

PUBLIC NOTICE
AGENDA
LOCKHART CITY COUNCIL
January 7, 2025
CLARK LIBRARY ANNEX-COUNCIL CHAMBERS
217 SOUTH MAIN STREET, 3RD FLOOR
LOCKHART, TEXAS

6:30 P.M. WORK SESSION (No Action)

Work session will be held to receive briefings and to initially discuss all items contained on the Agenda posted for 7:30 p.m. Generally, this work session is to simplify issues as it relates to the agenda items. No vote will be taken on any issues discussed or reviewed during the work session except to the extent specifically authorized under the Texas Open Meetings Act.

DISCUSSION ONLY

- A. Recognition of Mr. Chris Miller, new Executive Director of CAPCOG. **4-6**
- B. Receive an update from SH130 Concessions regarding traffic signal timing at the intersection of West San Antonio Street. **7-7**
- C. Receive an update from TxDOT regarding the Mockingbird Lane and West San Antonio Street traffic signal and intersection improvements including restriping from Borchert Lane to downtown. **8-11**
- D. Discussion Resolution 2025-01 amending the Mill Scale Chapter 380 Agreement and adjustment of employment numbers. **12-26**

7:30 P.M. REGULAR MEETING

1. CALL TO ORDER

Mayor Lew White

2. INVOCATION, PLEDGE OF ALLEGIANCE

Invocation. Pledge of Allegiance to the United States and Texas flags.

3. PUBLIC COMMENT

The purpose of this item is to allow the public an opportunity to address the City Council on issues that are or are not on the agenda. No discussion can be carried out on the citizen/visitor comment about items not on the agenda. Comments are limited to three minutes per speaker.

4. DISCUSSION/ACTION ITEMS

- A. Discussion and/or action regarding Resolution 2025-01 amending the Mill Scale Chapter 380 Agreement and adjustment of employment numbers. **27-41**

5. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION

- Upcoming City Council workshop with Hillwood Communities regarding a proposed master planned community.
- Lockhart's Music Friendly City Designation.
- Lockhart Fire Department receives new ladder truck.
- Lockhart Police Department receives state grant for vehicle laptops and ballistic shields.
- 2024 Blue Santa Event update.
- 2024 Comprehensive Plan published and available on the City website.
- Austin Community College purchase of former Ford building on San Antonio Street.
- City offices closed January 20, 2025 for MLK Day.

6. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

7. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE REGARDING PENDING OR CONTEMPLATED LITIGATION AND/OR A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH CHAPTER 551 OF THE GOVERNMENT CODE.

- A. Legal advice related to asset purchase and sale agreement between the City of Lockhart and ESD No. 5.
- B. Legal advice related to contract between City of Lockhart and Titan Lockhart Land Investors, LLC.
- C. Legal advice related to contract between City of Lockhart and Lockhart Hospitality, LLC.

8. OPEN SESSION

- A. Discussion and/or action regarding asset purchase and sale agreement between the City of Lockhart and ESD No. 5.
- B. Discussion and/or action regarding contract status with Titan Lockhart Land Investors, LLC.
- C. Discussion and/or action regarding contract status with Lockhart Hospitality, LLC.

9. ADJOURNMENT

City Council shall have the right at anytime to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

Posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on the January 3, 2025 at 4:00 p.m.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: January 7, 2025

AGENDA ITEM CAPTION: Recognition of Mr. Chris Miller, new Executive Director of CAPCOG.

ORIGINATING DEPARTMENT AND CONTACT: Council - Mayor Lew White

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Mr. Chris Miller was selected as the new Executive Director of CAPCOG, replacing retiring Director Betty Voights. Mr. Miller began his new role as director in September 2024. He will be attending the January 7, 2025 City Council meeting for an opportunity to be introduced to Lockhart officials and for Council to receive an update regarding CAPCOG programming.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: N/A

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: N/A

LIST OF SUPPORTING DOCUMENTS: Chris Miller LinkedIn profile

Contact

www.linkedin.com/in/chris-miller-bb9b5a4a (LinkedIn)

Top Skills

Government
Local Government
Management

Chris Miller

Public Sector Servant Leader with successful executive level service to municipal, county and regional governments

Summary

Experienced Executive level public sector manager with a demonstrated history of working in the government administration industry. Skilled in Strategic planning, management and organizational development, facilitation and team building, Budgeting, Team Public Speaking. Master of Public Administration (M.P.A.) focused in Public Administration from University of Colorado at Denver.

Experience

Capital Area Council of Governments
Executive Director
September 2024 - Present (5 months)

Strategic Partnerships, Inc.
Consulting Partner
March 2024 - July 2024 (5 months)

Serve under contract as needed as a part-time consulting partner to highly rated and respected consultant services company, Strategic Partnerships Inc.

King George County
County Administrator and General Manager Service Authority
July 2021 - January 2024 (2 years 7 months)

Northeast Texas Regional Mobility Authority
Executive Director
June 2016 - June 2020 (4 years 1 month)

South Alabama Regional Planning Commission

10 years 6 months

Executive Director

November 2013 - June 2016 (2 years 8 months)

Deputy Executive Director

January 2006 - October 2013 (7 years 10 months)

City of Bay Minette

City Administrator

April 1999 - January 2006 (6 years 10 months)

City of Lamar, Colorado

City Administrator

December 1994 - April 1999 (4 years 5 months)

City of Louisville, Colorado

Assistant to the City Administrator

July 1992 - November 1994 (2 years 5 months)

City of Riverside, CA

Management Assistant

July 1991 - June 1992 (1 year)

Education

University of Colorado at Denver

Master of Public Administration (M.P.A.), Public Administration · (1990 - 1991)

Univeristy of Northern Colorado

Bachelor of Arts, History and Political Science · (1983 - 1987)

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: January 7, 2025

AGENDA ITEM CAPTION: Receive an update from SH130 Concessions regarding traffic signal timing at the intersection of West San Antonio Street.

ORIGINATING DEPARTMENT AND CONTACT: Council - Mayor Lew White

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Update by SH 130 Concessions regarding regarding the traffic signal at SH 130 and SH 142 (W. San Antonio Street). The presentation covers the following information:

- Signal Warrant Analysis that triggered activation
- Signal Timing Plan
- Min/Max Time Matrix
- Crash Statistics

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Receive comments.

LIST OF SUPPORTING DOCUMENTS:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: January 7, 2025

AGENDA ITEM CAPTION: Receive an update from TxDOT regarding the Mockingbird Lane and West San Antonio Street traffic signal and intersection improvements including restriping from Borchert Lane to downtown.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: On February 6, 2024 the City enter into and Advance Funding Agreement (AFA) with TxDOT authorizing the contribution of up to \$1,000,000 in funds for improvements to the traffic signal and intersection of Mockingbird Lane and West San Antonio Street. This projects improvements were to alleviate bottle-necking at the intersection that is experiences during peak traffic times.

The proposed improvement to the intersection stretch out 0.15 miles east and west from the intersection (approximately 800' east and west). Additional improvements at the intersection include reconnecting pedestrian accesses, connections to existing driveways in the affected area, a center turning lane, and permanent traffic signal installation with arm-masts. The City's contribution for the project will fund the construction of the project, with engineering, design, bidding and award being handled by TxDOT. TxDOT will fund any overruns for the project and refund any money back should the project come under budget.

TxDOT previously temporarily postponed the 2024 repaving of SH142 from SH130 to downtown so that the Mockingbird Lane improvement can be collaborated with the repaving project. Currently the projects are in the 60% design submittal phase. Additional components of the paving project include restriping of SH142 from Borchert Lane to downtown and incorporate new center turning lanes from Medina Street to Guadalupe Street along with the widening of the Mockingbird intersection.

Tonight TxDOT will be providing an update on the Mockingbird project and paving project along with information on anticipated construction of the projects.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Receive comments.

LIST OF SUPPORTING DOCUMENTS: EXHIBITS

- LEGEND**
- SH142 PROJECT LOCATION
 - SH142 & MOCKINGBIRD LN WIDENING
 - BEGIN 3 LANE SECTION

BEGIN 3 LANE SECTION:
ADDITION OF CENTER TURN LANE
200 FT EAST OF MEDINA ST TO GUADALUPE ST

END OF PROJECT:
CHURCH ST

BEGINNING OF PROJECT:
BORCHERT LP

BORCHERT LP
SH 142
142

SH142 & MOCKINGBIRD LANE LOCATION:
WIDENING & LEFT TURN LANE
INSTALLATION

MOCKINGBIRD LN

MEDINA ST

GUADALUPE ST

CHURCH ST

**Austin District
Bastrop Area Office**

 **Texas Department of Transportation**

LOCATION MAP

© 2025	CONT	SECT	JOB	HIGHWAY
	0384	01	024	SH 142
	DIST	COUNTY		SHEET NO.
	AUS	CALDWELL		1

DATE: \$DATE\$
FILE: \$FILES\$

\$TIME\$



DATE: \$DATE\$
FILE: \$FILE\$

\$TIME\$

Austin District
Bastrop Area Office

**Texas Department of Transportation**

**SH142 &
MOCKINGBIRD LN
INTERSECTION**

© 2025	CONT	SECT	JOB	HIGHWAY
	0384	01	024	SH142
	DIST		COUNTY	SHEET NO.
	AUS		CALDWELL	2

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: January 7, 2025

AGENDA ITEM CAPTION: Discussion Resolution 2025-01 amending the Mill Scale Chapter 380 Agreement and adjustment of employment numbers.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Mill Scale is a business that manufactures offset smokers and live-fire grills for competition, commercial and residential use. Each one is custom built to suit the pitmaster's needs. Co-owners and brothers Matt and Caleb Johnson produce a product far beyond than what is available in a big box retail store. The manufacturing business received an Economic Development Performance Agreement for an electric transformer and Chapter 380 agreement that gives a sales tax rebate. Their investment of \$1.5 million went into a 10,000 sq ft facility with equipment and inventory. Additionally, the facility has a showroom and retail component with product that is shipped worldwide.

This amendment presented today reduces the number of required jobs due to revised company projections and therefore, provides consistency and alignment with the recently amended Economic Development Performance Agreement adopted on November 18, 2024.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: On April 19, 2022, City Council approved an LEDC Performance Agreement and a Chapter 380 Agreement for Mill Scale to invest \$1.5 million to construct a manufacturing facility and employ personnel.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Resolution No. 2025-01.

City of Lockhart, Texas

Council Agenda Item

Cover Sheet

LIST OF SUPPORTING DOCUMENTS: City Resolution 2025-01 Mill Scale Chapter 380,
2022 Chapter 380 Approval and Agreement

RESOLUTION NO. 2025-01

**A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS
AMENDING AN ECONOMIC DEVELOPMENT PERFORMANCE
AGREEMENT WITH MILL SCALE, LLC FOR ADJUSTMENT OF EMPLOYEE
COUNT IN ACCORDANCE WITH THE AD VALOREM REIMBURSEMENT
COLLECTED OVER A 3 -YEAR TERM.**

WHEREAS, Pursuant to Chapter 380, Texas Local Government Code, City is authorized to establish a program, including the making of loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity within the City.

WHEREAS, Mill Scale, LLC (“Company”) purchased land and constructed a 10,000 square foot facility in the City, bringing jobs to the City, and participating in the Economic Development Program established in this Agreement;

WHEREAS, Company made a total investment of one-million, five-hundred thousand dollars (\$1,500,000.00) in equipment, personal property, inventory, real property, and improvements to real property over the period of this Agreement; and

WHEREAS, Company desires to amend the Agreement, Section 4 (e) and decrease the number of jobs created and filled each year;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows

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

1. Recitals: The foregoing recitals are adopted and incorporated herein for all purposes.
2. Approval of the Chapter 380: The City Council of Lockhart, TX approves the amended Chapter 380 between Lockhart City Council and Mill Scale Metalworks, LLC. A copy of which Agreement is attached hereto as Exhibit “A,” which is incorporated herein for all purposes.

Approved and adopted on this, the 7th day of January 2025.

City of Lockhart, Texas

Lew White, Mayor

Attest:

Approved as to form:

Julie Bowermon, City Secretary

Brad Bullock, City Attorney

EXHIBIT A

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Chapter 380 Economic Development Program Agreement (“Agreement”) is made and entered into by and between THE CITY OF LOCKHART, TEXAS (“City”), a Texas home-rule municipal corporation, and MILL SCALE, LLC (“Company”).

RECITALS

WHEREAS, Pursuant to Chapter 380, Texas Local Government Code, City is authorized to establish a program, including the making of loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity within the City.

WHEREAS, Company purchased land and constructed a 10,000 square foot facility in the City, bringing jobs to the City, and participating in the Economic Development Program established in this Agreement.

WHEREAS, Company made a total investment of one-million, five-hundred thousand dollars (\$1,500,000.00) in equipment, personal property, inventory, real property, and improvements to real property over the period of this Agreement.

WHEREAS, Company desires to amend the Agreement, Section 4 (e) and change the number of jobs created and filled each year; and

WHEREAS, City has determined that a substantial economic benefit and the creation of new opportunities of employment will accrue to the City and the surrounding area if a facility is successfully developed on the Property.

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows:

AGREEMENTS

NOW, THEREFORE, in consideration of the above premises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MILL SCALE LLC and LEDC (collectively, the “Parties”) hereby agree as follows:

1. Section 4. MILL SCALE LLC Requirements, subsection (e) of the Agreement is hereby amended to read as follows:

Employ a minimum of eight (8) Full Time Equivalent (“FTE”) employees within the first three (3) years of receiving the Certificate of Occupancy

Authority to Sign. The individual signing below for MILL SCALE LLC hereby certifies that he/she is authorized to sign this Amendment on behalf of MILL SCALE LLC and that no authorizations or approvals are required that have not already been obtained.

2. Section 10. Notices, is hereby amended to read as follows:

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

If to the Company

Mill Scale LLC Co.:

Mill Scale LLC Company
Attn: Matthew Johnson,
President
PO Box 1064
Lockhart, TX 78644

With a Copy to

Stibbs & Co., P.C.
819 Crossbridge Drive
Spring, TX 77373
Attn: Stuart Lapp

If to the EDC:

Lockhart Economic Development Corporation
Attn: Executive Director
215 E. Lockhart Street
Lockhart, TX 78644

3. No Other Amendments' Conflict. Except as expressly set forth herein, all other terms and provisions of the Agreement shall remain in full force and effect. In the event there is a conflict between the terms and provisions of this Amendment and the Agreement as originally executed, the terms and provisions of this Amendment shall control.

4. Effective Date of Applicability of First Amendment. After the Parties execute this First Amendment, this First Amendment shall be deemed immediately effective as to the entire Agreement. Unless further amended, this Amendment shall expire concurrently with the Agreement.

5. Severability. If any provision of this First Amendment is illegal, invalid, or unenforceable in whole or in part for any reason, under present or future laws, then and

in that event, it is the intention of the Parties hereto that the remaining provisions of this First Amendment shall remain in full force and effect and shall not be affected.

6. Binding Obligation. This First Amendment shall bind and inure to the benefit of the Parties, their successors, and their permitted assignees.

7. Authority. LEDC and MILL SCALE LLC each represent and warrant that: (1) it has sufficient legal authority to conduct business in the State of Texas; (2) it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Amendment; and (3) that the person or persons executing this Amendment on its behalf has been duly authorized to do so.

8. Effect of Amendment. Except as modified by this First Amendment, all terms, covenants, conditions and provisions of the Agreement are hereby ratified, affirmed and remain in full force and effect. In the event there is any inconsistency between the terms of the Agreement and the terms of this First Amendment, the terms of this First Amendment shall control.

9. Entire Agreement. This First Amendment and the Agreement represent the entire agreement of the Parties hereto as it relates to the contents hereof; all oral and written communications prior to this First Amendment are merged into the Agreement and this First Amendment.

10. Counterparts. This First Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Faxed or other electronic signatures shall be acceptable as original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 2025.

THE CITY OF LOCKHART

ATTEST:

Lew White, Mayor

Julie Bowermon, City Secretary

MILL SCALE, LLC

Matthew Johnson, Manager

State of Texas)
)
County of Caldwell)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Lew White, known to me to be the Mayor of the City of Lockhart, Texas.

Notary Public

My Commission expires:

State of _____)
)
County of _____)

April 19 minutes

ITEM 4-B. APPROVE CHAPTER 380 AGREEMENT WITH MILL SCALE, LLC. TO PROVIDE INCENTIVES FOR ECONOMIC DEVELOPMENT.

History

Mr. Kamerlander stated that the Chapter 380 agreement would assist with tax abatements. The proposed Chapter 380 agreement offers incentives for Mill Scale, LLC to move its operations to the City of Lockhart. Mill Scale creates custom smokers worthy of heirloom status as discussed in the previous item. The proposed 380 agreement would provide a 3-year real and personal property tax rebate that starts at 100% in year 1 and drops to 50% in year 3. The agreement requires Mill Scale to invest at least \$1.5 million into the project and hire and maintain 15 jobs over the first 3 years for the duration of the term. Mr. Kamerlander stated that the LEDC and staff recommend approval.

Councilmember Mendoza made a motion to approve the Chapter 380 Agreement with Mill Scale, LLC, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-0.

ITEM 4-C. APPROVE RESOLUTION 2022-23 FOR AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH REVIVAL CYCLES, INC.

Mr. Kamerlander stated that Revival Cycles is an Austin-based custom motorcycle manufacturing company and retailer of motorcycle apparel, accessories, and art. The company has been in Austin for over 15 years and has been on numerous TV shows and works with some of the top motorcycle manufacturers in the world like BMW, Harley Davidson, and Ducati. Revival is considering moving its entire operations from Austin to Lockhart with the purchase of the Masur building at the corner of Church Street and W. San Antonio. The company would occupy the entire space as its corporate headquarters and upgrade the building. The company would create up to 50 jobs in Lockhart in addition to the added value to the building. Additionally, the company would generate a large amount of sales taxes since the space would encompass a retail component and serve as the nexus of sale for all online sales. He outlined several building improvements projects. The proposed performance agreement provides the following incentives in exchange for the investment and job creation: (1) \$250,000 rebate grant to assist with upgrades throughout the building. The deal points are to close on the building, with an investment to upgrade components and install fire suppression, elevator, new windows, etc., effectively using BIG Grant qualified expenses, but larger since this is a job creator and sales tax generator, and (2) LEDC portion of sales tax rebate of 5 years at the following schedule: Year 1: 75%; Year 2: 75%; Year 3: 50%; Year 4: 50%; and Year 5: 50%. Mr. Kamerlander stated that the LEDC and staff recommend approval. There was discussion.

Councilmember Michelson made a motion to approve Resolution 2022-23, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-0.

ITEM 4-D. APPROVE CHAPTER 380 AGREEMENT WITH REVIVAL CYCLES, INC. TO PROVIDE INCENTIVES FOR ECONOMIC DEVELOPMENT.

Mr. Kamerlander stated that the proposed Chapter 380 agreement offers incentives for Revival Cycles, Inc. to move its corporate operations to the City of Lockhart from Austin. Revival Cycles is a custom motorcycle manufacturing company and retailer of motorcycle apparel, accessories, and art as discussed in the previous agenda item. The performance agreement provides the following incentives in exchange for the investment and job creation. The Chapter 380 agreement under consideration would be a five-year term for real and personal property tax increment at the following schedule: Property Tax Rebate on Real and Personal Property: Year 1: 75%; Year 2: 66%; Year 3: 50%; Year 4: 33%; Year 5: 25%. Mr. Kamerlander stated that the LEDC and staff recommend approval.

Councilmember Bryant made a motion to approve the Chapter 380 Agreement with Revival Cycles, Inc., as presented. Councilmember Mendoza seconded. The motion passed by a vote of 6-0.

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Chapter 380 Economic Development Program Agreement ("Agreement") is made and entered into by and between THE CITY OF LOCKHART, TEXAS ("City"), a Texas home-rule municipal corporation, and MILL SCALE, LLC ("Company").

RECITALS

Pursuant to Chapter 380, Texas Local Government Code, City is authorized to authorized to establish a program, including the making of loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity within the City.

Company desires to purchase land, construct a 10,000 square foot facility in the City, bring jobs to the City, and participate in the Economic Development Program established in this Agreement.

Company intends to make a total investment of one-million, five-hundred thousand dollars (\$1,500,000.00) in equipment, personal property, inventory, real property, and improvements to real property over the period of this Agreement.

City has determined that a substantial economic benefit and the creation of new opportunities of employment will accrue to the City and the surrounding area if a facility is successfully developed on the Property.

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein for all purposes

Section 2. Chapter 380 Program and Consideration

The City finds and the parties hereto agree that the program established by this Agreement will promote state and local economic development and will stimulate business and commercial activity in the City of Lockhart. City and Company enter into this Agreement in consideration of such economic development and stimulation of business and commercial activity as well as the mutual covenants contained herein.

Section 3. Term

This Agreement shall have a term of three (3) years, commencing on January 1 of the calendar year following Company's completion of construction and securing of a Certificate of Occupancy from the City and terminating at midnight on the third anniversary of that date unless sooner terminated as provided herein. For example, if construction is completed and a Certificate of Occupancy obtained in 2023, Year One of this agreement will commence on January 1, 2024.

Section 4. COMPANY Requirements

Company agrees:

- (a) To acquire sufficient land in the City of Lockhart, estimated to be 1 and three hundred-sixty-three thousandths (1.363) acres, ("the Property") that will be suitable for the construction of a facility for the manufacture of frozen dessert manufacturing, and for the operation of Company activities thereon ("the Facility").
- (b) Construct the Facility on the Property of at least 10,000 square feet and with other improvements, including equipment, with a project budget of approximately one-million, five-hundred thousand dollars (\$1,500,000.00) in capital investment, provided that Company shall be entitled to revise the budget as a result of, among other things, savings realized by value engineering, reduction of costs in building materials, equipment, labor and other components of the Facility, and substitution of individual facility components.
- (c) Submit schematic drawings for the Facility to the City of Lockhart within one hundred twenty (120) days of execution of closing on the Property, and to and thereafter commence construction of the Facility within one hundred twenty (120) days after the City's approval of the construction plans and issuance of a building permit for the Facility.
- (d) Complete construction of the Facility and obtain a Certificate of Occupancy from the City within eighteen (18) months after the issuance of the aforesaid building permit.
- (e) Employ a minimum of fifteen (15) Full Time Equivalent ("FTE") employees within the first three (3) years from the commencement of the term of this Agreement.
- (f) Company shall provide the City with proof of employment of employees by submitting copies of payroll records and federal employment tax forms or other documentation satisfactory to the City, which shall be provided within thirty (30) days of the end of each year of the term of this Agreement.

Retain at least that number of FTE employees until the end of the term of this Agreement.

The term "Full Time Equivalent," as used in this Agreement, shall mean employment during a calendar year that is equal to a total of at least 1,820 hours including hours associated with holidays, vacation, sick and personal time, and overtime. No more than two employees whose annual hours of employment are less than 1,820 hours, but whose combined time equals or exceeds that number of hours, may be counted as one FTE employee.

- (g) Keep current in the payment of taxes owed for the Facility to any taxing jurisdiction in which the Facility is located unless such taxes are being legally contested by Company.

Section 5. City Requirements

- (a) In consideration of Company's agreement to perform the acts described above, City agrees to provide an annual grant to Company in an amount of money equal to a percentage of the annual City of Lockhart ad valorem taxes paid by Company on real and personal property based solely on any improvements to the real property ("increment") for that year and actually collected by the City.

- (b)) The amount of each annual grant to be paid to Company by the City shall be calculated as follows:

For Year one: one-hundred percent (100%) of the increment attributable to that year and paid to the City;

For Year two: seventy-five percent (75%) of the increment attributable to that year and paid to the City;

For Year three: fifty percent (50%) of the increment attributable to that year and paid to the City;

After such three-year period, all tax reimbursement grants by the City shall cease.

- (c) City shall pay Company the applicable amount of each annual grant, following Company's payment of ad valorem taxes for that year, on or before March 31 of the calendar year following such payment.

Section 6. Recapture/Termination

In the event that Company begins operating the Facility on the Property, but subsequently discontinues operating such facility for any reason, excepting fire,

explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of Company for a period of 180 days during the term of this Agreement, then in such event the City will no longer be obligated to expend any further funds for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this Agreement within 30 days of the expiration of the 180 days. The burden shall be upon Company to prove to the satisfaction of the City that the discontinuance of operating the distribution facility was as a result of fire, explosion, or other casualty or accident or natural disaster or other event beyond the control of Company. In the event Company meets this burden and the City is satisfied that the discontinuance of the operation of the distribution facility was the result of events beyond the control of Company, then Company shall have a period of one (1) year in which to resume the operation of the distribution facility. In the event that Company fails to resume the operation of a distribution facility within one (1) year, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this agreement within 30 days of the expiration of the one year period.

In the event that Company allows ad valorem taxes on property, or business personal property, or inventory not subject to tax waiver owed to the City to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this agreement within 30 days of such event.

In the event that Company relocates the business to a location outside of the City of Lockhart, then in such event, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this agreement within 30 days of the relocation.

In the event that the City determines that Company is in default of any of the terms or conditions contained in this Agreement, then in such event the City shall give Company thirty (30) days written notice to cure such default. Except as provided in Section 4(b) herein, in the event such default is not cured to the satisfaction of the City within the thirty (30) days notice period, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 3 of this agreement within 30 days of the default.

In the event that Company shall fail to repay the City within 30 days of the date such repayment is due under any provision of this Section 6, Company hereby agrees that the City may place a lien on Property belonging to Company and located in Caldwell County, Texas for full payment of such monies.

Section 7. Certification of Compliance by Company

On or before March 1 of each year that this Agreement is in effect, Company shall certify in writing to the City its compliance with all provisions of this Agreement. Such certification shall include any and all documentation required by the City establishing that Company has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The City, at any reasonable time, shall have the right to review any and all records of Company related to the provisions of this Agreement.

Section 8. Entire Agreement

This Agreement contains the entire agreement between the City and Company with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the City and Company.

Section 9. Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns. Company may assign its rights and obligations under this agreement only upon prior written approval of the City, which approval shall not be unreasonably withheld or delayed.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

COMPANY:	Matthew Johnson Mill Scale, LLC P.O. Box 1064 Lockhart, TX 78644
----------	---

City:	City Manager, City of Lockhart P.O. Box 239 Lockhart, Texas 78644
-------	---

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Applicable Law

This Agreement is made and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Caldwell County, Texas.

Section 13. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 14. Mutual Assistance

City and Company agree to do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 19th day of April, 2022.

THE CITY OF LOCKHART

ATTEST:

Lew White
Lew White, Mayor

Connie Constancio
Connie Constancio, City Secretary

MILL SCALE, LLC

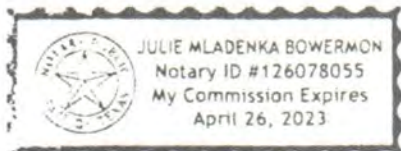
Matthew Johnson
Matthew Johnson, Manager

State of Texas)(

)(

County of Caldwell)(

The foregoing instrument was acknowledged before me this 19 day of APRIL, 2022, by Lew White, known to me to be the Mayor of the City of Lockhart, Texas.



Julie Mladenka Bowermon
Notary Public

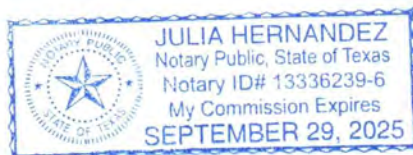
My Commission expires: 4/26/23

State of Texas)(

)(

County of Caldwell)(

The foregoing instrument was acknowledged before me this 28 day of April, 2022, by Brice Mills known to me to be the Manager of Mill Scale, LLC



Julia Hernandez
Notary Public

My Commission expires: September 29, 2025

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: January 7, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding Resolution 2025-01 amending the Mill Scale Chapter 380 Agreement and adjustment of employment numbers.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: Mill Scale is a business that manufactures offset smokers and live-fire grills for competition, commercial and residential use. Each one is custom built to suit the pitmaster's needs. Co-owners and brothers Matt and Caleb Johnson produce a product far beyond than what is available in a big box retail store. The manufacturing business received an Economic Development Performance Agreement for an electric transformer and Chapter 380 agreement that gives a sales tax rebate. Their investment of \$1.5 million went into a 10,000 sq ft facility with equipment and inventory. Additionally, the facility has a showroom and retail component with product that is shipped worldwide.

This amendment presented today reduces the number of required jobs due to revised company projections and therefore, provides consistency and alignment with the recently amended Economic Development Performance Agreement adopted on November 18, 2024.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: On April 19, 2022, City Council approved an LEDC Performance Agreement and a Chapter 380 Agreement for Mill Scale to invest \$1.5 million to construct a manufacturing facility and employ personnel.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Resolution No. 2025-01.

City of Lockhart, Texas

Council Agenda Item

Cover Sheet

LIST OF SUPPORTING DOCUMENTS: City Resolution 2025-01 Mill Scale Chapter 380, 2022 Chapter 380 Approval and Agreement, .

RESOLUTION NO. 2025-01

**A RESOLUTION OF THE CITY COUNCIL OF LOCKHART, TEXAS
AMENDING AN ECONOMIC DEVELOPMENT PERFORMANCE
AGREEMENT WITH MILL SCALE, LLC FOR ADJUSTMENT OF EMPLOYEE
COUNT IN ACCORDANCE WITH THE AD VALOREM REIMBURSEMENT
COLLECTED OVER A 3 -YEAR TERM.**

WHEREAS, Pursuant to Chapter 380, Texas Local Government Code, City is authorized to establish a program, including the making of loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity within the City.

WHEREAS, Mill Scale, LLC (“Company”) purchased land and constructed a 10,000 square foot facility in the City, bringing jobs to the City, and participating in the Economic Development Program established in this Agreement;

WHEREAS, Company made a total investment of one-million, five-hundred thousand dollars (\$1,500,000.00) in equipment, personal property, inventory, real property, and improvements to real property over the period of this Agreement; and

WHEREAS, Company desires to amend the Agreement, Section 4 (e) and decrease the number of jobs created and filled each year;

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows

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

1. Recitals: The foregoing recitals are adopted and incorporated herein for all purposes.
2. Approval of the Chapter 380: The City Council of Lockhart, TX approves the amended Chapter 380 between Lockhart City Council and Mill Scale Metalworks, LLC. A copy of which Agreement is attached hereto as Exhibit “A,” which is incorporated herein for all purposes.

Approved and adopted on this, the 7th day of January 2025.

City of Lockhart, Texas

Lew White, Mayor

Attest:

Approved as to form:

Julie Bowermon, City Secretary

Brad Bullock, City Attorney

EXHIBIT A

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Chapter 380 Economic Development Program Agreement (“Agreement”) is made and entered into by and between THE CITY OF LOCKHART, TEXAS (“City”), a Texas home-rule municipal corporation, and MILL SCALE, LLC (“Company”).

RECITALS

WHEREAS, Pursuant to Chapter 380, Texas Local Government Code, City is authorized to establish a program, including the making of loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity within the City.

WHEREAS, Company purchased land and constructed a 10,000 square foot facility in the City, bringing jobs to the City, and participating in the Economic Development Program established in this Agreement.

WHEREAS, Company made a total investment of one-million, five-hundred thousand dollars (\$1,500,000.00) in equipment, personal property, inventory, real property, and improvements to real property over the period of this Agreement.

WHEREAS, Company desires to amend the Agreement, Section 4 (e) and change the number of jobs created and filled each year; and

WHEREAS, City has determined that a substantial economic benefit and the creation of new opportunities of employment will accrue to the City and the surrounding area if a facility is successfully developed on the Property.

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows:

AGREEMENTS

NOW, THEREFORE, in consideration of the above premises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, MILL SCALE LLC and LEDC (collectively, the “Parties”) hereby agree as follows:

1. Section 4. MILL SCALE LLC Requirements, subsection (e) of the Agreement is hereby amended to read as follows:

Employ a minimum of eight (8) Full Time Equivalent (“FTE”) employees within the first three (3) years of receiving the Certificate of Occupancy

Authority to Sign. The individual signing below for MILL SCALE LLC hereby certifies that he/she is authorized to sign this Amendment on behalf of MILL SCALE LLC and that no authorizations or approvals are required that have not already been obtained.

2. Section 10. Notices, is hereby amended to read as follows:

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

If to the Company

Mill Scale LLC Co.:

Mill Scale LLC Company
Attn: Matthew Johnson,
President
PO Box 1064
Lockhart, TX 78644

With a Copy to

Stibbs & Co., P.C.
819 Crossbridge Drive
Spring, TX 77373
Attn: Stuart Lapp

If to the EDC:

Lockhart Economic Development Corporation
Attn: Executive Director
215 E. Lockhart Street
Lockhart, TX 78644

3. No Other Amendments' Conflict. Except as expressly set forth herein, all other terms and provisions of the Agreement shall remain in full force and effect. In the event there is a conflict between the terms and provisions of this Amendment and the Agreement as originally executed, the terms and provisions of this Amendment shall control.

4. Effective Date of Applicability of First Amendment. After the Parties execute this First Amendment, this First Amendment shall be deemed immediately effective as to the entire Agreement. Unless further amended, this Amendment shall expire concurrently with the Agreement.

5. Severability. If any provision of this First Amendment is illegal, invalid, or unenforceable in whole or in part for any reason, under present or future laws, then and

in that event, it is the intention of the Parties hereto that the remaining provisions of this First Amendment shall remain in full force and effect and shall not be affected.

6. Binding Obligation. This First Amendment shall bind and inure to the benefit of the Parties, their successors, and their permitted assignees.

7. Authority. LEDC and MILL SCALE LLC each represent and warrant that: (1) it has sufficient legal authority to conduct business in the State of Texas; (2) it has full capacity and authority to grant all rights and assume all obligations that it has granted and assumed under this Amendment; and (3) that the person or persons executing this Amendment on its behalf has been duly authorized to do so.

8. Effect of Amendment. Except as modified by this First Amendment, all terms, covenants, conditions and provisions of the Agreement are hereby ratified, affirmed and remain in full force and effect. In the event there is any inconsistency between the terms of the Agreement and the terms of this First Amendment, the terms of this First Amendment shall control.

9. Entire Agreement. This First Amendment and the Agreement represent the entire agreement of the Parties hereto as it relates to the contents hereof; all oral and written communications prior to this First Amendment are merged into the Agreement and this First Amendment.

10. Counterparts. This First Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Faxed or other electronic signatures shall be acceptable as original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 2025.

THE CITY OF LOCKHART

ATTEST:

Lew White, Mayor

Julie Bowermon, City Secretary

MILL SCALE, LLC

Matthew Johnson, Manager

State of Texas)
)
County of Caldwell)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Lew White, known to me to be the Mayor of the City of Lockhart, Texas.

Notary Public

My Commission expires:

State of _____)
)
County of _____)

April 19 minutes

ITEM 4-B. APPROVE CHAPTER 380 AGREEMENT WITH MILL SCALE, LLC. TO PROVIDE INCENTIVES FOR ECONOMIC DEVELOPMENT.

H. H. H. Mr. Kamerlander stated that the Chapter 380 agreement would assist with tax abatements. The proposed Chapter 380 agreement offers incentives for Mill Scale, LLC to move its operations to the City of Lockhart. Mill Scale creates custom smokers worthy of heirloom status as discussed in the previous item. The proposed 380 agreement would provide a 3-year real and personal property tax rebate that starts at 100% in year 1 and drops to 50% in year 3. The agreement requires Mill Scale to invest at least \$1.5 million into the project and hire and maintain 15 jobs over the first 3 years for the duration of the term. Mr. Kamerlander stated that the LEDC and staff recommend approval.

Councilmember Mendoza made a motion to approve the Chapter 380 Agreement with Mill Scale, LLC, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-0.

ITEM 4-C. APPROVE RESOLUTION 2022-23 FOR AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT WITH REVIVAL CYCLES, INC.

Mr. Kamerlander stated that Revival Cycles is an Austin-based custom motorcycle manufacturing company and retailer of motorcycle apparel, accessories, and art. The company has been in Austin for over 15 years and has been on numerous TV shows and works with some of the top motorcycle manufacturers in the world like BMW, Harley Davidson, and Ducati. Revival is considering moving its entire operations from Austin to Lockhart with the purchase of the Masur building at the corner of Church Street and W. San Antonio. The company would occupy the entire space as its corporate headquarters and upgrade the building. The company would create up to 50 jobs in Lockhart in addition to the added value to the building. Additionally, the company would generate a large amount of sales taxes since the space would encompass a retail component and serve as the nexus of sale for all online sales. He outlined several building improvements projects. The proposed performance agreement provides the following incentives in exchange for the investment and job creation: (1) \$250,000 rebate grant to assist with upgrades throughout the building. The deal points are to close on the building, with an investment to upgrade components and install fire suppression, elevator, new windows, etc., effectively using BIG Grant qualified expenses, but larger since this is a job creator and sales tax generator, and (2) LEDC portion of sales tax rebate of 5 years at the following schedule: Year 1: 75%; Year 2: 75%; Year 3: 50%; Year 4: 50%; and Year 5: 50%. Mr. Kamerlander stated that the LEDC and staff recommend approval. There was discussion.

Councilmember Michelson made a motion to approve Resolution 2022-23, as presented. Mayor Pro-Tem Sanchez seconded. The motion passed by a vote of 6-0.

ITEM 4-D. APPROVE CHAPTER 380 AGREEMENT WITH REVIVAL CYCLES, INC. TO PROVIDE INCENTIVES FOR ECONOMIC DEVELOPMENT.

Mr. Kamerlander stated that the proposed Chapter 380 agreement offers incentives for Revival Cycles, Inc. to move its corporate operations to the City of Lockhart from Austin. Revival Cycles is a custom motorcycle manufacturing company and retailer of motorcycle apparel, accessories, and art as discussed in the previous agenda item. The performance agreement provides the following incentives in exchange for the investment and job creation. The Chapter 380 agreement under consideration would be a five-year term for real and personal property tax increment at the following schedule: Property Tax Rebate on Real and Personal Property: Year 1: 75%; Year 2: 66%; Year 3: 50%; Year 4: 33%; Year 5: 25%. Mr. Kamerlander stated that the LEDC and staff recommend approval.

Councilmember Bryant made a motion to approve the Chapter 380 Agreement with Revival Cycles, Inc., as presented. Councilmember Mendoza seconded. The motion passed by a vote of 6-0.

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Chapter 380 Economic Development Program Agreement ("Agreement") is made and entered into by and between THE CITY OF LOCKHART, TEXAS ("City"), a Texas home-rule municipal corporation, and MILL SCALE, LLC ("Company").

RECITALS

Pursuant to Chapter 380, Texas Local Government Code, City is authorized to authorized to establish a program, including the making of loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity within the City.

Company desires to purchase land, construct a 10,000 square foot facility in the City, bring jobs to the City, and participate in the Economic Development Program established in this Agreement.

Company intends to make a total investment of one-million, five-hundred thousand dollars (\$1,500,000.00) in equipment, personal property, inventory, real property, and improvements to real property over the period of this Agreement.

City has determined that a substantial economic benefit and the creation of new opportunities of employment will accrue to the City and the surrounding area if a facility is successfully developed on the Property.

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Company agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein for all purposes

Section 2. Chapter 380 Program and Consideration

The City finds and the parties hereto agree that the program established by this Agreement will promote state and local economic development and will stimulate business and commercial activity in the City of Lockhart. City and Company enter into this Agreement in consideration of such economic development and stimulation of business and commercial activity as well as the mutual covenants contained herein.

Section 3. Term

This Agreement shall have a term of three (3) years, commencing on January 1 of the calendar year following Company's completion of construction and securing of a Certificate of Occupancy from the City and terminating at midnight on the third anniversary of that date unless sooner terminated as provided herein. For example, if construction is completed and a Certificate of Occupancy obtained in 2023, Year One of this agreement will commence on January 1, 2024.

Section 4. COMPANY Requirements

Company agrees:

- (a) To acquire sufficient land in the City of Lockhart, estimated to be 1 and three hundred-sixty-three thousandths (1.363) acres, ("the Property") that will be suitable for the construction of a facility for the manufacture of frozen dessert manufacturing, and for the operation of Company activities thereon ("the Facility").
- (b) Construct the Facility on the Property of at least 10,000 square feet and with other improvements, including equipment, with a project budget of approximately one-million, five-hundred thousand dollars (\$1,500,000.00) in capital investment, provided that Company shall be entitled to revise the budget as a result of, among other things, savings realized by value engineering, reduction of costs in building materials, equipment, labor and other components of the Facility, and substitution of individual facility components.
- (c) Submit schematic drawings for the Facility to the City of Lockhart within one hundred twenty (120) days of execution of closing on the Property, and to and thereafter commence construction of the Facility within one hundred twenty (120) days after the City's approval of the construction plans and issuance of a building permit for the Facility.
- (d) Complete construction of the Facility and obtain a Certificate of Occupancy from the City within eighteen (18) months after the issuance of the aforesaid building permit.
- (e) Employ a minimum of fifteen (15) Full Time Equivalent ("FTE") employees within the first three (3) years from the commencement of the term of this Agreement.
- (f) Company shall provide the City with proof of employment of employees by submitting copies of payroll records and federal employment tax forms or other documentation satisfactory to the City, which shall be provided within thirty (30) days of the end of each year of the term of this Agreement.

Retain at least that number of FTE employees until the end of the term of this Agreement.

The term "Full Time Equivalent," as used in this Agreement, shall mean employment during a calendar year that is equal to a total of at least 1,820 hours including hours associated with holidays, vacation, sick and personal time, and overtime. No more than two employees whose annual hours of employment are less than 1,820 hours, but whose combined time equals or exceeds that number of hours, may be counted as one FTE employee.

- (g) Keep current in the payment of taxes owed for the Facility to any taxing jurisdiction in which the Facility is located unless such taxes are being legally contested by Company.

Section 5. City Requirements

- (a) In consideration of Company's agreement to perform the acts described above, City agrees to provide an annual grant to Company in an amount of money equal to a percentage of the annual City of Lockhart ad valorem taxes paid by Company on real and personal property based solely on any improvements to the real property ("increment") for that year and actually collected by the City.

- (b)) The amount of each annual grant to be paid to Company by the City shall be calculated as follows:

For Year one: one-hundred percent (100%) of the increment attributable to that year and paid to the City;

For Year two: seventy-five percent (75%) of the increment attributable to that year and paid to the City;

For Year three: fifty percent (50%) of the increment attributable to that year and paid to the City;

After such three-year period, all tax reimbursement grants by the City shall cease.

- (c) City shall pay Company the applicable amount of each annual grant, following Company's payment of ad valorem taxes for that year, on or before March 31 of the calendar year following such payment.

Section 6. Recapture/Termination

In the event that Company begins operating the Facility on the Property, but subsequently discontinues operating such facility for any reason, excepting fire,

explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of Company for a period of 180 days during the term of this Agreement, then in such event the City will no longer be obligated to expend any further funds for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this Agreement within 30 days of the expiration of the 180 days. The burden shall be upon Company to prove to the satisfaction of the City that the discontinuance of operating the distribution facility was as a result of fire, explosion, or other casualty or accident or natural disaster or other event beyond the control of Company. In the event Company meets this burden and the City is satisfied that the discontinuance of the operation of the distribution facility was the result of events beyond the control of Company, then Company shall have a period of one (1) year in which to resume the operation of the distribution facility. In the event that Company fails to resume the operation of a distribution facility within one (1) year, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this agreement within 30 days of the expiration of the one year period.

In the event that Company allows ad valorem taxes on property, or business personal property, or inventory not subject to tax waiver owed to the City to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this agreement within 30 days of such event.

In the event that Company relocates the business to a location outside of the City of Lockhart, then in such event, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 5 of this agreement within 30 days of the relocation.

In the event that the City determines that Company is in default of any of the terms or conditions contained in this Agreement, then in such event the City shall give Company thirty (30) days written notice to cure such default. Except as provided in Section 4(b) herein, in the event such default is not cured to the satisfaction of the City within the thirty (30) days notice period, then in such event the City will no longer be obligated to expend any further monies for tax reimbursement, and Company shall be required to repay the City for any and all monies expended by the City under Section 3 of this agreement within 30 days of the default.

In the event that Company shall fail to repay the City within 30 days of the date such repayment is due under any provision of this Section 6, Company hereby agrees that the City may place a lien on Property belonging to Company and located in Caldwell County, Texas for full payment of such monies.

Section 7. Certification of Compliance by Company

On or before March 1 of each year that this Agreement is in effect, Company shall certify in writing to the City its compliance with all provisions of this Agreement. Such certification shall include any and all documentation required by the City establishing that Company has met the annual employment requirement for the previous year and that all taxes related to the Property have been paid in full as required by law. The City, at any reasonable time, shall have the right to review any and all records of Company related to the provisions of this Agreement.

Section 8. Entire Agreement

This Agreement contains the entire agreement between the City and Company with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the City and Company.

Section 9. Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns. Company may assign its rights and obligations under this agreement only upon prior written approval of the City, which approval shall not be unreasonably withheld or delayed.

Section 10. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

COMPANY:	Matthew Johnson Mill Scale, LLC P.O. Box 1064 Lockhart, TX 78644
----------	---

City:	City Manager, City of Lockhart P.O. Box 239 Lockhart, Texas 78644
-------	---

Section 11. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 12. Applicable Law

This Agreement is made and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Caldwell County, Texas.

Section 13. Severability

In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Section 14. Mutual Assistance

City and Company agree to do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 19th day of April, 2022.

THE CITY OF LOCKHART

ATTEST:

Lew White
Lew White, Mayor

Connie Constancio
Connie Constancio, City Secretary

MILL SCALE, LLC

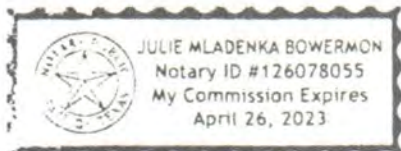
Matthew Johnson
Matthew Johnson, Manager

State of Texas)(

)(

County of Caldwell)(

The foregoing instrument was acknowledged before me this 19 day of APRIL, 2022, by Lew White, known to me to be the Mayor of the City of Lockhart, Texas.



Julie Mladenka Bowermon
Notary Public

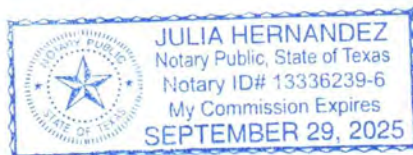
My Commission expires: 4/26/23

State of Texas)(

)(

County of Caldwell)(

The foregoing instrument was acknowledged before me this 28 day of April, 2022, by Brice Mills known to me to be the Manager of Mill Scale, LLC



Julia Hernandez
Notary Public

My Commission expires: September 29, 2025



Lockhart

T E X A S

2022-2023 Strategic Work Plan



The Strategic Planning Process

From January through April 2022, the City of Lockhart embarked on a strategic planning process to create strategic priorities for 2022-2023. The following is the process used to reach the conclusions for the plan:

The process kicked off with a preliminary Zoom between the City Manager, Steve Lewis, Mayor Lew White, and professional facilitator Alysia A. Cook, PCED, IOM with Opportunity Strategies LLC. The three met to review key issues facing the city, understand the programs and projects currently underway, and to prepare the process and format for the planning session.

On April 8, 2022, the City of Lockhart Management Team met at the Library for Part 1 of the Strategic Work Planning Session for 2022-2023.

On April 9, 2022, the City of Lockhart City Council and City Manager met at the Library for Part 2 of the Strategic Work Planning Session for 2022-2023.



Day One – Management Team

Day One began with City Manager Steve Lewis reviewing with the Management Team the City of Lockhart's accomplishments and success stories of 2021.

Following that, the City Manager and the facilitator shared some leadership concepts and considerations with the Lockhart Management Team. This led to some group discussions about the importance of continuous learning and leadership development.

The City Manager discussed with the participants that when goals are adopted by the City Council, they provide a positive impact for the Management Team in at least 4 different ways:

- a) Direction is clearly set by City Council
- b) Once that direction is established, differences can be discussed in a more open, less polarizing manner
- c) Saves time in decision making on projects/programs
- d) City Manager's recommendations can be better aligned with ultimate objectives

Mission of Lockhart Management Team

To promote and influence the alignment of organizational resources by focusing on:

- a) Organizational planning and issues
- b) Open communication with elected officials, staff, boards, commissions, and citizens
- c) Ensuring City of Lockhart is a leader in Central Texas regarding issues with community relevance
- d) Implementing programs that derive from the City Council and community's goals

Start – Stop – Continue

The facilitator then engaged the Management Team in a group exercise called *Start – Stop – Continue* which divides participants into small groups and has them offer feedback on what the City needs to start doing, stop doing, and continue doing.

These are individual manager recommendations and not necessarily agreed to by all managers or by City Council members. The responses are as follows:

Start

- Long-term capital planning
- Increasing non-emergency communications
- Administering annual customer service surveys that are statistically valid
- Developing recreation programs
- Indoor community recreation center
- City facilities and community infrastructure improvements
- New spaces for city facilities
- Modernize Human Resources policies including technology
- A vehicle acquisition fund
- Decreasing steps in the hiring process
- Staff planning for future growth
- Modernizing our contracts, best practices, attorney, etc. including reviewing for mutually beneficial language and avoiding one-sided contracts

Stop

- Ineffective/outdated contracts
- Thinking small
- Six-month probationary period for personnel
- Reconnecting customers after 10pm
- Providing free services (such as banners and road closures) and establish a fee schedule for these special requests
- Requiring utility inspections for every change of occupant

Continue

- Longevity pay
- Forward-looking planning for quality growth
- Law enforcement outreach with community
- Contracting (sending RFPs) for solid waste collection
- Supporting tourism
- Modernizing technology, e.g. paperless, Go Green
- Enhancing community investment
- Planning our wayfinding and signage
- Growing events that enhance overnight stays in Lockhart and maximize HOT \$ collections
- Economic growth including considering developing a 4th industrial park
- Striving for improved customer service
- Community engagement including public open houses and social media



Next, the Management Team embarked on a discussion around the following topics which also included some departmental reports on the status of various projects:

- Growth Trends
- Land Development
- Economic Development
- Service Delivery
- Workforce Development
- Long Range Financial Outlook

Following those discussions, the facilitator led the Management Team through a discussion of what they each thought should be the 2022-2023 goals City Council would establish the following day. She recorded those recommendations, then the group reached consensus on what would be put forth to the Council to consider.

The final decisions for 2022-2023 were made by City Council the following day and are listed below.

Day Two – City Council

Day Two began with City Manager Steve Lewis reviewing with City Council the City of Lockhart's accomplishments and success stories of 2021.

Expectations – City Council

Following that, the facilitator asked City Council to share any expectations for the day. Responses were as follows:

- TxDOT – Wayfinding and Signage
- Summerside Subdivision turn lane and traffic light
- Urgent Care facility
- Comprehensive mental health care for first responders
- Keeping City Staff wages competitive
- Need for an Assistant City Manager
- Need for a grantwriter
- Regional animal shelter
- Next industrial park and/or property

The following is the City of Lockhart 2022-2023 Strategic Work Plan.

City of Lockhart Vision:

- To be a first-class community that has maintained its integrity and sense of community characterized by livable neighborhoods and quality schools.
- To be a City that focuses on family by ensuring quality recreational and cultural activities, services, housing, economic, and educational opportunities that promote a well-rounded productive member of the community.
- To be a City that is friendly to visitors and future residents with a spirit of fellowship and cooperation by accommodating their needs and recognizing the wealth in cultural, ethnic and age diversity.
- To be a City committed to sustainability by diligently balancing community needs with available resources and managing growth in a smart and fiscally responsible manner.
- To be a City that celebrates and embraces its long and rich history by reinvesting in neighborhoods, preserving areas and buildings of historic significance and returning the Central Business District to an economically viable and lively activity center.
- To be a City recognized for the quality of its built environment and the integration of the natural landscape throughout the community.
- To be a City that ensures a good balance between residential, commercial, industrial, and public/institutional uses supported by quality infrastructure and transportation systems.
- To be a City known for its innovative solutions to managing growth, progressiveness of City government, and responsiveness to the needs of citizens and businesses.

Source: Lockhart 2020 Comprehensive Plan

Goal #1:

**City
Facilities**

Goal #2:

**Human Resources/
Staffing**

Goal #3:

**Parks &
Recreation**

Goal #4:

Infrastructure

Goal #5:

**Modernization &
Communications**

Goal #6:

**Development &
Quality of Life**

Goal #7:

**Revenue
Sustainability**

2022-2023 Goals:

Each of the following seven goals is guided by the values of diversity and inclusion. Diversity and inclusion are a tapestry that is woven through every goal, every service, and every program.

Goal #1: City Facilities

To begin planning for new city facilities and offices.

Goal #2: Human Resources/Staffing

To enhance our HR services to ensure Lockhart remains a competitive employer.

Goal #3: Parks & Recreation

To develop the Parks & Recreation program and services.

Goal #4: Infrastructure

To enhance physical infrastructure and branded wayfinding throughout Lockhart.

Goal #5: Modernization & Communications

To modernize our in-house and online technology, systems, and communications to serve residents more efficiently and tell the Lockhart story.

Goal #6: Development & Quality of Life

To continually improve the quality of life and employment opportunities of the people of Lockhart.

Goal #7: Revenue Sustainability

To ensure the long-term financial health and sustainability of the City of Lockhart.

Goal #1: City Facilities

To begin planning for new city facilities and offices.

- 1.1 Consider which facilities improvements should be funded by certificates of obligation vs. bonds
- 1.2 Begin plans to replace/update City Hall
- 1.3 Begin plans to replace/update Police/Fire/Training facilities
- 1.4 Begin plans to replace/update Maintenance/City Barn Utilities
- 1.5 Reclaim old space at the hospital
- 1.6 Lease additional space at the EDC building
- 1.7 Conduct a Facilities Study with architects and engineers
- 1.8 Consider Airport improvements (TxDOT Aviation) in the study

Goal #2: Human Resources/Staffing

To enhance our HR services to ensure Lockhart remains a competitive employer.

- 2.1 Hire ACM (Assistant City Manager) immediately
- 2.2 Hire City Manager Support Staff (Executive Assistant or Administrative Assistant)
- 2.3 Once new ACM is hired, assign him/her with developing a Staffing Plan
- 2.4 Once new ACM is hired, assign him/her with developing a Succession Plan
- 2.5 Consider adding additional staff city-wide as needed
- 2.6 Retain law enforcement officers by ensuring compensation competitiveness
- 2.7 Implement a formal EAP (Employee Assistance Program)
- 2.8 Secure a grantwriter (explore opportunities for hiring one vs. contractor)

Goal #3: Parks & Recreation

To develop the Parks & Recreation program and services.

- 3.1 Develop adult and youth programming that utilize existing facilities
- 3.2 Conduct successful outreach to sports leagues across Texas and neighboring states
- 3.3 Consider new Parks & Rec facilities such as pickleball, volleyball, and frisbee golf
- 3.4 Plan for and implement safety improvements of existing facilities
- 3.5 Plan for and implement aesthetic improvements of existing facilities
- 3.6 City Council requests to meet with Parks & Rec Director and City Manager to discuss ideas and brainstorm next steps in the Parks Plan including:
 - Work session, then tour Parks facilities with Parks & Rec Director
 - Discuss short-term vs. long-term Parks & Rec needs
 - Develop plan to survey citizens including bond exploration

Goal #4: Infrastructure

To enhance physical infrastructure and branded wayfinding throughout Lockhart.

- 4.1 Conduct public open houses to determine public wishes for Downtown
- 4.2 Council to approve a final Downtown Conceptual Design and authorize staff to implement
- 4.3 Consider an additional commercial district with retail and mixed-use offerings
- 4.4 Issue the RFP for a Comprehensive Plan update (hire firm by January 2023, then CIP (capital improvement plan) to follow
- 4.5 Explore downtown WiFi options including geofencing

Goal #5: Modernization & Communications

To modernize our in-house and online technology, systems, and communications to serve residents more efficiently and tell the Lockhart story.

- 5.1 PIO (Public Information Officer) to secure proposals for a new website design including:
 - Online forms and application portals (permitting, employment, variance requests, etc.)
 - Must be mobile responsive platform
 - Ensure ease of use and innovative utility of site
 - Include a portal to the Lockhart Economic Development Corporation website
- 5.2 Hire a consultant to 1) build a survey to ask the public what information they seek to find on the City of Lockhart website and 2) compare Lockhart website to other communities with high utilization of an innovative website
- 5.3 Streamline application processes of permits, developer proposals, engineering, employment, etc. to be placed on website (see 5.1)
- 5.4 Verify internet access at all City facilities



Goal #6: Development & Quality of Life

To continually improve the quality of life and employment opportunities of the people of Lockhart.

- 6.1 Consider proposed sidewalk ordinance
- 6.2 Facilitate/incentivize more housing options including:
 - Rental housing options
 - Workforce housing options
 - Higher-income housing
 - Infill/revitalized housing within centers of commerce (existing or planned)
 - Senior/retiree housing
- 6.3 Continue to promote family-friendly events in Downtown
- 6.4 Encourage higher development standards (within state legislature constraints) to research modernization techniques and make recommendations to City Manager for consideration
- 6.5 Continue to implement Animal Control Audit recommendations
- 6.6 Continue to provide concerts on the square

Goal #7: Revenue Sustainability

To ensure the long-term financial health and sustainability of the City of Lockhart.

- 7.1 Explore and increase film production permitting fees
- 7.2 Create and implement fees for banners, road closures, event special requests
- 7.3 Use grantwriter (see 2.8) to find and write grants that benefit the City of Lockhart and its residents
- 7.4 Conduct discussions between City Council and Staff regarding which items can/should be funded by certificates of obligation vs. bonds
- 7.5 Update/increase construction permit fees and impact fees
- 7.6 Explore a bond vote for the items proposed by Parks & Rec and Council from Goal #3
- 7.7 Explore the concept of a Community Foundation with community benefactor options including other communities who have successfully created and implemented a Community Foundation

City of Lockhart Leadership

The 2022 City Council and Management Team participating:

City Council:

Lew White, Mayor
Angie Gonzales-Sanchez, Mayor Pro-Tem
Brad Westmoreland, Councilmember At-Large
Juan Mendoza, Councilmember District 1
David Bryant, Councilmember District 2
Kara McGregor, Councilmember District 3
Jeffrey Michelson, Councilmember District 4

Management Team:

Steve Lewis, City Manager
Julie Bowermon, Director of Human Resources
Connie Constancio, City Secretary
Travis Hughes, Director of Parks & Recreation
Randy Jenkins, Fire Chief
Mike Kamerlander, Economic Development Director
Sean Kelley, Public Works Director
Pam Larison, Director of Finance
Bobby Leos, Electric Superintendent
Victoria Maranan, Public Information Officer
Bertha Martinez, Director of Library Services
Ernest Pedraza, Chief of Police





City of Lockhart

2020-2021 Strategic Priorities

Prepared by:

