORE OR LESS, OF WHICH THE EAST 40.00 FEET (OR 0.14 ACRES, MORE OR LESS) ARE LOCATED WITHIN THE RIGHT-OF-WAY OF SAID CESAR CHAVEZ ROAD, LEAVING 1.18 NET ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING: MI CASA SUBDIVISION, H.C.T.

N:\M&B.2023\1.32.060223

DAVID OMAR SALINAS, RPLS

SALINAS ENGINEERING & ASSOCIATES

2221 DAFFODIL AVE., MCALLEN, TEXAS, 78501

(956) 682-9081

dsalinas@salinasengineering.com

DATE: JUNE 26, 2023

JOB NO.: KEYSTONE PLAZA SUBD.



Rezoning Request from Neighborhood Commercial District (C-1) to the General Business District (C-2) of the 1.32- acre tract of land out of Lot 13, Block 35, Alamo Land and Sugar Company's Subdivision, as Requested by Raul Cantu.

Cantu, Raul  
420 James Street  
San Juan, Texas 78589

Missouri Pacific Railroad  
1400 Douglas Street  
Stop 1640  
Omaha, NE 68179-0002

Elizondo, Sarai  
P.O. Box 2554  
San Juan, Texas 78589

Salazar, Gilberto  
1612 E. 6th Street  
San Juan, Texas 78589

Villarreal, Oscar A.  
8301 Avehell Road  
Houston, Texas 77034

Vela-Barrera, Karina  
1100 Houston Way  
San Juan, Texas 78589

Garza, Rene A  
1609 E. 6th Street  
San Juan, Texas 78589

Vela, Ella M. Rodriguez  
106 W. Hibiscus  
McAllen, Texas 78501

Garza, Gustavo A & Irene  
1607 E. 6<sup>th</sup> Street  
San Juan, Texas 78589

Lopez, Roque Garza  
910 Coil Dr.  
San Juan, Texas 78589

Trevino, Maria Rosa  
1605 S. 6<sup>th</sup> Street  
San Juan, Texas 78589

De la Rosa, Epifanio & Maria L.  
1603 E. 6th Street  
San Juan, Texas 78589

Martinez, Mario A  
602 Sunset Street  
San Juan, Texas 78589

Garcia, Gloria M  
606 Sunset Street  
San Juan, Texas 78589

Dela Garza Araceli Hernandez  
Christopher Paul  
1600 E. 6th Street  
San Juan, Texas 78589

Rodriguez, Oscar & Delia  
1604 E. 6th Street  
San Juan, Texas 78589

Zuniga, Ricardo & Maximina  
1606 E. 6th Street  
San Juan, Texas 78589

Salazar, Oralia  
1612 E. 6th Street  
San Juan, Texas 78589

Saucedo, Jorge H & Guadalupe  
1614 E. 6th Street  
San Juan, Texas 78589

Elizondo, Ma. D Flores  
1602 E. 6th Street  
San Juan, Texas 78589

Cantu, Francisco  
1005 Salinas Street  
San Juan, Texas 78589

Zuniga, Maximina  
1610 E. 6th Street  
San Juan, Texas 78589

Martinez, Eduardo L  
114 Freestone Street  
San Juan, Texas 78589

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Second and Final Reading of an Ordinance for a Voluntary Annexation Petition of La Cantera Subdivision, being a 33.774-acre tract of land out of Lots 34, 37 and 38, San Juan Hacienda Estates Unit No. 1, located at the Northeast corner of Nebraska and Hall Acres Road, as Requested by Espino Construction, LLC. [Daniel Tijerina, Director of Planning]

---

**STAFF COMMENTS AND RECOMMENDATIONS:**

At the City Commission Meeting on August 8, 2023, the City Commission approved the First Reading of the Ordinance.

Previously, staff provided the following background:

The Planning Department is processing a residential subdivision located at the Northeast corner of Nebraska and Hall Acres Road. It is the City's policy to annex subdivisions processed and approved within the city's ETJ. On April 25, 2023, the City Commission approved Resolution 2023-17 accepting petition for voluntary annexation and setting dates and times for public hearings.

The property owner of the subject property has submitted a petition of a voluntary annexation to the City of San Juan. Upon annexation, recording of the subdivision plat, building permits and inspections will be processed by City for proposed residences. Annexation of this property is being undertaken in accordance with the provisions of the Texas Local Government Code, Chapter 43, Municipal Annexation, Section 43.028 and the City Charter.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

---



**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

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The property owner of the subject property has submitted a petition of a voluntary annexation to the City of San Juan. Upon annexation, recording of the subdivision plat, building permits and inspections will be processed by City for proposed residences. Annexation of this property is being undertaken in accordance with the provisions of the Texas Local Government Code, Chapter 43, Municipal Annexation, Section 43.028 and the City Charter.

**RECOMMENDATION:**

Staff recommends approval.

**PREPARED BY:**

Daniel Tijerina,  
Planning Director

**APPROVED BY:**

Benjamin Arjona, City  
Manager

---



## **ORDINANCE NO.**

### **AN ORDINANCE PROVIDING FOR THE EXTENSION ON CERTAIN BOUNDARY LIMITS OF THE CITY OF SAN JUAN, TEXAS; AND THE VOLUNTARY ANNEXATION OF A 33.774-ACRE TRACT OF LAND OUT OF LOTS 34, 37 AND 38, SAN JUAN HACIENDA ESTATES, UNIT NO. 1 SUBDIVISION, AS PER VOLUME 6, PAGES 35, MAP RECORDS OF HIDALGO COUNTY, TEXAS.**

**WHEREAS**, Section 43.067 of the Texas Local Government Code provides for an alternate to the standard annexation proceedings where the property owner petitions for annexation; and

**WHEREAS**, the City Commission of the City of San Juan has decided to extend the corporate limits to include tracts of land adjacent to our present corporate limits as shown in **Exhibit "A"**; and

**WHEREAS**, the hereinafter described territory lies within the extraterritorial of the City of San Juan, Texas; and

**WHEREAS**, the territory hereinafter described contains approximately **3.00** acres of land; and

**WHEREAS**, a notice of the City of San Juan proposed annexation was published in a newspaper having general circulation in the City of San Juan, Texas on June 1, 2022 and June 22, 2022 and was published between 11<sup>th</sup> day and 20<sup>th</sup> day before the public hearing dates; and

**WHEREAS**, the first public hearing was held at 6:00 pm on May 9, 2023 at the Amigos del Valle, located at 615 W. 1<sup>st</sup> Street, in San Juan, Texas and second public hearing was held at 6:00 pm on May 23, 2023 at San Juan Memorial Library, located at 1010 S. Standard Avenue, in San Juan, Texas so that all interested parties were provided the opportunity to be heard regarding the proposed annexation of those tracts hereinafter described; and

**WHEREAS**, the enclosed municipal service plan for the proposed annexation was available for public inspection and explained in response to questions asked; and

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF SAN JUAN, THAT;**

### **Exhibit "B"**

**SECTION I:** The following described in **Exhibit "B"** land and territory adjacent to and adjoining the City of San Juan, Texas is hereby added and annexed to the City of San

Juan, Texas, and the property herein described is altered and amended so as to include such areas within the corporate limits of the City of San Juan. The description of the property to be annexed is as follows:

BEGINNING at a Nail set [Nothing: 16,584,277.657, Easting: 1,097,268.858] at the Southeast corner of said Lot 38, for the POINT OF BEGINNING, and Southeast corner of this herein described tract;

1. THENCE, N 81° 23' 35" W along the South line of said Lots 34, 37 and 38, at a distance of 570.00 feet pass the Southwest corner of said Lot 38 and the Southeast corner of said Lot 37, at a distance of 1,125.00 feet pass the Southwest corner of said Lot 37 and the Southwest corner of said Lot 34, continuing a total distance of 1,546.20 feet to a Nail set at the Southwest corner of said Lot 34 for the Southwest corner of this tract;
2. THENCE, N 08° 36' 25" E along the West line of said Lot 34, a distance of 951.50 feet to a Nail found at the Northwest corner of said Lot 34 and the Southwest corner of a certain tract conveyed to Jose Angel and Celia Anaya by virtue of a Warranty Deed with Vendor's Lien recorded in Volume 2436, Page 39, Hidalgo County Records, for the Northwest corner of this tract;
3. THENCE, S 81° 23' 35" E along the North line of said Lots 34, 37 and 38, at a distance of 20.00 feet pass a No. 4 rebar found on the existing East right-of-way line of Nebraska Avenue, at a distance 421.20 feet pass the Northeast corner of said Lot 34 and the Northwest corner of said Lot 37, at a distance of 526.00 feet pass the Southeast corner of Northwest corner of said Lot 37, at distance of 526.88 feet pass the Southeast corner of Northwest corner of said Lot 37, at a distance of 526.88 feet pass the Southeast corner said certain tract conveyed to Jose Angel and Celia Anaya and the Southwest corner of a certain tract conveyed to Real Solutions, LP. A Texas limited liability company by virtue of a Special Warranty Deed recorded under Document Number 3218872, Hidalgo County Official Records, at a distance of 976.20 feet to a No. 4 rebar set at the Northeast corner of said Lot 38 and West line of Stewart Addition to Conway Gardens according to the plat thereof recorded in Volume 0, Page 43, Hidalgo County Map Records, from which a No. 4 rebar found bears N 65° 56' 51" W, a distance of 3.27 feet for the Northeast corner of this tract;
4. THENCE, S 08° 36' 25" W along the East line of said Lot 38 and West line of said Stewart Addition to the Conway Gardens at a distance of 291.50 feet pass the Southwest corner of a certain tract conveyed to MMGJ South Texas, LLC. By virtue of a Deed of Conveyance and Assignment and Bill of Sale Recorded under Document Number 2812871 Hidalgo County Official Records and the northwest corner of a certain tract conveyed to Jimmie Dean and Nancy Marlene Dreibelbis by virtue of a Warranty Deed recorded under Document Number 2812871 Hidalgo County Official Records and the northwest corner of a certain tract conveyed to Jimmie Dean

and Nancy Marlene Dreibelbis by virtue of a Warranty Deed recorded under Document Number 1877607, Hidalgo County Official Records, at a distance of 621.50 feet pass the Southwest corner of said certain tract conveyed to Jimmie Dean and Nancy Marlene Dreibelbis and the Northwest corner of Hall Acres Estates Subdivision according to the plat thereof recorded in Volume 49, Page 53, Hidalgo County Map Records, at a distance of 901.50 feet pass the existing North right-of-way of Hall Acres Estates Subdivision, at a distance of 931.50 feet pass a No. 4 rebar found on the existing North right-of-way line of Hall Acres Road, continuing a total distance of 951.50 feet to the POINT OF BEGINNING and containing 33.774 acres of which 0.437 of one acre lies within the right-of-way of Nebraska Avenue and 0.701 of one acre lies within the right-of-way of Hall Acres Road, leaving a net of 32.636 acre of land, more or less.

**SECTION II:** The service plan attached to this ordinance as **Exhibit “C”** and being the same service plan presented at the public hearing held regarding this annexation, is hereby approved by the City Commission of the City of San Juan, Texas provided that’s such service plan may be amended or repealed in accordance with Section 43.0672 of the Local Government Code, when in the opinion of the City Commission, changed conditions or subsequent occurrences make the plan unworkable or obsolete.

**SECTION III:** The herein above described property and the area so annexed shall be a part of the City of San Juan, Texas and the property so added hereby shall bear its pro rata share of taxes levied by the City of San Juan, Texas, and inhabitants thereof shall be entitled to all of the rights and privileges of the citizens of San Juan, Texas, in areas having similar characteristics of topography, land utilization and population density, and shall be bound by the acts ordinances, resolutions and regulations of the City of San Juan, Texas.

**SECTION IV:** The zoning of the property shall be classified as Single-Family Residence District (R-S).

**SECTION V:** Upon annexation of the herein above described property, the acreage within the city limits of San Juan after annexation will be increased in an amount which does not exceed the statutory limitation as set out in Chapter 43 of the Texas Local Government Code.

**SECTION VI:** Upon the approval of the second and final reading hereof, the City Secretary of the City of San Juan is hereby authorized and directed to cause a true and correct copy of the caption of this ordinance, including the general description of the property annexed to be published in a newspaper of general circulation in San Juan, Texas.

**SECTION VII:** If any part, phrase or sentence of this Ordinance is held void or unconstitutional by a Court or competent jurisdiction, or if any tract of land or portion of any tract of land hereby annexed shall be held to be ineligible for annexation or wrongfully annexed, the remaining portions of this Ordinance and the remaining tracts so annexed shall be considered severable and shall remain in full force and effect.

**SECTION VIII:** In accomplishing the annexation of the territory annexed by this Ordinance, the City of San Juan has strictly followed the provisions of State Law and the cases as they apply to annexations and any possible deviation from special provisions was unintentional and not material to the accomplishment of this annexation.

**PASSED** and **APPROVED** on first reading on the 8<sup>th</sup> day of August, 2023.

**PASSED** and **APPROVED** on second reading on the 22<sup>nd</sup> day of August, 2023.

**CITY OF SAN JUAN**

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**MARIO GARZA, Mayor**

**ATTEST:**

**APPROVED BY:**  
**Palacios, Garza & Thompson, P.C.**

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**BRENDA ESCALANTE**  
City Secretary

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**City Attorney**

**AGENDA ITEM AND RECOMMENDATION SUMMARY**  
**CITY COMMISSION REGULAR MEETING**  
**AUGUST 22, 2023**

Consider Approval of the Tax Collection Report for the Month of July 2023 [Leroy Gonzales, Director of Finance]

---

**STAFF COMMENTS AND RECOMMENDATIONS:**

Consider Approval of the Tax Collection Report for the Month of July 2023.

**RECOMMENDATION:**

Approve as Presented

**PREPARED BY:**

Leroy Gonzales,  
Director of Finance

**APPROVED BY:**

Benjamin Arjona, City  
Manager

---



Mayor: Mario Garza  
 Mayor Pro-Tem: Marco "Markie" Villegas  
 Commissioners: Ernesto "Neto" Guajardo  
 Leonardo "Lenny" Sanchez  
 Adina "Dina" Santillan

To: Benjamin Arjona, City Manager  
 From: Leroy Gonzales, Director of Finance  
 Date: August 15, 2023  
 Subject: Monthly Collection Report – July, 2023

Attached you will find the above referenced monthly tax collection report as submitted by Pablo "Paul" Villarreal Jr., County of Hidalgo, Tax Collector for the City of San Juan, Texas.

According to the property tax code, Section 10 **Reports and Remittances of Other Taxes**, "Each month the collector of taxes for a taxing unit shall prepare and submit to the governing body of the unit a written report made under oath accounting for all taxes collected for the unit during the preceding month".

The following summary is included into this memorandum for information purposes:

| Tax Year             | SUMMARY OF TAX LEVY COLLECTIONS |              |              |              |              |
|----------------------|---------------------------------|--------------|--------------|--------------|--------------|
|                      | 2022                            | 2021         | 2020         | 2019         | 2018         |
| Tax Levy             | 10,077,461.55                   | 9,088,383.56 | 8,178,632.33 | 7,793,728.78 | 7,286,363.64 |
| Adjustment to date   | 65,004.35                       | 65,817.85    | 267,480.56   | (31,767.84)  | (16,319.15)  |
| Adjusted Tax Levy    | 10,142,465.90                   | 9,154,201.41 | 8,446,112.79 | 7,761,960.94 | 7,270,044.49 |
| Collections to date  | 9,539,986.04                    | 8,834,000.89 | 8,133,995.20 | 7,396,436.76 | 6,913,739.06 |
| Percentage Collected | 94.59%                          | 96.50%       | 95.30%       | 95.29%       | 95.10%       |

A Property Tax Adjustments Report (by account) for the same month and prior months is available from the Finance Department.

If you have any questions, please do not hesitate in calling me at 956-223-2232.

C: Mayor, Mario Garza  
 Mayor Pro-Tem, Marco "Markie" Villegas  
 Commissioners: Ernesto "Neto" Guajardo  
 Leonardo "Lenny" Sanchez  
 Adina "Dina" Santillan

709 S. Nebraska Ave. • San Juan, Texas 78589-2649  
 Phone: (956)223-2200 • Fax: (956) 787-5978



**PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR  
CITY OF SAN JUAN TAXES COLLECTED FOR:  
JULY 2023**

**COMPARATIVE RATE OF COLLECTIONS**

| CITY OF SAN JUAN<br>CSJ (37) | ORIGINAL<br>TAX LEVY | COLLECTED<br>TO DATE | DROPPED YRS<br>AFTER PURGE | MODIF.<br>TO DATE | TAXES<br>OUTSTANDING | PERCENT<br>2022/2023 | COLLECTED<br>2021/2022 |
|------------------------------|----------------------|----------------------|----------------------------|-------------------|----------------------|----------------------|------------------------|
| 2022 TAX ROLL                | 10,077,461.55        | 9,593,986.04         |                            | 65,004.35         | 548,479.86           | 94.59%               | 95.82%                 |
| 2021 & PRIOR YRS             | 1,238,990.29         | 256,319.93           | (9,416.71)                 | (19,769.83)       | 953,483.82           | 21.19%               | 25.36%                 |
| ROLLBACK                     | 12,542.85            | 29,390.58            |                            | 21,262.94         | 4,415.21             | 86.94%               | 74.69%                 |
| <b>TOTALS</b>                | <b>11,328,994.69</b> | <b>9,879,696.55</b>  | <b>(9,416.71)</b>          | <b>66,497.46</b>  | <b>1,506,378.89</b>  |                      |                        |

**BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2023**

|                            | CITY OF SAN JUAN | MONTHLY<br>MODIFICATIONS |
|----------------------------|------------------|--------------------------|
| CURRENT YEAR-BASE TAX      | 69,347.49        | (1,868.95) CURRENT       |
| CURRENT YEAR-P&I           | 10,122.11        |                          |
| PRIOR YEARS-BASE TAX       | 17,720.67        | (564.82) PRIOR           |
| PRIOR YEARS-P&I            | 10,081.50        |                          |
| ROLLBACK                   |                  | - ROLLBACK               |
| ROLLBACK P&I               | -                |                          |
| ATTORNEY FEES              | 12,836.02        | (9,416.71) PURGED        |
| TOTAL COLLECTIONS          | 120,107.79       | (11,850.48)              |
| LESS TRANSFERRED           | 86,508.40        |                          |
| LESS IN TRANSIT            | 30,040.74        |                          |
| LESS DUE TO HCAD COMM. FEE | 14.65            |                          |
| LESS DUE TO CO TREASURER   | 3,544.00         |                          |

BALANCE

\*\*\*\*\*AFFIDAVIT\*\*\*\*\*

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE CITY OF SAN JUAN, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JULY 2023 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR CITY OF SAN JUAN, TEXAS

SWORN AND SUBSCRIBED BEFORE ME THIS 8TH DAY OF AUGUST 2023 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS





**PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR**  
**CITY OF SAN JUAN**  
**TAX COLLECTION REPORT**  
**FOR THE MONTH OF JULY 2023**

| <u>AD VALOREM - CITY OF SAN JUAN</u> | <u>2022-2023</u>    | <u>2021-2022</u>    | <u>DIFFERENCE</u> |
|--------------------------------------|---------------------|---------------------|-------------------|
| <b><u>2022 CURRENT</u></b>           |                     |                     |                   |
| ORIGINAL LEVY                        | 10,077,461.55       | 9,088,383.56        | 989,077.99        |
| MODIFICATIONS                        | 65,004.35           | 70,491.94           | (5,487.59)        |
| CURRENT LEVY                         | 10,142,465.90       | 9,158,875.50        | 983,590.40        |
| CURRENT COLLECTIONS THIS MONTH       | 69,347.49           | 63,471.43           | 5,876.06          |
| CURRENT COLLECTIONS TO DATE          | 9,593,986.04        | 8,776,259.67        | 817,726.37        |
| OUTSTANDING TO DATE                  | 548,479.86          | 382,615.83          | 165,864.03        |
| PERCENT COLLECTED/ORIGINAL           | 95.20%              | 96.57%              | -1.37%            |
| PERCENT COLLECTED/MODIFIED           | 94.59%              | 95.82%              | -1.23%            |
| <b>TOTAL COLLECTIONS FISCAL YEAR</b> | <b>9,593,986.04</b> | <b>8,776,259.67</b> |                   |
| <b><u>DELINQUENT</u></b>             |                     |                     |                   |
| ORIGINAL LEVY                        | 1,238,990.29        | 1,310,937.78        | (71,947.49)       |
| MODIFICATIONS                        | (29,186.54)         | (21,806.09)         | (7,380.45)        |
| DELINQUENT LEVY                      | 1,209,803.75        | 1,289,131.69        | (79,327.94)       |
| DELINQUENT COLLECTIONS THIS MONTH    | 17,720.67           | 22,650.93           | (4,930.26)        |
| DELINQUENT COLLECTIONS TO DATE       | 256,319.93          | 326,909.30          | (70,589.37)       |
| OUTSTANDING TO DATE                  | 953,483.82          | 962,222.39          | (8,738.57)        |
| PERCENT COLLECTED/ORIGINAL           | 20.69%              | 24.94%              | -4.25%            |
| PERCENT COLLECTED/MODIFIED           | 21.19%              | 25.36%              | -4.17%            |
| <b>TOTAL COLLECTIONS FISCAL YEAR</b> | <b>256,319.93</b>   | <b>326,909.30</b>   |                   |
| <b><u>ROLLBACK</u></b>               |                     |                     |                   |
| ORIGINAL LEVY                        | 12,542.85           | 8,033.72            | 4,509.13          |
| MODIFICATIONS                        | 21,262.94           | 11,264.86           | 9,998.08          |
| ROLLBACK LEVY                        | 33,805.79           | 19,298.58           | 14,507.21         |
| ROLLBACK COLLECTIONS THIS MONTH      | 0.00                | 0.00                | 0.00              |
| ROLLBACK COLLECTIONS TO DATE         | 29,390.58           | 14,414.64           | 14,975.94         |
| OUTSTANDING TO DATE                  | 4,415.21            | 4,883.94            | (468.73)          |
| PERCENT COLLECTED/ORIGINAL           | 234.32%             | 179.43%             | 54.89%            |
| PERCENT COLLECTED/MODIFIED           | 86.94%              | 74.69%              | 12.25%            |
| <b>TOTAL COLLECTIONS FISCAL YEAR</b> | <b>29,390.58</b>    | <b>14,414.64</b>    |                   |

PABLO (PAUL) VILLARREAL, JR., TAX ASSESSOR/COLLECTOR  
CITY OF SAN JUAN  
TAX COLLECTIONS FOR MONTH OF: JULY 2023

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| REPORT<br>DATE | CURR<br>BASE | CURR<br>P&I | CURR<br>RB | CURR<br>RB P&I | PRIOR<br>BASE | PRIOR<br>P&I | PRIOR<br>RB | RB<br>P&I | ATTY<br>FEES | ATTY<br>RBFEES | TOTAL      | TOTAL<br>TRANSF | DIFF.       | DATE OF<br>TRANSF. |
|----------------|--------------|-------------|------------|----------------|---------------|--------------|-------------|-----------|--------------|----------------|------------|-----------------|-------------|--------------------|
| 3-Jul          | 4,577.75     | 752.42      |            |                | 1,322.49      | 538.94       |             |           | 835.51       |                | 8,027.11   |                 | 8,027.11    |                    |
| 5-Jul          | 2,585.39     | 305.16      |            |                | 366.89        | 224.55       |             |           | 200.68       |                | 3,682.67   |                 | 3,682.67    |                    |
| 6-Jul          | 4,581.59     | 684.29      |            |                |               |              |             |           | 414.41       |                | 5,680.29   |                 | 5,680.29    |                    |
| 7-Jul          | 2,123.58     | 241.29      |            |                | 1,062.94      | 1,704.90     |             |           | 427.42       |                | 5,560.13   | 19,406.20       | (13,846.07) | 13-Jul             |
| 10-Jul         | 2,005.96     | 268.14      |            |                | 2,641.36      | 857.83       |             |           | 753.71       |                | 6,527.00   |                 | 6,527.00    |                    |
| 11-Jul         | 865.44       | 82.35       |            |                | 152.49        | 211.28       |             |           | 106.38       |                | 1,417.94   |                 | 1,417.94    |                    |
| 12-Jul         | 2,418.69     | 394.42      |            |                | 752.48        | 217.52       |             |           | 508.66       |                | 4,291.77   |                 | 4,291.77    |                    |
| 13-Jul         | 3,820.79     | 576.72      |            |                | 288.96        | 25.28        |             |           | 350.33       |                | 5,042.08   |                 | 5,042.08    |                    |
| 14-Jul         | 2,043.70     | 326.70      |            |                | 220.25        | 173.84       |             |           | 364.34       |                | 3,128.83   |                 | 3,128.83    |                    |
| 15-Jul         | (1,355.57)   | -           |            |                | (1,010.56)    | -            |             |           | -            |                | (2,366.13) | 18,041.49       | (20,407.62) | 21-Jul             |
| 17-Jul         | 5,392.64     | 811.80      |            |                | 355.57        | 139.08       |             |           | 868.43       |                | 7,567.52   | 7,567.52        | -           | 24-Jul             |
| 18-Jul         | 5,913.32     | 949.60      |            |                | 4,011.87      | 1,242.95     |             |           | 1,707.29     |                | 13,825.03  | 13,825.03       | 0.00        | 25-Jul             |
| 19-Jul         | 852.57       | 141.63      |            |                | 430.13        | 241.81       |             |           | 239.13       |                | 1,905.27   | 1,905.27        | -           | 26-Jul             |
| 20-Jul         | 6,068.44     | 981.17      |            |                | 282.57        | 129.33       |             |           | 1,019.11     |                | 8,480.62   | 8,480.62        | (0.00)      | 27-Jul             |
| 21-Jul         | 5,649.94     | 884.26      |            |                | 334.64        | 100.39       |             |           | 900.14       |                | 7,869.37   | 7,869.37        | 0.00        | 28-Jul             |
| 24-Jul         | 1,529.61     | 171.65      |            |                | 3,609.99      | 2,957.55     |             |           | 1,144.10     |                | 9,412.90   | 9,412.90        | -           | 31-Jul             |
| 25-Jul         | 3,439.15     | 550.06      |            |                | 269.89        | 109.65       |             |           | 594.95       |                | 4,963.70   | 4,963.70        | -           | 1-Aug              |
| 26-Jul         | 2,910.30     | 185.09      |            |                | 605.00        | 387.72       |             |           | 309.20       |                | 4,397.31   | 4,397.31        | -           | 2-Aug              |
| 27-Jul         | 4,068.69     | 582.20      |            |                | 502.03        | 215.96       |             |           | 659.90       |                | 6,028.78   | 6,028.78        | -           | 3-Aug              |
| 28-Jul         | 4,744.30     | 667.25      |            |                | 345.12        | 167.64       |             |           | 709.30       |                | 6,633.61   | 6,633.61        | 0.00        | 4-Aug              |
| 31-Jul         | 5,111.21     | 565.91      |            |                | 1,196.56      | 435.28       |             |           | 723.03       |                | 8,031.99   | 8,017.34        | 14.65       | 8-Aug              |
|                |              |             |            |                |               |              |             |           |              |                | -          | -               | -           |                    |
|                |              |             |            |                |               |              |             |           |              |                | -          | -               | -           |                    |
|                |              |             |            |                |               |              |             |           |              |                | -          | -               | -           |                    |
|                |              |             |            |                |               |              |             |           |              |                | -          | -               | -           |                    |
|                |              |             |            |                |               |              |             |           |              |                | -          | -               | -           |                    |
|                |              |             |            |                |               |              |             |           |              |                | -          | -               | -           |                    |
| TTL            | 69,347.49    | 10,122.11   | 0.00       | 0.00           | 17,720.67     | 10,081.50    | 0.00        | 0.00      | 12,836.02    | 0.00           | 120,107.79 | 116,549.14      | 3,558.65    |                    |

|                        |            |
|------------------------|------------|
| OVERALL TOTAL          | 120,107.79 |
| LESS REFUNDS           | 0.00       |
| LESS HCAD COMM FEES    | 14.65      |
| LESS COMM/COST         | 3,544.00   |
| BALANCE                | 116,549.14 |
| LESS TRANSFERRED       | 86,508.40  |
| LESS TRANSF IN TRANSIT | 30,040.74  |
| BALANCE PENDING        | 0.00       |

TAX COLLECTION SYSTEM  
TAX COLLECTOR MONTHLY REPORT  
FROM 07/01/2023 TO 07/31/2023

EXCLUDES AG ROLLBACK

FISCAL START: 10/01/2022 END: 09/30/2023 JURISDICTION: 0037 CITY OF SAN JUAN

| YEAR | TAXES DUE     | MONTH ADJ  | ADJUSTMENT YTD | LEVY PAID | PAID YTD     | BALANCE      | COLL % | YTD UNCOLL | CURRENT YEAR | CERT TAXABLE VALUE | ADJUSTMENTS | ADJ TAX VALUE | TAX RATE  | TAX LEVY      | PAID ACCTS |
|------|---------------|------------|----------------|-----------|--------------|--------------|--------|------------|--------------|--------------------|-------------|---------------|-----------|---------------|------------|
|      |               |            |                |           |              |              |        |            |              | 1,537,667,138      | 10,989,353  | 1,548,656,491 | 00.676500 | 10,142,465.90 | 12,421     |
| 2022 | 10,077,461.55 | 1,868.95-  | 65,004.35      | 69,347.49 | 9,593,986.04 | 548,479.86   | 94.59  | 0.00       |              |                    |             |               |           |               |            |
| 2021 | 320,200.52    | 1,010.56-  | 18,164.45-     | 9,775.41  | 141,161.83   | 160,874.24   | 46.74  | 0.00       |              |                    |             |               |           |               |            |
| 2020 | 134,486.85    | 445.74     | 998.10-        | 1,898.08  | 39,066.00    | 94,422.75    | 29.27  | 0.00       |              |                    |             |               |           |               |            |
| 2019 | 95,105.83     | .00        | 214.08-        | 762.76    | 18,347.29    | 76,544.46    | 19.33  | 0.00       |              |                    |             |               |           |               |            |
| 2018 | 74,157.05     | 5,188.52-  | 5,326.87-      | 884.41    | 14,191.74    | 54,638.44    | 20.62  | 0.00       |              |                    |             |               |           |               |            |
| 2017 | 59,165.82     | .00        | 254.85-        | 626.98    | 8,091.77     | 50,819.20    | 13.74  | 0.00       |              |                    |             |               |           |               |            |
| 2016 | 53,419.08     | .00        | 0.00           | 398.08    | 4,974.72     | 48,444.36    | 9.31   | 0.00       |              |                    |             |               |           |               |            |
| 2015 | 50,079.67     | .00        | 0.00           | 595.73    | 3,656.07     | 46,423.60    | 7.30   | 0.00       |              |                    |             |               |           |               |            |
| 2014 | 44,118.74     | .00        | 0.00           | 289.83    | 3,019.07     | 41,099.67    | 6.84   | 0.00       |              |                    |             |               |           |               |            |
| 2013 | 41,794.16     | .00        | 0.00           | 400.94    | 3,232.11     | 38,562.05    | 7.73   | 0.00       |              |                    |             |               |           |               |            |
| 2012 | 40,257.50     | .00        | 0.00           | 223.74    | 3,377.35     | 36,880.15    | 8.39   | 0.00       |              |                    |             |               |           |               |            |
| 2011 | 51,672.62     | .00        | 0.00           | 238.96    | 2,280.76     | 49,391.86    | 4.41   | 0.00       |              |                    |             |               |           |               |            |
| 2010 | 36,688.72     | 68.99-     | 68.99-         | 304.13    | 2,869.29     | 33,750.44    | 7.84   | 0.00       |              |                    |             |               |           |               |            |
| 2009 | 36,853.00     | 71.81-     | 71.81-         | 109.95    | 1,840.05     | 34,941.14    | 5.00   | 0.00       |              |                    |             |               |           |               |            |
| 2008 | 30,500.98     | 197.83-    | 197.83-        | 0.00      | 2,216.47     | 28,086.68    | 7.31   | 0.00       |              |                    |             |               |           |               |            |
| 2007 | 27,360.14     | 410.14-    | 410.14-        | 64.53     | 1,055.77     | 25,894.23    | 3.92   | 0.00       |              |                    |             |               |           |               |            |
| 2006 | 23,796.93     | 418.45-    | 418.45-        | 22.74     | 725.27       | 22,653.21    | 3.10   | 0.00       |              |                    |             |               |           |               |            |
| 2005 | 20,302.93     | 425.07-    | 425.07-        | 0.00      | 424.55       | 19,453.31    | 2.14   | 0.00       |              |                    |             |               |           |               |            |
| 2004 | 14,812.52     | 244.51-    | 244.51-        | 0.00      | 162.78       | 14,405.23    | 1.12   | 0.00       |              |                    |             |               |           |               |            |
| 2003 | 15,335.78     | 254.76-    | 254.76-        | 123.47    | 513.20       | 14,567.82    | 3.40   | 0.00       |              |                    |             |               |           |               |            |
| 2002 | 12,750.47     | 851.56-    | 851.56-        | 432.52    | 1,179.01     | 10,719.90    | 9.91   | 0.00       |              |                    |             |               |           |               |            |
| 2001 | 56,130.98     | 1,285.07-  | 1,285.07-      | 566.41    | 3,934.83     | 50,911.08    | 7.17   | 0.00       |              |                    |             |               |           |               |            |
| ***  | 11,316,451.84 | 11,850.48- | 35,817.81      | 87,068.16 | 9,850,305.97 | 1,501,963.68 |        | 0.00       |              |                    |             |               |           |               |            |
| CURR | 10,077,461.55 | 1,868.95-  | 65,004.35      | 69,347.49 | 9,593,986.04 | 548,479.86   |        | 0.00       |              |                    |             |               |           |               |            |
| DEIQ | 1,238,990.29  | 9,981.53-  | 29,186.54-     | 17,720.67 | 256,319.93   | 953,483.82   |        | 0.00       |              |                    |             |               |           |               |            |

CITY OF SAN JUAN, TEXAS  
AS OF July, 2023

**Levy 2022 (22-23 YR)**

|               |               |               |               |               |               |               |               |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 10,077,461.55 | OCT 2022      | NOV 2022      | DEC 2022      | JAN 2023      | FEB 2023      | MAR 2023      | APR 2023      | MAY 2023      | JUN 2023      | JUL 2023      | AUG 2023      | SEPT 2023     |
| Adjustments   | 99,593.52     | 96,837.99     | 97,275.55     | 83,331.89     | 72,687.63     | 67,971.89     | 68,311.03     | 67,068.30     | 66,873.30     | 65,004.35     | -             | -             |
| Adjstd Levy   | 10,177,055.07 | 10,174,299.54 | 10,174,737.10 | 10,160,793.44 | 10,150,149.18 | 10,145,433.44 | 10,145,772.58 | 10,144,529.85 | 10,144,334.85 | 10,142,465.90 | 10,077,461.55 | 10,077,461.55 |
| Collections   | 72,408.80     | 797,569.82    | 4,710,294.63  | 8,210,592.37  | 8,854,048.72  | 9,231,430.81  | 9,343,762.57  | 9,440,809.10  | 9,524,638.55  | 9,593,986.04  | -             | -             |
| Percentage    | 0.71          | 7.84          | 46.29         | 80.81         | 87.23         | 90.99         | 92.10         | 93.06         | 93.89         | 94.59         | -             | -             |

2022

**Levy 2021 (21-22 YR)**

|              |              |              |              |              |              |              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 9,088,383.56 | OCT 2021     | NOV 2021     | DEC 2021     | JAN 2022     | FEB 2022     | MAR 2022     | APR 2022     | MAY 2022     | JUN 2022     | JUL 2022     | AUG 2022     | SEPT 2022    |
| Adjustments  | 103,468.54   | 102,204.24   | 96,189.28    | 92,010.27    | 86,694.75    | 74,038.53    | 73,011.86    | 71,058.66    | 70,491.94    | 70,491.94    | 65,817.85    | 65,817.85    |
| Adjstd Levy  | 9,191,852.10 | 9,190,587.80 | 9,184,572.84 | 9,180,393.83 | 9,175,078.31 | 9,162,422.09 | 9,161,395.42 | 9,159,442.22 | 9,158,875.50 | 9,158,875.50 | 9,154,201.41 | 9,154,201.41 |
| Collections  | 117,479.56   | 889,430.88   | 4,817,789.68 | 7,399,067.11 | 8,108,720.86 | 8,399,334.17 | 8,541,246.35 | 8,637,705.74 | 8,712,788.24 | 8,776,259.67 | 8,805,648.29 | 8,834,000.89 |
| Percentage   | 1.28         | 9.68         | 52.46        | 80.60        | 88.38        | 91.67        | 93.23        | 94.30        | 95.13        | 95.82        | 96.19        | 96.50        |

2021

**Levy 2020 (20-21 YR)**

|              |              |              |              |              |              |              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 8,178,632.23 | OCT 2020     | NOV 2020     | DEC 2020     | JAN 2021     | FEB 2021     | MAR 2021     | APR 2021     | MAY 2021     | JUN 2021     | JUL 2021     | AUG 2021     | SEPT 2021    |
| Adjustments  | 286,189.51   | 287,603.92   | 287,434.23   | 281,486.41   | 277,644.91   | 269,697.34   | 268,515.52   | 268,245.14   | 267,796.38   | 267,796.38   | 267,480.56   | 267,480.56   |
| Adjstd Levy  | 8,464,821.74 | 8,466,236.15 | 8,466,066.46 | 8,460,118.64 | 8,456,277.14 | 8,448,329.57 | 8,447,147.75 | 8,446,877.37 | 8,446,428.61 | 8,446,428.61 | 8,446,112.79 | 8,446,112.79 |
| Collections  | 130,555.94   | 684,177.98   | 3,953,871.77 | 6,761,511.71 | 7,363,117.19 | 7,730,743.55 | 7,883,151.58 | 7,958,400.88 | 8,038,910.70 | 8,088,931.19 | 8,112,398.19 | 8,133,995.20 |
| Percentage   | 1.54         | 8.08         | 46.70        | 79.92        | 87.07        | 91.51        | 93.32        | 94.22        | 95.18        | 95.77        | 96.05        | 96.30        |

2020

**Levy 2019 (19-20 YR)**

|              |              |              |              |              |              |              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 7,793,728.78 | OCT 2019     | NOV 2019     | DEC 2019     | JAN 2020     | FEB 2020     | MAR 2020     | APR 2020     | MAY 2020     | JUN 2020     | JUL 2020     | AUG 2020     | SEPT 2020    |
| Adjustments  | (2,881.85)   | (8,507.53)   | (10,226.02)  | (12,344.25)  | (8,461.48)   | (24,205.85)  | (24,205.85)  | (26,575.44)  | (26,496.84)  | (31,605.07)  | (31,605.07)  | (31,605.07)  |
| Adjstd Levy  | 7,790,846.93 | 7,785,221.25 | 7,781,502.76 | 7,781,384.53 | 7,785,267.30 | 7,769,522.93 | 7,769,522.93 | 7,767,153.34 | 7,767,231.94 | 7,762,123.71 | 7,762,123.71 | 7,761,960.94 |
| Collections  | 175,292.78   | 640,774.22   | 3,552,655.97 | 6,112,934.56 | 6,653,965.90 | 6,935,008.58 | 7,038,803.16 | 7,163,810.26 | 7,269,120.58 | 7,334,802.90 | 7,369,890.49 | 7,396,486.76 |
| Percentage   | 2.25         | 8.23         | 45.64        | 78.56        | 85.47        | 89.26        | 90.60        | 92.23        | 93.59        | 94.49        | 94.95        | 95.29        |

2019

**Levy 2018 (18-19 YR)**

|              |              |              |              |              |              |              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 7,286,363.64 | OCT 2018     | NOV 2018     | DEC 2018     | JAN 2019     | FEB 2019     | MAR 2019     | APR 2019     | MAY 2019     | JUN 2019     | JUL 2019     | AUG 2019     | SEPT 2019    |
| Adjustments  | (1,478.12)   | (296.36)     | (1,465.69)   | (6,625.78)   | (9,052.85)   | (11,708.08)  | (13,529.11)  | (14,311.16)  | (14,818.41)  | (14,818.41)  | (14,818.41)  | (16,319.15)  |
| Adjstd Levy  | 7,286,363.64 | 7,286,067.28 | 7,284,897.95 | 7,279,737.86 | 7,277,310.79 | 7,274,655.56 | 7,272,834.53 | 7,272,052.48 | 7,271,545.23 | 7,271,545.23 | 7,271,545.23 | 7,270,044.49 |
| Collections  | 40,446.92    | 465,847.78   | 3,420,804.86 | 5,752,692.83 | 6,215,142.89 | 6,505,324.90 | 6,627,411.69 | 6,726,104.39 | 6,801,180.60 | 6,848,618.95 | 6,886,059.71 | 6,913,739.06 |
| Percentage   | 0.56         | 6.39         | 46.96        | 79.02        | 85.40        | 89.42        | 91.13        | 92.49        | 93.53        | 94.18        | 94.70        | 95.10        |

2018

**Levy 2017 (17-18 YR)**

|              |              |              |              |              |              |              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 7,112,363.88 | OCT 2017     | NOV 2017     | DEC 2017     | JAN 2018     | FEB 2018     | MAR 2018     | APR 2018     | MAY 2018     | JUN 2018     | JUL 2018     | AUG 2018     | SEPT 2018    |
| Adjustments  | 10,342.19    | 7,030.81     | 19,613.03    | 15,576.11    | 6,300.15     | 5,051.36     | (822.12)     | (3,283.89)   | (3,543.48)   | (3,543.48)   | (4,428.76)   | (4,985.64)   |
| Adjstd Levy  | 7,122,706.07 | 7,119,394.69 | 7,131,976.91 | 7,127,939.99 | 7,118,664.03 | 7,117,415.24 | 7,111,541.76 | 7,109,077.99 | 7,108,820.40 | 7,108,820.40 | 7,107,935.12 | 7,107,378.24 |
| Collections  | 39,756.60    | 482,899.51   | 3,199,539.87 | 5,537,376.14 | 6,069,205.04 | 6,342,559.09 | 6,465,719.48 | 6,561,382.23 | 6,639,410.61 | 6,693,744.82 | 6,734,386.80 | 6,751,777.82 |
| Percentage   | 0.56         | 6.78         | 44.86        | 77.69        | 85.26        | 89.11        | 90.92        | 92.30        | 93.40        | 94.16        | 94.74        | 95.00        |

2017

**Levy 2016 (16-17 YR)**

|              |              |              |              |              |              |              |              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 6,638,277.98 | OCT 2016     | NOV 2016     | DEC 2016     | JAN 2017     | FEB 2017     | MAR 2017     | APR 2017     | MAY 2017     | JUN 2017     | JUL 2017     | AUG 2017     | SEPT 2017    |
| Adjustments  | (2,244.53)   | (3,422.70)   | (7,758.17)   | (10,913.72)  | (10,913.72)  | (15,052.40)  | (16,154.85)  | (15,889.62)  | (16,537.42)  | (16,537.42)  | (16,537.42)  | (19,259.27)  |
| Adjstd Levy  | 6,636,033.45 | 6,634,855.28 | 6,630,519.81 | 6,627,364.26 | 6,627,364.26 | 6,623,225.58 | 6,622,123.13 | 6,622,388.36 | 6,621,740.56 | 6,621,740.56 | 6,621,740.56 | 6,619,018.71 |

|                             |              |              |              |              |              |              |              |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Collections                 | 38,038.02    | 484,217.14   | 2,932,614.30 | 5,130,709.37 | 5,593,914.24 | 5,874,412.22 | 5,981,376.95 | 6,063,246.26 | 6,135,073.86 | 6,173,392.85 | 6,211,806.10 | 6,232,308.52 |
| Percentage                  | 0.57         | 7.30         | 44.23        | 77.42        | 84.41        | 88.69        | 90.32        | 91.56        | 92.65        | 93.23        | 93.81        | 94.16        |
| <b>Levy 2015 (15-16 YR)</b> |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjustments                 | 16,923.38    | 16,343.86    | 15,174.33    | 12,248.13    | 3,359.23     | 2,743.56     | 3,689.88     | 3,689.88     | 3,643.08     | 3,453.65     | 3,453.65     | 2,492.92     |
| Adjstid Levy                | 6,380,908.89 | 6,380,329.37 | 6,379,159.84 | 6,376,233.64 | 6,367,344.74 | 6,366,729.07 | 6,367,675.39 | 6,367,675.39 | 6,367,628.59 | 6,367,439.16 | 6,366,478.43 | 6,366,478.43 |
| Collections                 | 30,228.48    | 473,930.57   | 2,957,041.48 | 4,868,335.42 | 5,383,897.22 | 5,636,678.33 | 5,759,686.01 | 5,836,094.81 | 5,909,114.77 | 5,945,053.31 | 5,978,898.45 | 6,006,559.85 |
| Percentage                  | 0.47         | 7.43         | 46.35        | 76.35        | 84.55        | 88.53        | 90.45        | 91.65        | 92.80        | 93.37        | 93.90        | 94.35        |
| <b>Levy 2014 (14-15 YR)</b> |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjustments                 | 60,733.51    | 60,140.93    | 56,698.99    | 53,665.41    | 34,316.60    | 24,796.93    | 23,579.34    | 27,488.04    | 24,224.31    | 23,656.24    | 22,138.85    | 22,138.85    |
| Adjstid Levy                | 6,123,607.81 | 6,123,015.23 | 6,119,573.29 | 6,116,539.71 | 6,097,590.90 | 6,087,671.23 | 6,086,453.64 | 6,090,362.34 | 6,087,098.61 | 6,086,530.54 | 6,085,013.15 | 6,085,013.15 |
| Collections                 | 16,215.04    | 492,588.40   | 2,645,528.79 | 4,602,715.11 | 5,106,457.36 | 5,336,845.78 | 5,422,212.16 | 5,505,371.53 | 5,593,139.34 | 5,669,786.37 | 5,702,816.66 | 5,720,270.90 |
| Percentage                  | 0.26         | 8.04         | 43.23        | 75.25        | 83.75        | 87.67        | 89.09        | 90.39        | 91.89        | 93.15        | 93.72        | 94.01        |
| <b>Levy 2013 (13-14 YR)</b> |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjustments                 | 34.83        | 4,339.90     | 2,590.79     | (5,378.19)   | (6,015.81)   | (8,260.56)   | (11,819.73)  | (8,375.80)   | (12,883.52)  | (15,059.23)  | (15,348.77)  | (16,498.87)  |
| Adjstid Levy                | 6,026,934.98 | 6,031,309.71 | 6,029,560.60 | 6,021,591.62 | 6,020,954.00 | 6,018,709.25 | 6,015,150.08 | 6,018,594.01 | 6,014,086.29 | 6,011,910.58 | 6,011,621.04 | 6,010,470.94 |
| Collections                 | 32,279.62    | 601,876.01   | 2,596,943.90 | 4,373,398.17 | 4,986,813.44 | 5,265,476.99 | 5,363,199.71 | 5,431,795.38 | 5,510,781.54 | 5,573,532.08 | 5,598,332.25 | 5,620,809.41 |
| Percentage                  | 0.54         | 9.98         | 43.07        | 72.63        | 82.82        | 87.49        | 89.16        | 90.25        | 91.63        | 92.71        | 93.13        | 93.52        |
| <b>Levy 2012 (12-13 YR)</b> |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjustments                 | -            | -            | 7,624.63     | 8,071.65     | 6,337.14     | 25,567.07    | (6,855.00)   | (7,107.30)   | (13,669.36)  | (13,669.36)  | (14,510.29)  | (15,355.04)  |
| Adjstid Levy                | 5,863,668.66 | 5,863,668.66 | 5,871,293.29 | 5,871,740.31 | 5,870,005.80 | 5,889,235.73 | 5,856,813.66 | 5,856,561.36 | 5,849,999.30 | 5,849,999.30 | 5,849,158.37 | 5,848,313.62 |
| Collections                 | 2,857.95     | 394,574.30   | 2,403,399.43 | 4,142,161.70 | 4,771,528.55 | 5,056,363.27 | 5,208,931.41 | 5,298,704.35 | 5,376,134.09 | 5,421,008.00 | 5,450,025.91 | 5,464,167.23 |
| Percentage                  | 0.05         | 6.73         | 40.93        | 70.54        | 81.29        | 85.86        | 88.94        | 90.47        | 91.90        | 92.67        | 93.18        | 93.43        |
| <b>Levy 2011 (FY 11-12)</b> |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjustments                 | (434.68)     | 9,757.00     | 7,191.02     | 6,935.04     | 6,744.28     | 2,616.92     | 1,327.13     | (8,800.15)   | (8,800.15)   | (8,800.15)   | (8,800.15)   | (16,234.68)  |
| Adjstid Levy                | 5,806,908.21 | 5,817,099.89 | 5,814,533.91 | 5,814,277.93 | 5,814,087.17 | 5,809,959.81 | 5,808,670.02 | 5,798,542.74 | 5,798,542.74 | 5,798,542.74 | 5,798,542.74 | 5,791,108.21 |
| Collections                 | 25,371.26    | 392,871.83   | 2,396,193.95 | 4,155,865.79 | 4,708,746.12 | 4,965,341.54 | 5,065,102.65 | 5,150,088.82 | 5,222,129.74 | 5,277,964.33 | 5,311,263.11 | 5,330,189.09 |
| Percentage                  | 0.44         | 6.75         | 41.21        | 71.48        | 80.99        | 85.46        | 87.20        | 88.82        | 90.06        | 91.02        | 91.60        | 92.04        |
| <b>Levy 2010 (FY 10-11)</b> |              |              |              |              |              |              |              |              |              |              |              |              |
| Adjustments                 | (369.63)     | (2,132.72)   | (365.30)     | (4,388.62)   | (4,901.42)   | (5,178.87)   | (6,706.52)   | (2,962.02)   | (4,257.62)   | (11,079.53)  | (11,173.60)  | (11,810.88)  |
| Adjstid Levy                | 5,688,989.97 | 5,687,228.88 | 5,688,994.30 | 5,684,970.98 | 5,684,458.18 | 5,684,180.73 | 5,682,653.08 | 5,686,397.58 | 5,685,101.98 | 5,678,280.07 | 5,678,186.00 | 5,677,548.72 |
| Collections                 | 11,208.32    | 303,322.85   | 2,229,933.43 | 3,961,301.50 | 4,493,973.39 | 4,795,345.18 | 4,910,935.95 | 5,002,794.49 | 5,110,911.55 | 5,160,040.97 | 5,182,936.93 | 5,202,931.77 |
| Percentage                  | 0.20         | 5.33         | 39.20        | 69.68        | 79.06        | 84.36        | 86.42        | 87.98        | 89.90        | 90.87        | 91.28        | 91.64        |



| Levy 2009 (FY 09-10)        |              |              |              |              |              |              |              |              |              |              |              |                 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
|                             | OCT 09       | NOV 09       | DEC 09       | JAN 10       | FEB 10       | MAR 10       | APR 10       | MAY 10       | JUN 10       | JUL 10       | AUG 10       | SEP 10          |
| 5,701,885.79                |              |              |              |              |              |              |              |              |              |              |              |                 |
| Adjustments                 | -            | 7,424.84     | 16,530.13    | 14,684.93    | 14,684.93    | (14,062.27)  | (15,130.69)  | (14,892.39)  | (21,523.95)  | (22,109.34)  | (23,755.08)  | (24,108.71)     |
| Adjusted Levy               | 5,701,885.79 | 5,709,310.63 | 5,718,415.92 | 5,716,570.72 | 5,716,570.72 | 5,687,823.52 | 5,686,755.10 | 5,686,993.40 | 5,680,361.84 | 5,679,776.45 | 5,678,130.71 | 5,677,777.08    |
| Collections                 | 20,202.08    | 312,328.39   | 2,062,388.58 | 3,825,229.28 | 4,409,951.58 | 4,628,745.47 | 4,740,932.15 | 4,854,551.44 | 4,950,637.34 | 5,007,393.58 | 5,051,197.80 | 5,080,118.00    |
| Percentage                  | 0.35         | 5.47         | 36.07        | 66.91        | 77.14        | 81.38        | 83.37        | 85.36        | 87.15        | 88.16        | 88.96        | 89.47           |
| Levy 2008 (FY 08-09)        |              |              |              |              |              |              |              |              |              |              |              |                 |
|                             | OCT 08       | NOV 08       | DEC 08       | JAN 09       | FEB 09       | MAR 09       | APR 09       | MAY 09       | JUN 09       | JUL 09       | AUG 09       | SEP 09          |
| 5,024,376.42                |              |              |              |              |              |              |              |              |              |              |              |                 |
| Adjustments                 | 2,627.82     | 36,019.13    | 60,676.90    | 60,676.90    | 52,123.47    | 29,177.11    | 27,155.50    | 23,864.16    | 23,055.80    | 23,055.80    | 23,047.86    | 22,638.15       |
| Adjusted Levy               | 5,027,004.24 | 5,060,395.55 | 5,085,053.32 | 5,085,053.32 | 5,076,499.89 | 5,053,553.53 | 5,031,531.92 | 5,048,240.58 | 5,047,432.22 | 5,047,432.22 | 5,047,424.28 | 5,047,014.57    |
| Collections                 | 58,594.96    | 304,883.37   | 1,731,394.12 | 3,322,372.84 | 3,910,956.49 | 4,110,332.08 | 4,204,850.46 | 4,313,453.83 | 4,404,354.93 | 4,469,283.70 | 4,497,381.41 | 4,525,948.61    |
| Percentage                  | 1.17         | 6.02         | 34.05        | 65.34        | 77.04        | 81.34        | 83.24        | 85.44        | 87.26        | 88.55        | 89.10        | 89.68           |
| Levy 2007 (FY 07-08)        |              |              |              |              |              |              |              |              |              |              |              |                 |
|                             | OCT 07       | NOV 07       | DEC 07       | JAN 08       | FEB 08       | MAR 08       | APR 08       | MAY 08       | JUN 08       | JUL 08       | AUG 08       | SEP 08          |
| 4,465,732.01                |              |              |              |              |              |              |              |              |              |              |              |                 |
| Adjustments                 | 5,634.29     | 25,650.41    | 26,468.55    | 26,317.38    | 23,912.91    | 53,985.03    | 70,876.85    | 70,208.10    | 75,527.65    | 75,857.78    | 75,857.78    | 71,443.44       |
| Adjusted Levy               | 4,471,366.30 | 4,491,382.42 | 4,492,200.56 | 4,492,049.39 | 4,489,644.92 | 4,519,717.04 | 4,536,608.86 | 4,535,940.11 | 4,541,259.66 | 4,541,589.79 | 4,541,589.79 | 4,537,175.45    |
| Collections                 | -            | 174,014.26   | 1,414,513.24 | 2,700,830.81 | 3,404,823.73 | 3,610,562.37 | 3,725,312.50 | 3,818,853.23 | 3,936,124.72 | 3,996,774.34 | 4,047,092.33 | 4,084,101.82    |
| Percentage                  | -            | 3.87         | 31.49        | 60.12        | 75.84        | 79.88        | 82.12        | 84.19        | 86.67        | 88.00        | 89.11        | 90.01           |
| Levy 2006 (FY 06-07)        |              |              |              |              |              |              |              |              |              |              |              |                 |
|                             | OCT 06       | NOV 06       | DEC 06       | JAN 07       | FEB 07       | MAR 07       | APR 07       | MAY 07       | JUN 07       | JUL 07       | AUG 07       | SEP 07          |
| 3,969,895.75                |              |              |              |              |              |              |              |              |              |              |              |                 |
| Adjustments                 | 652.70       | 3,094.18     | 3,880.78     | 2,673.19     | 2,956.92     | 1,511.22     | 1,882.04     | 4476.77      | 4,476.77     | 4,196.49     | 3,820.62     | 3,820.62        |
| Adjusted Levy               | 3,970,548.45 | 3,972,989.93 | 3,973,776.53 | 3,972,568.94 | 3,972,852.67 | 3,971,406.97 | 3,971,777.79 | 3,974,372.52 | 3,974,372.52 | 3,974,092.24 | 3,973,716.37 | 3,973,716.37    |
| Collections                 | 7,623.95     | 256,052.80   | 1,252,142.50 | 2,367,711.39 | 2,955,181.63 | 3,152,274.42 | 3,241,653.45 | 3,311,256.82 | 3,396,702.55 | 3,450,406.31 | 3,507,247.07 | 3,543,750.21    |
| Percentage                  | 0.19         | 6.44         | 31.51        | 59.60        | 74.38        | 79.37        | 81.62        | 83.32        | 85.47        | 86.82        | 88.26        | 89.18           |
| Levy 2005 (FY 05-06)        |              |              |              |              |              |              |              |              |              |              |              |                 |
|                             | OCT 05       | NOV 05       | DEC 05       | JAN 06       | FEB 06       | MAR 06       | APR 06       | MAY 06       | JUN 06       | JUL 06       | AUG 06       | SEP 06          |
| 3,624,334.79                |              |              |              |              |              |              |              |              |              |              |              |                 |
| Adjustments                 | 11,601.05    | 27,324.77    | 27,418.24    | 26,296.99    | 25,427.27    | 25,748.58    | 25,804.16    | 25,728.96    | 25,963.46    | 25,963.46    | 25,282.63    | 24,069.10       |
| Adjusted Levy               | 3,635,935.84 | 3,651,659.56 | 3,651,753.03 | 3,650,631.78 | 3,649,762.06 | 3,650,083.37 | 3,650,138.95 | 3,650,063.75 | 3,650,298.25 | 3,650,298.25 | 3,649,617.42 | 3,648,403.89    |
| Collections                 | 235,068.44   | 1,216,067.43 | 1,485,867.17 | 2,145,921.90 | 2,680,117.58 | 2,859,160.58 | 2,942,344.67 | 3,001,789.83 | 3,069,943.94 | 3,123,142.83 | 3,160,234.59 | 3,184,175.39    |
| Percentage                  | 6.47         | 33.30        | 40.69        | 58.78        | 73.43        | 78.33        | 80.61        | 82.24        | 84.10        | 85.56        | 86.59        | 87.28           |
| PREPARED BY: Leroy Gonzales |              |              |              |              |              |              |              |              |              |              |              | August 15, 2023 |