PUBLIC NOTICE

AGENDA

LOCKHART CITY COUNCIL

September 16, 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. Presentation of a Proclamation proclaiming September 22 - 26, 2025 as National GEAR UP Week in Lockhart. **7-7**

B. Presentation of Certificate of Recognition proclaiming April 17th as Gene Galbraith Day. **8-8**

C. Presentation and discussion of the Lockhart Freedom Act third quarterly report. **9-10**

D. Demonstration and/or discussion of Lockhart Community Crime Map. **11-16**

E. Discussion regarding participating with Caldwell County in cost-sharing of an animal shelter feasibility study. **17-20**

F. Discuss lease renewal with Stenger Air Services, Inc. for an airport hangar at the Lockhart Municipal Airport for 5 additional years. **21-52**

G. Discussion regarding ratifying the adoption of Ordinance 2025-19 adopting the City of Lockhart's Annual Operating Budget for Fiscal Year 2025-2026 and appropriating resources, beginning October 1, 2025, ending September 30, 2026, for the City of Lockhart, Caldwell County, Texas and the Lockhart Economic Development Corporation and adopting the City's Investment Policy, Financial Policy, and Fund Balance - Stabilization and Excess of Reserves Policies in accordance with House Bill 1522 and including Exhibit A, Taxpayer Impact Statement as hereby incorporated herein in this agenda and is posted as part of this agenda. **53-56**

H. Discussion regarding Ordinance 2025-23 amending Ordinance 2025-16 to adopt the early voting dates, hours, and locations, and election day voting locations, as set forth by Caldwell County for the November 4, 2025 General Election. **57-68**

I. Discussion regarding Resolution 2025-32 naming the City of Lockhart's nominations for Directors of the Caldwell County Appraisal District for the 2026-2027 term. **69-79**

J. Discussion regarding member appointment and meeting dates for the citizen planning committee regarding the City of Lockhart's activities to commemorate and celebrate the 250th anniversary of the signing of the Declaration of Independence on July 4, 2026. **80-81**

K. Discussion regarding Resolution No. 2025-28 approving a Performance Agreement with Balcones Lockhart 2023, LP and authorizing economic development incentives for the infrastructure upgrade of a new facility in Lockhart, TX. **82-96**

L. Discussion regarding Resolution No. 2025-29 approving a performance agreement with Hill Country Foodworks LLC and authorizing economic development incentives for building improvements for a new facility in Lockhart, TX. **97-127**

M. Discussion regarding Resolution No. 2025-30 approving a performace agreement with Spare Change Restaurant, LLC and authorizing economic development incentives for building improvements for a new business in Lockhart, TX. **128-146**

N. Discussion regarding Resolution No. 2025-31 approving the execution of a Letter of Intent (LOI) and funds to secure a visitor center and providing an effective date. **147-153**

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. PUBLIC HEARING/COUNCIL ACTION

A. Consider a request to postpone a PUBLIC HEARING for ZC-25-04 by Spencewood Inc. on behalf of Spencer Gourley for a ZONING CHANGE from AO Agricultural-Open Space District and FH Flood Hazard District to RHD Residential High Density District on 50.07 Acres in W.C. Williams Survey No. 62, Abstract No. 300 and Miles G. Dikes Survey Abstract No. 6 and located at 2100-2500 North Colorado Street (US 183). **154-158**

B. Hold A PUBLIC HEARING and discussion and/or action on Ordinance 2025-22, amending Chapter 64, "Zoning" of the Lockhart Code of Ordinances as follows: **159-172**

Amend Chapter 64 “Zoning”, Article VII “Zoning Districts and Standards” Section 64-196, “Establishment of Zoning Districts” subsections (e) “Residential medium density district (RMD) (formerly R-2)” and (f) “Residential high density district (RHD) (formerly R-3)” to remove Manufactured Homes as a use allowed with the approval of a Specific Use Permit; and

Amend Chapter 64 “Zoning”, Article VII “Zoning Districts and Standards” Section 64-200 “Same—Manufactured homes and modular dwellings” to remove parts of subsection (a) regarding requirements for the installation of manufactured homes on individual residential lots not within manufactured home parks.

5. CONSENT AGENDA

A. Receive the Lockhart Freedom Act third quarterly report. **173-174**

B. Ratify the adoption of Ordinance 2025-19 adopting the City of Lockhart's Annual Operating Budget for Fiscal Year 2025-2026 and appropriating resources, beginning October 1, 2025, ending September 30, 2026, for the City of Lockhart, Caldwell County, Texas and the Lockhart Economic Development Corporation and adopting the City's Investment Policy, Financial Policy, and Fund Balance - Stabilization and Excess of Reserves Policies in accordance with House Bill 1522 and including Exhibit A, Taxpayer Impact Statement as hereby incorporated herein in this agenda and is posted as part of this agenda. **175-178**

C. Approve Ordinance 2025-23 amending Ordinance 2025-16 to adopt the early voting dates, hours, and locations, and election day voting locations, as set forth by Caldwell County for the November 4, 2025 General Election. **179-190**

6. DISCUSSION/ACTION ITEMS

A. Discussion and/or action regarding participating with Caldwell County in cost-sharing of an animal shelter feasibility study. **191-194**

B. Discussion and/or action regarding a lease renewal with Stenger Air Services, Inc. for an airport hangar at the Lockhart Municipal Airport for 5 additional years. **195-226**

C. Discussion and/or action to consider Resolution 2025-32 naming the City of Lockhart's nominations for Directors of the Caldwell County Appraisal District for the 2026-2027 term. **227-237**

D. Discussion and/or action regarding member appointment and meeting dates for the citizen planning committee regarding the City of Lockhart's activities to commemorate and celebrate the 250th anniversary of the signing of the Declaration of Independence on July 4, 2026. **238-239**

E. Discussion and/or action regarding Resolution No. 2025-28 approving a Performance Agreement with Balcones Lockhart 2023, LP and authorizing economic development incentives for the infrastructure upgrade of a new facility in Lockhart, TX. **240-254**

F. Discussion and/or action regarding Resolution No. 2025-29 approving a performance agreement with Hill Country Foodworks LLC and authorizing economic development incentives for building improvements for a new facility in Lockhart, TX. **255-285**

G. Discussion and/or action regarding Resolution No. 2025-30 approving a performance agreement with Spare Change Restaurant, LLC and authorizing economic development incentives for building improvements for a new business in Lockhart, TX. **286-304**

H. Discussion and/or action regarding Resolution No. 2025-31 approving the execution of a Letter of Intent (LOI) and funds to secure a visitor center and providing an effective date. **305-311**

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

- Lockhart Wastewater plants receive national gold awards.
- SH142 resurfacing at Mockingbird Lane signal update.
- Assistant City Manager recruitment update.
- Airport "Fifty to Fifty Romeo Fly-In" - September 27th.
- Citywide Bulk Cleanup - Saturday, October 25th.
- National Night Out is scheduled for October 7th.
- Reminder: There will not be a City Council meeting on the first Tuesday of October due to the National Night Out event. The meeting has been moved to Thursday, October 9, 2025.

8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

9. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.072 - TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD

PERSON and SECTION 551.071 – CONSULTATION WITH ATTORNEY TO DISCUSS LEGAL ISSUES RELATED THERETO.

A. Discussion Resolution No. 2025-31 regarding acquisition of property for a visitor center, and legal questions related thereto.

B. Discussion regarding legal acquisition of a utility easement from Spillmann Properties, Ltd. parallel to the Union Pacific railroad tracks west of Stueve Lane, and legal questions related thereto.

10. OPEN SESSION

A. Discussion and/or action regarding Resolution No. 2025-31 regarding acquisition of property for a visitor center.

B. Discussion and/or action regarding acquisition of a utility easement from Spillmann Properties, Ltd. parallel to the Union Pacific railroad tracks west of Stueve Lane.

11. 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 September 10, 2025 at 4:30 p.m.

Exhibit A

CITY OF LOCKHART, TEXAS
TAXPAYER IMPACT STATEMENT

House Bill 1522, passed by the Texas Legislature in 2025, amends section 551.043 of the Texas Government Code to require that the notice of a meeting is required to be posted under section 551.043(a) of the Texas Open Meetings Act, at which a governmental body will discuss or adopt a budget for the governmental body, must include a taxpayer impact statement showing, for the median valued homestead property, a comparison of the property tax bill in dollars pertaining to the property for the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year.

The City of Lockhart has adopted a budget for the 2025-2026 fiscal year, effective October 1, 2025, and ending September 30, 2026. The City intends to ratify the adoption of its budget on September 16, 2025.

- 2024 Value of Median-Valued Homestead Property in the City: $266,200

- 2024 Property Tax Bill for the Current Fiscal Year ($0.5093): $1,355.76

- 2025 Value of Media-Valued Homestead Property in the City: $273,784

- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if the City Ratifies the Adoption of the 2025-2026 Fiscal Year Budget Funded at the Voter-Approval Tax Rate ($0.5541 per $100 of value): $1,517.04

- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if the City Ratifies the Adoption of the 2025-2026 Fiscal Year Budget Funded at the No-New-Revenue Tax Rate ($0.4954 per $100 of value): $1,356.33

National GEAR UP Week
CELEBRATING OUR EDUCATIONAL ACHIEVEMENTS

Proclamation

Whereas, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a federally funded program designed to increase the number of students who stay in school and pursue postsecondary education; and

Whereas, GEAR UP focuses on students who might be the first person in their family to go to college; and

Whereas, GEAR UP provides seven-year grants to states or partnership to deliver support and resources to students and their families, starting no later than the 7th grade (middle school) through high school and onward to fulfill their dreams attaining a postsecondary education; and

Whereas, GEAR UP services including tutoring, mentoring, advising, rigorous academic preparation and financial education to improve access and success in higher education; and

Whereas, GEAR UP is built around public-private partnerships to support students as they prepare to enter and succeed in education beyond high school; and

Whereas, GEAR UP has enabled thousands of students since 1999 to achieve their dreams of higher education; and

Whereas, GEAR UP is committed to providing a quality education for all students, helping them to achieve their highest potential.

NOW, THEREFORE, I, Lew White, by virtue of the authority vested in me as Mayor of the City of Lockhart, Texas, do hereby proclaim

September 22-26, 2025

as

"National GEAR UP Week in Lockhart, Texas"

and I encourage all people in our state to join in this special observance.

IN TESTIMONY, WHEREOF, I have hereto set my hand and cause to be affixed the Seal of the City of Lockhart, Texas this the 16th day of September, 2025.

CITY OF LOCKHART

ATTEST:

____
Lew White
Mayor

____
Julie Bowermon
City Secretary

CERTIFICATE OF RECOGNITION

Presented to

Gene Galbraith

In appreciation of your dedication and invaluable contributions to the Lockhart community.

WHEREAS, Gene Galbraith has devoted decades to preserving the rich history of timekeeping through his work as the founder and caretaker of the Southwest Museum of Clocks and Watches; and

WHEREAS, through his passion and dedication, Mr. Galbraith has inspired countless visitors, sharing his knowledge and love for clocks, and fostering an appreciation for the art, science, and history of timekeeping; and

WHEREAS, his tireless efforts have made the Southwest Museum of Clocks and Watches a unique and cherished landmark, reflecting the character, history, and spirit of the Lockhart community; and

WHEREAS, Gene Galbraith has lent his expertise toward the restoration and maintenance of the Lockhart Courthouse Clock, as well as courthouse clocks throughout Texas, preserving these iconic symbols of our heritage for future generations; and

The City of Lockhart is proud to honor Mr. Galbraith for his dedication to history and sharing his knowledge and love for clocks, ensuring the art, science, and history of timekeeping carries on within the community.

NOW, THEREFORE, I, Lew White, by virtue of the authority vested in me as Mayor of the City of Lockhart, Texas, do hereby proclaim

April 17th
as
"Gene Galbraith Day"
in honor of his
Birthday

Presented this 16th day of September 2025.

CITY OF Lockhart TEXAS

Lew White
Mayor

City of Lockhart, Texas

Council Agenda Item
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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Presentation and discussion of the Lockhart Freedom Act third quarterly report.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Lockhart Police Department continues to implement sections of the Lockhart Freedom Act that are not in conflict with state and federal law. These include evidence handling protocols (Section 12.06), codification of officer discretion in low-level marijuana cases (Section 12.10), and public transparency through quarterly reporting (Section 12.12).

This third quarterly report provides updated data on LPD enforcement activity related to misdemeanor marijuana possession during the most recent reporting period. Included in this report are:

- Total number of marijuana-related arrests and citations issued,
- Estimated personnel hours devoted to enforcement of these cases,
- Demographic breakdowns (age, gender, race, and ethnicity) of individuals cited or arrested.

This report builds upon the City's efforts to promote accountability, transparency, and informed decision-making.

PROJECT SCHEDULE (if applicable):

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: Acknowledged receipt of second quarterly report.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Acknowledge receipt of third quarterly report.

LIST OF SUPPORTING DOCUMENTS: Misdemeanor Marijuana Enforcement (May 28, 2024 to Sept 5, 2025)

MISDEMEANOR MARIJUANA ENFORCEMENT

(Arrests & Citations)

May 28, 2025 to Sept 5, 2025

				SUSPECT DESCRIPTION				
DATE	CASE NUMBER	ARREST/CITATION	CHARGE	AGE	GENDER	RACE	ETHNICITY	EST. HOURS
5/28/2025	2025050120	Arrest*	Poss Marij <2oz	45	M	W	H	3:22:00
6/3/2025	2025060010	Arrest*	Del Marij 4oz<=5lbs	19	M	W	H	5:26:00
6/15/2025	2025060075	Arrest *	Poss Marij <2oz	27	M	B		1:45:00
6/22/2025	2025060098	Arrest*	Del Marij 4oz<=5lbs	32	M	W	H	2:10:00
7/20/2025	2025070072	Citation ^	Poss of Drug Para	19	F	W		0:21:00
7/23/2025	2025070082	Arrest	Poss Marij <2oz	32	F	W	H	1:52:00
7/26/2025	2025070099	Citation	Poss of Drug Para	17	M	W	H	0:13:00
7/31/2025	2025070116	Citation	Poss of Drug Para	25	M	W	H	0:53:00
7/31/2025	2025070116	Citation	Poss of Drug Para	26	F	W		0:53:00
8/4/2025	2025080015	Arrest*	Poss Marij <2oz	18	M	B		1:41:00
8/5/2025	2025080019	Citation	Poss of Drug Para		M	B		0:08:00
8/5/2025	2025080020	Citation	Poss of Drug Para	36	M	W	H	0:18:00

* - Possession of marijuana along with other illegal narcotics.

^ - Possession of Drug Paraphernalia citation in lieu of arrest for Possession of Marijuana.

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Demonstration and/or discussion of Lockhart Community Crime Map.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Police Department would like to introduce a new online tool—the Community Crime Map—designed to improve public awareness and transparency around local crime activity. This interactive map allows residents to view recent crime reports by location, date, and crime type. The tool pulls data directly from the city's police department and information is updated regularly to ensure accuracy, while sensitive details are automatically filtered out to protect privacy.

The Community Crime Map was developed in response to citizen requests raised during recent Neighborhood Watch organizational meetings. Citizens may sign up at no cost for automated alerts about crime activity and provide anonymous tip submissions. By providing clear, timely information, this tool enhances communication between the police department and the community while empowering residents with actionable knowledge to improve personal and neighborhood safety.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): The cost to the City for online Crime Mapping through Lexis Nexis is $100 per month.

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends support for the public launch of the Community Crime Map and promotion of its use through city communication channels.

City of Lockhart, Texas

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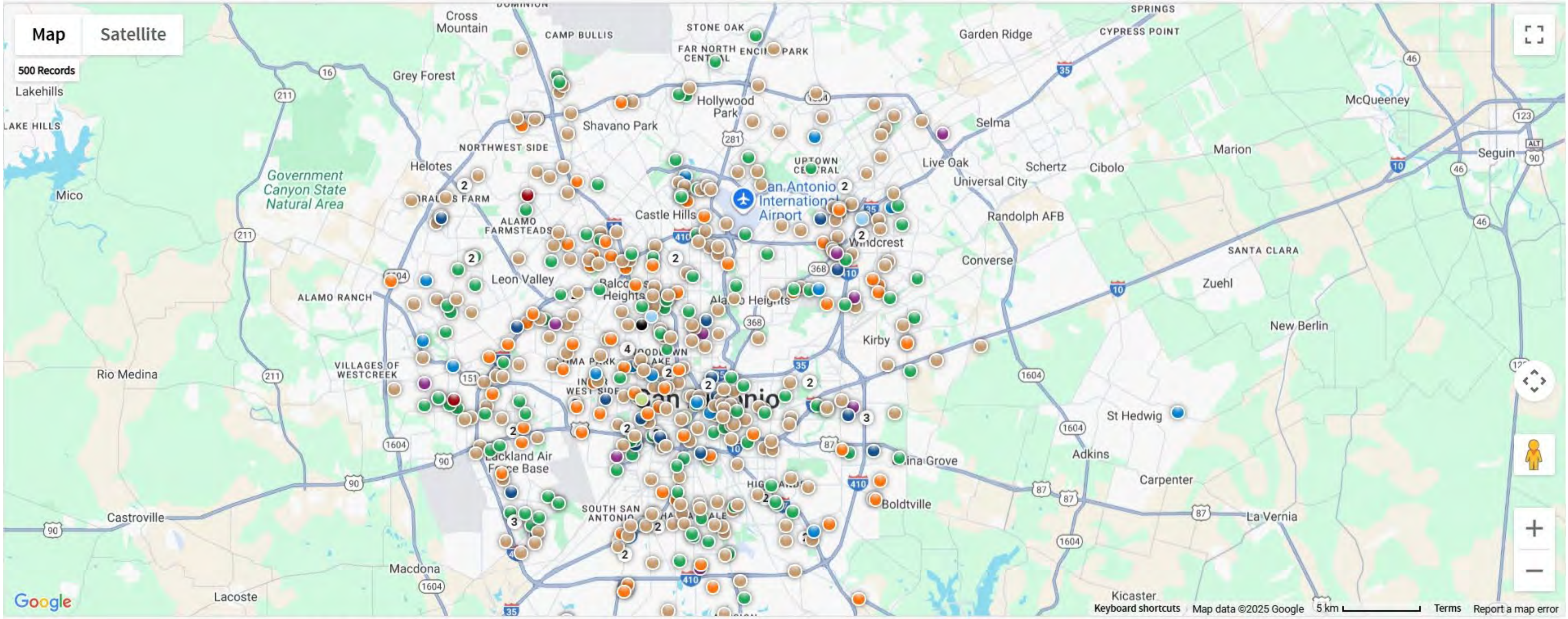
LIST OF SUPPORTING DOCUMENTS: Community Crime Map Info

LexisNexis RISK SOLUTIONS Community Crime Map

Enter city, address or coordinates

Filter



RELX™

Community Crime Map

Transparent data sharing to support your community policing efforts

More Information

Visit the Community Crime Map

Law enforcement executives are often asked to provide the public with information about crime and criminal activity in the community.

Officials need online applications that automate the dissemination of information to the public.

These applications give the public a better idea of criminal activity in their area so they can make more decisions about how to stay safe.

Benefits

Community Crime Map is a public crime map that allows law enforcement to share selected crime data with the public. This application includes basic mapping, dashboards and analytics. Community Crime Map goes beyond crime mapping by automatically alerting the public about recent crime activity and by improving communication between the public and law enforcement through anonymous tips.

Community Crime Map compiles crime data and other information from law enforcement agencies to make it easier for the public to stay informed about crime. Data in Community Crime Map is provided directly from each law enforcement agency. Because Community Crime Map is just the public side of a much more robust crime data sharing and analysis system for law enforcement, data is cleaned to remove private information about addresses and people. To uphold these quality standards, an automated feed of the law enforcement data pushes data frequently to it. Receiving the data directly from each law enforcement agency ensures that the data is always up to date, accurate and complete.

Providing crime mapping and tips to the community helps law enforcement keep the public aware of crime and it builds trust with residents, business owners and visitors. It also improves communication between the public and law enforcement. By allowing law enforcement to provide these services to the public at no cost through Community Crime Map, it reduces any barriers for law enforcement to use public crime mapping as a crime reduction strategy.

Features

Features for law enforcement:

- Reduce information requests
- Improve trust with data accuracy and transparency
- Control what is shared with the public
- Multi-agency data sharing
- Hotspot maps, COMPSTAT and dashboard analytics

Features for the community:

- Easily search for information and view nearby criminal activity
- Demographic and socio-economic data show how crime relates to other factors
- Neighborhood watch reports help the public stay safe
- View sex offenders in the area

Industries

Our Products

Insights and Resources

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Policies

Your Privacy Choices

NOTICE: We may sell your sensitive personal data.
LexisNexis® Risk Solutions, part of RELX.

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding participating with Caldwell County in cost-sharing of an animal shelter feasibility study.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Consensus

BACKGROUND/SUMMARY/DISCUSSION:

Broaddus & Associates submitted a proposal to Caldwell County to perform a feasibility study for the expansion of the current Animal Shelter facility or construction of a new one. The County has requested the City of Lockhart to split the fee for the study. The firm proposes an hourly, not-to-exceed fee of $162,288.

The proposed study will:

- Explore options to either expand the current animal shelter facility or build a new one.
- Focus strictly on facility feasibility (not operational planning).
- Be completed in three phases over six months: data gathering (including staff interviews and steering committee workshops), development of feasibility options, and preparation of a final report with recommendations for approval.

The Animal Shelter Lease agreement with Caldwell County expires on September 26, 2029.

PROJECT SCHEDULE (if applicable): Six months from start of study.

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): Will be charged hourly, not to exceed $162,288. Council would decide amount of cost to share with the County.

PREVIOUS COUNCIL ACTION: N/A

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COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff requests Council direction on whether to participate in cost-sharing for a shelter feasibility study.

LIST OF SUPPORTING DOCUMENTS: Broaddus & Associates Proposal

August 8, 2025

Hoppy Haden
Caldwell County Judge
110 S. Main Street
Room 103
Lockhart, Texas 78644

RE: Caldwell County Pet Resource Center
Proposal for Owner's Representative Services

Dear Judge Haden,

Thank you for the opportunity to provide a proposal to Caldwell County for the Pet Resource Center Feasibility Study.

Broaddus & Associates is uniquely qualified to lead this project, leveraging our recent success in a similar endeavor for a neighboring county. Our firm successfully completed a **Pet Resource Center (PRC) feasibility study** for **Hays County**, which culminated in a cost-saving partnership with the City of Kyle to construct a new pet resource center. We also proposed partnering with several nonprofits for "satellite locations". This innovative solution not only optimized construction expenses but also established a framework for shared resources. In addition to this partnership, our study also recommended collaborating with local nonprofits/organizations to strategically deliver community services.

Broaddus & Associates offers a full suite of services, and we will leverage the specialized expertise of our **Broaddus Planning team** to ensure the highest quality of work. This project will be led by Denise Davis, one of our Senior Facility Planners and Programmers, and James DeMeritt, one of our Senior Project Managers, who brings extensive experience to this effort. We are confident that our proven track record and expert team make us the ideal partner to deliver a comprehensive and effective feasibility study for Caldwell County.

Proposed Scope of Work

The scope of work is outlined fully on Attachment A – **Scope of Services for Caldwell County Animal Care Facility Feasibility Study,** but here are some key scope of work highlights/aspects:

- The study will explore options for building animal care facilities. The goal is to guide county decisions on future animal services.
- Options include expanding the current facility or building a new one. The study will not include operational requirements.
- The project will span six months, with three phases. The key activities include:
    - Data gathering including Staff interviews and workshops with an Executive Steering Committee.
    - Developing Feasibility Options

- Documentation including a final report and presentation for the Commissioner’s Court Approval.

Schedule of Performance

Based on the work approach outlined above, we propose a six-month duration to complete, following a Notice to Proceed (NTP), estimated to be sometime September.

Compensation

Based on the work approach outlined above, as shown below, we propose an Hourly, Not to Exceed Fee of $162,288.

2025									
Role	Rate	Sep-25 FTE	Oct-25 FTE	Nov-25 FTE	Dec-25 FTE	Jan-26 FTE	Feb-26 FTE	Total Hrs	Amount
Program Executive Support -AG	$ 242	0.05	0.05	0.05	0.05	0.05	0.05	49	$ 11,858
Sr. Project Manager - JD	$ 220	0.25	0.25	0.25	0.25	0.25	0.25	245	$ 53,900
Sr. Planner - DD	$ 225	0.15	0.15	0.15	0.25	0.25	0.25	196	$ 44,100
Project/Construction Manager - BS	$ 180	0.15	0.15	0.15	0.25	0.25	0.25	196	$ 35,280
Project Planner - TW	$ 125	0.15	0.15	0.15	0.15	-	-	98	$ 12,250
Cost Estimating Manager - JJ	$ 200	-	-	-	0.05	0.05	0.05	25	$ 4,900
Scheduling	$ 160	-	-	-	-	-	-	-	$ -
Total		**$23,896**	**$23,896**	**$23,896**	**$32,127**	**$29,071**	**$29,071**	**809**	**$ 162,288**

Upon review, please let us know if you have any questions or if you would like us to set up a meeting to review and discuss our proposed scope of work and approach in further detail.

After completion of this Feasibility Study and alignment from you and your team on the implementation options chosen by Caldwell County, B&A can provide a comprehensive scoping and fee proposal for developing and implementing the project tailored to Caldwell County specific needs.

We look forward to our continuing efforts in support of Caldwell County and thank you for the opportunity.

Very respectfully,

Alex Gonzales
Vice President

CC: James DeMeritt; Denise Davis

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discuss lease renewal with Stenger Air Services, Inc. for an airport hangar at the Lockhart Municipal Airport for 5 additional years.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The original ground lease between Stenger Air and the City of Lockhart was approved on September 19, 1995. The ground lease for 6,250 sf for property at the airport had a term of 30 years, with a 5-year renewal option and is set to expire on September 19, 2025. Mr. Joe Stenger built the hangar on the leased land and has provided flight training services at the Lockhart Municipal Airport for nearly 30 years. The terms of the contract allow for a 5-year extension of the contract and the lessee has provided notification to the City that he would like to continue leasing the property. The lessee plans to continue providing flight training through his flight school.

If the extension is approved, the lessee will continue to adhere to the terms of the 1995 lease agreement. These terms include: 1) Maintaining insurance, 2) Covering utilities costs, 3) Providing building maintenance, 4) Abiding by the rules and regulations of the airport, and 5) Paying the annual ground lease rent, which is based on their current rate plus Consumer Price Index (CPI) adjustments written into the current lease.

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: Staff respectfully recommends approval of extension of the ground lease at the airport for an additional 5-years with Stenger Air Services, Inc.

City of Lockhart, Texas

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LIST OF SUPPORTING DOCUMENTS: Hangar Location, Stenger Air Service Inc Lease Renewal 2025, Exhibit A - 1995 Stenger Air Ground Lease Agmt, Exhibit B Stenger Lease


Lockhart Municipal Airport
Ground Lease Locatrion "Stenger Air" Hangar
Airport Dr
Airport Dr
Airport Dr
Airport Dr
S Colorado St
183
Image © 2025 Airbus
Google Earth

FIRST LEASE AGREEMENT EXTENSION
Hangar located at City of Lockhart Airport

THIS FIRST LEASE EXTENSION AGREEMENT ("First Extension") is made by and between Stenger Air Services, Inc., a Texas corporation, herein referred to as the Lessee, and the City of Lockhart ("City"), a Texas Municipal Corporation, herein referred to as the Lessor.

1. An original lease was executed on or about September 19, 1995 with the Lessee under which the property ("Leased Premises") described therein was leased for the thirty (30) years, ending on September 19, 2025, a copy of which is attached as **Exhibit A**. Exhibit A is hereafter referred to as the "Lease."

2. Stenger Air Services, Inc. wishes to extend the lease for an additional five (5) years. The City and Lessee agree to such extension with the following additions to the Lease:

   a) The First Extension shall begin on September 16, 2025, and end on September 30, 2030.

   b) Lessee is responsible for all utility payments and maintenance of the Leased Premises.

   c) Lessee shall immediately purchase, at his sole expense, and maintain an insurance policy for the value of the structure on the Leased Premises, naming the City as an additional insured, for the life of this First Extension, and will provide a copy of the insurance policy to the City.

   d) The Leased Premises shall comprise a City-owned property covering 6,250 square feet, which is more particularly described in **Exhibit B**.

3. The Lockhart City Council finds that this extension of the Lease serves a public purpose by providing for productive use of the Leased Premises that benefits the community, including Flight Training located at the Lockhart Municipal Airport.

4. Lessee agrees to fulfill all the terms and covenants of the Lease and this renewal, including making all payments due to or payable on behalf of the City when due and payable.

(SIGNATURES ON NEXT PAGE)

Lessee:
Stenger Air Services, Inc.

_______________________________ _______________________

Joseph O. Stenger, President Date

STATE OF TEXAS §
COUNTY OF CALDWELL §

BEFORE ME, the undersigned authority, on this day personally appeared Joseph O. Stenger, 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 consideration therein expressed and in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the ___ day of _______________, 2025.

____

Notary Public

City of Lockhart, Texas:

____

Lew White
Mayor

Attest:

____

Julie Bowerman
City Secretary

EXHIBIT A – LEASE

EXHIBIT B – DESCRIPTION OF LEASED PREMISES

Exhibit A

GROUND LEASE AGREEMENT

This Ground Lease Agreement made and entered into this the 19th day of September, 1995, by and between the CITY OF LOCKHART, TEXAS, a Municipal Corporation existing by and under the authority of the laws of the State of Texas, hereinafter referred to as "Lessor", and Stenger Air Services, Inc. , hereinafter referred to as "Lessee".

WITNESSETH:

WHEREAS, Lessor owns and operates, in the City of Lockhart, an Airport, and said Lessor is desirous of leasing to Lessee certain property hereinafter more fully described and located on said airport; and

WHEREAS, Lessee has indicated a willingness and ability to properly construct, keep, maintain and improve said property with standards approved by Lessor, and desires to lease said property from the City of Lockhart, Texas;

NOW THEREFORE, for and in consideration of the rents, covenants and agreements herein contained, Lessor does hereby lease, demise, grant and let to Lessee, and Lessee does hereby hire, take and lease from Lessor, the following premises, rights and easements on and Airport property upon the following terms and conditions, to-wit:

ARTICLE ONE

Lessor does hereby grant, demise and lease unto Lessee the following described tract of land at said Airport with respect to which Lessee is to have for the term of this lease the use of said tract described as follows:

See Exhibit "A" attached hereto and incorporated for all purposes by reference.

ARTICLE TWO

Buildings and Improvements

Lessee shall have the right to erect hangars upon the leased premises.

Lessee agrees to maintain in good condition, order and repair the structures and other improvements upon the demised premises.

Lessee agrees and understands the plans and specifications for any and all proposed improvements to the leasehold property shall receive the prior written approval of the Lessor, and shall conform to the City of Lockhart Airport Master Plan or as mutually agreed upon and with approval of Lessor, as well as meet all City of Lockhart Code requirements.

Lessor, acting through its building inspector and other inspectors shall have free access to the property covered hereby and to the improvements thereon for the purposes of determining that any construction conforms to the plans and the specifications approved by Lessor, and to determine if the building or the improvements are being maintained in accordance with the requirements of this Lease Agreement. It shall be Lessee's responsibility to take such actions as are necessary to insure that the construction of the hangars and any later required maintenance work is conducted without interference with other Lessees, the

F.A.A., or any aviation activities which are the principal purpose of the airport. Any activity which interferes with or endangers aviation activity will be immediately discontinued when so mandated by the Lessor or the F.A.A.

ARTICLE THREE
Term of Lease

The term of this Lease shall be for a period of Thirty (30) years, commencing on the date above first written, with the option of renewal for Five (5) years, if terms are mutually agreed upon by the parties. This Lease shall be subject to review by the appropriate State Agency and the Federal Aviation Administration , as required, and acceptance by Lessor and Lessee of the terms of this Lease Agreement shall be provisional until such time as all appropriate agencies have approved this Agreement.

ARTICLE FOUR
Use of Property

Lessee agrees and understands that this Lease Agreement shall be for the construction and use of a commercial hangar facility for the placement of one or more general aviation aircraft. It is expressly understood and agreed by the parties that Lessee operation shall be an on-site flight training and active commercial flight facility, and not be used solely for storage of aircraft. It is intended by the parties and agreed to by the Lessee that this Lease is for the construction of hangars and for the placement of aircraft owned or operated by Lessee or his flight training Customers.

ARTICLE FIVE

Rental Charges

Lessee agrees to pay an annual rental for the use of the premises, rights and easements herein provided for as follows:

(a) **Ground Rent**

(1) Ground rent to be paid annually in the amount of $0.05 per square foot per year on each square foot of land on the tract of land described in Exhibit "A" herein for a total annual rental of $312.50, the first payment of which shall be due and payable contemporaneously with the signing of the Lease.

(2) The ground rent on the tract leased shall be subject to Article V, Section (b), "Adjustments to Rent."

(3) Should any governmental agency require for any reason any portion of the tract held by Lessee under this Lease, Lessee shall be entitled to reimbursement for the sums paid to Lessor for the area of property actually utilized by the governmental agency. Nothing herein shall entitle Lessee to reimbursement for any amount greater than the sum actually paid to Lessor on the property actually utilized by the governmental agency.

(b) **Adjustments to Rent**

As promptly as practicable after the end of the fifth (5th) year after the beginning date of this Lease and each fifth (5th) year thereafter, Lessor shall compute the percentage of change (increase or decrease), if any, in the cost of living during the time period between the beginning date of this Lease Agreement and the date of the fifth (5th) year anniversary and each fifth (5th) year anniversary thereafter during the term of this Lease, based upon the changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers - U.S. Average (1967-100) (hereinafter called "Consumer Price Index"), as determined by the United

States Department of Labor , Bureau of Labor Statistics for " All Items". It is agreed that the Consumer Price Index Number at the commencement date of this lease is June 1, 1995 (herein called "Base Index Number"). If the Consumer Price Index Number for the month in which any such anniversary of the beginning date shall occur (each such number being herein called an "Anniversary Index Number") is higher or lower than the Base Index Number, then such Anniversary Index Number shall be divided by the Base Index Number and from the quotient thereof shall be subtracted the integer one (1). The resulting number multiplied by one hundred, shall be deemed to be the percentage of increase or decrease in the cost of living. Such percentage of change shall be multiplied by the Basic Rental, and the product thereof shall be added to, or subtracted from, the Basic Rental to determine the annual rental payable for the next five (5) year period, commencing on the immediately preceding anniversary of the beginning date (such amount being herein sometimes called "Adjusted Basic Rental"). Such Adjusted Basic Rental shall be calculated in the above manner during the fifth (5th) year anniversary and each fifth (5th) year thereafter of the Lease Term. Lessor shall, within a reasonable time after obtaining the appropriate data necessary for computing any change in the annual rent, give Lessee notice of any change so determined. Lessee shall notify Lessor of any claimed error therein within thirty (30) days after receipt of such notice. If publication of the Consumer Price Index shall be discontinued, the parties hereto shall thereafter accept comparable statistics on the cost of living for the City of San Antonio, Texas, as they shall be computed and published by an agency of the United States, or by a responsible financial periodical of recognized authority, then to be selected by the parties hereto. As an example, only, of the foregoing adjustment:

(a) Assume Basic Rental is per acre one hundred dollars ($100.00) per year,

(b) Assume Basic Index Number is two hundred (200),

(c) Assume Anniversary Index Number on the anniversary date of the commencement date is three hundred (300),

then based upon the foregoing, the Annual Basic Rental shall be:

Anniversary Index Number 300 divided by Base Index Number 200 =

1.5 - 1 = .5 x 100 = 50 = 50%

50% x 100 = 50.00

50.00 + 100.00 = 150.00 Adjusted Basic Rental.

All payments are to be made to the Office of the City Manager at P.O. Box 239, Lockhart, Texas 78644.

In the event of Lessee's failure to pay any installment of rental when due or any other fee when due, Lessor may declare the lease terminated, or may declare all unmatured rental due, and further will be entitled to judgment for court costs, reasonable attorney's fees and interest on its unpaid rental and fees at the rate of TEN (10%) PERCENT per annum.

(c) **Late payments on rent.**

(1) All rental payments shall be due on the anniversary date, of the year beginning the lease payment period. Payments not received by the Tenth (10th) shall be deemed late and there will be an automatic ten (10%) percent penalty assessed and collected by the Lessor from the Lessee in that event.

ARTICLE SIX

Insurance

Lessee shall maintain, at his own cost and expense insurance in an amount adequate to cover eighty (80%) percent of the cost of replacement of all fixtures in the demised premises in the event of fire, special extended coverage, vandalism or malicious mischief. Lessee shall maintain, at his own cost and expense comprehensive general liability insurance on an occurence basis, with minimum limits of liability in an amount of $1,000,000.00 for damage to property, including contractual liability. Lessee agrees to carry Lessor as an additional insured party, and such insurance policy shall contain the endorsement that such insurance may not be canceled or amended with respect to Lessee without thirty (30) days written notice by registered mail, to Lessor, by the insurance company; and that Lessee shall be solely responsible for the payment of premiums; and that Lessor shall not be required to pay any premiums for the insurance. Lessee waives the right of subrogation against Lessor for any reason whatsoever. Any insurance policy herein required or procured by Lessee shall contain an express waiver of subrogation by the insurance company against the Lessor. The minimum limits of any insurance coverage required herein shall not limit Lessee's liability under the following paragraph.

If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

If the leased premises should be totally destroyed by fire, tornado, or other causality not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, or if it should be so damaged by such a cause that rebuilding or repairs cannot reasonably be completed within one hundred and twenty (120) working days, this lease shall terminate, and rent shall be abated for the unexpired portion of this lease, effective as of the date of written notification provided for hereinabove.

If the leased premises should be damaged by fire, tornado, or other casualty not the fault of the Lessee or any person in or about the leased premises with the express or implied consent of Lessee, but not to such an extent that rebuilding or repairs cannot reasonably be completed within one hundred and twenty (120) working days, this lease shall not terminate, and it shall be the responsibility of Lessee to rebuild or repair said damage at Lessee's expense.

ARTICLE SEVEN

Non-Exclusivity

Lessee agrees to operate the premises leased for the use and benefit of the public.

Notwithstanding anything herein contained that may be or appear to the contrary, it is expressly understood and agreed that the rights granted under this agreement are non-exclusive and the lessor herein reserves the right to grant similar privileges to another operator or other operators on other parts of the airport.

ARTICLE EIGHT

Non-Assignment

Lessee shall not, at any time during the term of this lease, or in any manner, either directly or indirectly, assign, sublease, hypothecate, or transfer this agreement or any interest therein without prior written consent of the Lessor. Lessor shall not unreasonably withhold consent under this provision.

Should a lending institution require first lien on Lessee's leasehold interest and require collateral assignment of said lease to the financial institution, Lessor agrees that this will not be violative of the Lease Agreement. Any assignment, hypothecation, or pledge shall not be effective without prior written consent of the City of Lockhart, and such consent shall not be unreasonably withheld. Prior to such assignment, sublease, hypothecation or pledge or this lease as provided for in this paragraph, Lessee shall provide Lessor's City Manager with a copy of said assignment, sublease, hypothecation or pledge and of any and all agreements collateral thereto. In the event that the City of Lockhart approves the proposed assignment, sublease, hypothecation or pledge a copy thereof shall be filed with the City Secretary of the City of Lockhart. It is specifically understood and agreed by the parties that any assignment of this lease or hypothecation thereof shall not create any type of lien upon the realty or create any further obligation upon Lessor as a result of such assignment or hypothecation thereof.

ARTICLE NINE
Indemnity

(a) Lessee shall indemnify Lessor and save it harmless from suits, actions, damages, liability, and legal defense expense in connection with the loss of life, bodily or personal injury or property damage arising from or out of any occurrence in or upon the demised premises, or occasioned wholly or in part by any act or omission of Lessee, his agents, contractors, employees, servants, invitees or licensees, in their use of the demised premises, the runways and taxiways, and any other area within the City of Lockhart Airport; and

(b) Lessor shall not be responsible or liable at any time for any loss or damage to Lessee's equipment, fixtures, machinery, airplane or airplane parts or any other personal property of Lessee; and

(c) Lessor shall not be responsible or liable to Lessee or to those claiming by, through or under Lessee, for any loss or damage to either the person or property of Lessee that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting or adjoining premises; and

(d) Lessor shall not be responsible or liable for any defect, latent or otherwise, on any building in the airport area, or of any of the equipment, machinery, utilities, appliances or apparatus therein or thereupon, nor shall it be responsible or liable for any injury, loss or damage to any person or to any property or Lessee, or any other person caused by or resulting from any bursting, breakage, or by or from leakage, steam, snow or ice, running, backing up, seepage or the overflow of water or sewage in any part of said premises, or for any injury or damage caused by or resulting from any defects or negligence in the occupancy, construction, operation or use of any said buildings, equipment, machinery, utilities, appliances or apparatus by any person or by or from the acts of negligence of any occupant of the premises; and,

(e) Lessee shall give prompt notice to Lessor in case of fire or accidents in the demised premises.

ARTICLE TEN

General Construction Standards

In addition to all code requirements of the City of Lockhart and any other legal entity or sub-entity, the following shall be the minimum construction standards for the construction of the hangars to be placed on property listed in Exhibit "A" and incorporated by reference:

(1) Hangars shall be of all metal materials to include all supports and exterior siding.

(2) The permanent Hangar shall be on pier and beam with footings appropriate to support the structure. Interior flooring of the permanent Hangar so constructed shall be of slab of sufficient depth(of at least 5 inches) with steel and wire support to adequately hold the weight of an aircraft.

(3) All utilities, to include electrical service shall be brought underground to the structure at the sole expense of Lessee. The City of Lockhart hereby grants an easement for that purpose to Lessee. Lessee shall be required to have at least one (1) restroom facility located in the permanent Hangar. Lessee's discharge of sewage and waste water shall be in accordance with City Code Section 26-52.1.

(4) Foundation shall be with concrete footings under all uprights and columns on the permanent Hangar.

ARTICLE ELEVEN

General Rights and Duties of Parties

The parties hereto for themselves, their legal representatives, successors and assigns, further covenant and agree as follows:

(a) Lessee agrees to observe and obey during the term of this lease, all laws, ordinances, rules and regulations promulgated and enforced by Lessor, and by any other proper authority having jurisdiction over the conduct of operations at the airport.

(b) So long as Lessee comports himself in a fair, reasonable and workmanlike manner, Lessee shall peaceably have and enjoy the leased premises, and all the rights and privileges herein granted.

(c) With regard to permanent improvements either in place or to be placed upon the premises by Lessee, Lessee hereby agrees to the following provisions:

(i) Permanent improvements placed upon the premises by Lessee during the term of this lease shall revert to Lessor on termination of this lease.

(ii) All loans upon permanent improvements placed upon the premises by Lessee shall be paid in their entirety and any liens placed upon improvements as a result of those construction loans shall be released no later than five (5) years prior to the termination of this lease agreement.

(iii) No equity or other type of loan which results in additional lien or liens on existing improvements shall be allowed without the expressed written consent of Lessor.

(d) Lessor hereby designates the City Manager, City of Lockhart as its official representative with the full power to represent Lessor in all dealings with Lessee in connection with the premises herein leased. Lessor may designate by notice in writing, addressed to Lessee, other representatives from time to time and such notice shall have the same effect as if included in the terms of this agreement.

(e) Notice to Lessor as herein provided shall be sufficient if sent by registered mail, postage prepaid, to the City Manager, of the City of Lockhart, at 308 West San Antonio Street, Lockhart, Texas, 78644, and notice to Lessee in the same manner, shall likewise be sufficient if addressed to Lessee at Stenger Air Services, Inc., P.O. Box 1121, Lockhart, Texas, 78644, or such other addresses as may be designated by Lessor or Lessee in writing from time to time.

(f) Lessee shall keep premises, as described hereinabove, clean and all grass areas within the leased premises properly mowed. He shall dispose of all debris and other waste matter which may accumulate on the leased premises at Lessee's expense, and shall provide containers with proper covers for waste within the building to be erected on said premises. Should Lessee fail to mow grassy areas, or dispose of waste, trash or junked vehicles, Lessor shall have the right to do so, and Lessee shall be billed for this work. Lessee shall forthwith remit payment to Lessor, should this occur.

(g) Lessee shall pay all taxes and assessments against the buildings placed on the premises by the Lessee during the term of this agreement.

(h) Lessee agrees and covenants that in the event that any proceedings in bankruptcy or insolvency shall be instituted against Lessee, whether voluntary or involuntary, Lessor may, at its option, declare this lease forfeited and terminated, and upon such declaration Lessee agrees to give and deliver immediate possession of the premises to Lessor.

(i) Lessee shall have the right of ingress to and egress from the demised premises, which right shall extend to Lessee's patrons, guests and invitees.

(j) Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance.

ARTICLE TWELVE

Abatement Due To Airport Closure

During any period when the Airport shall be closed by any lawful authority restricting the use of the Airport in such a manner as to interfere with the use of same by Lessee for its business operations, the rent shall abate and the period of such closure shall be added to the term of this lease so as to extend and postpone the expiration thereof.

ARTICLE THIRTEEN

Police Protection

Lessor does not guarantee police protection to Lessee and his property, and Lessor shall not be responsible for injury or harm to any person or for any property belonging to Lessee, his officers, agents, servants, employees, contractors, licensees or invitees which may be stolen, destroyed or in anyway damaged, and

Lessee hereby indemnifies and holds harmless Lessor, its officers, agents, servants, and employees from and against any and all such claims.

ARTICLE FOURTEEN
Right of Entry By Lessor

Lessor reserves the right to enter and view the premises at any reasonable times for the purposes of making any inspection it may deem expedient to the property enforcement of any of the covenants or conditions of this agreement.

ARTICLE FIFTEEN
Aerial Approaches

Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the leased property which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to air navigation.

ARTICLE SIXTEEN
National Emergency

During time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use; and, if any such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

ARTICLE SEVENTEEN

Lease Subordinate

This lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the State of Texas and/or the United States, relative to the operation or maintenance of the airport, the execution of which has been, or may be required, as a condition precedent to the expenditure of Federal funds for the development of the Airport.

ARTICLE EIGHTEEN

General Provisions

(a) This agreement embraces the entire agreement between the parties hereto and no statement, remark, agreement, or understanding, oral or written, not contained herein shall be recognized or enforced. This agreement may be modified only by written addendum hereto signed by all of the parties.

(b) This agreement shall be binding upon the successors, heirs, assigns, and legal representatives of the Lessor and Lessee.

(c) For the purpose of this Agreement, the singular number shall include the plural, and masculine shall include feminine and vice versa, whenever the context so admits.

(d) The captions and headings in this Agreement are inserted solely for convenience of references, and are not a part of nor intended to govern, limit and/or aid in the construction of any provision hereof.

(e) Each of the parties heretofore been represented by the attorneys of their choice in the negotiation and drafting of this Agreement, and the same shall not be construed in favor of either party.

(f) This Contract shall be governed by the laws of the State of Texas and construed thereunder, and is performable in Caldwell County, Texas.

(g) If any section, paragraph, sentence or phrase hereof is held to be illegal or unenforceable by a Court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this Contract.

(h) Lessee shall pay or cause to be paid all charges for water, heat, gas, electricity, septic system, commercial refuse pickup, and any and all other utilities used on the leased premises throughout the terms of this Lease, including any connections fees.

(i) The Lessee and its successor and assigns will complete a Federal Aviation Administration (F.A.A.) Form 7460-1, "Notice of Proposed Construction of Alteration", and receive a favorable determination from F.A.A. prior to any construction on the property, if deemed necessary by the F.A.A.

(j) The following events shall be deemed to be events of default by Lessee under this lease.

(1) Lessee fails to pay any installment of rent under this lease and failure continue for a period of thirty (30) days.

(2) Lessee fails to comply with any term provision, or covenant of this lease, other than payment of rent, and does not cure the failure within thirty (30) days after written notice of the failure to Lessee.

(3) Lessee makes an assignment for the benefit of creditors.

(4) Lessee deserts any substantial portion of the premises for a period of one hundred and twenty (120) or more days.

(5) The abandonment of the leased premises or discontinuance of

Lessee's business operations. Should this occur, Lessor shall not be responsible for the custodial protection of merchandise, fixtures or equipment abandoned, even though it is necessary for Lessor to remove the same from the leased premises for storage or disposal.

Upon default by Lessee of any terms thereunder, Lessee shall surrender the premises upon demand by Lessor without notice, protest, or recourse.

(k) It is understood and agreed that by execution of this lease, the City of Lockhart does not waive or surrender its governmental powers.

ARTICLE NINETEEN
Reverter Clause

In the event that Lessee fails to complete construction upon the hangar facility within one hundred and eighty (180) days, from this date of the signing of this Lease Agreement, or as agreed upon by both parties with written notification of extension, this lease shall become nullity and of no force and effect. All property described in Exhibit "A" attached hereto shall be deemed to be automatically reverted to the City of Lockhart and Lessee shall have no right under this Lease Agreement to enter onto or remain upon the leased premises.

IN WITNESS WHEREOF, the parties have hereunto set their hands and signatures the day and year first above written.

LESSOR:

CITY OF LOCKHART

BY: ______________________

M. LOUIS CISNEROS, MAYOR

ATTEST:

Gwendlyn L Barrett

GWEN BARRETT, CITY SECRETARY

LESSEE:

STENGER AIR SERVICES, INC.

Joseph O. Stenger

JOSEPH O. STENGER, PRESIDENT

THE STATE OF TEXAS *

*

COUNTY OF CALDWELL *

BEFORE ME, the undersigned authority, on this day personally appeared M. LOUIS CISNEROS, Mayor of the City of Lockhart, Texas, a Municipal Corporation, 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 consideration therein expressed and in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 19 day of September, 1995.

GWENDLYN L. BARRETT
Notary Public, State of Texas
My Commission Expires
FEB. 14, 1998

Gwendlyn L Barrett
NOTARY PUBLIC - STATE OF TEXAS

BEFORE ME, the undersigned authority, on this day personally appeared **JOSEPH O. STENGER,** President, Stenger Air Services, Inc., 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 expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 19 day of September, 1995.

GWENDLYN L. BARRETT
Notary Public, State of Texas
My Commission Expires
FEB. 14, 1998

Gwendlyn L Barrett
NOTARY PUBLIC - STATE OF TEXAS

Claude Hinkle Surveyors

All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of the Esther Berry Survey and being also a part of a tract of land called 248 acres and conveyed to the City of Lockhart by deed recorded in Volume 223 Page 3 of the Deed Records of Caldwell County, Texas and being more particularly described as follows:

BEGINNING at an iron pin set for the NE corner this tract and from which iron pin the SE corner of a 5.00 acre tract of land conveyed to Lockhart Airport Development Inc. by deed recorded in Volume 492 Page 540 of the said Deed Records bears N 31 degrees 11 minutes 55 seconds E 920.61 feet.

THENCE S 03 degrees 04 minutes 17 seconds W 50.00 feet to an iron pin set for the SE corner this tract.

THENCE N 86 degrees 55 minutes 43 seconds W 125.00 feet to an iron pin set for the SW corner this tract.

THENCE N 03 degrees 04 minutes 17 seconds E 50.00 feet to an iron pin set for the NW corner this tract.

THENCE S 86 degrees 55 minutes 43 seconds E 125.00 feet to the place of beginning containing 6250 square feet of land.

I hereby certify that the foregoing field notes are a true and correct description of a survey made on the ground by me on July 19, 1995. This survey is for use with this one transaction only. Only those prints containing the raised Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.

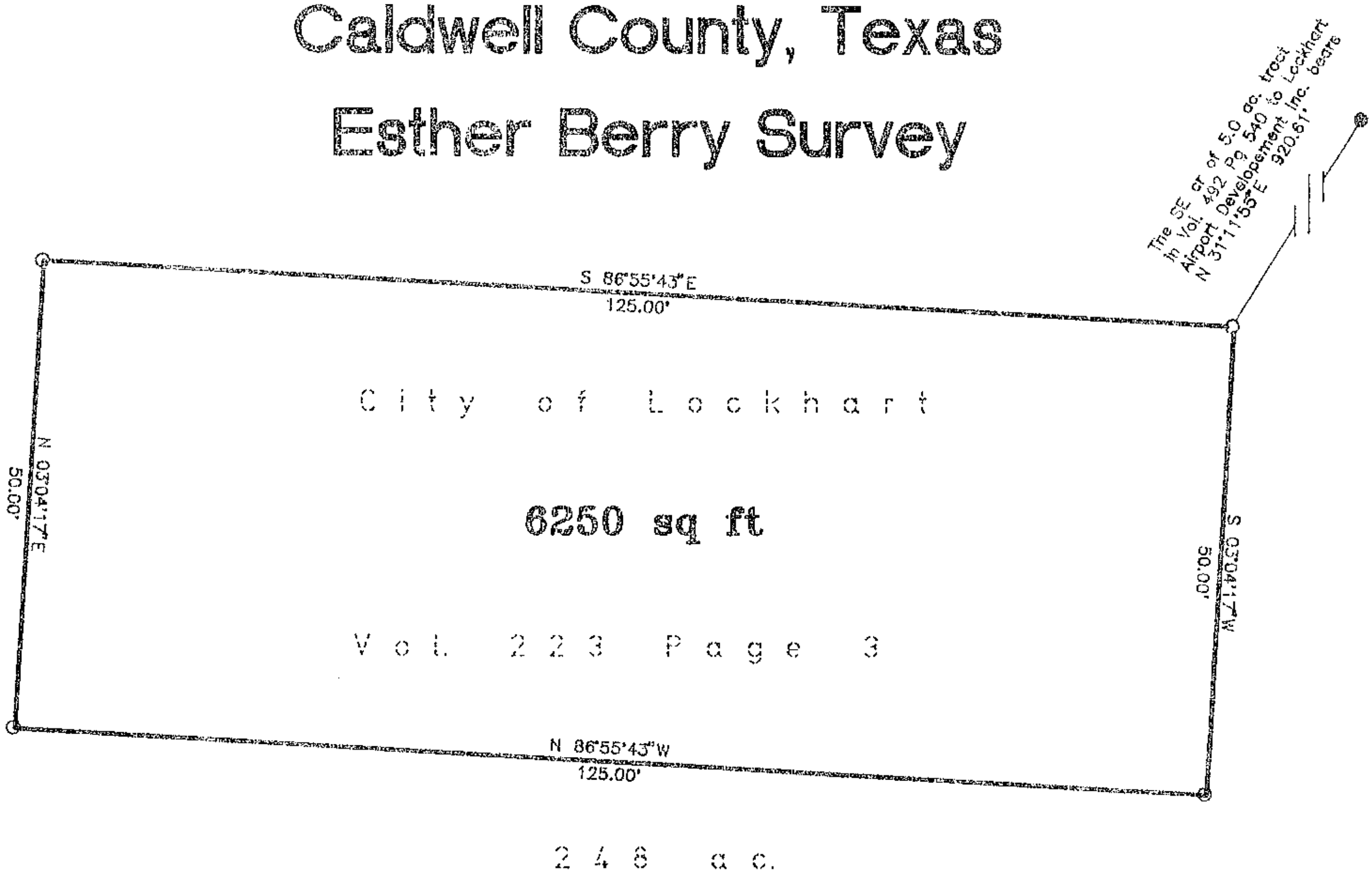
STATE OF TEXAS REGISTERED CLAUDE E. HINKLE SR. 1612 PROFESSIONAL LAND SURVEYOR

Claude E. Hinkle R.P.L.S. #1612

P.O. Box 1027 • Lockhart, Texas 78644 • Phone (512) 398-2000 • Fax (512) 398-7683

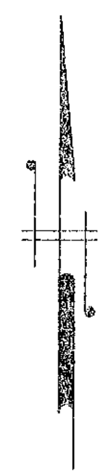
Caldwell County, Texas

Esther Berry Survey



Lat: 29°51'06.4" N

Long: 97°40'12.5" W



SURVEY PLAT

Showing a 6250 sq ft tract of land out of the Esther Berry Survey in the City of Lockhart, Caldwell County, Texas. I hereby certify that the foregoing plat is a true and correct representation of a survey made on the ground by me on July 19, 1995. This survey is for use with this one transaction only. Only those prints containing the rasied Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.

Scale 1"=20'

Claude F. Hinkle, R.P.L.S. #1612

Field Book: d.c.	Drawn By: JLW
Job No. 91494a	Drawing: 71995.dwg
Date: June 19, 1995	Word Disk: Begin 60195
Surveyed By: JLW BMP CFH	Autocad Disk: Begin 60195

Claude Hinkle Surveyors

1409 South Main St.
P. O. Box 1027
Lockhart, Texas 78644

Claude Hinkle Surveyors

All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of the Esther Berry Survey and being also a part of a tract of land called 248 acres and conveyed to the City of Lockhart by deed recorded in Volume 223 Page 3 of the Deed Records of Caldwell County, Texas and being more particularly described as follows:

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STATE OF TEXAS REGISTERED CLAUDE E. HINKLE SR. 1612 PROFESSIONAL LAND SURVEYOR

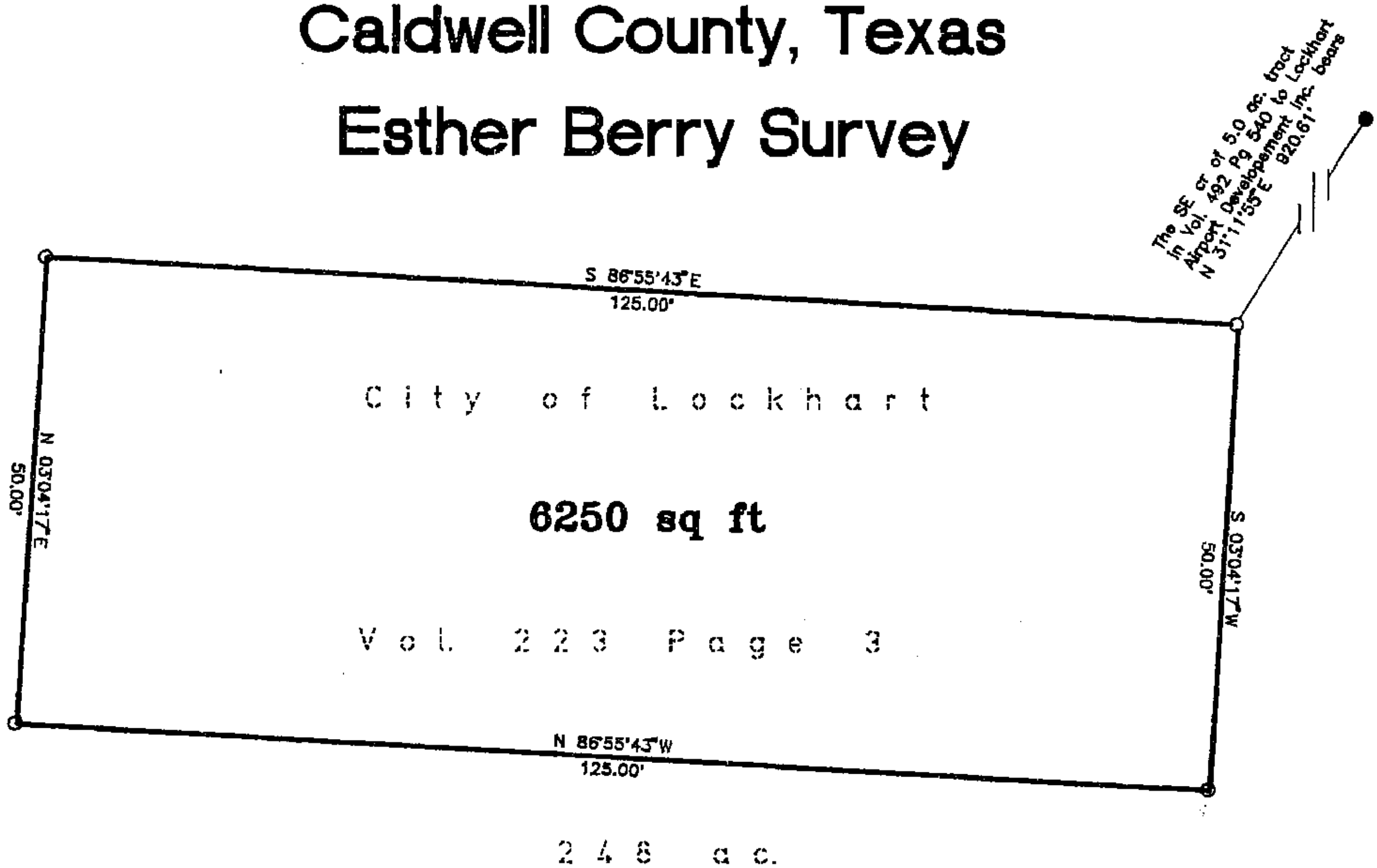
Claude E. Hinkle, R.P.L.S. #1612

EXHIBIT "A"

P.O. Box 1027 • Lockhart, Texas 78644 • Phone (512) 398-2000 • Fax (512) 398-7683

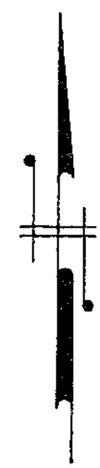
Caldwell County, Texas

Esther Berry Survey



Lat: 29°51'06.4" N

Long: 97°40'12.5" W



SURVEY PLAT

Showing a 6250 sq ft. tract of land out of the Esther Berry Survey in the City of Lockhart, Caldwell County, Texas. I hereby certify that the foregoing plat is a true and correct representation of a survey made on the ground by me on July 19, 1995. This survey is for use with this one transaction only. Only those prints containing the rasied Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.

Scale 1"=20'

STATE OF TEXAS REGISTERED CLAUDE F. HINKLE, SR. 1612 PROFESSIONAL LAND SURVEYOR

Claude F. Hinkle R.P.L.S. #1612

Field Book: d.c.	Drawn By: JLW
Job No. 91494a	Drawing: 71995.dwg
Date: June 19, 1995	Word Disk: Begin 60195
Surveyed By: JLW BMP CFH	Autocad Disk: Begin 60195

Claude Hinkle Surveyors

1409 South Main St.
P. O. Box 1027
Lockhart, Texas 78644

Exhibit B

Claude Hinkle Surveyors

All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of the Esther Berry Survey and being also a part of a tract of land called 248 acres and conveyed to the City of Lockhart by deed recorded in Volume 223 Page 3 of the Deed Records of Caldwell County, Texas and being more particularly described as follows:

BEGINNING at an iron pin set for the NE corner this tract and from which iron pin the SE corner of a 5.00 acre tract of land conveyed to Lockhart Airport Development Inc. by deed recorded in Volume 492 Page 540 of the said Deed Records bears N 31 degrees 11 minutes 55 seconds E 920.61 feet.

THENCE S 03 degrees 04 minutes 17 seconds W 50.00 feet to an iron pin set for the SE corner this tract.

THENCE N 86 degrees 55 minutes 43 seconds W 125.00 feet to an iron pin set for the SW corner this tract.

THENCE N 03 degrees 04 minutes 17 seconds E 50.00 feet to an iron pin set for the NW corner this tract.

THENCE S 86 degrees 55 minutes 43 seconds E 125.00 feet to the place of beginning containing 6250 square feet of land.

I hereby certify that the foregoing field notes are a true and correct description of a survey made on the ground by me on July 19, 1995. This survey is for use with this one transaction only. Only those prints containing the raised Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.

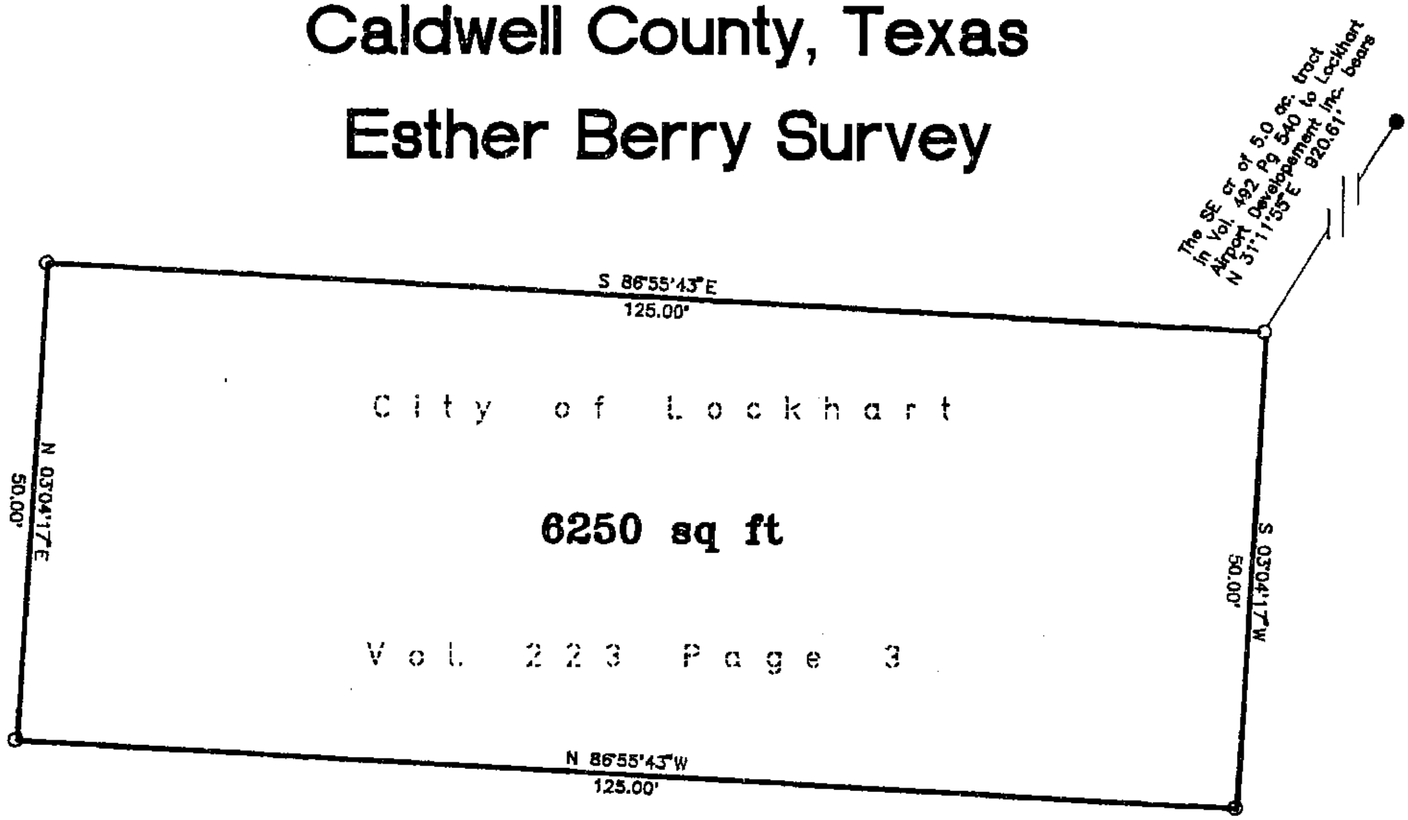
STATE OF TEXAS
REGISTERED
CLAUDE E. HINKLE SR.
1612
PROFESSIONAL
LAND SURVEYOR

Claude E. Hinkle, R.P.L.S. #1612

EXHIBIT "A"

Caldwell County, Texas

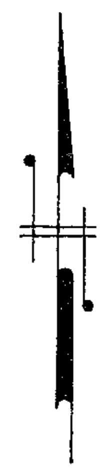
Esther Berry Survey



2 4 8 a c.

Lat: 29°51'06.4" N

Long: 97°40'12.5" W



SURVEY PLAT

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Scale 1"=20'

STATE OF TEXAS REGISTERED CLAUDE F. HINKLE SR. 1612 PROFESSIONAL LAND SURVEYOR

Claude F. Hinkle R.P.L.S. #1612

Field Book: d.c.	Drawn By: JLW
Job No. 91494a	Drawing: 71995.dwg
Date: June 19, 1995	Word Disk: Begin 60195
Surveyed By: JLW BMP CFH	Autocad Disk: Begin 60195

Claude Hinkle Surveyors

1409 South Main St.
P. O. Box 1027
Lockhart, Texas 78644

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding ratifying the adoption of Ordinance 2025-19 adopting the City of Lockhart's Annual Operating Budget for Fiscal Year 2025-2026 and appropriating resources, beginning October 1, 2025, ending September 30, 2026, for the City of Lockhart, Caldwell County, Texas and the Lockhart Economic Development Corporation and adopting the City's Investment Policy, Financial Policy, and Fund Balance - Stabilization and Excess of Reserves Policies in accordance with House Bill 1522 and including Exhibit A, Taxpayer Impact Statement as hereby incorporated herein in this agenda and is posted as part of this agenda.

ORIGINATING DEPARTMENT AND CONTACT: City Attorney - Brad Bullock

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: House Bill 1522, passed during the State's 89th Legislative Session, amended Section 551.043 of the Texas Government Code to require that meeting notices for a budget discussion or adoption include (1) a physical copy of the proposed budget unless the proposed budget is clearly accessible from the City's website homepage and (2) a taxpayer impact statement.

The taxpayer impact statement shows, for the median-valued homestead property, a comparison of the property tax bill in dollars from the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year if the city's proposed budget is adopted and if the budget funded by the no-new-revenue rate is adopted instead. The Fiscal Year 2025-2026 budget ordinance and taxpayer impact statement are included in the agenda packet and posted on the City's website in compliance with H.B. 1522.

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:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Motion to ratify the adoption of Ordinance 2025-19 in compliance with HB 1522.

LIST OF SUPPORTING DOCUMENTS: Exhibit A - City of Lockhart - FYE 2026 Taxpayer Impact Statement, O-2025-19

Exhibit A

CITY OF LOCKHART, TEXAS
TAXPAYER IMPACT STATEMENT

House Bill 1522, passed by the Texas Legislature in 2025, amends section 551.043 of the Texas Government Code to require that the notice of a meeting is required to be posted under section 551.043(a) of the Texas Open Meetings Act, at which a governmental body will discuss or adopt a budget for the governmental body, must include a taxpayer impact statement showing, for the median valued homestead property, a comparison of the property tax bill in dollars pertaining to the property for the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year.

The City of Lockhart has adopted a budget for the 2025-2026 fiscal year, effective October 1, 2025, and ending September 30, 2026. The City intends to ratify the adoption of its budget on September 16, 2025.

- 2024 Value of Median-Valued Homestead Property in the City: $266,200

- 2024 Property Tax Bill for the Current Fiscal Year ($0.5093): $1,355.76

- 2025 Value of Media-Valued Homestead Property in the City: $273,784

- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if the City Ratifies the Adoption of the 2025-2026 Fiscal Year Budget Funded at the Voter-Approval Tax Rate ($0.5541 per $100 of value): $1,517.04

- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if the City Ratifies the Adoption of the 2025-2026 Fiscal Year Budget Funded at the No-New-Revenue Tax Rate ($0.4954 per $100 of value): $1,356.33

ORDINANCE 2025-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS ADOPTING THE BUDGET AND APPROPRIATING RESOURCES FOR THE FISCAL YEAR 2025-2026, BEGINNING OCTOBER 1, 2025, FOR THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS; ADOPTING THE FUND BALANCE-STABILIZATION OF EXCESS OF RESERVE POLICY, FINANCIAL POLICY, AND CITY OF LOCKHART INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the laws of the State of Texas for Home Rule cities and the City Charter for the City of Lockhart, Texas, the budget covering proposed estimated revenues and expenditures for Fiscal Year 2026, beginning October 1, 2025 and ending September 30, 2026, was filed with the City Secretary and notice of public hearing was provided as required, and,

WHEREAS, a public hearing was held by the City Council of the City of Lockhart, Texas, on said budget on August 19, 2025 and September 2, 2025 at which time said budget was presented and considered, and interested citizens were provided an opportunity to be heard by the City Council of the City of Lockhart, and,

WHEREAS, the City Council has reviewed and adopted a fiscal policy titled "Fund Balance-Stabilization of Excess of Reserve Policy"; and

WHEREAS, the City Council has reviewed and adopted a fiscal policy titled "Financial Policy"; and

WHEREAS, the City Council has reviewed and adopted an investment policy titled "City of Lockhart Investment Policy" and has conducted an annual review of the City's Investment Policy, as required by Chapter 2256, Texas Government Code; and

WHEREAS, the City Council, City Manager and staff, after careful deliberate study and considerable debate, have determined the appropriate revenues and expenditures necessary for the maintenance and operations of the City of Lockhart for Fiscal Year 2026.

THEREFORE, BE IT RESOLVED, that the City Council of the CITY OF LOCKHART hereby adopts the Fund Balance-Stabilization of Excess of Reserve Policy; Financial Policy; City of Lockhart Investment Policy; and the Fiscal Year 2026 Annual Budget providing for revenues and expenditures as follows:

Name	Revenues	Expenditures	Difference
General Fund	17,172,870	17,089,392	83,478
Debt Service Fund	2,735,537	2,600,524	135,013
Electric Fund	14,388,100	14,363,750	24,350
Water Fund	8,304,087	7,966,886	337,201
Wastewater Fund	3,566,500	3,527,458	39,042
Solid Waste Fund	2,283,014	2,255,497	27,517
Airport Fund	197,500	117,390	80,110
LEDC	1,969,335	1,499,113	470,222
Hotel Occupancy Tax Fund	249,000	222,500	40,820

PASSED, APPROVED, ADOPTED and EFFECTIVE this the 2nd day of September 2025.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

Bradford E. Bullock
City Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding Ordinance 2025-23 amending Ordinance 2025-16 to adopt the early voting dates, hours, and locations, and election day voting locations, as set forth by Caldwell County for the November 4, 2025 General Election.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: The Caldwell County Elections Administrator (County EA) is conducting Elections on November 4, 2025. The City of Lockhart will hold a general election for the positions of Councilmember District 1, Councilmember District 2, and two Councilmembers At-Large. Since 2010, in the interest of a public purpose, the City of Lockhart has contracted with the County EA to conduct City Elections to enable all propositions and public official positions to be on one ballot for voters within Caldwell County.

During the August 2025 City Council meetings, the City Council ordered the November 4, 2025 General Election and authorized the contract for Election Services with Caldwell County. Since August, the County has formally designated early voting times/locations and election day polling locations and workers. Proposed Ordinance 2025-23 amends the City's Order of Election to acknowledge the designations. Election day polling locations for Lockhart residents remains the same as was designated in 2023 and 2024.

Next steps in the election process include working with the County EA on proofing the ballot language; in early October the notice of election will be posted and published in the Post Register.

PROJECT SCHEDULE (if applicable):

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: August 5, 2025: Council ordered a General Election to be held November 4, 2025.
August 19, 2025: Council authorized the contract for Election Services with the Caldwell County Elections Administrator.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: Ordinance 2025-23 Lockhart Amended Election

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

Ordinance 2025

ORDINANCE NO. 2025-23

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, AMENDING ORDINANCE NO. 2025-16 TO ADOPT THE EARLY VOTING DATES, HOURS, AND LOCATIONS, AND ELECTION DAY VOTING LOCATIONS, AS SET FORTH BY CALDWELL COUNTY; PROVIDING FOR NOTICE OF ELECTION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, On August 5, 2025, the City Council adopted Ordinance No. 2025-16 ordering a general election to be held on November 4, 2025 for the election of one Councilmember District 1, one Councilmember District 2, and two Councilmembers At-Large; and

WHEREAS, Ordinance No. 2025-16 established early voting dates, hours, and locations, a copy of which is attached hereto as Exhibit “A” and incorporated herein; and

WHEREAS, Caldwell County, as the County conducting the joint election pursuant to Chapter 271, Texas Election Code, has since formally designated early voting dates, hours, and locations, as well as Election Day voting locations, a copy of which is attached hereto as Exhibit “B” and incorporated herein; and

WHEREAS, the City Council finds it necessary to amend Ordinance No. 2025-16 to conform the City’s order of election with the County’s official designations.

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

Section 1. Amendment.

Ordinance No. 2025-16 is hereby amended to adopt and incorporate the early voting dates, hours, and locations, and Election Day voting locations, as set forth by Caldwell County, as follows:

(a) Main Early Voting Polling Location:
Scott Annex Building, 1403-A Blackjack St., Lockhart, Texas 78644

(b) Branch Early Voting Locations:
- Lockhart ISD Adams Gym, 419 Bois D’Arc St., Lockhart, TX 78644
- Three Rivers Community Church, 103 Main St., Martindale, TX 78655
- Uhland City Hall – Community Hall, 15 N. Old Spanish Trail, Uhland, TX 78640
- Luling Civic Center, 333 E. Austin St., Luling, TX 78648

(c) Early Voting Dates and Hours:
- October 20–24, 2025: 8:00 a.m. – 5:00 p.m.
- October 25, 2025 (Saturday): 8:00 a.m. – 5:00 p.m.
- October 26, 2025 (Sunday): 9:00 a.m. – 3:00 p.m.
- October 27–29, 2025: 8:00 a.m. – 5:00 p.m.
- October 30–31, 2025: 7:00 a.m. – 7:00 p.m.

(d) Election Day Voting Locations:

1. First Lockhart Baptist Connection Center, 200 S. Blanco St., Lockhart, TX 78644 (Pct. 100/101)

2. Grace Lutheran Fellowship Hall, 108 N. Medina, Lockhart, TX 78644 (Pct. 103/108)

3. VFW Post 8927, 7007 S. US Hwy 183, Lockhart, TX 78644 (Pct. 102/104)

4. Lockhart Evening Lions Club, 220 Bufkin Lane, Lockhart, TX 78644 (Pct. 111)

5. Luling Southside Clubhouse, 1035 S. Magnolia Ave., Luling, TX 78648 (Pct. 201/202)

6. McNeil Baptist Church Fellowship Hall, 14304 FM 1322, Luling, TX 78648 (Pct. 203)

7. McMahan Community Center, 6022 FM 713, Dale, TX 78616 (Pct. 204/205)

8. Luling Civic Center, 333 E. Austin St., Luling, TX 78648 (Pct. 206)

9. Three Rivers Community Church – Fellowship Hall, 103 Main St., Martindale, TX 78655 (Pct. 300/301)

10. Maxwell Social Club, 180 Fourth St., Maxwell, TX 78656 (Pct. 302)

11. Uhland City Hall – Community Hall, 15 N. Old Spanish Trail, Uhland, TX 78640 (Pct. 303/306)

12. Fentress Community Church, 13481 State Park Rd., Fentress, TX 78622 (Pct. 305)

13. St. Marks Methodist Church Fellowship Hall, 602 E. Live Oak St., Lockhart, TX 78644 (Pct. 401)

14. St. Mary’s Catholic Parish Hall, 205 W. Pecan St., Lockhart, TX 78644 (Pct. 402)

15. Lytton Springs Baptist Church, 8511 FM 1854, Dale, TX 78616 (Pct. 404)

16. Dale Community Center, 100 Civic Dr., Dale, TX 78616 (Pct. 400/405)

Section 2. Notice of Election.

The City Secretary shall cause notice of the election, stating in substance the contents of this Ordinance, to be published and posted as required by the Texas Election Code and the City Charter.

Section 3. Severability.

If any provision of this Ordinance is held invalid, such invalidity shall not affect the remaining provisions.

Section 4. Repealer.

All provisions of Ordinance No. 2025-16 in conflict with this Ordinance are hereby amended or repealed.

Section 5. Effective Date.

This Ordinance is effective immediately upon passage and approval.

PASSED AND APPROVED this 16th day of September, 2025.

____

Lew White, Mayor

ATTEST:

____

City Secretary

APPROVED AS TO FORM:

____

Bradford E. Bullock, City Attorney

EXHIBIT A

ORDINANCE 2025-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ORDERING A GENERAL ELECTION ON NOVEMBER 4, 2025 FOR THE PURPOSE OF ELECTING ONE COUNCILMEMBER DISTRICT 1; ONE COUNCILMEMBER DISTRICT 2; AND, TWO COUNCILMEMBERS AT-LARGE; PROVIDING FOR JOINT ELECTION WITH CALDWELL COUNTY; ESTABLISHING EARLY VOTING LOCATIONS AND HOURS; AND ORDERING NOTICE OF ELECTION TO BE GIVEN AS PRESCRIBED BY LAW; AND MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION.

WHEREAS, state and city law provide that on November 4, 2025 there shall be a general election for the purpose of electing one (1) Councilmember District 1; one (1) Councilmember District 2; and, two (2) Councilmembers At-Large.

WHEREAS, the City Council also has the authority pursuant to Chapter 271, Texas Election Code, to enter into a joint election agreement with Caldwell County, which is a political subdivision that is also holding an election on the same date.

NOW, THEREFORE, BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

Section 1. Order of General Election:

ORDER OF GENERAL ELECTION FOR MUNICIPALITIES
ORDEN DE ELECCIÓN GENERAL PARA MUNICIPOS

An election is hereby ordered to be held on November 4, 2025 for the purpose of voting on:

(Por la presente se ordena celebrar una elección el 4 de noviembre, 2025 con el propósito de votar sobre.)

List Offices/Propositions/Measures on the ballot *(Enúmere los puestos/proposiciones/medidas oficiales en la boleta)*

Councilmember District 1 *(Concejal del Distrito 1)*
Councilmember District 2 *(Concejal del Distrito 2)*
Two Councilmembers At-Large (*Dos Consejales A-Grande)*

Early voting by personal appearance will be conducted as follows:
(La votación adelantada en persona se llevará a cabo como previsto:)

The Main Early Voting Location *(sitio principal de votación adelantada)*

Scott Annex Building (Edificio Anexo Scott)
1403 Blackjack St.
Lockhart, Texas 78644

Early voting by personal appearance will be conducted:

Monday, October 20, 2025	8:00 a.m. - 5:00 p.m.
Tuesday, October 21, 2025	8:00 a.m. – 5:00 p.m.
Wednesday, October 22, 2025	8:00 a.m. – 5:00 p.m.
Thursday, October 23, 2025	8:00 a.m. – 5:00 p.m.
Friday, October 24, 2025	8:00 a.m. – 5:00 p.m.
Saturday, October 25, 2025	8:00 a.m. – 5:00 p.m.
Sunday, October 26, 2025	9:00 a.m. – 3:00 p.m.
Monday, October 27, 2025	8:00 a.m. – 5:00 p.m.
Tuesday, October 28, 2025	8:00 a.m. – 5:00 p.m.
Wednesday, October 29, 2025	8:00 a.m. – 5:00 p.m.
Thursday, October 30, 2025	7:00 a.m. – 7:00 p.m.
Friday, October 31, 2025	7:00 a.m. – 7:00 p.m.

Locations and hours may be changed by the County Elections Administrator.

The Council appoints Devante Coe, Caldwell County Elections Administrator, as the Early Voting Clerk. Applications for ballot by mail shall be mailed to:
(Las solicitudes para boletas que se votarán adelantada por correo deberán enviarse a:)

Early Voting Clerk
Devante Coe, Caldwell County Elections Administrator
1403 Blackjack Street, Suite A
Lockhart, Texas 78644
(512) 668-4347
Email Address: devante.coe@co.caldwell.tx.us
Website: www.co.caldwell.tx.us

Applications for Ballots by Mail (ABBMs) must be received no later than the close of business on: *(Las solicitudes para boletas que se votarán adelantada por correo deberán recibirse no más tardar de las horas de negocio el:)*

October 24, 2025 *(24 de octubre, 2025)*

Federal Post Card Applications (FPCAs) must be received no later than the close of business on: *(La Tarjeta Federal Postal de Solicitud deberán recibirse no más tardar de las horas de negocio el:)*

October 24, 2025 *(24 de octubre, 2025)*

Order of General Election Issued this 5th day of August, 2025.
(Emitida este dia 5 de agosto, 2025)

Lew White

Signature of Mayor (Firma del Alcalde)

Section 2. Election Duties. In the absence of the City Secretary, the City Manager and/or Assistant City Manager are hereby appointed to fulfill election duties in place of City Secretary as needed in accordance with Texas Elections Code Sec 31.123.

Section 3. Notice of Election. Notice of the Election, stating in substance the contents of this Ordinance, shall be published in the English and Spanish languages at least once in a newspaper published within CITY's territory at least 10 days and no more than 30 days, prior to the election, and as otherwise may be required by the Texas Election Code and Texas Local Government Code. Notice of the Elections shall also be posted on the bulletin board used by the Council to post notices of the Council's meetings no later than the 21st day before the Elections, or if the 21st day before the Elections falls on a weekend or holiday, on the first business day thereafter.

Section 4. Authorization to Execute. The Mayor of the CITY is authorized to execute and the City Secretary of the CITY is authorized to attest this Ordinance on behalf of the City Council; and the Mayor of the City Council is authorized to do all other things legal and necessary in connection with the holding and consummation of the Elections.

Section 5. Severability. If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

Section 6. Repealer. That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

Section 7. Publication. That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

Section 8. Effective Date. This Ordinance is effective immediately upon its passage and approval.

PASSED AND APPROVED on August 5, 2025.

CITY OF LOCKHART

CITY OF LOCKHART
TEXAS

Lew White

Lew White, Mayor

APPROVED AS TO FORM:

Bradford E. Bullock, City Attorney

ATTEST:

Julie Bowermon

Julie Bowermon
City Secretary

EXHIBIT B

CALDWELL COUNTY VOTING LOCATIONS
November 4, 2025
(Noviember 4, 2025)
GENERAL AND SPECIAL ELECTIONS
(ELECCION GENERALES Y ESPECIALES)

Main Early Voting Polling Location
(Lugar Principal de Votación Anticipada)

Scott Annex Building
1403-A Blackjack St. Lockhart, TX 78644

Early Voting Dates and Hours
(Fechas y Horarios de Votación Anticipada)

First week / *Primer Semana:*

Monday, October 20 through Friday, October 24, 2025…………………. 8 am – 5 pm
Lunes, 20 de octubre hasta el viernes 24 de octubre de 2025 …………… 8:00 am hasta 5:00 pm

Weekend / *Fin de Semana:*

Saturday, October 25, 2025 …………………………………………………………. 8 am – 5 pm
Sabado, 25 de octubre de 2025 ………………………………………………………. 8:00 am hasta 5:00 pm
Sunday, October 26, 2025……………………………………………………………. 9 am – 3 pm
Domingo, 26 de octubre de 2025 ……………………………………………………. 9:00 am hasta 3:00 pm

Last Week / *Ultima Semana:*

Monday, October 27 through Wednesday, October 29, 2025 ……………….. 8:00 am – 5:00 pm
Lunes, 27 de octubre hasta el Miércoles, 29 de octubre de 2025……… 8:00 am hasta 5:00 pm
Thursday, October 30 through Friday, October 31, 2025 ……………….. 7:00 am – 7:00 pm
jueves 30 de octubre hasta el Viernes, 31 de octubre de 2025 ……… 7:00 am hasta 7:00 pm

Application Ballot By Mail Deadline: October 24, 2025, 5:00 pm
Federal Post Card Application
(Military & Overseas Voters) Deadline: October 24, 2025, 5:00 pm

Mail address for early voting by mail: The address for Caldwell County Early Voting Clerk's mailing address to which ballot applications and ballots voted by mail is 1403-A Blackjack St. Lockhart, TX 78644. The email address is CaldwellEC@co.Caldwell.tx.us. If submitted by email, the original must be received at elections office within 4 business days.

Domicilio Postal para la votación temprana por correo: *El domicilio postal del Secretario de Votación Temprana del Condado de Caldwell a la que las solicitudes de boletas y votación de boletas por correo es 1403-A Blackjack St. Lockhart, TX 78644. La dirección de correo electrónico es CaldwellEC@co.Caldwell.tx.us. Si se envia por correo electrónico, el documento original debe recibirse en la oficina electoral dentro de los 4 dias habiles*

Emergency and Limited ballots available only at the Scott Annex location.
(Las boletas de emergencia y limitadas están disponibles solo en la ubicación del Anexo Scott.)

Branch Early Voting Polling Location
(Lugar de votación anticipada de la sucursal)

Lockhart ISD Adams Gym
419 Bois D'Arc St. Lockhart, TX 78644

Three Rivers Community Church
103 Main St. Martindale, TX 78655

Uhland City Hall – Community Hall
15 N. Old Spanish Trl. Lockhart, TX 78640

Luling Civic Center
333 E. Austin St. Luling, TX 78648

Branch Early Voting Dates and Hours
(Fechas y Horarios de Votación Anticipada de las Sucursales)

First week / *Primer Semana:*

Monday, October 20 through Friday, October 24, 2025…………..……… 8 am – 5 pm
Lunes, 20 de octubre hasta el viernes 24 de octubre de 2025 …………... 8:00 am hasta 5:00 pm

Weekend / *Fin de Semana:*

Saturday, October 25, 2025 ……………………………………….………………. 8 am – 5 pm
Sabado, 25 de octubre de 2025 ………………………..……………………..………. 8:00 am hasta 5:00 pm
Sunday, October 26, 2025……………………………………………………………… 9 am – 3 pm
Domingo, 26 de octubre de 2025 ………………………………………………………. 9:00 am hasta 3:00 pm

Last Week / *Ultima Semana:*

Monday, October 27 through Wednesday, October 29, 2025 ……………….. 8:00 am – 5:00 pm
Lunes, 27 de octubre hasta el Miércoles, 29 de octubre de 2025……… 8:00 am hasta 5:00 pm
Thursday, October 30 through Friday, October 31, 2025 ……………….. 7:00 am – 7:00 pm
jueves 30 de octubre hasta el Viernes, 31 de octubre de 2025 ……… 7:00 am hasta 7:00 pm

Combination of Election Day Voting Polling Location
(Combinación de lugar de votación el día de las elecciones)

Section 42.0051 of the Texas Election Code permits the combination of certain county election precincts as recommended by the county election board: (1) when a suitable public building for a polling place is not available, and (2) when the combined polling place adequately serves the voters of the combined precincts.

1. **First Lockhart Baptist Connection Center- 200 S. Blanco St., Lockhart, TX 78644**
    - **Voting Pct: 100 / 101**
2. **Grace Lutheran Fellowship Hall- 108 N. Medina, Lockhart, TX 78644**
    - **Voting Pct: 103 / 108**
3. **VFW Post 8927- 7007 S. US HWY 183, Lockhart, Tx 78644**
    - **Voting Pct: 102 / 104**
4. **Lockhart Evenings Lions Club- 220 Bufkin Lane, LOCKHART, TX 78644**
    - **Voting Pct: 111**
5. **Luling Southside Clubhouse- 1035 S. Magnolia Ave, Luling, TX 78648**
    - **Voting Pct: 201 / 202**
6. **McNeil Baptist Church Fellowship Hall- 14304 FM 1322, Luling, TX 78648**
    - **Voting Pct: 203**
7. **McMahan Community Center- 6022 FM 713, Dale, TX 78616**
    - **Voting Pct: 204 / 205**
8. **Luling Civic Center- 333 E. Austin St., Luling, TX 78648**
    - **Voting Pct: 206**
9. **Three Rivers Community Church – Fellowship Hall- 103 Main St., Martindale, TX 78655**
    - **Voting Pct: 300 / 301**
10. **Maxwell Social Club- Maxwell, TX 78656 – 180 Fourth St, Maxwell, TX 78656**
    - **Voting Pct: 302**
11. **Uhland City Hall – Community Hall- 15 N. Old Spanish Trail, Uhland, TX 78640**
    - **Voting Pct: 303 / 306**
12. **Fentress Community Church- 13481 State Park Rd., Fentress, TX 78622**
    - **Voting Pct: 305**
13. **St. Marks Methodist Church Fellowship Hall- 602 E. Live Oak St., Lockhart, TX 78644**
    - **Voting Pct: 401**
14. **St. Mary's Catholic Parish Hall- 205 W. Pecan St., Lockhart, TX 78644**
    - **Voting Pct: 402**
15. **Lyton Springs Baptist Church- 8511 FM 1854, Dale, TX 78616**
    - **Voting Pct: 404**
16. **Dale Community Center- 100 Civic Drive, Dale, Texas 78616**
    - **Voting Pct: 400 / 405**

Location	PCT	Registered Voters	Position	Name
First Lockhart Baptist Church Connection Center 200 S BLANCO ST. Lockhart, TX 78644	100, 101		PJ	DELACRUZ, MARY
			AJ	FALGOUT, SUSAN OSTREICHER
Grace Lutheran Fellowship Hall 108 N Medina Lockhart, TX 78644	103, 108		PJ	RIVAS, SUZANNE
			AJ	WILSON, DEBRA LYNN
VFW Post 8927 7007 S US HWY 183 Lockhart, TX 78644	102, 104		PJ	BAKER, JOHN MARSHALL
			AJ	WALDRON, PATRICK LEON
Lockhart Evening Lions Club 220 BUFKIN LN LOCKHART TX 78644	111		PJ	VELASQUEZ, JUDY ANN
			AJ	SAUCEDO, ERICA MARIE
Luling Southside Clubhouse 1035 S. Magnolia Ave. Luling, TX 78648	201, 202		PJ	RAMOS, CRISTI DOMINIQUE
			AJ	GUERRERO, GILBERT FABIAN
McNeil Baptist Church 14304 FM1322, Luling, TX 78648	203		PJ	BLAIR, SUSAN E
			AJ	WATSON III, WILLIAM ERNEST
McMahan Community Center 6022 FM 713 McMahan, TX 78616	204, 205		PJ	HARDAGE, CHARLES RAY
			AJ	COVEY, MARK EDWARD
Luling Civic Center 333 E Austin St, Luling, TX 78648	206		PJ	GLASS, PENNY ANN
			AJ	DELGADO, OLGA GUTIERREZ
Three Rivers Community Church | 103 Main St. Martindale, TX 78655	300, 301		PJ	CARR, SARA PATRICIA
			AJ	PURCELL, ROBERT HENRY
Maxwell Social Club 180 4th St. Maxwell, TX 78656	302		PJ	AGUILAR, DAVID HENRY
			AJ	NARVAIZ, ANDREW
Uhland Community Hall | 15 N Old Spanish Trail Uhland, TX 78640	303, 306		PJ	HEIDEMAN, DENNIS CARL
			AJ	WAGNER, ROBERT CHARLES
Fentress Community Church 13481 STATE PARK ROAD FENTRESS, TX 78622	305		PJ	BARKMEYER, JANET MOBLEY
			AJ	LLANAS, MARY ALICE
St. Marks Methodist Church 602 E LIVE OAK ST LOCKHART, TX 78644	401		PJ	CHAVIRA, AURORA P
			AJ	KRAMER, KATHY MORGAN
St. Mary's Catholic Parish Hall 205 W PECAN ST. Lockhart, TX 78644	402		PJ	CASILLAS, STEVE M
			AJ	ORTIZ III, VINCENT
Lytton Springs Baptist Church 8511 FM 1854 Dale, TX 78616	404		PJ	TSCHIRHART, DAWN TIDWELL
			AJ	HANNA, GLORIA GRIFFIN
Dale Community Center 100 Civic Dr DALE, TX 78616	#N/A		PJ	SEGALOTTO, LORI LYN
			AJ	WYGANT, JAMES NELSON

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding Resolution 2025-32 naming the City of Lockhart's nominations for Directors of the Caldwell County Appraisal District for the 2026-2027 term.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart received a notice from the Caldwell County Appraisal District (CCAD) for nominations of up to five director positions for the 2026-2027 term. Nominations are to be submitted by written resolution by October 15, 2025. Qualifications are that a director must reside in the appraisal district for at least two years immediately preceding the date he or she takes office, and must not have delinquent property taxes. An employee of a taxing unit is not eligible to serve as a director unless the employee is also an elected official.

If the Council chooses to make a nomination(s) to the CCAD BOD, staff requests that nominees be named during the September 16th or October 9th Council meeting. A Resolution is attached that will be amended to reflect the nominee(s) that will thereafter be submitted to the CCAD to place the City's nominee(s) on a ballot that the Council will vote on in the future. The City of Lockhart's previous nominees (Alfredo Munoz and Sally Daniel) remain on the CCAD Board of Directors.

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:

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Council to make a nomination(s), if desired, that will be inserted on attached Resolution 2025-32 that will thereafter be provided to the CCAD.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

LIST OF SUPPORTING DOCUMENTS: History: Resolution 2023-14, Proposed Resolution 2025-32, August 25, 2025 letter regarding Nomination of Appraisal District Directors , List of current Board of Directors

RESOLUTION 2023-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS NAMING THE CITY OF LOCKHART'S NOMINEE(S) TO THE BOARD OF DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT FOR THE 2024-2025 TERM

WHEREAS, the City of Lockhart is entitled to cast 451 votes to serve on the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City of Lockhart City Council has been notified and requested to make up to five nominations to the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City Council has duly considered the nominations and taken a vote in a public setting at a regular meeting of the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Lockhart City Council hereby nominates the following to serve on the Caldwell County Appraisal District Board of Directors:

Alfredo Munoz
1201 Plum Street
Lockhart, Texas 78644

Sally Daniel
113 E. San Antonio Street Apt. A
Lockhart, Texas 78644

This Resolution shall be in full force and effect immediately upon its passage, approval and adoption on this the 19th day of September 2023.

CITY OF LOCKHART

Lew White

Lew White, Mayor

APPROVED AS TO FORM:

Monte Akers
City Attorney

CITY OF LOCKHART TEXAS

ATTEST:

Julie Bowermon

Julie Bowermon
Assistant City Secretary

RESOLUTION 2025-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS NAMING THE CITY OF LOCKHART'S NOMINEE(S) TO THE BOARD OF DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT FOR THE 2026-2027 TERM

WHEREAS, the City of Lockhart is entitled to cast 487 votes to serve on the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City of Lockhart City Council has been notified and requested to make up to five nominations to the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City Council has duly considered the nominations and taken a vote in a public setting at a regular meeting of the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Lockhart City Council hereby nominates the following to serve on the Caldwell County Appraisal District Board of Directors:

This Resolution shall be in full force and effect immediately upon its passage, approval and adoption on this the 16th day of September 2025.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____
Bradford E. Bullock
City Attorney

Caldwell County Appraisal District

RECEIVED
CITY OF LOCKHART

AUG 27 2025

RECVD. BY:________
TIME RECVD:________

DATE: August 25, 2025

TO: Taxing Unit Presiding Officers

FROM: Shanna Ramzinski, Chief Appraiser

RE: Nomination of Appraisal District Directors

Dear Members:

Nominations for directors of the Caldwell County Appraisal District for the 2026-2027 term are to be submitted to the chief appraiser on or before **October 15, 2025.** Each taxing unit may nominate one candidate for each position to be filled. All five positions are available for selection, therefore, each unit may nominate up to five candidates.

A director must reside in the appraisal district for at least two years immediately preceding the date he or she takes office and must not have delinquent property taxes. An employee of a taxing unit is not eligible to serve as a director unless the employee is also an elected official.

The presiding officer of the taxing unit submits the names and addresses of the nominees ***by written resolution*** to the chief appraiser by October 15, 2025. Names submitted after this date will not be listed on the ballot. The resolution must be adopted by majority vote of your taxing unit's governing body. Each unit will then receive a ballot before October 30, 2025.

Enclosed you will find the voting entitlement for each of the voting taxing units. Please submit nominees only at this time.

I have enclosed a document outlining the steps in the selection process and a copy of the Property Tax Code regarding eligibility

Please call on me if you have any questions about the selection process.

Sincerely,

Shanna Ramzinski

Shanna Ramzinski
Chief Appraiser

Encl; Vote allocation
Process letter
Tax Code §6.03

211 Bufkin Ln
P.O. Box 900
Lockhart, Texas 78644
United States

PHONE (512) 398-5550
FAX (512) 398-5551
E-MAIL general@caldwellcad.org
WEB SITE www.caldwellcad.org

CALDWELL COUNTY APPRAISAL DISTRICT
VOTE ALLOCATION FOR BOARD OF DIRECTORS SELECTION 2026-2027 TERM

TAXING UNIT	2024 TAX LEVY	/	ALL LEVIES	=	Quotient	X	1000	=	Product	X	# Members	=	VOTES	ROUNDED VOTES
CALDWELL COUNTY	$26,350,864.81	/	$85,320,206.20	=	0.30884671	X	1000	=	308.8	X	5	=	1544.2	1544
CITY LOCKHART	$8,304,453.11	/	$85,320,206.20	=	0.09733278	X	1000	=	97.3	X	5	=	486.7	487
CITY LULING	$1,862,403.26	/	$85,320,206.20	=	0.0218284	X	1000	=	21.8	X	5	=	109.1	109
CITY MARTINDALE	$396,329.92	/	$85,320,206.20	=	0.00464521	X	1000	=	4.6	X	5	=	23.2	23
CITY MUSTANG RIDGE	$142,413.20	/	$85,320,206.20	=	0.00166916	X	1000	=	1.7	X	5	=	8.3	8
CITY NIEDERWALD	$77,204.33	/	$85,320,206.20	=	0.00090488	X	1000	=	0.9	X	5	=	4.5	5
CITY OF SAN MARCOS	$279,056.10	/	$85,320,206.20	=	0.00327069	X	1000	=	3.3	X	5	=	16.4	16
CITY OF UHLAND	$34,971.39	/	$85,320,206.20	=	0.00040988	X	1000	=	0.4	X	5	=	2.0	2
LOCKHART ISD	$34,299,154.11	/	$85,320,206.20	=	0.40200505	X	1000	=	402.0	X	5	=	2010.0	2010
LULING ISD	$6,217,466.19	/	$85,320,206.20	=	0.07287214	X	1000	=	72.9	X	5	=	364.4	364
PRAIRIE LEA ISD	$2,073,370.81	/	$85,320,206.20	=	0.02430105	X	1000	=	24.3	X	5	=	121.5	122
HAYS ISD	$1,516,329.31	/	$85,320,206.20	=	0.01777222	X	1000	=	17.8	X	5	=	88.9	89
GONZALES ISD	$542,220.75	/	$85,320,206.20	=	0.00635513	X	1000	=	6.4	X	5	=	31.8	32
SAN MARCOS ISD	$2,715,797.13	/	$85,320,206.20	=	0.03183064	X	1000	=	31.8	X	5	=	159.2	159
WEALDER ISD	$365,751.76	/	$85,320,206.20	=	0.00428681	X	1000	=	4.3	X	5	=	21.4	21
AUSTIN COM COLLEGE	$142,420.02	/	$85,320,206.20	=	0.00166924	X	1000	=	1.7	X	5	=	8.3	8
TOTAL	$85,320,206.20		$85,320,206.20										5000	4999

* = Not including Plum Creek Conservation, Plum Creek Underground, Gonzales Underground, ESD's OR MUD's
* = Only Levy within Caldwell County PTC 6.03d

STEPS IN THE VOTING PROCESS TO ELECT DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT

1. Chief appraiser delivers written notice of nominations process and voting entitlement before October 1, 2025 to:

    County Judge
    County Commissioners
    Mayors
    City Managers
    City Secretaries (if no city manager)
    School Board Presidents
    School Superintendents

2. Governing body adopts resolution nominating from one to five candidates for directors.

3. Presiding officer of governing body submits the resolution naming the unit's nominees to the chief appraiser no later than October 15, 2025.

4. Chief Appraiser delivers ballot to the presiding officer of each governing body before October 30, 2025.

5. Governing body determines its vote by resolution and submits it to the chief appraiser no later than December 15, 2025.

6. Chief appraiser counts the votes, declares the five candidates who receive the most votes elected, and submits the results to the governing bodies and the candidates before December 31, 2025.

surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) Except as provided by Subsection (k-1), the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k-1) This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The governing body of each taxing unit entitled to cast at least five percent of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) Repealed by Acts 2007, 80th Leg., ch. 648, § 5(4), effective January 1, 2008.

HISTORY: Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 15, 167(a), effective January 1, 1982; am. Acts 1987, 70th Leg., ch. 59 (S.B. 469), § 1, effective September 1, 1987; am. Acts 1987, 70th Leg., ch. 270 (H.B. 268), § 1, effective August 31, 1987; am. Acts 1989, 71st Leg., ch. 1123 (H.B. 2301), § 2, effective January 1, 1990; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 15, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 371 (H.B. 864), § 1, effective September 1, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.06, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.73, effective September 1, 1997; am. Acts 1997, 75th Leg., ch. 1039, § 2, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 705 (H.B. 834), § 1, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 629 (H.B. 2043), effective June 20, 2003; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008; am. Acts 2013, 83rd Leg., ch. 1161 (S.B. 359), § 1, effective June 14, 2013; am. Acts 2021, 87th Leg., ch. 644 (H.B. 988), § 3, effective January 1, 2022; am. Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.01, effective July 1, 2024.

Sec. 6.03. Board of Directors in Less Populous Counties. [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.]

(a) This section applies only to an appraisal district established in a county with a population of less than 75,000.

(a-1) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Members of the board of directors other than a county assessor-collector serving as a nonvoting director serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

(1) to the county judge and each commissioner of the county served by the appraisal district;

(2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager;

(3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and

(4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

(f) The chief appraiser shall calculate the number of votes to which each conservation and reclamation district entitled to vote for district directors is entitled and shall deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-numbered year.

(g) Each taxing unit other than a conservation and reclamation district that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the chief appraiser before October 15.

(h) Each conservation and reclamation district entitled to vote may nominate by resolution adopted by its governing body one candidate for the district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year. Before August 1, the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district. The board of directors of each district shall determine its vote by resolution and submit it to the chief appraiser before August 15. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(i) If no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h), the chief appraiser, before September 1, shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. Each conservation and reclamation district may submit a nominee by September 15 to the chief appraiser as provided by Subsection (h). The chief appraiser shall submit a second nominating ballot by October 1 to the conservation and reclamation districts as provided by Subsection (h). The conservation and reclamation districts shall submit their votes for nomination before October 15 as provided by Subsection (h). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(j) Before October 30, the chief appraiser shall prepare a ballot, listing the candidates whose names were timely submitted under Subsections (g) and, if applicable, (h) or (i) alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) Except as provided by Subsection (k-1), the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k-1) This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The governing body of each taxing unit entitled to cast at least five percent of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) Repealed by Acts 2007, 80th Leg., ch. 648, § 5(4), effective January 1, 2008.

HISTORY: Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 15, 167(a), effective January 1, 1982; am. Acts 1987, 70th Leg., ch. 59 (S.B. 469), § 1, effective September 1, 1987; am. Acts 1987, 70th Leg., ch. 270 (H.B. 268), § 1, effective August 31, 1987; am. Acts 1989, 71st Leg., ch. 1123 (H.B. 2301), § 2, effective January 1, 1990; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 15, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 371 (H.B. 864), § 1, effective September 1, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.06, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.73, effective September 1, 1997; am. Acts 1997, 75th Leg., ch. 1039, § 2, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 705 (H.B. 834), § 1, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 629 (H.B. 2043), effective June 20, 2003; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008; am. Acts 2013, 83rd Leg., ch. 1161 (S.B. 359), § 1, effective June 14, 2013; am. Acts 2021, 87th Leg., ch. 644 (H.B. 988), § 3, effective January 1, 2022; am. Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.01, effective July 1, 2024; am. Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.02, effective July 1, 2024.

Sec. 6.0301. Board of Directors in Populous Counties. [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.]

(a) This section applies only to an appraisal district established in a county with a population of 75,000 or more.

(b) Sections 6.031, 6.034, and 6.10 do not apply to an appraisal district to which this section applies.

(c) The appraisal district is governed by a board of nine directors. Five directors are appointed by the taxing units that participate in the district in the manner prescribed by Section 6.03. Three directors are elected by majority vote at the general election for state and county officers by the voters of the county in which the district is established. The county assessor-collector serves as an ex officio director.

(d) To be eligible to serve on the board of directors, an individual other than the county assessor-collector must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(e) Members of the board of directors appointed by the taxing units participating in the district serve staggered four-year terms beginning on January 1 of every other even-numbered year. Elected members of the board of directors serve staggered four-year terms beginning on January 1 of every other odd-numbered year.

(f) If a vacancy occurs in an appointive position on the board of directors, each taxing unit that is entitled to vote under Section 6.03 may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The taxing unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall appoint by majority vote of its members one of the nominees to fill the vacancy.

(g) If a vacancy occurs in an elective position on the board of directors, the board of directors shall appoint by majority vote of its members a person to fill the vacancy. A person appointed to fill a vacancy in an elective position must have the qualifications required of a director elected at a general election.

HISTORY: Enacted by Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.03, effective July 1, 2024.

Sec. 6.031. Changes in Board Membership or Selection.

(a) The board of directors of an appraisal district, by resolution adopted and delivered to each taxing unit participating in the district before August 15, may increase the number of members on the board of directors of the district to not more than 13, change the method or procedure for appointing the members, or both, unless the governing body of a taxing unit that is entitled to vote on the appointment of board members adopts a resolution opposing the change, and files it with the board of directors before September 1. If a change is rejected, the board shall notify, in writing, each taxing unit participating in the district before September 15.

(b) The taxing units participating in an appraisal district may increase the number of members on the board of directors of the district to not more than 13, change the method or procedure for appointing the members, or both, if the governing bodies of three-fourths of the taxing units that are entitled to vote on the appointment of board members adopt resolutions providing for the change. However, a change under this subsection is not valid if it reduces the voting entitlement of one or more taxing units that do not adopt a resolution proposing it to less than a majority of the voting entitlement under Section 6.03 of this code or if it reduces the voting entitlement of any taxing unit that does not adopt a resolution proposing it to less than 50 percent of its voting entitlement under Section 6.03 of this code and if that taxing unit's allocation of the budget is not reduced to the same proportional percentage amount, or if it expands the types of taxing units that are entitled to vote on appointment of board members.

(b-1) If an appraisal district increases the number of members on the board of directors of the district or changes the method or procedure for appointing the members as provided by this section, the board of directors by resolution shall provide for the junior college districts that participate in the appraisal district to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the appraisal district among all of the school districts with representation in the appraisal district. A resolution adopted

(CURRENT)

CALDWELL COUNTY
APPRAISAL DISTRICT

Home Organization Forms Calendar Public Information

Board of Directors

Board Member	Location
Sally Daniel	Lockhart
Kathy Haigler	Dale
Alfredo Munoz	Lockhart
Linda Hinkle	Lockhart
Kayline Cabe	Dale

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding member appointment and meeting dates for the citizen planning committee regarding the City of Lockhart's activities to commemorate and celebrate the 250th anniversary of the signing of the Declaration of Independence on July 4, 2026.

ORIGINATING DEPARTMENT AND CONTACT: Council - Mayor Lew White

ACTION REQUESTED: Direction

BACKGROUND/SUMMARY/DISCUSSION: On July 15, 2025, Council discussed the 250th anniversary of the signing of the Declaration of Independence on July 4, 2026 and how the City of Lockhart could develop its own spirited tribute to celebrate this occasion.

There was a consensus to appoint members to a citizen planning committee at a future meeting to explore and possibly plan activities to celebrate the 250th anniversary.

During August City Council meetings, Council appointed the following individuals to serve on the committee:

Ron Faulstich	Deanna Juarez
Travis Tober	Megan Carvajal
Jim Lee	Janet Pitre
Kay Askins	Cynthia Solis Ramirez
Rob Ortiz	Mayor Pro-Tem Gonzales-Sanchez
Whitney Abel	Jennifer Ochoa
Robbie Abel	Quartermetra Hughes
B J Westmoreland	Councilmember Michelson
Ed Theriot	Mary Beth Nickle
Adam Miller	Paula Ostroot
Alfonso Sifuentes	Rick Arnic
Michael Govea	Stephanie Carter
Mark Ostroot	Harvey Franks
Christine Ohlendorf	Holly Malish
Lane Dever	

During the U.S. bicentennial in 1976, communities devised their own local celebrations including: community parties, concerts, parades, airshows, fireworks, storytelling, re-enactments, civics instruction, etc.

A review of the 1976 Lockhart Post Register archives reveals the following events/activities took place in Lockhart:

City of Lockhart, Texas

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- Bicentennial Salute - 2,000 balloons launched and given to children.
- Bicentennial Dance - At City Park, sponsored by Lockhart Jaycees.
- 4^{th} of July Dance in Rockne.
- Daughters of the Revolution - Invitation to a local chapter meeting at the Caldwell County District Courtroom.
- Bicentennial Savings Bond - Lockhart State Bank sold Independence Day Savings Bonds and marketed them as "collectors items."

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: August 5 and 19, 2025: initial appointment of committee members.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS:

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding Resolution No. 2025-28 approving a Performance Agreement with Balcones Lockhart 2023, LP and authorizing economic development incentives for the infrastructure upgrade of a new facility in Lockhart, TX.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Balcones Real Estate is currently in the process of building a 62,000 square ft facility in the Lockhart Industrial Park #3, between FBS and Ziegenfelder. A new tenant, local to the area, is looking to combine their operations into one building, located at 2605 Dewitt St in Lockhart, TX.
In order to assist the new tenant moving into the facility, providing a rate similar to their previous location, and retrofitting the building to accommodate the new tenant's growing production line, Balcones Real Estate applied for economic development incentives.
The proposed incentives have support from the Lockhart EDC, for the retrofit is beneficial in the recruitment of the food/beverage industry should a new tenant move into the building and is assisting in the expansion of a local business that will create additional jobs.

PROJECT SCHEDULE (if applicable): Certificate of Obligation should be given on October 15, 2025.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: Lockhart EDC Board approved EDC Resolution on Sept 8, 2025.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving Resolution No. 2025-28

LIST OF SUPPORTING DOCUMENTS: City Council Resolution No. 2025-28 Baclones, Resolution-Agrement No. 2025-12 Balcones

RESOLUTION NO. 2025-28

A RESOLUTION OF CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH BALCONES LOCKHART 2023, LP AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR THE INFRASTRUCTURE UPGRADE OF A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, BALCONES LOCKHART 2023, LP, a Texas limited liability company ("Balcones"), has applied to LEDC for financial incentives for a project whereby Balcones agrees to operate a new facility with $10,000,000 in new capital investment in the City of Lockhart for Balcones's business operations; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and **BALCONES LOCKHART 2023, LP** attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

SIGNATURE PAGE TO FOLLOW

CITY OF LOCKHART

____
Lew White
Mayor

ATTEST:

____
Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____
Brad Bullock
City Attorney

RESOLUTION NO. 2025-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION APPROVING A PERFORMANCE AGREEMENT WITH BALCONES LOCKHART 2023, LP AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR THE INFRASTRUCTURE UPGRADE OF A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, the Lockhart Economic Development Corporation (LEDC) is a Type B development corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, BALCONES LOCKHART 2023, LP, a Texas limited liability company ("Balcones"), has applied to LEDC for financial incentives for a project whereby Balcones agrees to operate a new facility with $10,000,000 in new capital investment in the City of Lockhart for Balcones's business operations; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and **BALCONES LOCKHART 2023, LP** attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

SIGNATURE PAGE TO FOLLOW

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Alan Fielder, Chairman

Attest:

Holly Malish, Board Secretary

Approved as to form:

Brad Bullock, Board Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Balcones Lockhart 2023, LP

This Economic Development Incentive Agreement ("Agreement") is entered into by and between the Lockhart Economic Development Corporation, a Type-B economic development corporation (hereinafter called the "LEDC"), and Balcones Lockhart 2023, LP, a Texas limited partnership (hereinafter called "Company"), otherwise known as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the ACT requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Company desires to upgrade their facility, located at 2605 Dewitt Street, Lockhart, Texas 78644 (the "Property"), to accommodate a third-party tenant that seeks to establish its first Texas location (the "Tenant"); and

WHEREAS, Company intends to invest a minimum of TEN MILLION AND NO/100 DOLLARS ($10,000,000.00) for on-site building improvements and upgrades prior to the Expiration Date; and

WHEREAS, LEDC intends to provide an infrastructure rebate not to exceed TWO MILLION EIGHT THOUSAND SEVENTY-FOUR AND NO/100 DOLLARS ($2,008,074.00), upon Company receiving a Certificate of Occupancy for the building improvements, providing copies of receipts, and providing proof of payment for completion of building upgrades; and

WHEREAS, the location of Company's facility, as proposed, will contribute to the economic development of the City of Lockhart (the "City") by assisting, through the leasing of space at the Property to third-party tenants, in the creation of new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revalue for the City, and will have both a direct and indirect positive overall improvement and stimulus in the local and state economy;

WHEREAS, the LEDC desires to offer incentives to Company to enable Company, through the leasing to third-party tenants, to increase real property and workforce pursuant to this Agreement in substantial conformity with Lockhart 2023 Targeted Business Strategy Refresh Plan and the Act; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE 1
RECITALS

The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The LEDC's execution of this Agreement is authorized by the Act and constitutes a valid and binding obligation of the LEDC. The LEDC acknowledges that Company is acting in reliance upon the LEDC's performance of its obligations under this Agreement in making the decision to commit substantial and money to the establishment of the Project, hereinafter established.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between Company and the LEDC for the payment of certain incentive funds to assist with

costs associated with the Project and specifically state covenants, representations of the Parties, and the incentives associated with Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the LEDC and Company as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by Company may constitute a breach of the entire Agreement and terminate any further commitments (if any) by the LEDC unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement. Upon the Effective Date, the LEDC delegates the administration and oversight of this Agreement to the Director of the LEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the LEDC.

ARTICLE III
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as by common and ordinary usage.

"Bankruptcy" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Certificate of Occupancy" shall mean the signed certificate issued by City of Lockhart Permit Inspections Division giving Tenant the right to occupy the Facility and confirming that the entire work covered by the permit and plans for the Project are in place.

"Default" shall mean failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant if uncured within sixty (60) days of receiving written notice from any other Patty.

"Effective Date" shall be the date of the last signature authorizing this agreement.

"Expiration Date" shall mean December 1, 2026.

"Facility" shall mean the building and site improvements within the approximately 5.35-acre property located at 2605 Dewitt St, Lockhart TX 78644.

"Infrastructure Rebate" shall mean a rebate on invoices provided for construction and installation of infrastructure, finish-out improvements, upgrades, and fixtures not to exceed TWO MILLION EIGHT THOUSAND SEVENTY-FOUR AND NO/100 DOLLARS ($2,008,074.00).

"Investment Amount" means the aggregate of all costs and expenses incurred or expended by Company in connection with its acquisition, development, and improvement of the Property, including, without limitation, all design costs, hard and soft costs of construction, costs of equipment and fixtures for the operation of the Facility, leasing costs, financing costs, and permit fees.

"Lease" shall mean that certain Lease Agreement between Company, as landlord, and the Tenant, as tenant, for the lease of approximately 48,730 gross square feet of space at the Property.

"Project" shall mean Company's construction and installation of infrastructure, finish-out improvements, upgrades, and fixtures at the Facility for or on behalf of the Tenant as required or contemplated under the terms of the Lease.

"Project Expenses" shall mean all costs and expenses incurred by Company in connection with the Project.

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor.

ARTICLE IV
ECONOMIC DEVELOPMENT TERMS AND CONDITIONS

1. Infrastructure Rebate. Subject to the satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the rebate pursuant to Article V hereof, the LEDC agrees to provide Company with an Infrastructure Rebate equal to the lesser of (i) the Project Expenses or (ii) TWO MILLION EIGHT THOUSAND SEVENTY-FOUR DOLLARS AND NO/100 DOLLARS ($2,008,074.00). The rebate shall be paid to Company within sixty (60) days after receipt by the LEDC Director of (i) a Certificate of Occupancy for the Project and (ii) receipts and proof of payment of all Project Expenses.

2. Current Revenue. The funds distributed hereunder shall be paid solely from lawfully available funds to the LEDC. Under no circumstances shall the obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3. Confidentiality. The LEDC, to the extent allowed by law, shall keep all tax information and documentation received, pursuant to this Agreement hereof, confidential. In the event a request is made for such information pursuant to the Texas Public Information Act, LEDC will not disclose the information unless required to do so by the Attorney General of Texas under the provisions of the applicable statutes.

4. Conditions Precedent. The obligation of the LEDC to pay funds in the form of an Infrastructure Rebate shall be conditioned upon Company successfully obtaining a Certificate of Occupancy and providing to the LEDC of receipts and proof of payment of all Project Expenses incurred by Company.

ARTICLE V
COVENANTS AND DUTIES

1. Company's Covenants and Duties. Company makes the following covenants and warranties to the LEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Company.

(a) Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any time of this Agreement and shall timely and fully comply with all of the terms and conditions of this Agreement to commence and complete the Project in accordance with the Agreement.

(b) The execution of this Agreement has been duly authorized by Company's authorized agent, and the individual signing this Agreement is empowered to execute such Agreement and bind the Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of Company's by-laws, or of any agreement or instrument to which Company is a party to or by which it may be bound.

(c) Company is not a party to any Bankruptcy proceedings currently pending or contemplated, and Company has not been informed of any potential involuntary Bankruptcy proceedings.

(d) To its current, actual knowledge, and subject to Company's receipt of the Certificate of Occupancy (or other approvals and permits to be obtained under subpart (f) immediately below), Company has acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use commercially reasonable efforts to maintain all necessary rights, licenses, permits, and authority.

(e) Company agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the Facility and shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project.

(f) Company shall cooperate with the LEDC in providing all necessary information and documentation to assist the LEDC in its determination that Company in in compliance with this Agreement.

(g) During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a, Company shall be in Default and subject to the remedies set forth in this Agreement. Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Company enters into with any subsidiary, assignee, affiliate, or franchisee for which the Infrastructure Rebate provided herein will be used.

(h) Maintain and prepare financial statements in accordance with sound accounting principles and permit the LEDC to visit, examine, audit, inspect, and make and take away copies or reproductions of Company's book of accounts and other records at mutually agreed upon times (provided, the LEDC shall pay the reasonable fees and disbursements of any accountants or other agents of the LEDC, selected by the LEDC, for the foregoing purposes). Unless written notice of another location is given to the LEDC, Company's books and records will be located 2605 Dewitt St, Lockhart TX 78644

(i) Not later than ninety (90) days prior to the Expiration Date, Company shall provide reasonable written evidence to the LEDC of Company's expenditure of an Investment Amount, inclusive of the Infrastructure Rebate funds provided to Company hereunder, of not less than TEN MILLION AND NO/100 DOLLARS ($10,000,000.00).

2. LEDC's Covenants and Duties. The LEDC is obligated to pay Company an Infrastructure Rebate equal to the lesser of (i) the Project Expenses or (ii) TWO MILLION EIGHT THOUSAND SEVENTY-FOUR AND NO/100 DOLLARS ($2,008,074.00) upon Company's delivery to the LEDC of (i) the Certificate of Occupancy for the Project and (ii) receipts and proof of payment of all Project expenses incurred by Company.

3. Substantial Compliance and Default. Failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant (including, without limitation, Company's failure to comply with Section 1(i) of Article V hereof) shall be considered a "Default" under this Agreement if uncured within sixty (60) days of receiving written notice of such failure from any other Party. Failure of Company to timely and substantially cure a default will give the LEDC the right to terminate this Agreement, as reasonably determined by the Board of Directors of the LEDC.

4. Recapture. In the event of Default by the Company, the LEDC shall, as its sole and exclusive remedy for Default hereunder, after providing Company written notice and an opportunity to cure, have the right to recapture all Infrastructure Rebate amounts previously paid to Company under this Agreement (as applicable, the "Recaptured Amount"). The Recaptured Amount shall be paid by Company within one hundred twenty (120) days after the date Company is notified by the LEDC of such Default (the "Payment Date"), provided said Default was not cured. In the event the Recaptured Amount is not repaid by the applicable Payment Date, the unpaid portion thereof shall accrue interest at the rate of two percent (2.00%) per annum from the Effective Date until paid in full. Company's obligation to pay the Recaptured Amount shall survive the termination of this Agreement.

ARTICLE VI
TERMINATION

This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

(a) The written agreement of the Parties;
(b) The Agreement's Expiration Date as defined in Article III; or
(c) Default by Company (at the option of the LEDC).

ARTICLE VII
DISPUTE RESOLUTION

1. In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the Parties shall attempt in good faith to resolve the same by good faith mediation before a mediator mutually agreed to by the Parties.

2. In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the Parties, either Party may file suit in a court of competent jurisdiction sitting in the State of Texas.

ARTICLE VIII
MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. The Executive Director of the LEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the LEDC, on behalf of the Parties related thereto. Notwithstanding any other provision of this Agreement to the contrary, performance of either Party under this Agreement is specifically contingent on Company obtaining a Certificate of Occupancy from the City and tenant commencing operations at the Facility under the terms of this Agreement.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terns and provisions of this Agreement and to aid and assist each other in carving out such terms and provisions.

3. Representations and Warranties. The LEDC represents and warrants to Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Company represents and warrants to the LEDC that it has the requisite authority to enter into this Agreement.

4. Assignment. Company shall not have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party. Any assignment provided herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement, nor shall they relieve Company of any liability to the LEDC including any required indemnity in the event that any Assignee hereof shall at any time be in Default of the terms of this Agreement.

5. Notice. Any notice required or permitted to be delivered hereunder 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 intended for LEDC: Lockhart Economic Development Corporation
Attention: Dir. of Economic Development
215 E Market Street
Lockhart, TX 78644

With a Copy To: Messer Fort
Attention: Bradford E. Bullock
4201 W. Parmer Lane
Ste C-150
Austin, TX 78644

If to the Company: Balcones Lockhart 2023, LP
Attention: Otto Swingler
____
____

Any Party may designate a different address at any time upon written notice to other Parties.

7. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Caldwell County. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors of the LEDC.

9. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.

10. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the Board of Directors of the LEDC.

12. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

13 Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

14. Indemnification. ***COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE LEDC, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES (EACH AN "INDEMNIFIED PARTY"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS OR LESSEES, RELATED TO THE PROPERTY, IMPROVEMENTS ON THE PROPERTY, INCLUDING THE PROJECT IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, COMPANY SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE LEDC AGAINST CLAIMS CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE LEDC INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND AN INDEMNIFIED PARTY, THE COMPANY'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO COMPANY'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.***

TO THE EXTENT ALLOWED BY LAW, THE LEDC HEREBY RELEASES AND AGREES TO HOLD HARMLESS COMPANY, ITS OFFICERS, AGENTS, AFFILIATES AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) THE LEDC'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE LEDC, ITS OFFICERS, SERVANTS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, RELATED TO THE PROPERTY, IMPROVEMENTS ON THE PROPERTY, INCLUDING THE PROJECT IMPROVEMENTS, AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE LEDC SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY COMPANY AGAINST CLAIMS CAUSED BY COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF COMPANY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF

COMPANY AND THE LEDC, THE LEDC'S OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE LEDC'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

Executed on this day, 9th of Sept., 2025.

BALCONES LOCKHART 2023, LP,
a Texas limited partnership

By: BRE Group General Partner, LLC,
a Texas limited liability company,
its general partner

By: Otto Swingler
Otto Swingler, Manager

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

By: Alan Fielder
Alan Fielder, Chairman

Attest:

Holly Malish
Holly Malish, Secretary

Approved as to Form:

Brad Bullock, Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding Resolution No. 2025-29 approving a performance agreement with Hill Country Foodworks LLC and authorizing economic development incentives for building improvements for a new facility in Lockhart, TX.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Hill Country Foodworks is a local company that is seeking incentives to assist in their production line expansion when they locate to a new facility in Lockhart, TX.

The expansion will consist of buying a larger pouch packing machine and an upgraded canning machine. The expansion will also add 23 new jobs and create more opportunities to expand their business in the marketplace.

PROJECT SCHEDULE (if applicable): Certificate of Occupancy to be obtained October 15, 2025.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: Lockhart EDC Board approved September 8, 2025.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving Resolution No. 2025-29.

LIST OF SUPPORTING DOCUMENTS: City Council Resolution No. 2025-29 - HCF, HCF Performance Agreement-Resolution NO 2025-13

RESOLUTION NO. 2025-29

A RESOLUTION OF THE CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH HILL COUNTRY FOODWORKS, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, Hill Country Foodworks, LLC, a Texas limited liability company ("HCF"), has applied to LEDC for financial incentives for a project whereby HCF agrees to operate a facility of at least 48,730sf square feet with $1,200,000 in new capital investment in area in the City of Lockhart for HFC's business operations and to create and maintain at least twenty-three (23) new full-time jobs at the facility over a nine year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Hill Country Foodworks, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

CITY OF LOCKHART

____
Lew White
Mayor

ATTEST:

____
Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____
Brad Bullock
City Attorney

RESOLUTION NO. 2025-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION APPROVING A PERFORMANCE AGREEMENT WITH HILL COUNTRY FOODWORKS, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, the Lockhart Economic Development Corporation (LEDC) is a Type B development corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Hill Country Foodworks, LLC, a Texas limited liability company ("HCF"), has applied to LEDC for financial incentives for a project whereby HCF agrees to operate a facility of at least 48,730 sf square feet with $1,200,000 in new capital investment in area in the City of Lockhart for HFC's business operations and to create and maintain at least twenty-three (23) new full-time jobs at the facility over a nine year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Hill Country Foodworks, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

____
Alan Fielder, Chairman

Attest:

Holly Malish

Holly Malish, Board Secretary

Approved as to form:

____
Brad Bullock, Board Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Hill Country Foodworks, LLC.

This Economic Development Incentive Agreement ("Agreement") is entered into by and between the Lockhart Economic Development Corporation, a Type-B economic development corporation (hereinafter called "LEDC") and Hill Country Foodworks, LLC a Texas limited liability, (hereinafter called "Company") otherwise known as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the ACT requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Company desires to expand operations in Texas and operate at a forty-eight thousand seven hundred thirty (48,730 sf) square feet facility with $1,200,000 in new capital investment that is located at 2605 Dewitt St, Lockhart TX 78644; and

WHEREAS, Company intends to add 23 new full-time employees (FTE) to the current 60 FTE with a total, minimum annual payroll of $2,500,000; and

WHEREAS, LEDC intends to provide a building improvement and equipment upgrade rebate upon Company receiving a Certificate of Occupancy, commencement of operations and hiring of new full-time jobs; and

WHEREAS, the location of the Company, as proposed, will contribute to the economic development of the City of Lockhart (the “City”) by creating new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revalue for the City, and will have both a direct and indirect positive overall improvement and stimulus in the local and state economy;

WHEREAS, the LEDC desires to offer incentives to Company to enable Company to increase tangible business personal property and workforce pursuant to this Agreement in substantial conformity with Lockhart 2023 Targeted Business Strategy Refresh Plan and the Act; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE 1
RECITALS

1. Recitals. The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The LEDC's execution of this Agreement is authorized by the Act and constitutes a valid and binding obligation of the LEDC. The LEDC acknowledges that the Company is acting in reliance upon the LEDC's performance of its obligations under this Agreement in making the decision to commit substantial and money to the establishment of the Project, hereinafter established.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between the Company and the LEDC for the building improvement grant to assist with costs associated with the Project and specifically state covenants, representations of the Parties, and the incentives associated with Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the LEDC and the Company as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by the Company may constitute a breach of the entire Agreement and terminate any further commitments (if any) by the LEDC unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement. Upon the Effective Date, the LEDC delegates the administration and oversight of this Agreement to the Director of the LEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the LEDC.

ARTICLE III
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as by common and ordinary usage.

"Annual Payroll" shall mean the total wages paid, exclusive of employee benefits, to Fulltime Employees at the Lockhart Facility

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"Bankruptcy" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Building Improvement Rebate" shall mean a grant for building which includes indirect cost associated with design and furniture, fixtures and equipment upgrades in exchange for receipts and proof of payment not to exceed ONE MILLION AND TWO HUNDRED AND TWENTY-NINE THOUSAND DOLLARS ($1,229,000) from LEDC to Company; and

"Calendar Year" shall mean the period from January 1 to December 31

"Certificate of Occupancy" shall mean the signed certificate issued by City of Lockhart Permit Inspections Division permitting the Company the right to occupy the Facility and confirming that the entire work covered by the permit and plans are in place.

"Default" shall mean failure by any Party to timely and substantially comply with the performance requirements set forth in Article IV, duty, or covenant if uncured within sixty (60) days of receiving written notice from any other Party.

"Effective Date" shall be the date of the last signature authorizing this agreement.

"Expiration Date" shall mean October 1, 2034.

"Facility" shall mean the property and improvements within the 6-acre property located 2605 Dewitt St, Lockhart Texas, 78644.

“Force Majeure” shall mean that neither party shall be liable for any failure or delay in performance under this Agreement to the extent such failure or delay is caused by circumstances beyond its reasonable control, including, without limitation, acts of God, natural disasters, war, terrorism, riots, civil commotion, governmental actions or orders, epidemics or pandemics, labor disputes (including strikes, lockouts, or slowdowns), supply chain disruptions, material shortages, utility or telecommunications failures, cyberattacks, fires, explosions, or floods. The affected Party shall promptly notify the other Party in writing of the occurrence of such an event, shall use commercially reasonable efforts to mitigate its impact, and shall resume performance as soon as reasonably practicable. Obligations excused by force majeure shall be suspended only for the duration of the event.

"Full-time employee” or “FTE" shall mean: (1) an employee with a regular work schedule of at least 40 hours per week as reported on the Texas Employers Quarterly Wage Report from the Texas Workforce Commission and (2) are entitled to at least the customary employer-sponsored employee benefits package afforded by the Company to its similarly situated employees at other locations.

"Project" shall mean the retention and creation of at least 23 new full-time employees, occupy a 48,730 square-foot warehouse facility and new capital investment of at least $1,200,000 in the warehouse facility; and

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor; and

"Tangible Personal Property" shall mean real property improvements, excluding the building and land, and all tangible personal property, equipment, machinery, and fixtures owned or leased by Company that is added to the Project through the Building Improvement Rebate subsequent to the execution of this Agreement and is accounted on the tax rolls by the Caldwell County Appraisal District.

ARTICLE IV
ECONOMIC DEVELOPMENT TERMS AND CONDITIONS

1. Building Improvement Grant

Subject to the satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the Building Improvement Grant pursuant to Article V hereof, the LEDC agrees to provide Company with a building improvement grant for: 1) the creation of 23 FTE over a ~~10~~ 8-year 100month period and 2) new capital investment of $1,200,000 in a forty eight thousand seven hundred thirty (48,730sf) square feet facility located at 2605 Dewitt Street.

The Building Improvement Grant shall not exceed ONE MILLION AND TWO HUNDRED AND TWENTY-NINE THOUSAND DOLLARS ($1,229,000). The Building Improvement Grant shall be paid to Company within sixty (60) days after receipt of a Certificate of Occupancy. Additionally, the Company must maintain the minimum jobs and minimum tangible personal property criteria outlined in the Performance Table for the duration of the agreement.

Performance Table

Period Ending Dec 31	Full-Time Employees	Total Payroll	Minimum Tangible Personal Property	Certification Date
Year 1 - 2026	68	$2,500,000	$1,200,000	15-APR-27
Year 2 - 2027	76	$2,800,000	$1,092,000	15-APR-28
Year 3 - 2028	76	$2,800,000	$993,720	15-APR-29
Year 4 – 2029	76	$2,800,000	$904,285	15-APR-30
Year 5 – 2030	82	$3,000,000	$822,900	15-APR-31
Year 6 - 2031	82	$3,000,000	$748,838	15-APR-32
Year 7 – 2032	82	$3,000,000	$681,442	15-APR-33
Year 8 – 2033	85	$3,100,000	$620,112	15-APR-34
Year 9 - Ending October 2034~~4~~	85	$3,100,000	$840,000 $564,302	15-APR-35

2. Current Revenue. The funds distributed hereunder shall be paid solely from lawfully available funds to the LEDC. Under no circumstances shall the obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3. Confidentiality. The LEDC, to the extent allowed by law, shall keep all tax information and documentation received, pursuant to this Agreement hereof, confidential. In the event a request is made for such information pursuant to the Texas Public Information Act, LEDC will not disclose the information unless required to do so by the Attorney General of Texas under the provisions of the applicable statutes.

4. Conditions Precedent. The obligation of the LEDC to pay funds in the form of a building improvement grant shall be conditioned upon Company successfully obtaining a Certificate of Occupancy and the continued compliance with and satisfaction of each of the conditions set forth in this Agreement as reflected in the Performance Table above.

5. Annual Report. The Company shall submit an Annual Report (an "Annual Report") for the preceding Calendar Year to the Executive Director of the LEDC each year not later than April 15th each year. The Annual Report should substantially conform to the Annual Report Form attached as Exhibit "A" to this Agreement along with a copy of IRS Form 941. The first Annual Report will be due April 15, 2028.

ARTICLE V
COVENANTS AND DUTIES

1. Company's Covenants and Duties. Company makes the covenants and warranties to the LEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Company.

(a) Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any time of this Agreement and shall timely and fully comply with all of the terms and conditions of this Agreement to commence and complete the Project in accordance with the Agreement.

(b) The execution of this Agreement has been duly authorized by Company's authorized agent, and the individual signing this Agreement is empowered to execute such Agreement and bind the Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of Company's by-laws, or of any agreement or instrument to which Company is a party to or by which it may be bound.

(c) Company is not a party to any Bankruptcy proceedings currently pending or contemplated, and Company has not been informed of any potential involuntary Bankruptcy proceedings.

(d) To its current, actual knowledge, and subject to the Certificate of Occupancy (or other approvals and permits to be obtained under subpart (f) immediately below), Company has acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use its best efforts to maintain all necessary rights, licenses, permits, and authority.

(e) Company agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the Facility and shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project.

(f) Company shall cooperate with the LEDC in providing all necessary information and documentation to assist the LEDC in its determination that Company in in compliance with this Agreement.

(g) During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a, Company shall be in Default and subject to the remedies set forth in this Agreement. Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Company enters into with any subsidiary, assignee, affiliate, or franchisee for which a building improvement grant provided herein will be used.

(h) Maintain and prepare financial statements in accordance with generally accepted accounting principles in the United States of America as established by the Financial Accounting Standards Board and permit LEDC to visit, examine, audit, inspect, and make and take away copies or reproductions of Company's book of accounts and other records at mutually agreed upon times (provided, LEDC shall pay the reasonable fees and disbursements of any accountants or other agents of LEDC, selected by LEDC, for the foregoing purposes). Unless written notice of another location is given to LEDC, Company's books and records will be located at 2605 Dewitt St, Lockhart, Caldwell County, Texas 78644 or 215 E MLK Jr. Industrial Blvd, Lockhart, TX 78644..

(i) Grant LEDC the right to review audited year-end financial statements to include balance sheet, operating statement and surplus reconciliation, together with an officer's certificate of compliance with this Agreement including computations of all quantitative covenants, as well as un-audited, interim financial statements, and promptly provide LEDC with such additional information, reports, or statements respecting its business operations and financial condition as LEDC may reasonably request in the event any performance objectives are not met as reported in the Annual Reports as required in Article IV, Section 5.

(j) Grant LEDC the right to periodically (and with reasonable advance notice) verify the terms and conditions of this Agreement including, but not limited to, the number of persons employed by Company as a result of the assistance provided hereunder, the number of hours each employee worked during the previous 12 months, and the cumulative payroll for Company's Lockhart operation.

2. LEDC's Covenants and Duties. The LEDC is obligated to pay Company an amount not to exceed ONE MILLION AND TWO HUNDRED AND TWENTY-NINE THOUSAND DOLLARS ($1,229,000) as a Building Improvement Grant as set forth in Article IV.

3. Substantial Compliance and Default. Failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant shall be considered an act of Default if uncured within sixty (60) days of receiving written notice from any other Party or such longer period as reasonably necessary if the default cannot be cured within 60 days and the defaulting party has commenced cure efforts in good faith . Failure of Company to timely and substantially cure a default will give the LEDC the right to terminate this Agreement, as reasonably determined by the Board of Directors of the LEDC.

4. Recapture. In the event of Default by the Company, the LEDC shall, as a remedy for Default hereunder, after providing Company notice and an opportunity to cure, have the right to recapture a pro-rated portion of all Building Improvement Grants amounts paid under this Agreement (as applicable, the "Recaptured Amount") based on the percentage of underperformance relative to the Performance Table (e.g., if FTE targets are met at 90%, LEDC may recapture 10%).. The Recaptured Amount shall be paid by the Company within one hundred twenty (120) days after the date Company is notified by the LEDC of such Default (the "Payment Date") provided said Default was not cured. In the event the Recaptured Amount is not repaid by the applicable Payment Date, the unpaid portion thereof shall accrue interest at the rate of two percent (2.00%) per annum from the Effective Date until paid in full.

5. Loan and Security. In addition to the remedy set forth in Section 3, the Building Improvement Grant shall be additionally secured by a contingent, springing loan which comes into effect and becomes due and payable for the Recapture Amount at the time of the default and only if the Company defaults as defined in this Agreement. Upon such security of the loan, the Recapture Amount shall immediately become a debt owed by the Company to LEDC, bearing interest at 2.00% per annum from date of default until paid and full, and shall be payable on demand. If the Company complies with the provisions of the Agreement such that no default occurs, then the loan is not effective. The loan shall be evidenced by a promissory note (the "LEDC Note") from the Company to the LEDC as described below. The Company shall submit the original LEDC Note to the LEDC for the LEDC to hold in the event of a default. If no default occurs, then the Note shall not become effective. The parties do not intend to create a note with an obligation to be forgiven, but to create a note which will become effective, if ever, only upon a default.

a. LEDC Note. Within 30 days after the effective date of this Agreement, the Company shall execute and deliver the original LEDC Note to the LEDC in substantially the form as shown in Exhibit "B" attached hereto and made a part hereof for all purposes.

b. Secured Collateral. The Company will encumber the Tangible Personal Property acquired through the Building Improvement Rebate grant. (collectively, the "Secured Collateral") as collateral for repayment of the LEDC Note pursuant to the terms of and as described in a security agreement (the "Security Agreement") in substantially the form as shown in Exhibit "C," attached hereto and made a part hereof for all purposes. The Security Agreement shall be executed by the Company and the original delivered to the LEDC concurrently with the LEDC Note. Upon issuance of the certificate of occupancy, the LEDC may record a form UCC-1 in Caldwell County, Texas evidencing the LEDC Note and Security Agreement and any modifications, amendments, extensions or continuations of such instruments, as applicable. Before the LEDC makes the Building Improvement Grant to the Company, the Company will provide evidence to the LEDC that each lender having a lien or other security interest in the Secured Collateral (as defined in the Security Agreement) consents to the terms of this Agreement, the Security Agreement and the recording of a UCC-1 by the LEDC. The LEDC and the lender(s) for the Project shall enter into a multi-party lender agreement to address, among other issues, i) the contingent nature of the LEDC Note, ii) the ability of any other lenders to pay the LEDC Note and insure that the collateral for the Security Agreement will not be foreclosed by the LEDC without notice and opportunity to cure to the lenders, iii) that the same collateral which is pledged under the Security Agreement may be pledged to the lenders, subject to the rights of the LEDC, and iv) that the lenders shall have first and prior liens on the collateral. If there is default by the expiration of the Term, then the LEDC Note and Security Agreement and any UCC-1 will be released by the LEDC.

ARTICLE VI
TERMINATION

1. Termination. This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

(a) The written agreement of the Parties;
(b) The Agreement's Expiration Date as defined in Article III; or
(c) Default by Company (at the option of the LEDC).

ARTICLE VII
DISPUTE RESOLUTION

1. In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator mutually agreed to by the parties.

2. In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas.

ARTICLE VIII
MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. The Executive Director of the LEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the LEDC, on behalf of the Parties related thereto. Notwithstanding any other provision of this Agreement to the contrary, performance of either Party under this Agreement is specifically contingent on Company obtaining a Certificate of Occupancy from the City and commencing operations at the Facility under the terms of this Agreement.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terns and provisions of this Agreement and to aid and assist each other in carving out such terms and provisions.

3. Representations and Warranties. The LEDC represents and warrants to Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Company represents and warrants to the LEDC that it has the requisite authority to enter into this Agreement.

4. Assignment. Company shall have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party' with prior written approval of the LEDC which shall not be unreasonably withheld, provided the assignee assumes all obligations in writing and provides financial security if requested. Any assignment provided herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement, nor shall they relieve Company of any liability to the LEDC including any required indemnity in the event that any Assignee hereof shall at any time be in Default of the terms of this Agreement. The LEDC may demand and receive adequate assurance of performance including the deposit or provision of financial security by' any proposed Assignee prior to its approval of an assignment.

5. Notice. Any notice required or permitted to be delivered hereunder 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 intended for LEDC: Lockhart Economic Development Corporation
Attention: Dir. of Economic Development
215 E Market Street
Lockhart, TX 78644

With a Copy To: Messer Fort
Attention: Bradford E. Bullock
4201 W. Parmer Lane
Ste C-150
Austin, TX 78644

If to the Company: Hill Country Foodworks LLC
Attention: Jake Cathey

____

____

Any Party may designate a different address at any time upon written notice to other Parties.

7. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Caldwell County. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors of the LEDC.

9. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.

10. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the Board of Directors of the LEDC.

12. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

13 Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

14. Indemnification. ***COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE LEDC, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES (EACH AN "INDEMNIFIED PARTY"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS OR LESSEES, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE COMPANY SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE LEDC AGAINST CLAIMS CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE LEDC INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND AN INDEMNIFIED PARTY, THE COMPANY'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE COMPANY'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.***

TO THE EXTENT ALLOWED BY LAW, THE LEDC HEREBY RELEASES AND AGREES TO HOLD HARMLESS COMPANY, ITS OFFICERS, AGENTS, AFFILIATES AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) THE LEDC'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE LEDC, ITS OFFICERS, SERVANTS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS, AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE LEDC SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE COMPANY AGAINST CLAIMS CAUSED BY THE COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND

IF THE COMPANY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND THE LEDC, THE LEDC'S OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE LEDC'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

Executed on this day, 8th of September, 2025.

HILL COUNTRY FOODWORKS, LLC

By: Jacob Cathey
Jake Cathey,

Lockhart Economic Development Corporation

By:________________________
Alan Fielder, Chairman

Attest:

____
Holly Malish, Secretary

Approved as to Form:

____
Brad Bullock, Attorney

EXHIBIT A
SAMPLE ANNUAL CERTIFICATION REPORT FORM
[SEE ATTACHED]

Annual Certification Report

Reporting Period: January I to December 31, 20____

The Annual Certification Report for the Economic Development Performance Agreement between the City of Lockhart Economic Development Corporation and ____ is due on March 31,_____.

Please sign and return the Annual Certification Report form with **accompanying narrative and IRS Form 941.**

I. PROJECT INFORMATION

Company Legal Name: ____

Address (subject to incentive): ____

Company Primary Contact: ______________________________ Title: ___________________________

Phone: ____ Email: ad___________________________

II. REPORTING INFORMATION

Employment and Wage Information:

What is the total number of Full-Time Employees located at the Facility during the calendar year? _________

What is the current average wage at your facility? ___________________________

What is the total Annual Payroll for the Lockhart Facility during the calendar year? _____________________

Investment Information:

What is the Company's Personal Property value for the reporting period? ____________________________

Narrative: Please attach a brief narrative explaining the current year's activities and/or comments relating to any potential defaults.

III. ADDITIONAL INFORMATION (VOLUNARTY)

Employment:

Number of Full-Time Employees added in past year: _______

Number of employees that live in Lockhart, Texas: _________

Number of employees that live in Caldwell County, TX: ______

Interested in being contacted about workforce training opportunities? _____ Yes ______ No

Interested in being contacted for assistance with City permits? ______ Yes ______ No

IV. CERTIFICATION

I certify that, to the best of my knowledge and belief, the information and attachments provided herein are true and accurate and in compliance with the terms of the Economic Development Performance Agreement.

I further certify that the representations and warranties contained within the Agreement remain true and correct as of the date of this Certification, and ____________________remakes those representations and warranties as of the date hereof.

I further certify that the employment and wage information provided is true and accurate to the best of my knowledge and I can provide documentation from the Texas Workforce Commission to support my claim if so requested.

I understand that this Certificate is being relied upon by the LEDC in connection with the expenditure of public funds.

I have the legal and express authority to sign this Certificate on behalf of ____________________________.

Name of Certifying Officer:_______________________ Certifying Officer's Title: ______________________

Phone Number: ________________________________ E-Mail Address:_____________________________

Signature of Certifying Officer:____________________ Date: _______________________________________

STATE OF TEXAS x
COUNTY OF CALDWELL

This information was acknowledged before me on this day of by for ___________________., a Texas limited partnership, on behalf of said agency

____
Notary Public, State of Texas

____
Notary's typed or printed name

____
My commission expires

The Annual Certification Report is to be completed, signed and returned on or before April 15, 20___Please send an original to the following address:

Attention: Economic Development Director
City of Lockhart Economic Development Corporation
215 E. Market St.
Lockhart, TX 78644

EXHIBIT "B" – FORM OF CONTINGENT PROMISSORY NOTE

Date: **S e p t e m b e r 9 ,** , 2025

Borrower: Hill Country Foodworks, LLC

Borrower's Mailing Address:

Lender: Lockhart Economic Development Corporation, 215 E Market St, Lockhart, Caldwell County, Texas 78130

Building Improvement Grant: This promissory note is the promissory note required under that certain Economic Development Incentive Agreement (the "Agreement") between Borrower and Lender related to Borrower's construction of building improvements and facility upgrades to a building located in Lockhart at 2605 Dewitt Street. (the "Loan").

Place for Payment: ____________________

Principal Amount: The Principal Amount shall be the Recapture (as that term is defined in the Agreement) total of the Building Improvement Grant disbursed to Borrower by Lender up to the date of termination of the Agreement due to a default (as that term is defined in the Agreement) caused by the Borrower, pursuant to the terms and schedule in the Agreement.

Annual Interest Rate: Zero (0%) percent.

Contingency Date: The date, if ever, of termination of the Agreement due to a default caused by the Borrower as defined in Article V, Section 4 of the Agreement. This note is not effective until the Contingency Date.

Maturity Date: The Contingency Date

Security for Payment: This note is secured by a security interest created in a security agreement of even date herewith that covers certain personal property of Borrower and that is executed by Borrower as the debtor in favor of Lender as the secured party.

1. Borrower's Promise to Pay

If the Contingency Date occurs, then Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment by the Maturity Date.

2. Default

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due. Borrower waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney's fees and court and other costs if this note is placed in the hands of an attorney to collect or enforce the note. These expenses will become part of the debt evidenced by the note and will be secured by any security for payment.

The occurrence of any one of the following events shall constitute a default by Borrower (referred to as a "Default"):

(a) Borrower defaults as set forth in the Agreement; and

(b) Borrower fails to pay the note on the Maturity Date.

Even if, at a time when Borrower is in Default, the Lender does not require Borrower to pay immediately in full as described above, the Lender will still have the right to do so if Borrower is in Default at a later time.

3. Miscellaneous

(a) Excess Interest. Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

(b) Notice. Unless applicable law requires a different method, any notice that must or may be given to Borrower under this Note will be given by hand delivery or by mailing same by first class mail, postage prepaid, return receipt requested, to Borrower at Borrower's address above or at a different address if Borrower gives the Lender a notice of Borrower's different address.

(c) Assignment. Borrower understands that the Lender may transfer or assign this note, put only as part of the assignment of the 380 Agreement. The Lender or anyone who takes this note by transfer or assignment and that is entitled to receive payments under this Note is called the "Lender".

(d) Applicable Law and Venue. This note will be construed under the laws of the State of Texas. This note is performable in Caldwell County, Texas. Mandatory venue for any action under this Agreement will be in the state court of appropriate jurisdiction for the action in Caldwell County, Texas. Mandatory venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

(e) Successors and Assigns. The terms "Borrower" and "Lender" also include their respective heirs, personal representatives, successors and assigns.

(f) Each Borrower is responsible for all obligations represented by this note.

(g) When the context requires, singular nouns and pronouns include the plural.

BORROWER:
Hill Country Foodworks, LLC

By: Jacob Cathey

Name: Jacob Cathey

Title: COO

EXHIBIT "C" – FORM OF SECURITY AGREEMENT

Date: September 9, 2025

Debtor: Hill Country Foodworks, LLC

Debtor's Mailing Address:

Secured Party: Lockhart Economic Development Corporation, a Type B economic development corporation

Secured Party's Mailing Address: 215 E.Market St, Lockhart TX 78644______________________

Classification of Secured Collateral: Furniture, Fixtures, and Equipment ~~and goods~~.

Secured Collateral: [Insert FFE acquired through the Building Improvement Rebate (as that term is defined in the Agreement].

Obligation:

Note

Date:

Original principal amount: As stated therein

Borrower (Obligor): Hill Country Foodworks, LLC

Lender (Secured Party): Lockhart Economic Development Corporation, a Type B economic development corporation

Maturity date: As stated therein.

Project: Hill Country Foodworks Expansion

In connection with that certain Economic Development Incentive Agreement between Debtor and Secured Party, Debtor grants to Secured Party a security interest in the Secured Collateral and all its proceeds to secure the Obligation and all renewals, modifications, and extensions of the Obligation. Debtor authorizes Secured Party to file a financing statement describing the Secured Collateral.

Superior Lien(s): Any lien, certificate of title or security agreement concerning the financing, purchase, construction, renovation or refinancing of the Secured Collateral. This Security Agreement shall remain subordinate to any Superior Lien(s) and any renewals, modification or amendments to, or extensions of such Prior Lien(s). The City will execute documents reasonably requested by lenders for the Project confirming the superior lien priority.

A. Debtor represents and warrants the following:

1. Debtor owns the Secured Collateral and has the authority to grant this security interest, free from any setoff, claim, restriction, security interest, or encumbrance except liens for taxes not yet due.

2. No person, other than Debtor or Secured Party, has actual or constructive possession of any Secured Collateral, except as authorized agents or representatives of Debtor or Secured Party.

B. Debtor agrees to—

1. Defend the Secured Collateral against all claims adverse to Secured Party's interest; pay all taxes imposed on the Secured Collateral; keep the Secured Collateral free from liens, except for liens in favor of Secured Party or for taxes not yet due or liens to other lenders for the Project; and keep the Secured Collateral in Debtor's possession and ownership except as otherwise provided in this agreement.

2. Pay all Secured Party's expenses, including reasonable attorney's fees and legal expenses, incurred or assessed by a court to (a) obtain, preserve, perfect, defend, and enforce this agreement; (b) retake, hold, prepare for disposition, dispose, collect, or enforce the Secured Collateral; and
(c) collect or enforce the Obligation. These expenses will bear interest from the date of advance at the rate stated in the Note for matured, unpaid amounts and are payable on demand at the place where the Obligation is payable. These expenses and interest are part of the Obligation and are secured by this agreement.

3. Sign and deliver to Secured Party any documents or instruments necessary to obtain, maintain, and perfect this security interest in the Secured Collateral

4. Take any action requested by Secured Party for Secured Party to obtain control of the Secured Collateral.

5. Notify Secured Party immediately of any event of default and of any material change (a) in the Secured Collateral, (b) in Debtor's Mailing Address, (c) in the location of any Secured Collateral,
(d) in any other representation or warranty in this agreement, and (e) that may affect this security interest, and of any change (f) in Debtor's name and (g) of any location set forth above to another state.

6. Maintain accurate records of the Secured Collateral at the address set forth above; furnish Secured Party any requested information related to the Secured Collateral; and permit (or authorize third parties to permit) Secured Party to inspect the Secured Collateral and copy all records relating to the Collateral, whether or not in the possession and control of the Debtor or any third party.

7. Preserve the liability of all obligors on the Secured Collateral and preserve the priority of all security for the Collateral.

8. Cause all obligors on the Secured Collateral to pay and perform all their obligations and inform Secured Party immediately of the default in the payment or performance of any Secured Collateral.

C. Debtor agrees not to—

1. Sell, transfer, or encumber any of the Secured Collateral, without the consent of Secured Part, provided that Debtor may pledge the Secured Collateral to other lenders on the Project, subject to Secured Party's rights

2. Modify any agreement related to the Secured Collateral, except in relation to a Prior Lien.

D. Insurance and Risk of Loss

1. Debtor will insure the Secured Collateral in accordance with Manufacturing Industry standards and the requirements of other lender to the Project. Policies must be written in favor of Debtor, be endorsed to name Secured Party as an additional insured or as otherwise directed in writing by Secured Party, and provide that Secured Party will receive at least 30days' notice before cancellation. Debtor must provide copies of the policies or evidence of insurance to Secured Party.

2. Debtor assumes all risk of loss to the Secured Collateral.

3. Debtor appoints Secured Party as attorney-in-fact to collect any returned unearned premiums and proceeds of any insurance on the Secured Collateral and to endorse and deliver to Secured Party any payment from such insurance made payable to Debtor. Debtor's appointment of Secured Party as Debtor's agent is coupled with an interest and if Debtor is an individual will survive any disability of Debtor.

E. Default and Remedies

1. A default exists if—

   a. Debtor, Obligor, or any secondary obligor fails to timely pay or perform any obligation or covenant in any written agreement between Secured Party and any of Debtor, Obligor, or secondary obligor;

   b. any warranty, covenant, or representation in this agreement or in any other written agreement between Secured Party and any of Debtor, Obligor, or secondary obligor is materially false when made;

   c. a receiver is appointed for Debtor, Obligor, any secondary obligor, or any Secured Collateral;

   d. any Secured Collateral is assigned for the benefit of creditors;

e. a bankruptcy or insolvency proceeding is commenced by Debtor, a partnership in which Debtor is a general partner, Obligor, or any secondary obligor;

f. a bankruptcy or insolvency proceeding is commenced against Debtor, a partnership in which Debtor is a general partner, Obligor, or any secondary obligor, and the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered;

g. any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Debtor; a partnership of which Debtor is a general partner; Obligor; or any secondary obligor; or

h. any Secured Collateral is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral of like kind and quality or restored to its former condition.

2. If a default exists, Secured Party may—

a. demand, collect, convert, redeem, settle, compromise, receipt for, realize on, sue for, and adjust the Secured Collateral either in Secured Party's or Debtor's name, as Secured Party desires, or take control of any proceeds of the Secured Collateral and apply the proceeds against the Obligation;

b. take possession of the Secured Collateral not already in Secured Party's possession, without demand or legal process, and for that purpose Debtor grants Secured Party the right to enter any premises where the Secured Collateral may be located;

c. without taking possession, sell, lease, or otherwise dispose of the Secured Collateral at any public or private sale in accordance with law;

d. exercise any rights and remedies granted by law or this agreement;

e. notify obligors on the Secured Collateral to pay Secured Party directly and enforce Debtor's rights against such obligors; and

f. as Debtor's agent, make any endorsements in Debtor's name and on Debtor's behalf.

3. Foreclosure of this security interest by suit does not limit Secured Party's remedies, including the right to sell the Secured Collateral under the terms of this agreement. Secured Party may exercise all remedies at the same or different times, and no remedy is a defense to any other.

Secured Party’s rights and remedies include all those granted by law and those specified in this agreement.

4. Secured Party’s delay in exercising, partial exercise of, or failure to exercise any of its remedies or rights does not waive Secured Party’s rights to subsequently exercise those remedies or rights. Secured Party’s waiver of any default does not waive any other default by Debtor. Secured Party’s waiver of any right in this agreement or of any default is binding only if it is in writing. Secured Party may remedy any default without waiving it.

5. Secured Party has no obligation to clean or otherwise prepare the Secured Collateral for sale.

6. At any time Secured Party may contact obligors on the Secured Collateral directly to verify information furnished by Debtor.

7. Other than exercising reasonable care to assure safe custody of the Secured Collateral in its possession, Secured Party has no responsibility for the Secured Collateral. Secured Party has no obligation to collect any of the Secured Collateral and is not liable for failure to collect any of the Secured Collateral, for failure to preserve any rights pertaining to the Secured Collateral, or for any act or omission on the part of Secured Party or Secured Party’s officers, agents, or employees, except willful misconduct.

8. Secured Party has no obligation to satisfy the Obligation by attempting to collect the Obligation from any other person liable for it. Secured Party may release, modify, or waive any collateral provided by any other person to secure any of the Obligation. If Secured Party attempts to collect the Obligation from any other person liable for it or releases, modifies, or waives any collateral provided by any other person, that will not affect Secured Party’s rights against Debtor. Debtor waives any right Debtor may have to require Secured Party to pursue any third person for any of the Obligation.

9. If Secured Party must comply with any applicable state or federal law requirements in connection with a disposition of the Secured Collateral, such compliance will not be considered to adversely affect the commercial reasonableness of a sale of the Secured Collateral.

10. Secured Party may sell the Secured Collateral without giving any warranties as to the Secured Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of a sale of the Secured Collateral.

11. If Secured Party sells any of the Secured Collateral on credit, Debtor will be credited only with payments actually made by the purchaser and received by Secured Party for application to the indebtedness of the purchaser. If the purchaser fails to pay for the Secured Collateral, Secured Party may resell the Secured Collateral and Debtor will be credited with the proceeds of the sale.

12. If Secured Party purchases any of the Secured Collateral being sold, Secured Party may pay for the Secured Collateral by crediting the purchase price against the Obligation.

13. Secured Party has no obligation to marshal any assets in favor of Debtor or against or in payment of the Note, any of the Other Obligation[s], or any other obligation owed to Secured Party by Debtor or any other person.

14. If the Secured Collateral is sold after default, recitals in the bill of sale or transfer will be prima facie evidence of their truth and all prerequisites to the sale specified by this agreement and by law will be presumed satisfied.

F. General

1. Secured Party may at any time—

a. take control of proceeds of insurance on the Secured Collateral and reduce any part of the Obligation accordingly or permit Debtor to use the funds to repair or replace the Secured Collateral and

b. purchase single-interest insurance coverage that will protect only Secured Party if Debtor fails to maintain insurance, and premiums for the insurance will become part of the Obligation.

2. Notice is reasonable if it is mailed, postage prepaid, to Debtor at Debtor's Mailing Address at least ten days before any public sale or ten days before the time when the Secured Collateral may be otherwise disposed of without further notice to Debtor.

3. This security interest will attach to an after-acquired commercial tort claim only to the extent permitted by law.

4. This security interest will neither affect nor be affected by any other security for any of the Obligation. Neither extensions of any of the Obligation nor releases of any of the Secured Collateral will affect the priority or validity of this security interest.

5. This agreement binds, benefits, and may be enforced by the successors in interest of Secured Party and will bind all persons who become bound as debtors to this agreement. Assignment of any part of the Obligation and Secured Party's delivery of any part of the Secured Collateral will fully discharge Secured Party from responsibility for that part of the Secured Collateral. If such an assignment is made, Debtor will render performance under this agreement to the assignee. Debtor waives and will not assert against any assignee any claims, defenses, or setoffs that Debtor could assert against Secured Party except defenses that cannot be waived. All representations, warranties, and obligations are joint and several as to each Debtor.

6. This agreement may be amended only by an instrument in writing signed by Secured Party and Debtor.

7. The unenforceability of any provision of this agreement will not affect the enforceability or validity of any other provision.

8. This agreement will be construed according to Texas law, without regard to choice-of-law rules of any jurisdiction. This agreement is to be performed in Caldwell County, Texas, and has been signed by Debtor in said Caldwell County. Mandatory venue for any action under this Agreement will be in the state court of appropriate jurisdiction for the action in Caldwell County, Texas. Mandatory venue for any matters in federal court will be in the United States District Court for the Western District of Texas, Austin Division.

9. Interest on the Obligation secured by this agreement will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the Obligation or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the Obligation or, if the principal of the Obligation has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the Obligation.

10. In no event may this agreement secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

11. When the context requires, singular nouns and pronouns include the plural.

12. Any term defined in sections 1.101 to 11.108 of the Texas Business and Commerce Code and not defined in this agreement has the meaning given to the term in the Code.

DEBTOR:
Hill Country Foodworks, LLC

By: ______________________________

Name: ________________________________

Title: _________________________________

ACKNOWLEDGMENT

STATE OF TEXAS)
)

COUNTY OF _____)

This instrument was acknowledged before me on ____________, 2025, by ______________________, ____________________ of _________________.

____
Notary Public, State of Texas

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding Resolution No. 2025-30 approving a performance agreement with Spare Change Restaurant, LLC and authorizing economic development incentives for building improvements for a new business in Lockhart, TX.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Spare Change Restaurant LLC is establishing an Arcade/Duck Pin Bowling concept in the Former Arts and Craft location in Lockhart, TX. The concept is unique to Lockhart and will cater to tweens/teens. It also assists the EDC in their goal of providing quality of life to the community and increasing tourism activities.

Due to the historical aspect and age of the building and concept of the new business, additional electrical upgrades were needed. Spare Change applied for EDC incentives to assist in the electrical upgrades that would help not only the new business, but businesses in the surrounding area.

PROJECT SCHEDULE (if applicable): Business is set to open October 3, 2025.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: EDC Board approved incentive request on Sept. 8, 2028

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving Resolution No. 2025-30.

LIST OF SUPPORTING DOCUMENTS: City Council Resolution No. 2025-30 - Spare Change, Resolution No. 2025-14 Spare Change

RESOLUTION NO. 2025-30

A RESOLUTION OF CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH SPARE CHANGE RESTAURANT, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW BUSINESS IN LOCKHART, TEXAS.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, Spare Change Restaurant, LLC, a Texas limited liability company ("Spare Change"), has applied to LEDC for financial incentives for a project whereby Spare Change agrees to operate a facility of at least 3,500 square feet with $700,000 in new capital investment in area in the City of Lockhart for Spare Change's business operations and to create and maintain at least ten (10) full time jobs at the facility over a seven year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Spare Change Restaurant, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

CITY OF LOCKHART

____

Lew White
Mayor

ATTEST:

____

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____

Brad Bullock
City Attorney

RESOLUTION NO. 2025-14

A RESOLUTION OF CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH SPARE CHANGE RESTAURANT, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW BUSINESS IN LOCKHART, TEXAS.

WHEREAS, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City; and

WHEREAS, Spare Change Restaurant, LLC, a Texas limited liability company ("Spare Change"), has applied to LEDC for financial incentives for a project whereby Spare Change agrees to operate a facility of at least 3,500 square feet with $700,000 in new capital investment in area in the City of Lockhart for Spare Change's business operations and to create and maintain at least eight (8) full time jobs at the facility over a seven year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Spare Change Restaurant, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Alan Fielder

Alan Fielder
Chairman

ATTEST:

Holly Malish

Holly Malish
Secretary

APPROVED AS TO FORM:

Brad Bullock
City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Spare Change Restaurant, LLC.

This Economic Development Incentive Agreement ("Agreement") is entered into by and between the Lockhart Economic Development Corporation, a Type-B economic development corporation (hereinafter called "LEDC") and Spare Change Restaurant, LLC a Texas limited liability company, (hereinafter called "Company") otherwise known as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the ACT requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Company desires to commence operations in Texas and operate at a thirty-five hundred (3,500 sf) square feet business with $700,000 in new capital investment that is located at 113 N Main St, Lockhart TX 78644; and

WHEREAS, Company intends to create and maintain a minimum of 8 new full-time employees (FTE) with a total, minimum annual payroll of $390,000; and

WHEREAS, LEDC intends to provide a building improvement rebate upon Company receiving a Certificate of Occupancy, commencement of operations, and hiring of new full-time jobs; and

WHEREAS, the location of the Company, as proposed, will contribute to the economic development of the City of Lockhart (the "City") by creating new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revalue for the City, and will have both a direct and indirect positive overall improvement and stimulus in the local and state economy;

WHEREAS, the LEDC desires to offer incentives to Company to enable Company to increase tangible business personal property and workforce pursuant to this Agreement in substantial conformity with Lockhart 2023 Targeted Business Strategy Refresh Plan and the Act; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE 1
RECITALS

1. Recitals. The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The LEDC's execution of this Agreement is authorized by the Act and constitutes a valid and binding obligation of the LEDC. The LEDC acknowledges that the Company is acting in reliance upon the LEDC's performance of its obligations under this Agreement in making the decision to commit substantial and money to the establishment of the Project, hereinafter established.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between the Company and the LEDC for the building improvement rebate to assist with costs associated with the Project and specifically state covenants, representations of the Parties, and the incentives associated with Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the LEDC and the Company as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by the Company may constitute a breach of the entire Agreement and terminate any further commitments (if any) by the LEDC unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement. Upon the Effective Date, the LEDC delegates the administration and oversight of this Agreement to the Director of the LEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the LEDC.

ARTICLE III
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as by common and ordinary usage.

"Annual Payroll" shall mean the total wages paid, exclusive of employee benefits, to Fulltime Employees at the Lockhart Facility

"Bankruptcy" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Building Improvement Rebate" shall mean a grant for building and equipment upgrades in exchange for receipts and proof of payment not to exceed NINETY-FIVE THOUSAND, FIVE HUNDRED AND FIFTY EIGHT DOLLARS AND NO/100 ($95,558) from LEDC to Company; and

"Certificate of Occupancy" shall mean the signed certificate issued by City of Lockhart Permit Inspections Division permitting the Company the right to occupy the Facility and confirming that the entire work covered by the permit and plans are in place.

"Default" shall mean failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant if uncured within sixty (60) days of receiving written notice from any other Patty.

"Effective Date" shall be the date of the last signature authorizing this agreement.

"Expiration Date" shall mean December 31, 2032

"Facility" shall mean the property and improvements within the 6-acre property located 113 N Main St, Lockhart Texas, 78644.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of a patty, including, without limitation, acts of God or the public enemy, war riot, civil corruption, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of a party), fires, explosions or floods, strikes, slowdowns or work stoppages

"Full-time employee" or "FTE" shall mean: (1) an employee with a regular work schedule of at least 40 hours per week as reported on the Texas Employers Quarterly Wage Report from the Texas Workforce Commission and (2) are entitled to at least the customary employer-sponsored employee benefits package afforded by the Company to its similarly situated employees at other locations.

"Project" shall mean the retention and creation of at least 10 new FTE and occupy a 3,500 square-foot business; and

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor; and

"Tangible Personal Property" shall mean real property improvements excluding building and land and tangible personal property, equipment, machinery, fixtures and inventory owned or leased by Company that is added to the Project subsequent to the execution of this Agreement and is accounted on the tax rolls by the Caldwell County Appraisal District.

ARTICLE IV
ECONOMIC DEVELOPMENT TERMS AND CONDITIONS

1. <u>Building Improvement Rebate</u>

Subject to the satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the building improvement rebate pursuant to Article V hereof, the LEDC agrees to provide Company with a building improvement rebate for the creation of 10 FTE over a 7-year period and not to exceed NINETY-FIVE THOUSAND, FIVE HUNDRED AND FIFTY EIGHT DOLLARS AND NO/100 ($95,558). The building improvement rebate shall be paid to Company within sixty (60) days after receipt by the LEDC Director of a Certificate of Occupancy and must maintain the minimum jobs criteria outlined in the Performance Table for the duration of the agreement.

Performance Table

Period Ending Dec 31	Full-Time Employees	Total Payroll	Minimum Tangible Personal Property	Certification Date
Year 1 - 2026	8	$390,000	$700,000	15-APR-27
Year 2 - 2027	8	$390,000	$700,000	15-APR-28
Year 3 - 2028	8	$390,000	$700,000	15-APR-29
Year 4 - 2029	8	$390,000	$700,000	15-APR-30
Year 5 - 2030	8	$390,000	$700,000	15-APR-31
Year 6 - 2031	8	$390,000	$700,000	15-APR-32
Year 7 - 2032	8	$390,000	$700,000	15-APR-33

2. Current Revenue. The funds distributed hereunder shall be paid solely from lawfully available funds to the LEDC. Under no circumstances shall the obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3. Confidentiality. The LEDC, to the extent allowed by law, shall keep all tax information and documentation received, pursuant to this Agreement hereof, confidential. In the event a request is made for such information pursuant to the Texas Public Information Act, LEDC will not disclose the information unless required to do so by the Attorney General of Texas under the provisions of the applicable statutes.

4. Conditions Precedent. The obligation of the LEDC to pay funds in the form of a building improvement rebate shall be conditioned upon Company successfully obtaining a Certificate of Occupancy and the continued compliance with and satisfaction of each of the conditions set forth in this Agreement as reflected in the Performance Table above.

5. Annual Report. The Company shall submit an Annual Report (an "Annual Report") for the preceding Calendar Year to the Executive Director of the LEDC each year not later than April 15th each year. The Annual Report should substantially conform to the Annual Report Form attached as Exhibit A to this Agreement along with a copy of IRS Form 941. The first Annual Report will be due April 15, 2027.

ARTICLE V
COVENANTS AND DUTIES

1. Company's Covenants and Duties. Company makes the covenants and warranties to the LEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Company.

(a) Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any time of this Agreement and shall timely and fully comply with all of the terms and conditions of this Agreement to commence and complete the Project in accordance with the Agreement.

(b) The execution of this Agreement has been duly authorized by Company's authorized agent, and the individual signing this Agreement is empowered to execute such Agreement and bind the Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of Company's by-laws, or of any agreement or instrument to which Company is a party to or by which it may be bound.

(c) Company is not a party to any Bankruptcy proceedings currently pending or contemplated, and Company has not been informed of any potential involuntary Bankruptcy proceedings.

(d) To its current, actual knowledge, and subject to the Certificate of Occupancy (or other approvals and permits to be obtained under subpart (f) immediately below), Company has acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use its best efforts to maintain all necessary rights, licenses, permits, and authority.

(e) Company agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the Facility and shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project.

(f) Company shall cooperate with the LEDC in providing all necessary information and documentation to assist the LEDC in its determination that Company in in compliance with this Agreement.

(g) During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a, Company shall be in Default and subject to the remedies set forth in this Agreement. Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Company enters into with any subsidiary, assignee, affiliate, or franchisee for which a building improvement rebate provided herein will be used.

(h) Maintain and prepare financial statements in accordance with generally accepted accounting principles in the United States of America as established by the Financial Accounting Standards Board and permit LEDC to visit, examine, audit, inspect, and make and take away copies or reproductions of Company's book of accounts and other records at mutually agreed upon times (provided, LEDC shall pay the reasonable fees and disbursements of any accountants or other agents of LEDC, selected by LEDC, for the foregoing purposes). Unless written notice of another location is given to LEDC, Company's books and records will be located at 113 N Main St, Lockhart, Caldwell County, Texas 78644.

(i) Grant LEDC the right to review audited year-end financial statements to include balance sheet, operating statement and surplus reconciliation, together with an officer's certificate of compliance with this Agreement including computations of all quantitative covenants, as well as un-audited, interim financial statements, and promptly provide LEDC with such additional information, reports, or statements respecting its business operations and financial condition as LEDC may reasonably request in the event any performance objectives are not met as reported in the Annual Reports as required in Article IV, Section 5.

(j) Grant LEDC the right to periodically (and with reasonable advance notice) verify the terms and conditions of this Agreement including, but not limited to, the number of persons employed by Company as a result of the assistance provided hereunder, the number of hours each employee worked during the previous 12 months, and the cumulative payroll for Company's Lockhart operation.

2. LEDC's Covenants and Duties. The LEDC is obligated to pay Company an amount not to exceed NINETY-FIVE THOUSAND, FIVE HUNDRED AND FIFTY EIGHT DOLLARS AND NO/100 ($95,558) as a building improvement rebate as set forth in Article IV.

3. Substantial Compliance and Default. Failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant shall be considered an act of Default if uncured within sixty (60) days of receiving written notice from any other Party. Failure of Company to timely and substantially cure a default will give the LEDC the

right to terminate this Agreement, as reasonably determined by the Board of Directors of the LEDC.

4. Recapture. In the event of Default by the Company, the LEDC shall, as its sole and exclusive remedy for Default hereunder, after providing Company notice and an opportunity to cure, have the right to recapture all building improvement rebate amounts previously paid under this Agreement (as applicable, the "Recaptured Amount"). The Recaptured Amount shall be paid by the Company within one hundred twenty (120) days after the date Company is notified by the LEDC of such Default (the "Payment Date") provided said Default was not cured. In the event the Recaptured Amount is not repaid by the applicable Payment Date, the unpaid portion thereof shall accrue interest at the rate of two percent (2.00%) per annum from the Effective Date until paid in full.

ARTICLE VI
TERMINATION

1. Termination. This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

(a) The written agreement of the Parties;
(b) The Agreement's Expiration Date as defined in Article III; or
(c) Default by Company (at the option of the LEDC).

ARTICLE VII
DISPUTE RESOLUTION

1. In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator mutually agreed to by the parties.

2. In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas.

ARTICLE VIII
MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. The Executive Director of the LEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the LEDC, on behalf of the Parties related thereto. Notwithstanding any other provision of this Agreement to the contrary, performance of either Party under this Agreement is specifically contingent on Company obtaining a Certificate of

Occupancy from the City and commencing operations at the Facility under the terms of this Agreement.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terns and provisions of this Agreement and to aid and assist each other in carving out such terms and provisions.

3. Representations and Warranties. The LEDC represents and warrants to Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Company represents and warrants to the LEDC that it has the requisite authority to enter into this Agreement.

4. Assignment. Company shall have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party' with prior written approval of the LEDC. Any assignment provided herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement, nor shall they relieve Company of any liability to the LEDC including any required indemnity in the event that any Assignee hereof shall at any time be in Default of the terms of this Agreement. The LEDC may demand and receive adequate assurance of performance including the deposit or provision of financial security by' any proposed Assignee prior to its approval of an assignment.

5. Notice. Any notice required or permitted to be delivered hereunder 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 intended for LEDC:	Lockhart Economic Development Corporation Attention: Dir. of Economic Development 215 E Market Street Lockhart, TX 78644
With a Copy To:	Messer Fort Attention: Bradford E. Bullock 4201 W. Parmer Lane Ste C-150 Austin, TX 78644
If to the Company:	Spare Change Restaurant, LLC Attention: Daniel Warrilow 113 N. Main St Lockhart, TX 78644

Any Party may designate a different address at any time upon written notice to other Parties.

7. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Caldwell County. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors of the LEDC.

9. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.

10. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the Board of Directors of the LEDC.

12. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

13 Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

14. Indemnification. ***COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE LEDC, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES (EACH AN "INDEMNIFIED PARTY"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS OR***

LESSEES, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE COMPANY SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE LEDC AGAINST CLAIMS CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE LEDC INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND AN INDEMNIFIED PARTY, THE COMPANY'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE COMPANY'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

TO THE EXTENT ALLOWED BY LAW, THE LEDC HEREBY RELEASES AND AGREES TO HOLD HARMLESS COMPANY, ITS OFFICERS, AGENTS, AFFILIATES AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) THE LEDC'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE LEDC, ITS OFFICERS, SERVANTS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS, AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE LEDC SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE COMPANY AGAINST CLAIMS CAUSED BY THE COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE COMPANY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND THE LEDC, THE LEDC'S OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE LEDC'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

Executed on this day 8th of September 2025.

SPARE CHANGE RESTAURANT, LLC

By: ______________________

Lockhart Economic Development Corporation

By: ______________________

Alan Fielder, Chairman

Attest:

____

Holly Malish, Secretary

Approved as to Form:

____

Brad Bullock, Attorney

Annual Certification Report

Reporting Period: January I to December 31, 20____

The Annual Certification Report for the Economic Development Performance Agreement between the City of Lockhart Economic Development Corporation and ____ is due on March 31,_____.

Please sign and return the Annual Certification Report form with **accompanying narrative and IRS Form 941.**

I. PROJECT INFORMATION

Company Legal Name: ____

Address (subject to incentive): ____

Company Primary Contact: ______________________________ Title: ___________________________

Phone: ____ Email: ad___________________________

II. REPORTING INFORMATION

Employment and Wage Information:

What is the total number of Full-Time Employees located at the Facility during the calendar year? _________

What is the current average wage at your facility? ___________________________

What is the total Annual Payroll for the Lockhart Facility during the calendar year? _____________________

Investment Information:

What is the Company's Personal Property value for the reporting period? ____________________________

Narrative: Please attach a brief narrative explaining the current year's activities and/or comments relating to any potential defaults.

III. ADDITIONAL INFORMATION (VOLUNARTY)

Employment:

Number of Full-Time Employees added in past year: _______

Number of employees that live in Lockhart, Texas: _________

Number of employees that live in Caldwell County, TX: ______

Interested in being contacted about workforce training opportunities? _____ Yes ______ No

Interested in being contacted for assistance with City permits? ______ Yes ______ No

IV. CERTIFICATION

I certify that, to the best of my knowledge and belief, the information and attachments provided herein are true and accurate and in compliance with the terms of the Economic Development Performance Agreement.

I further certify that the representations and warranties contained within the Agreement remain true and correct as of the date of this Certification, and ____________________remakes those representations and warranties as of the date hereof.

I further certify that the employment and wage information provided is true and accurate to the best of my knowledge and I can provide documentation from the Texas Workforce Commission to support my claim if so requested.

I understand that this Certificate is being relied upon by the LEDC in connection with the expenditure of public funds.

I have the legal and express authority to sign this Certificate on behalf of ____________________________.

Name of Certifying Officer:_______________________ Certifying Officer's Title: ______________________

Phone Number: ________________________________ E-Mail Address:_____________________________

Signature of Certifying Officer:____________________ Date: _______________________________________

STATE OF TEXAS x
COUNTY OF CALDWELL

This information was acknowledged before me on this day of by for ___________________., a Texas limited partnership, on behalf of said agency

____
Notary Public, State of Texas

____
Notary's typed or printed name

____
My commission expires

The Annual Certification Report is to be completed, signed and returned on or before April 15, 20___Please send an original to the following address:

Attention: Economic Development Director
City of Lockhart Economic Development Corporation
215 E. Market St.
Lockhart, TX 78644

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion regarding Resolution No. 2025-31 approving the execution of a Letter of Intent (LOI) and funds to secure a visitor center and providing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Per direction of the Lockhart City Council to acquire and expand a Visitors Center, the Lockhart Economic Development has potentially secured a location in Downtown Lockhart. A visitor's center will serve as a front door to the city and help encourage longer stays in the community.

In order to secure the position and hold the location during a due diligence period, funds will need to be utilized.

PROJECT SCHEDULE (if applicable): Schedule to be determined.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: Lockhart EDC board approved incentive agreeement on September 8, 2025.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Resolution No. 2025-31.

LIST OF SUPPORTING DOCUMENTS: City Council Resolution 2025-31 Visitors Center, Resolution NO 2025-16

RESOLUTION NO. 2025-31

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION FOR THE CITY OF LOCKHART, APPROVING THE EXECUTION OF A LETTER OF INTENT (LOI) AND FUNDS TO SECURE A VISITOR CENTER, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, the City of Lockhart has identified the need to establish and secure a Visitor Center location that reflects the community's culture, history, and hospitality; and

WHEREAS, the expenditure of funds for tourism facilities is an allowable expenditure for a Type B EDC under Texas Local Government Code § 505.152; and,

WHEREAS, Lockhart EDC staff has presented a proposed **Letter of Intent (LOI)** outlining preliminary terms and conditions for securing a Visitor Center facility; and

WHEREAS, the Lockhart EDC finds that approving the LOI is in the best interest of the City of Lockhart and supports long-term community growth and tourism development; and

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

1. The Lockhart EC hereby approves the **Letter of Intent** to secure a Visitor Center, substantially in the form presented.
2. The President of the Corporation is authorized to execute the LOI and take all necessary actions to carry out its intent.
3. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 16th day of SEPTEMBER, 2025.

CITY OF LOCKHART

____

Lew White
Mayor

ATTEST:

____

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____

Brad Bullock
City Attorney

RESOLUTION NO. 2025-16

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION FOR THE CITY OF LOCKHART, APPROVING THE EXECUTION OF A LETTER OF INTENT (LOI) AND FUNDS TO SECURE A VISITOR CENTER, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lockhart EDC recognizes the importance of tourism, economic development, and community promotion as essential drivers of local prosperity; and

WHEREAS, a Visitor Center serves as a welcoming hub for residents, businesses, and tourists by providing resources, wayfinding, and information that encourages longer stays and greater local spending; and

WHEREAS, the City of Lockhart has identified the need to establish and secure a Visitor Center location that reflects the community's culture, history, and hospitality; and

WHEREAS, the expenditure of funds for tourism facilities is an allowable expenditure for a Type B EDC under Texas Local Government Code § 505.152; and,

WHEREAS, Lockhart EDC staff has presented a proposed **Letter of Intent (LOI)** outlining preliminary terms and conditions for securing a Visitor Center facility; and

WHEREAS, the Lockhart EDC finds that approving the LOI is in the best interest of the City of Lockhart and supports long-term community growth and tourism development;

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART EDC OF THE CITY OF LOCKHART:

1. The Lockhart EC hereby approves the **Letter of Intent** to secure a Visitor Center, substantially in the form presented.
2. The President of the Corporation is authorized to execute the LOI and take all necessary actions to carry out its intent.
3. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 8th day of SEPTEMBER, 2025.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Alan Fielder

Alan Fielder, Chairman

Attest:

Holly Malish

Holly Malish, Board Secretary

Approved to as form:

Brad Bullock, Board Attorney

CITY OF
Lockhart
ECONOMIC DEVELOPMENT

Letter of Intent with Option Period

Date: September 9, 2025

To: Bill Guinn
109 E San Antonio St
Lockhart, TX 78644

From: Lockhart EDC
215 E Market St
Lockhart, TX 78644

Letter of Intent for 109 E Market St, Lockhart TX 78644

Purpose

This **Letter of Intent ("LOI")** outlines the preliminary terms under which Lockhart EDC ("Lessee") proposes to enter into a formal agreement with Bill Guinn ("Lessor") regarding the lease for a Visitor's Center, located at 109 E Market St, Lockhart TX 78644, (the "Property").

Purchase Price / Lease Terms

The rent shall be $3500 per month, subject to adjustments, closing conditions, and due diligence as outlined in a definitive agreement.

Option Period

- **Length:** Lessee shall have an option period of 45 days commencing on the date of full execution of this LOI (the "Option Period").
- **Option Fee:** Lessee shall pay Lessor a non-refundable option fee of $1500, which shall apply to the first month of rent.
- **Termination:** During the Option Period, Lessee may terminate this LOI for any reason by providing written notice to Lessor, in which case neither party shall have any further obligation except as expressly stated herein.

Due Diligence

Lessee shall have the right to conduct inspections, review title, survey, financials, and any other necessary diligence during the Option Period.

Execution of Lease Agreement

Execution of a lease agreement shall occur within 45 days following expiration of the Option Period.

Exclusivity

During the Option Period, Lessor agrees not to solicit, negotiate, or enter into agreements with other parties regarding the Property.

Binding / Non-Binding Effect

Except for Sections [Exclusivity, and Governing Law], which are intended to be binding, this LOI is non-binding and serves as a framework for negotiation of a lease agreement.

Governing Law

This LOI shall be governed by and construed under the laws of the State of Texas.

Acknowledged and Agreed:

[Lessee Name]
Title: ___________________
Date: ___________________

[Lessor Name]
Title: ___________________
Date: ___________________

City of Lockhart, Texas

Council Agenda Item
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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Consider a request to postpone a PUBLIC HEARING for ZC-25-04 by Spencewood Inc. on behalf of Spencer Gourley for a ZONING CHANGE from AO Agricultural-Open Space District and FH Flood Hazard District to RHD Residential High Density District on 50.07 Acres in W.C. Williams Survey No. 62, Abstract No. 300 and Miles G. Dikes Survey Abstract No. 6 and located at 2100-2500 North Colorado Street (US 183).

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: The application requests to rezone just over 50 acres located on the east side of US 183 near the intersection with SH 130 from its current mix of AO and FH zoning to RHD residential High Density Zoning. The subject property is part of the area that is under negotiation for a development agreement with Hillwood Development which would potentially create a master planned development of over 1,000 acres within both the city limits and the ETJ. The applicant has requested postponement to better align the timelines of the development agreement approval and the subject zoning change request.

PROJECT SCHEDULE (if applicable): The application was originally submitted August 6, 2025. The item was originally scheduled for public hearings at the August 27th Planning and Zoning Commission and September 16th City Council meetings. The applicant requested a postponement of the public hearing until the October 29, 2025 Planning and Zoning Commission meeting. If City Council grants the postponement, the hearing would be held at the November 19th City Council meeting.

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): None.

PREVIOUS COUNCIL ACTION: The property was annexed on August 17, 1999, at which time it was zoned AO Agricultural-Open Space.

COMMITTEE/BOARD/COMMISSION ACTION: The Planning and Zoning commission postponed the public hearing until October 29, 2025 at its August 27th meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Postpone public hearing until the

City of Lockhart, Texas

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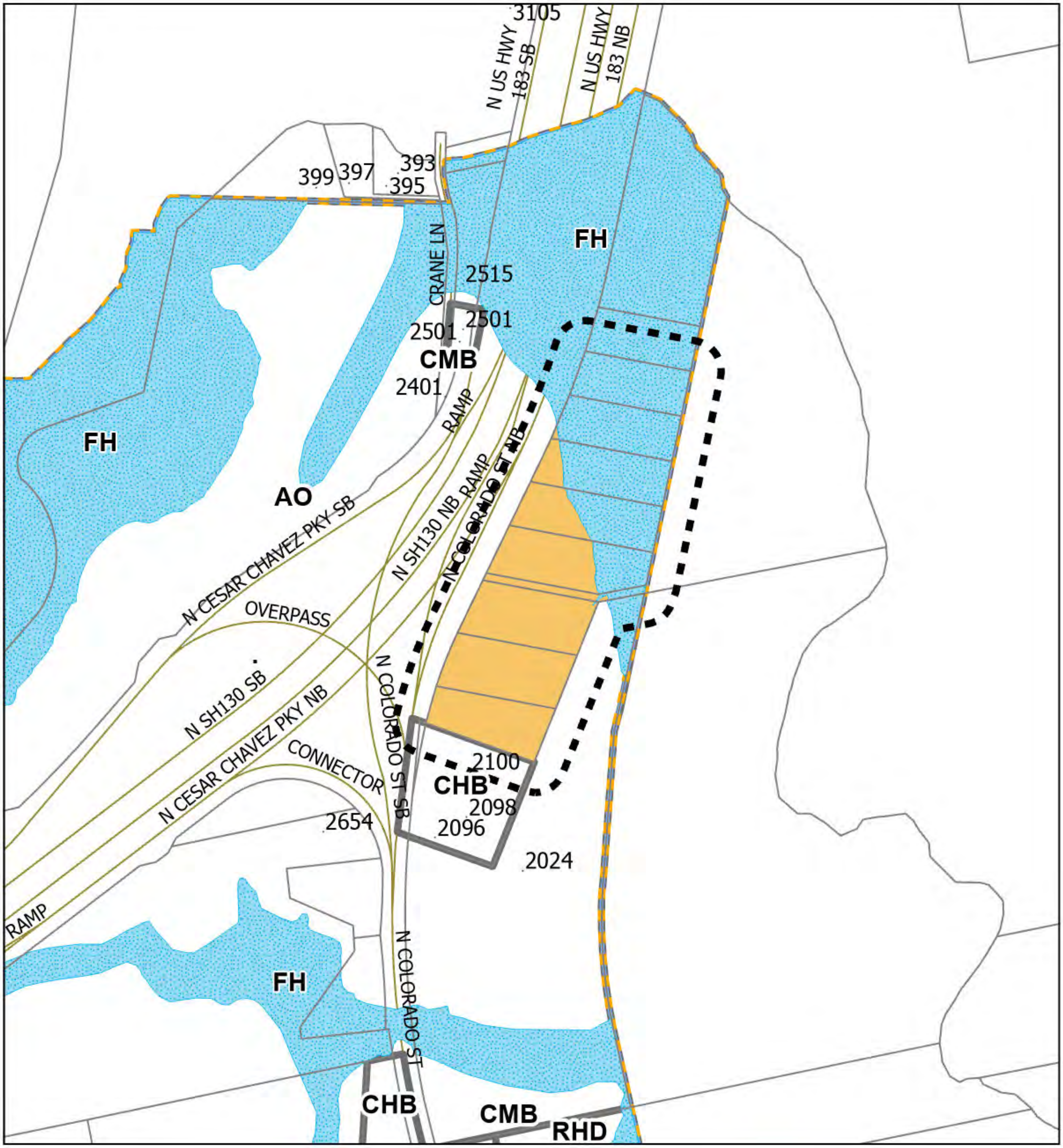
November 19, 2025 City Council meeting.

LIST OF SUPPORTING DOCUMENTS: ZC2504 case map, ZC2504 aerial, ZC2504 zoning



ZC-25-04

AO & FH TO RHD

2100-2500 BLK N COLORADO STREET

N

SUBJECT PROPERTY

ZONING BOUNDARY

LOCKHART CITY LIMITS

200 FT BUFFER

ROLLING RIDGE RD
ROLLING HILL LN
ROLLING RIDGE RD
N US HWY 183 NB
RAMP
OVERPASS
N US HWY 183 SB
N SH130 SB
UN-NAMED PRIVATE RD
CRANE LN
RAMP
N COLORADO ST NB
N COLORADO ST SB
OVERPASS
RAMP
CONNECTOR
N SH130 NB
RAMP
RAMP
N CESAR CHAVEZ PKY SB
N CESAR CHAVEZ PKY NB
HIDDEN PATH RD no maint
FM 2001
HIDDEN PATH RD
DRY CREEK RD
DRY CREEK RD
FM 672
SILENT VALLEY RD
TURN AROUND
N COLORADO ST
PECOS ST
VETERAN ST
RED RIVER ST
MEADOW LAKE DR
TONKAWA TRL
SHOSHONI TRL
BOX ST
LOMA ST
VEGA ST
CEDAR ST
??
E OLIVE ST
JUAN ST
E NAVARRO DR
FOURTH
CARVER ST
HUNTER ST
ST PECOS ST
BRADEN
LAREDO ST
Alley
E DR
STUEVE LN
HORSESHOE RD
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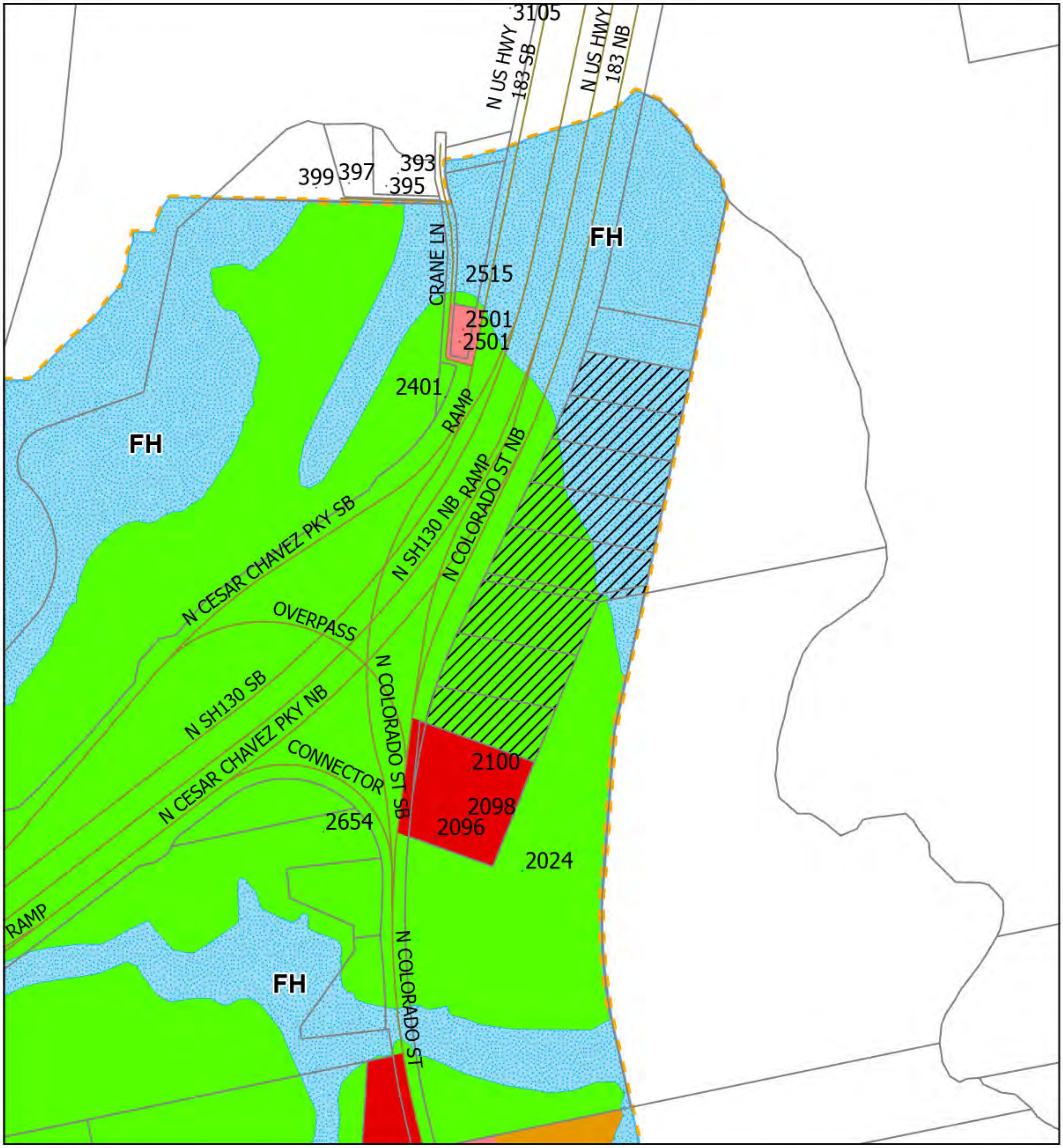
0
2,000
4,000 Feet



ZC-25-04

AO & FH TO RHD

2100-2500 BLK N COLORADO STREET

ZONING

- AO
- CHB
- CMB
- RHD

Scale 1" = 1000'

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Hold A PUBLIC HEARING and discussion and/or action on Ordinance 2025-22, amending Chapter 64, "Zoning" of the Lockhart Code of Ordinances as follows:

Amend Chapter 64 “Zoning”, Article VII “Zoning Districts and Standards” Section 64-196, “Establishment of Zoning Districts” subsections (e) “Residential medium density district (RMD) (formerly R-2)” and (f) “Residential high density district (RHD) (formerly R-3)” to remove Manufactured Homes as a use allowed with the approval of a Specific Use Permit; and

Amend Chapter 64 “Zoning”, Article VII “Zoning Districts and Standards” Section 64-200 “Same—Manufactured homes and modular dwellings” to remove parts of subsection (a) regarding requirements for the installation of manufactured homes on individual residential lots not within manufactured home parks.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: Manufactured Homes are currently allowed in the RMD and RHD zoning districts with the granting of a Specific Use Permit from the Planning and Zoning Commission. The Planning and Zoning Commission has frequently denied the SUP applications, citing the recent increase in construction of new site-built homes in residential areas that used to not see much new construction activity. The Commission has also expressed concerns regarding the durability and depreciation of manufactured homes in comparison to site-built homes. After a recent denial of a manufactured home on Cedar Street was successfully appealed to City Council, Councilman Castillo expressed interest in removing the option for allowing manufactured homes to apply for SUPs to allow the homes to be placed in residential districts. Staff reviewed the legality of the prospective text amendment and determined that it would be legal under Texas Law, as the City would still have the MH Manufactured Home zoning district which allows for the placement of manufactured homes in the city. SB 785, which recently passed the state legislature, also states that cities may no longer require SUP approval for manufactured homes in zoning districts in which other types of residential development are allowed by right. The bill does not, however, prohibit cities from not allowing manufactured homes in residential zoning districts, as long as there is a zoning district within the city that allows manufactured homes.

Prior staff research has found that very few cities in Central Texas that have populations similar to Lockhart or larger allow manufactured homes in residential zoning districts.

PROJECT SCHEDULE (if applicable): If approved, the ordiance would be effective immediately.

City of Lockhart, Texas

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FISCAL NOTE (if applicable): None.

PREVIOUS COUNCIL ACTION: City Council discussed the possibility of creating a text amendment to remove manufactured homes as a permitted use in residential zoning districts on July 15, 2025.

COMMITTEE/BOARD/COMMISSION ACTION: The Planning and Zoning Commission considered the proposed text amendment and unanimously recommended approval at its August 27, 2025 meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2025-22, Amending Chapter 64 of the Lockhart Code of Ordinances, to remove manufactured housing as a permitted use in the RMD and RHD zoning districts.

LIST OF SUPPORTING DOCUMENTS: Ordinance 2025-22 Manufactured Housing, Manufactured Housing Text Amendment-clean, Manufactured Housing Text Amendment-strikethough

ORDINANCE 2025-22

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS, AMENDING CHAPTER 64 "ZONING" OF THE CODE OF ORDINANCES, ARTICLE VII "ZONING DISTRICTS AND STANDARDS," SECTION 64-196 "ESTABLISHMENT OF ZONING DISTRICTS," AMENDING SUBSECTION (e), "RESIDENTIAL MEDIUM DENISTY DISTRICT (RMD) (FORMERLY R-2)" AND SUBSECTION "(f) RESIDENTIAL HIGH DENSITY DISTRICT (RHD) (FORMERLY R-3)"; AND SECTION 64-200 "SAME—MANUFACTURED HOMES AND MODULAR DWELLINGS" TO REMOVE PART OF SUBSECTION (a) REGARDING REQUIREMENTS FOR INSTALLATION FOR THE INSTALLATION OF MANUFACTURED HOMES ON INDIVIDUAL LOTS NOT WIHTIN MANUFACTURED HOME PARKS; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Chapter 64 "Zoning", section 64-196 "Zoning Districts and Standards", of the Lockhart Code of Ordinance establishes the uses that are allowed by right, allowed with the approval of a Specific Use Permit and not allowed within each zoning district; and

WHEREAS, Manufactured Homes have previously been allowed with the granting of a Specific Use Permit in the RMD and RHD Zoning Districts; and,

WHEREAS Lockhart City Staff to review the possibility of removing the provisions allowing Manufactured Homes in residential zoning districts.

WHEREAS, Lockhart also has the MH Manufactured Home Zoning District, which allows for the location of manufactured homes within the Zoning District; and,

WHEREAS, the Lockhart Planning and Zoning Commission held a public hearing on August 27, 2025, to consider proposed amendments to the applicable sections of Chapter 64 "Zoning", and voted to recommend said amendments; and,

WHEREAS, the City Council has determined that such amendments serve a public purpose and desires to amend the Code of Ordinances accordingly.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

I. The foregoing recitals are approved and adopted herein for all purposes.

II. Chapter 64 "Zoning", Sections 64-196 and 64-200, are hereby amended as follows, with all existing provisions not shown remaining unchanged:

Sec. 64-196. Zoning Districts and Standards

(e) *Residential medium density district (RMD) (formerly R-2).* This district provides medium population density areas within the city which allows for tracts with either single or multiple dwelling units, having a single principal structure with necessary accessory buildings for residential purposes and associated specific uses.

4) The following uses require a specific use permit:

a. Dwellings of the development type permitted within this district.

~~b. Manufactured home, in accordance with the standards in subsection 64-200(a) and subject to the requirements of appendix II for the MH district.~~

c. Child care center, in detached structure only.

d. All uses permitted in the public and institutional district.

e. All uses permitted in the planned development district.

(f) *Residential high density district (RHD) (formerly R-3).* This district provides high population density areas within the city which allow for tracts with either single or multiple dwelling units, with either single or multiple principal structures with necessary accessory buildings for residential purposes and associated specific uses.

(4) The following uses require a specific use permit:

a. Dwellings of the development type permitted within this district.

~~b. Manufactured home, in accordance with the standards in subsection 64-200(a) and subject to the requirements of appendix II for the MH district.~~

c. Child care center, in detached structure only.

d. All uses permitted in the public and institutional district.

e. All uses permitted in the planned development district.

f. Wireless telecommunication facility—Low impact, subject to the requirements of section 64-202.

64-200. Same—Manufactured homes and modular dwellings.

(a) ~~The installation of a manufactured home on an individual residential lot not within a manufactured home park shall comply with the following standards, except as noted~~. An existing nonconforming mobile or manufactured home may be replaced in the same location with a manufactured home, as defined in section 64-2, not complying with one or more of the following standards if such replacement home is a newer model, is at least as large as the prior manufactured home, and as a minimum complies with subsections (3), (4), (6), (7), and (8), below. This exception does not require approval of a specific use permit, but may be used only once at the same location unless the reason for replacement is damage caused by fire or natural disaster.

IV. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

V. Repealer: That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

VI. Penalty: Any person who violates any provision of this ordinance shall be guilty of a misdemeanor, and upon conviction shall be fined as provided in Section 1-8 of the City Code.

VII. Publication: That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VIII. Effective Date. That this ordinance shall become effective and be in full force ten days from the date of its passage.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ON THIS, THE 16th DAY OF SEPTEMBER 2025.

CITY OF LOCKHART

____

Lew White
Mayor

ATTEST:

____

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____

Brad Bulock
City Attorney

Sec. 64-196. Establishment of zoning districts.

: …

(e) *Residential medium density district (RMD) (formerly R-2).* This district provides medium population density areas within the city which allows for tracts with either single or multiple dwelling units, having a single principal structure with necessary accessory buildings for residential purposes and associated specific uses.

(1) Development types allowed in this district:

a. Single-family-1, SF-1.

b. Single-family-2, SF-2.

c. Duplex family-1, DF-1.

d. Patio home-1, PH-1.

(2) The following development types permitted within this district require a specific use permit:

a. Townhouse-1, TH-1.

b. Patio home-2, PH-2.

c. Combined family-1, CF-1.

d. Condominium-1, CM-1.

e. Duplex family-2, DF-2.

(3) The following uses are allowed by-right:

a. Dwellings of the development type allowed within this district.

b. Home occupations.

c. Accessory dwelling unit—Limited.

d. Temporary real estate sales office in a structure intended for permanent occupancy as a dwelling in a new subdivision.

(4) The following uses require a specific use permit:

a) Dwellings of the development type permitted within this district.

b) Child care center, in detached structure only.

c) All uses permitted in the public and institutional district.

d) All uses permitted in the planned development district.

e) Wireless telecommunication facility—Low impact, subject to the requirements of section 64-202.

f) Lodging or boarding house.

g) Bed and breakfast inn.

h) Accessory dwelling unit—General.

(f) *Residential high density district (RHD) (formerly R-3).* This district provides high population density areas within the city which allow for tracts with either single or multiple dwelling units, with either single or multiple principal structures with necessary accessory buildings for residential purposes and associated specific uses.

(1) Development types allowed within this district:

a. Single-family-1, SF-1.

b. Single-family-2, SF-2.

c. Duplex family-1, DF-1.

d. Duplex family-2, DF-2.

e. Patio home-1, PH-1.

f. Patio home-2, PH-2.

g. Combined family-1, CF-1.

h. Townhouse-1, TH-1.

i. Condominium-1, CM-1.

j. Multifamily-1, MF-1.

(2) The following development types permitted within this district require a specific use permit:

a. Combined family-2, CF-2.

b. Townhouse-2, TH-2.

c. Condominium-2, CM-2.

d. Multifamily-2, MF-2.

(3) The following uses are allowed by-right:

a. Dwellings of the development type allowed within this district.

b. Home occupations, except in MF-2.

c. Lodging or boarding house.

d. Bed and breakfast inn.

e. Accessory dwelling unit—Limited.

f. Accessory dwelling unit—General.

g. Temporary real estate sales office in a structure intended for permanent occupancy as a dwelling in a new subdivision.

(4) The following uses require a specific use permit:

a) Dwellings of the development type permitted within this district.

b) Child care center, in detached structure only.

c) All uses permitted in the public and institutional district.

d) All uses permitted in the planned development district.

e) Wireless telecommunication facility—Low impact, subject to the requirements of section 64-202.

64-200. Same—Manufactured homes and modular dwellings.

(a) An existing nonconforming mobile or manufactured home be replaced in the same location with a manufactured home, as defined in section 64-2, not complying with one or more of the following standards if such replacement home is a newer model, is at least as large as the prior manufactured home, and as a minimum complies with subsections (3), (4), (6), (7), and (8), below. This exception does not require approval of a specific use permit, but may be used only once at the same location unless the reason for replacement is damage caused by fire or natural disaster.

(1) The home shall be a new HUD-Code manufactured home not previously installed or occupied in any other location.

(2) Except where limited by the width of lots pre-existing on [effective date of adoption], the widest horizontal dimension of manufactured homes must face the street.

(3) The frame shall be supported by and tied to a foundation and anchoring system meeting the current requirements of the Texas Manufactured Housing Standards Act as administered by the Texas Department of Housing and Community Affairs, Manufactured Housing Division, or successor agency.

(4) Axle and hitch assemblies shall be removed at the time of placement on the foundation.

(5) The finished floor of the manufactured home shall be no more than 25 inches above the average adjacent ground level at the foundation on all sides visible from an abutting street, or from a lot containing a site-built single-family dwelling, except where the floor must be higher in order to be a minimum of 12 inches above the top of the highest abutting street curb or street crown if no curb. If necessary to maintain a minimum of 18 inches required for clearance between the ground and bottom of floor joists, the foundation may be recessed in a pit that is provided with a proper drainage system approved by a registered professional engineer, or by raising the grade of the earth in the yards where needed adjacent to the structure.

(6) A stoop, porch, patio or deck must be provided at each entrance to the manufactured home.

(7) The space between ground level and the manufactured home's floor level shall be skirted with nondegradable materials compatible in color, style and texture with the exterior of the home if a concrete foundation does not already enclose that space.

(8) Site-built attached additions must be compatible in color, style and materials with the exterior of the manufactured home.

(9) The owner shall cancel the personal property title on the manufactured home so that it can be rendered as real property for the purpose of ownership, taxes, insurance and financing.

(10) The land and structure shall be under the same ownership.

(b) The installation of a manufactured home on a leased space in a manufactured home park shall comply with the following standards:

(1) The frame shall be supported by and tied to a foundation and anchoring system meeting the current requirements of the Texas Manufactured Housing Standards Act as administered by the Texas Department of Housing and Community Affairs, Manufactured Housing Division, or successor agency.

(2) A stoop, porch, patio or deck must be provided at each entrance to the manufactured home.

(3) The space between ground level and the manufactured home's floor level shall be skirted with nondegradable materials compatible in color, style and texture with the exterior of the home.

(4) Site-built attached additions must be compatible in color, style and materials with the exterior of the manufactured home.

(c) The installation of a modular dwelling shall comply with the following standards, in addition to the regulations and codes normally applicable to site-built dwellings:

(1) The dwelling and lot shall have an estimated taxable value after installation of the dwelling equal to or greater than the median taxable value for each single-family dwelling located within 300 feet of the lot on which the modular home is proposed to be located, as determined by the most recent certified tax appraisal roll.

(2) The exterior siding, roofing, roof pitch, foundation fascia, and fenestration shall be compatible with single-family dwellings located within 300 feet of the lot on which the modular home is to be located.

Sec. 64-196. Establishment of zoning districts.

: …

(e) *Residential medium density district (RMD) (formerly R-2).* This district provides medium population density areas within the city which allows for tracts with either single or multiple dwelling units, having a single principal structure with necessary accessory buildings for residential purposes and associated specific uses.

(1) Development types allowed in this district:

a. Single-family-1, SF-1.

b. Single-family-2, SF-2.

c. Duplex family-1, DF-1.

d. Patio home-1, PH-1.

(2) The following development types permitted within this district require a specific use permit:

a. Townhouse-1, TH-1.

b. Patio home-2, PH-2.

c. Combined family-1, CF-1.

d. Condominium-1, CM-1.

e. Duplex family-2, DF-2.

(3) The following uses are allowed by-right:

a. Dwellings of the development type allowed within this district.

b. Home occupations.

c. Accessory dwelling unit—Limited.

d. Temporary real estate sales office in a structure intended for permanent occupancy as a dwelling in a new subdivision.

(4) The following uses require a specific use permit:

a. Dwellings of the development type permitted within this district.

~~b. Manufactured home, in accordance with the standards in subsection 64-200(a) and subject to the requirements of appendix II for the MH district.~~

c. Child care center, in detached structure only.

d. All uses permitted in the public and institutional district.

e. All uses permitted in the planned development district.

f. Wireless telecommunication facility—Low impact, subject to the requirements of section 64-202.

g. Lodging or boarding house.

h. Bed and breakfast inn.

i. Accessory dwelling unit—General.

(f) *Residential high density district (RHD) (formerly R-3).* This district provides high population density areas within the city which allow for tracts with either single or multiple dwelling units, with either single or multiple principal structures with necessary accessory buildings for residential purposes and associated specific uses.

(1) Development types allowed within this district:

a. Single-family-1, SF-1.

b. Single-family-2, SF-2.

c. Duplex family-1, DF-1.

d. Duplex family-2, DF-2.

e. Patio home-1, PH-1.

f. Patio home-2, PH-2.

g. Combined family-1, CF-1.

h. Townhouse-1, TH-1.

i. Condominium-1, CM-1.

j. Multifamily-1, MF-1.

(2) The following development types permitted within this district require a specific use permit:

a. Combined family-2, CF-2.

b. Townhouse-2, TH-2.

c. Condominium-2, CM-2.

d. Multifamily-2, MF-2.

(3) The following uses are allowed by-right:

a. Dwellings of the development type allowed within this district.

b. Home occupations, except in MF-2.

c. Lodging or boarding house.

d. Bed and breakfast inn.

e. Accessory dwelling unit—Limited.

f. Accessory dwelling unit—General.

g. Temporary real estate sales office in a structure intended for permanent occupancy as a dwelling in a new subdivision.

(4) The following uses require a specific use permit:

a. Dwellings of the development type permitted within this district.

~~b. Manufactured home, in accordance with the standards in subsection 64-200(a) and subject to the requirements of appendix II for the MH district.~~

c. Child care center, in detached structure only.

d. All uses permitted in the public and institutional district.

e. All uses permitted in the planned development district.

f. Wireless telecommunication facility—Low impact, subject to the requirements of section 64-202.

64-200. Same—Manufactured homes and modular dwellings.

(a) ~~The installation of a manufactured home on an individual residential lot not within a manufactured home park shall comply with the following standards, except as noted~~. An existing nonconforming mobile or manufactured home be replaced in the same location with a manufactured home, as defined in section 64-2, not complying with one or more of the following standards if such replacement home is a newer model, is at least as large as the prior manufactured home, and as a minimum complies with subsections (3), (4), (6), (7), and (8), below. This exception does not require approval of a specific use permit, but may be used only once at the same location unless the reason for replacement is damage caused by fire or natural disaster.

(1) The home shall be a new HUD-Code manufactured home not previously installed or occupied in any other location.

(2) Except where limited by the width of lots pre-existing on [effective date of adoption], the widest horizontal dimension of manufactured homes must face the street.

(3) The frame shall be supported by and tied to a foundation and anchoring system meeting the current requirements of the Texas Manufactured Housing Standards Act as administered by the Texas Department of Housing and Community Affairs, Manufactured Housing Division, or successor agency.

(4) Axle and hitch assemblies shall be removed at the time of placement on the foundation.

(5) The finished floor of the manufactured home shall be no more than 25 inches above the average adjacent ground level at the foundation on all sides visible from an

abutting street, or from a lot containing a site-built single-family dwelling, except where the floor must be higher in order to be a minimum of 12 inches above the top of the highest abutting street curb or street crown if no curb. If necessary to maintain a minimum of 18 inches required for clearance between the ground and bottom of floor joists, the foundation may be recessed in a pit that is provided with a proper drainage system approved by a registered professional engineer, or by raising the grade of the earth in the yards where needed adjacent to the structure.

(6) A stoop, porch, patio or deck must be provided at each entrance to the manufactured home.

(7) The space between ground level and the manufactured home's floor level shall be skirted with nondegradable materials compatible in color, style and texture with the exterior of the home if a concrete foundation does not already enclose that space.

(8) Site-built attached additions must be compatible in color, style and materials with the exterior of the manufactured home.

(9) The owner shall cancel the personal property title on the manufactured home so that it can be rendered as real property for the purpose of ownership, taxes, insurance and financing.

(10) The land and structure shall be under the same ownership.

(b) The installation of a manufactured home on a leased space in a manufactured home park shall comply with the following standards:

(1) The frame shall be supported by and tied to a foundation and anchoring system meeting the current requirements of the Texas Manufactured Housing Standards Act as administered by the Texas Department of Housing and Community Affairs, Manufactured Housing Division, or successor agency.

(2) A stoop, porch, patio or deck must be provided at each entrance to the manufactured home.

(3) The space between ground level and the manufactured home's floor level shall be skirted with nondegradable materials compatible in color, style and texture with the exterior of the home.

(4) Site-built attached additions must be compatible in color, style and materials with the exterior of the manufactured home.

(c) The installation of a modular dwelling shall comply with the following standards, in addition to the regulations and codes normally applicable to site-built dwellings:

(1) The dwelling and lot shall have an estimated taxable value after installation of the dwelling equal to or greater than the median taxable value for each single-family dwelling located within 300 feet of the lot on which the modular home is proposed to be located, as determined by the most recent certified tax appraisal roll.

(2) The exterior siding, roofing, roof pitch, foundation fascia, and fenestration shall be compatible with single-family dwellings located within 300 feet of the lot on which the modular home is to be located.

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Receive the Lockhart Freedom Act third quarterly report.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Lockhart Police Department continues to implement sections of the Lockhart Freedom Act that are not in conflict with state and federal law. These include evidence handling protocols (Section 12.06), codification of officer discretion in low-level marijuana cases (Section 12.10), and public transparency through quarterly reporting (Section 12.12).

This third quarterly report provides updated data on LPD enforcement activity related to misdemeanor marijuana possession during the most recent reporting period. Included in this report are:

- Total number of marijuana-related arrests and citations issued,
- Estimated personnel hours devoted to enforcement of these cases,
- Demographic breakdowns (age, gender, race, and ethnicity) of individuals cited or arrested.

This report builds upon the City's efforts to promote accountability, transparency, and informed decision-making.

PROJECT SCHEDULE (if applicable):

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: Acknowledged receipt of second quarterly report.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Acknowledge receipt of third quarterly report.

LIST OF SUPPORTING DOCUMENTS: Misdemeanor Marijuana Enforcement (May 28, 2024 to Sept 5, 2025)

MISDEMEANOR MARIJUANA ENFORCEMENT
(Arrests & Citations)
May 28, 2025 to Sept 5, 2025

				SUSPECT DESCRIPTION				
DATE	CASE NUMBER	ARREST/CITATION	CHARGE	AGE	GENDER	RACE	ETHNICITY	EST. HOURS
5/28/2025	2025050120	Arrest*	Poss Marij <2oz	45	M	W	H	3:22:00
6/3/2025	2025060010	Arrest*	Del Marij 4oz<=5lbs	19	M	W	H	5:26:00
6/15/2025	2025060075	Arrest *	Poss Marij <2oz	27	M	B		1:45:00
6/22/2025	2025060098	Arrest*	Del Marij 4oz<=5lbs	32	M	W	H	2:10:00
7/20/2025	2025070072	Citation ^	Poss of Drug Para	19	F	W		0:21:00
7/23/2025	2025070082	Arrest	Poss Marij <2oz	32	F	W	H	1:52:00
7/26/2025	2025070099	Citation	Poss of Drug Para	17	M	W	H	0:13:00
7/31/2025	2025070116	Citation	Poss of Drug Para	25	M	W	H	0:53:00
7/31/2025	2025070116	Citation	Poss of Drug Para	26	F	W		0:53:00
8/4/2025	2025080015	Arrest*	Poss Marij <2oz	18	M	B		1:41:00
8/5/2025	2025080019	Citation	Poss of Drug Para		M	B		0:08:00
8/5/2025	2025080020	Citation	Poss of Drug Para	36	M	W	H	0:18:00

* - Possession of marijuana along with other illegal narcotics.

^ - Possession of Drug Paraphernalia citation in lieu of arrest for Possession of Marijuana.

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Ratify the adoption of Ordinance 2025-19 adopting the City of Lockhart's Annual Operating Budget for Fiscal Year 2025-2026 and appropriating resources, beginning October 1, 2025, ending September 30, 2026, for the City of Lockhart, Caldwell County, Texas and the Lockhart Economic Development Corporation and adopting the City's Investment Policy, Financial Policy, and Fund Balance - Stabilization and Excess of Reserves Policies in accordance with House Bill 1522 and including Exhibit A, Taxpayer Impact Statement as hereby incorporated herein in this agenda and is posted as part of this agenda.

ORIGINATING DEPARTMENT AND CONTACT: City Attorney - Brad Bullock

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: House Bill 1522, passed during the State's 89th Legislative Session, amended Section 551.043 of the Texas Government Code to require that meeting notices for a budget discussion or adoption include (1) a physical copy of the proposed budget unless the proposed budget is clearly accessible from the City's website homepage and (2) a taxpayer impact statement.

The taxpayer impact statement shows, for the median-valued homestead property, a comparison of the property tax bill in dollars from the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year if the city's proposed budget is adopted and if the budget funded by the no-new-revenue rate is adopted instead. The Fiscal Year 2025-2026 budget ordinance and taxpayer impact statement are included in the agenda packet and posted on the City's website in compliance with H.B. 1522.

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: Motion to ratify the adoption of

City of Lockhart, Texas

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Ordinance 2025-19 in compliance with HB 1522.

LIST OF SUPPORTING DOCUMENTS: Exhibit A - City of Lockhart - FYE 2026 Taxpayer Impact Statement, O-2025-19

Exhibit A

CITY OF LOCKHART, TEXAS
TAXPAYER IMPACT STATEMENT

House Bill 1522, passed by the Texas Legislature in 2025, amends section 551.043 of the Texas Government Code to require that the notice of a meeting is required to be posted under section 551.043(a) of the Texas Open Meetings Act, at which a governmental body will discuss or adopt a budget for the governmental body, must include a taxpayer impact statement showing, for the median valued homestead property, a comparison of the property tax bill in dollars pertaining to the property for the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year.

The City of Lockhart has adopted a budget for the 2025-2026 fiscal year, effective October 1, 2025, and ending September 30, 2026. The City intends to ratify the adoption of its budget on September 16, 2025.

- 2024 Value of Median-Valued Homestead Property in the City: $266,200
- 2024 Property Tax Bill for the Current Fiscal Year ($0.5093): $1,355.76
- 2025 Value of Media-Valued Homestead Property in the City: $273,784
- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if the City Ratifies the Adoption of the 2025-2026 Fiscal Year Budget Funded at the Voter-Approval Tax Rate ($0.5541 per $100 of value): $1,517.04
- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if the City Ratifies the Adoption of the 2025-2026 Fiscal Year Budget Funded at the No-New-Revenue Tax Rate ($0.4954 per $100 of value): $1,356.33

ORDINANCE 2025-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS ADOPTING THE BUDGET AND APPROPRIATING RESOURCES FOR THE FISCAL YEAR 2025-2026, BEGINNING OCTOBER 1, 2025, FOR THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS; ADOPTING THE FUND BALANCE-STABILIZATION OF EXCESS OF RESERVE POLICY, FINANCIAL POLICY, AND CITY OF LOCKHART INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the laws of the State of Texas for Home Rule cities and the City Charter for the City of Lockhart, Texas, the budget covering proposed estimated revenues and expenditures for Fiscal Year 2026, beginning October 1, 2025 and ending September 30, 2026, was filed with the City Secretary and notice of public hearing was provided as required, and,

WHEREAS, a public hearing was held by the City Council of the City of Lockhart, Texas, on said budget on August 19, 2025 and September 2, 2025 at which time said budget was presented and considered, and interested citizens were provided an opportunity to be heard by the City Council of the City of Lockhart, and,

WHEREAS, the City Council has reviewed and adopted a fiscal policy titled "Fund Balance-Stabilization of Excess of Reserve Policy"; and

WHEREAS, the City Council has reviewed and adopted a fiscal policy titled "Financial Policy"; and

WHEREAS, the City Council has reviewed and adopted an investment policy titled "City of Lockhart Investment Policy" and has conducted an annual review of the City's Investment Policy, as required by Chapter 2256, Texas Government Code; and

WHEREAS, the City Council, City Manager and staff, after careful deliberate study and considerable debate, have determined the appropriate revenues and expenditures necessary for the maintenance and operations of the City of Lockhart for Fiscal Year 2026.

THEREFORE, BE IT RESOLVED, that the City Council of the CITY OF LOCKHART hereby adopts the Fund Balance-Stabilization of Excess of Reserve Policy; Financial Policy; City of Lockhart Investment Policy; and the Fiscal Year 2026 Annual Budget providing for revenues and expenditures as follows:

Name	Revenues	Expenditures	Difference
General Fund	17,172,870	17,089,392	83,478
Debt Service Fund	2,735,537	2,600,524	135,013
Electric Fund	14,388,100	14,363,750	24,350
Water Fund	8,304,087	7,966,886	337,201
Wastewater Fund	3,566,500	3,527,458	39,042
Solid Waste Fund	2,283,014	2,255,497	27,517
Airport Fund	197,500	117,390	80,110
LEDC	1,969,335	1,499,113	470,222
Hotel Occupancy Tax Fund	249,000	222,500	40,820

PASSED, APPROVED, ADOPTED and EFFECTIVE this the 2nd day of September 2025.

CITY OF LOCKHART

Lew White

Lew White, Mayor

ATTEST:

Julie Bowermon

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

Bradford E. Bullock
City Attorney

CITY OF LOCKHART TEXAS

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Approve Ordinance 2025-23 amending Ordinance 2025-16 to adopt the early voting dates, hours, and locations, and election day voting locations, as set forth by Caldwell County for the November 4, 2025 General Election.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: The Caldwell County Elections Administrator (County EA) is conducting Elections on November 4, 2025. The City of Lockhart will hold a general election for the positions of Councilmember District 1, Councilmember District 2, and two Councilmembers At-Large. Since 2010, in the interest of a public purpose, the City of Lockhart has contracted with the County EA to conduct City Elections to enable all propositions and public official positions to be on one ballot for voters within Caldwell County.

During the August 2025 City Council meetings, the City Council ordered the November 4, 2025 General Election and authorized the contract for Election Services with Caldwell County. Since August, the County has formally designated early voting times/locations and election day polling locations and workers. Proposed Ordinance 2025-23 amends the City's Order of Election to acknowledge the designations. Election day polling locations for Lockhart residents remains the same as was designated in 2023 and 2024.

Next steps in the election process include working with the County EA on proofing the ballot language; in early October the notice of election will be posted and published in the Post Register.

PROJECT SCHEDULE (if applicable):

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: August 5, 2025: Council ordered a General Election to be held November 4, 2025.
August 19, 2025: Council authorized the contract for Election Services with the Caldwell County Elections Administrator.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS: Ordinance 2025-23 Lockhart Amended Election

City of Lockhart, Texas

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Ordinance 2025

ORDINANCE NO. 2025-23

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, AMENDING ORDINANCE NO. 2025-16 TO ADOPT THE EARLY VOTING DATES, HOURS, AND LOCATIONS, AND ELECTION DAY VOTING LOCATIONS, AS SET FORTH BY CALDWELL COUNTY; PROVIDING FOR NOTICE OF ELECTION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, On August 5, 2025, the City Council adopted Ordinance No. 2025-16 ordering a general election to be held on November 4, 2025 for the election of one Councilmember District 1, one Councilmember District 2, and two Councilmembers At-Large; and

WHEREAS, Ordinance No. 2025-16 established early voting dates, hours, and locations, a copy of which is attached hereto as Exhibit “A” and incorporated herein; and

WHEREAS, Caldwell County, as the County conducting the joint election pursuant to Chapter 271, Texas Election Code, has since formally designated early voting dates, hours, and locations, as well as Election Day voting locations, a copy of which is attached hereto as Exhibit “B” and incorporated herein; and

WHEREAS, the City Council finds it necessary to amend Ordinance No. 2025-16 to conform the City’s order of election with the County’s official designations.

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

Section 1. Amendment.

Ordinance No. 2025-16 is hereby amended to adopt and incorporate the early voting dates, hours, and locations, and Election Day voting locations, as set forth by Caldwell County, as follows:

(a) Main Early Voting Polling Location:
Scott Annex Building, 1403-A Blackjack St., Lockhart, Texas 78644

(b) Branch Early Voting Locations:
- Lockhart ISD Adams Gym, 419 Bois D’Arc St., Lockhart, TX 78644
- Three Rivers Community Church, 103 Main St., Martindale, TX 78655
- Uhland City Hall – Community Hall, 15 N. Old Spanish Trail, Uhland, TX 78640
- Luling Civic Center, 333 E. Austin St., Luling, TX 78648

(c) Early Voting Dates and Hours:
- October 20–24, 2025: 8:00 a.m. – 5:00 p.m.
- October 25, 2025 (Saturday): 8:00 a.m. – 5:00 p.m.
- October 26, 2025 (Sunday): 9:00 a.m. – 3:00 p.m.
- October 27–29, 2025: 8:00 a.m. – 5:00 p.m.
- October 30–31, 2025: 7:00 a.m. – 7:00 p.m.

(d) Election Day Voting Locations:

1. First Lockhart Baptist Connection Center, 200 S. Blanco St., Lockhart, TX 78644 (Pct. 100/101)

2. Grace Lutheran Fellowship Hall, 108 N. Medina, Lockhart, TX 78644 (Pct. 103/108)

3. VFW Post 8927, 7007 S. US Hwy 183, Lockhart, TX 78644 (Pct. 102/104)

4. Lockhart Evening Lions Club, 220 Bufkin Lane, Lockhart, TX 78644 (Pct. 111)

5. Luling Southside Clubhouse, 1035 S. Magnolia Ave., Luling, TX 78648 (Pct. 201/202)

6. McNeil Baptist Church Fellowship Hall, 14304 FM 1322, Luling, TX 78648 (Pct. 203)

7. McMahan Community Center, 6022 FM 713, Dale, TX 78616 (Pct. 204/205)

8. Luling Civic Center, 333 E. Austin St., Luling, TX 78648 (Pct. 206)

9. Three Rivers Community Church – Fellowship Hall, 103 Main St., Martindale, TX 78655 (Pct. 300/301)

10. Maxwell Social Club, 180 Fourth St., Maxwell, TX 78656 (Pct. 302)

11. Uhland City Hall – Community Hall, 15 N. Old Spanish Trail, Uhland, TX 78640 (Pct. 303/306)

12. Fentress Community Church, 13481 State Park Rd., Fentress, TX 78622 (Pct. 305)

13. St. Marks Methodist Church Fellowship Hall, 602 E. Live Oak St., Lockhart, TX 78644 (Pct. 401)

14. St. Mary's Catholic Parish Hall, 205 W. Pecan St., Lockhart, TX 78644 (Pct. 402)

15. Lytton Springs Baptist Church, 8511 FM 1854, Dale, TX 78616 (Pct. 404)

16. Dale Community Center, 100 Civic Dr., Dale, TX 78616 (Pct. 400/405)

Section 2. Notice of Election.

The City Secretary shall cause notice of the election, stating in substance the contents of this Ordinance, to be published and posted as required by the Texas Election Code and the City Charter.

Section 3. Severability.

If any provision of this Ordinance is held invalid, such invalidity shall not affect the remaining provisions.

Section 4. Repealer.

All provisions of Ordinance No. 2025-16 in conflict with this Ordinance are hereby amended or repealed.

Section 5. Effective Date.

This Ordinance is effective immediately upon passage and approval.

PASSED AND APPROVED this 16th day of September, 2025.

____

Lew White, Mayor

ATTEST:

____

City Secretary

APPROVED AS TO FORM:

____

Bradford E. Bullock, City Attorney

EXHIBIT A

ORDINANCE 2025-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, ORDERING A GENERAL ELECTION ON NOVEMBER 4, 2025 FOR THE PURPOSE OF ELECTING ONE COUNCILMEMBER DISTRICT 1; ONE COUNCILMEMBER DISTRICT 2; AND, TWO COUNCILMEMBERS AT-LARGE; PROVIDING FOR JOINT ELECTION WITH CALDWELL COUNTY; ESTABLISHING EARLY VOTING LOCATIONS AND HOURS; AND ORDERING NOTICE OF ELECTION TO BE GIVEN AS PRESCRIBED BY LAW; AND MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION.

WHEREAS, state and city law provide that on November 4, 2025 there shall be a general election for the purpose of electing one (1) Councilmember District 1; one (1) Councilmember District 2; and, two (2) Councilmembers At-Large.

WHEREAS, the City Council also has the authority pursuant to Chapter 271, Texas Election Code, to enter into a joint election agreement with Caldwell County, which is a political subdivision that is also holding an election on the same date.

NOW, THEREFORE, BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS, THAT:

Section 1. Order of General Election:

ORDER OF GENERAL ELECTION FOR MUNICIPALITIES
ORDEN DE ELECCIÓN GENERAL PARA MUNICIPOS

An election is hereby ordered to be held on November 4, 2025 for the purpose of voting on:

(Por la presente se ordena celebrar una elección el 4 de noviembre, 2025 con el propósito de votar sobre.)

List Offices/Propositions/Measures on the ballot *(Enúmere los puestos/proposiciones/medidas oficiales en la boleta)*

Councilmember District 1 *(Concejal del Distrito 1)*
Councilmember District 2 *(Concejal del Distrito 2)*
Two Councilmembers At-Large (*Dos Consejales A-Grande)*

Early voting by personal appearance will be conducted as follows:
(La votación adelantada en persona se llevará a cabo como previsto:)

The Main Early Voting Location *(sitio principal de votación adelantada)*

Scott Annex Building (Edificio Anexo Scott)
1403 Blackjack St.
Lockhart, Texas 78644

Early voting by personal appearance will be conducted:

Monday, October 20, 2025	8:00 a.m. - 5:00 p.m.
Tuesday, October 21, 2025	8:00 a.m. – 5:00 p.m.
Wednesday, October 22, 2025	8:00 a.m. – 5:00 p.m.
Thursday, October 23, 2025	8:00 a.m. – 5:00 p.m.
Friday, October 24, 2025	8:00 a.m. – 5:00 p.m.
Saturday, October 25, 2025	8:00 a.m. – 5:00 p.m.
Sunday, October 26, 2025	9:00 a.m. – 3:00 p.m.
Monday, October 27, 2025	8:00 a.m. – 5:00 p.m.
Tuesday, October 28, 2025	8:00 a.m. – 5:00 p.m.
Wednesday, October 29, 2025	8:00 a.m. – 5:00 p.m.
Thursday, October 30, 2025	7:00 a.m. – 7:00 p.m.
Friday, October 31, 2025	7:00 a.m. – 7:00 p.m.

Locations and hours may be changed by the County Elections Administrator.

The Council appoints Devante Coe, Caldwell County Elections Administrator, as the Early Voting Clerk. Applications for ballot by mail shall be mailed to:
(Las solicitudes para boletas que se votarán adelantada por correo deberán enviarse a:)

Early Voting Clerk
Devante Coe, Caldwell County Elections Administrator
1403 Blackjack Street, Suite A
Lockhart, Texas 78644
(512) 668-4347
Email Address: devante.coe@co.caldwell.tx.us
Website: www.co.caldwell.tx.us

Applications for Ballots by Mail (ABBMs) must be received no later than the close of business on: *(Las solicitudes para boletas que se votarán adelantada por correo deberán recibirse no más tardar de las horas de negocio el:)*

October 24, 2025 *(24 de octubre, 2025)*

Federal Post Card Applications (FPCAs) must be received no later than the close of business on: *(La Tarjeta Federal Postal de Solicitud deberán recibirse no más tardar de las horas de negocio el:)*

October 24, 2025 *(24 de octubre, 2025)*

Order of General Election Issued this 5th day of August, 2025.
(Emitida este dia 5 de agosto, 2025)

Lew White

Signature of Mayor (Firma del Alcalde)

Section 2. Election Duties. In the absence of the City Secretary, the City Manager and/or Assistant City Manager are hereby appointed to fulfill election duties in place of City Secretary as needed in accordance with Texas Elections Code Sec 31.123.

Section 3. Notice of Election. Notice of the Election, stating in substance the contents of this Ordinance, shall be published in the English and Spanish languages at least once in a newspaper published within CITY's territory at least 10 days and no more than 30 days, prior to the election, and as otherwise may be required by the Texas Election Code and Texas Local Government Code. Notice of the Elections shall also be posted on the bulletin board used by the Council to post notices of the Council's meetings no later than the 21st day before the Elections, or if the 21st day before the Elections falls on a weekend or holiday, on the first business day thereafter.

Section 4. Authorization to Execute. The Mayor of the CITY is authorized to execute and the City Secretary of the CITY is authorized to attest this Ordinance on behalf of the City Council; and the Mayor of the City Council is authorized to do all other things legal and necessary in connection with the holding and consummation of the Elections.

Section 5. Severability. If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

Section 6. Repealer. That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

Section 7. Publication. That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

Section 8. Effective Date. This Ordinance is effective immediately upon its passage and approval.

PASSED AND APPROVED on August 5, 2025.

CITY OF LOCKHART • TEXAS

CITY OF LOCKHART

Lew White

Lew White, Mayor

ATTEST:

Julie Bowermon

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

Bradford E. Bullock, City Attorney

EXHIBIT B

CALDWELL COUNTY VOTING LOCATIONS

November 4, 2025

(Noviember 4, 2025)

GENERAL AND SPECIAL ELECTIONS

(ELECCION GENERALES Y ESPECIALES)

Main Early Voting Polling Location
(Lugar Principal de Votación Anticipada)

Scott Annex Building
1403-A Blackjack St. Lockhart, TX 78644

Early Voting Dates and Hours
(Fechas y Horarios de Votación Anticipada)

First week / *Primer Semana:*

Monday, October 20 through Friday, October 24, 2025……………….… 8 am – 5 pm
Lunes, 20 de octubre hasta el viernes 24 de octubre de 2025 …………… 8:00 am hasta 5:00 pm

Weekend / *Fin de Semana:*

Saturday, October 25, 2025 ……………………………………….……………… 8 am – 5 pm
Sabado, 25 de octubre de 2025 ……………………….……………….………… 8:00 am hasta 5:00 pm
Sunday, October 26, 2025……………………………………………………………… 9 am – 3 pm
Domingo, 26 de octubre de 2025 ……………………………………………………. 9:00 am hasta 3:00 pm

Last Week / *Ultima Semana:*

Monday, October 27 through Wednesday, October 29, 2025 ……………….. 8:00 am – 5:00 pm
Lunes, 27 de octubre hasta el Miércoles, 29 de octubre de 2025……… 8:00 am hasta 5:00 pm
Thursday, October 30 through Friday, October 31, 2025 ……………….. 7:00 am – 7:00 pm
jueves 30 de octubre hasta el Viernes, 31 de octubre de 2025 ……… 7:00 am hasta 7:00 pm

Application Ballot By Mail Deadline: October 24, 2025, 5:00 pm
Federal Post Card Application
(Military & Overseas Voters) Deadline: October 24, 2025, 5:00 pm

Mail address for early voting by mail: The address for Caldwell County Early Voting Clerk's mailing address to which ballot applications and ballots voted by mail is 1403-A Blackjack St. Lockhart, TX 78644. The email address is CaldwellEC@co.Caldwell.tx.us. If submitted by email, the original must be received at elections office within 4 business days.

Domicilio Postal para la votación temprana por correo: *El domicilio postal del Secretario de Votación Temprana del Condado de Caldwell a la que las solicitudes de boletas y votación de boletas por correo es 1403-A Blackjack St. Lockhart, TX 78644. La dirección de correo electrónico es CaldwellEC@co.Caldwell.tx.us. Si se envia por correo electrónico, el documento original debe recibirse en la oficina electoral dentro de los 4 dias habiles*

Emergency and Limited ballots available only at the Scott Annex location.
(Las boletas de emergencia y limitadas están disponibles solo en la ubicación del Anexo Scott.)

Branch Early Voting Polling Location
(Lugar de votación anticipada de la sucursal)

Lockhart ISD Adams Gym
419 Bois D'Arc St. Lockhart, TX 78644

Three Rivers Community Church
103 Main St. Martindale, TX 78655

Uhland City Hall – Community Hall
15 N. Old Spanish Trl. Lockhart, TX 78640

Luling Civic Center
333 E. Austin St. Luling, TX 78648

Branch Early Voting Dates and Hours
(Fechas y Horarios de Votación Anticipada de las Sucursales)

First week / *Primer Semana:*

Monday, October 20 through Friday, October 24, 2025……………….…… 8 am – 5 pm
Lunes, 20 de octubre hasta el viernes 24 de octubre de 2025 …………... 8:00 am hasta 5:00 pm

Weekend / *Fin de Semana:*

Saturday, October 25, 2025 ……………………………………….………………... 8 am – 5 pm
Sabado, 25 de octubre de 2025 …………………………..……………..……………. 8:00 am hasta 5:00 pm
Sunday, October 26, 2025……………………………………………………………… 9 am – 3 pm
Domingo, 26 de octubre de 2025 ……………………………………………………… 9:00 am hasta 3:00 pm

Last Week / *Ultima Semana:*

Monday, October 27 through Wednesday, October 29, 2025 ……………….. 8:00 am – 5:00 pm
Lunes, 27 de octubre hasta el Miércoles, 29 de octubre de 2025……… 8:00 am hasta 5:00 pm
Thursday, October 30 through Friday, October 31, 2025 ……………….. 7:00 am – 7:00 pm
jueves 30 de octubre hasta el Viernes, 31 de octubre de 2025 ……… 7:00 am hasta 7:00 pm

Combination of Election Day Voting Polling Location
(Combinación de lugar de votación el día de las elecciones)

Section 42.0051 of the Texas Election Code permits the combination of certain county election precincts as recommended by the county election board: (1) when a suitable public building for a polling place is not available, and (2) when the combined polling place adequately serves the voters of the combined precincts.

1. **First Lockhart Baptist Connection Center- 200 S. Blanco St., Lockhart, TX 78644**
   - **Voting Pct: 100 / 101**
2. **Grace Lutheran Fellowship Hall- 108 N. Medina, Lockhart, TX 78644**
   - **Voting Pct: 103 / 108**
3. **VFW Post 8927- 7007 S. US HWY 183, Lockhart, Tx 78644**
   - **Voting Pct: 102 / 104**
4. **Lockhart Evenings Lions Club- 220 Bufkin Lane, LOCKHART, TX 78644**
   - **Voting Pct: 111**
5. **Luling Southside Clubhouse- 1035 S. Magnolia Ave, Luling, TX 78648**
   - **Voting Pct: 201 / 202**
6. **McNeil Baptist Church Fellowship Hall- 14304 FM 1322, Luling, TX 78648**
   - **Voting Pct: 203**
7. **McMahan Community Center- 6022 FM 713, Dale, TX 78616**
   - **Voting Pct: 204 / 205**
8. **Luling Civic Center- 333 E. Austin St., Luling, TX 78648**
   - **Voting Pct: 206**
9. **Three Rivers Community Church – Fellowship Hall- 103 Main St., Martindale, TX 78655**
   - **Voting Pct: 300 / 301**
10. **Maxwell Social Club- Maxwell, TX 78656 – 180 Fourth St, Maxwell, TX 78656**
    - **Voting Pct: 302**
11. **Uhland City Hall – Community Hall- 15 N. Old Spanish Trail, Uhland, TX 78640**
    - **Voting Pct: 303 / 306**
12. **Fentress Community Church- 13481 State Park Rd., Fentress, TX 78622**
    - **Voting Pct: 305**
13. **St. Marks Methodist Church Fellowship Hall- 602 E. Live Oak St., Lockhart, TX 78644**
    - **Voting Pct: 401**
14. **St. Mary's Catholic Parish Hall- 205 W. Pecan St., Lockhart, TX 78644**
    - **Voting Pct: 402**
15. **Lyton Springs Baptist Church- 8511 FM 1854, Dale, TX 78616**
    - **Voting Pct: 404**
16. **Dale Community Center- 100 Civic Drive, Dale, Texas 78616**
    - **Voting Pct: 400 / 405**

Location	PCT	Registered Voters	Position	Name
First Lockhart Baptist Church Connection Center 200 S BLANCO ST. Lockhart, TX 78644	100, 101		PJ	DELACRUZ, MARY
			AJ	FALGOUT, SUSAN OSTREICHER
Grace Lutheran Fellowship Hall 108 N Medina Lockhart, TX 78644	103, 108		PJ	RIVAS, SUZANNE
			AJ	WILSON, DEBRA LYNN
VFW Post 8927 7007 S US HWY 183 Lockhart, TX 78644	102, 104		PJ	BAKER, JOHN MARSHALL
			AJ	WALDRON, PATRICK LEON
Lockhart Evening Lions Club 220 BUFKIN LN LOCKHART TX 78644	111		PJ	VELASQUEZ, JUDY ANN
			AJ	SAUCEDO, ERICA MARIE
Luling Southside Clubhouse 1035 S. Magnolia Ave. Luling, TX 78648	201, 202		PJ	RAMOS, CRISTI DOMINIQUE
			AJ	GUERRERO, GILBERT FABIAN
McNeil Baptist Church 14304 FM1322, Luling, TX 78648	203		PJ	BLAIR, SUSAN E
			AJ	WATSON III, WILLIAM ERNEST
McMahan Community Center 6022 FM 713 McMahan, TX 78616	204, 205		PJ	HARDAGE, CHARLES RAY
			AJ	COVEY, MARK EDWARD
Luling Civic Center 333 E Austin St, Luling, TX 78648	206		PJ	GLASS, PENNY ANN
			AJ	DELGADO, OLGA GUTIERREZ
Three Rivers Community Church | 103 Main St. Martindale, TX 78655	300, 301		PJ	CARR, SARA PATRICIA
			AJ	PURCELL, ROBERT HENRY
Maxwell Social Club 180 4th St. Maxwell, TX 78656	302		PJ	AGUILAR, DAVID HENRY
			AJ	NARVAIZ, ANDREW
Uhland Community Hall | 15 N Old Spanish Trail Uhland, TX 78640	303, 306		PJ	HEIDEMAN, DENNIS CARL
			AJ	WAGNER, ROBERT CHARLES
Fentress Community Church 13481 STATE PARK ROAD FENTRESS, TX 78622	305		PJ	BARKMEYER, JANET MOBLEY
			AJ	LLANAS, MARY ALICE
St. Marks Methodist Church 602 E LIVE OAK ST LOCKHART, TX 78644	401		PJ	CHAVIRA, AURORA P
			AJ	KRAMER, KATHY MORGAN
St. Mary's Catholic Parish Hall 205 W PECAN ST. Lockhart, TX 78644	402		PJ	CASILLAS, STEVE M
			AJ	ORTIZ III, VINCENT
Lytton Springs Baptist Church 8511 FM 1854 Dale, TX 78616	404		PJ	TSCHIRHART, DAWN TIDWELL
			AJ	HANNA, GLORIA GRIFFIN
Dale Community Center 100 Civic Dr DALE, TX 78616	#N/A		PJ	SEGALOTTO, LORI LYN
			AJ	WYGANT, JAMES NELSON

City of Lockhart, Texas

Council Agenda Item
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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding participating with Caldwell County in cost-sharing of an animal shelter feasibility study.

ORIGINATING DEPARTMENT AND CONTACT: Police - Gary Williamson

ACTION REQUESTED: Consensus

BACKGROUND/SUMMARY/DISCUSSION:

Broaddus & Associates submitted a proposal to Caldwell County to perform a feasibility study for the expansion of the current Animal Shelter facility or construction of a new one. The County has requested the City of Lockhart to split the fee for the study. The firm proposes an hourly, not-to-exceed fee of $162,288.

The proposed study will:

- Explore options to either expand the current animal shelter facility or build a new one.
- Focus strictly on facility feasibility (not operational planning).
- Be completed in three phases over six months: data gathering (including staff interviews and steering committee workshops), development of feasibility options, and preparation of a final report with recommendations for approval.

The Animal Shelter Lease agreement with Caldwell County expires on September 26, 2029.

PROJECT SCHEDULE (if applicable): Six months from start of study.

AMOUNT & SOURCE OF FUNDING:
Funds Required:
Account Number:
Funds Available:
Account Name:

FISCAL NOTE (if applicable): Will be charged hourly, not to exceed $162,288. Council would decide amount of cost to share with the County.

PREVIOUS COUNCIL ACTION: N/A

City of Lockhart, Texas

Council Agenda Item
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COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff requests Council direction on whether to participate in cost-sharing for a shelter feasibility study.

LIST OF SUPPORTING DOCUMENTS: Broaddus & Associates Proposal

August 8, 2025

Hoppy Haden
Caldwell County Judge
110 S. Main Street
Room 103
Lockhart, Texas 78644

RE: Caldwell County Pet Resource Center
Proposal for Owner's Representative Services

Dear Judge Haden,

Thank you for the opportunity to provide a proposal to Caldwell County for the Pet Resource Center Feasibility Study.

Broaddus & Associates is uniquely qualified to lead this project, leveraging our recent success in a similar endeavor for a neighboring county. Our firm successfully completed a **Pet Resource Center (PRC) feasibility study** for **Hays County**, which culminated in a cost-saving partnership with the City of Kyle to construct a new pet resource center. We also proposed partnering with several nonprofits for "satellite locations". This innovative solution not only optimized construction expenses but also established a framework for shared resources. In addition to this partnership, our study also recommended collaborating with local nonprofits/organizations to strategically deliver community services.

Broaddus & Associates offers a full suite of services, and we will leverage the specialized expertise of our **Broaddus Planning team** to ensure the highest quality of work. This project will be led by Denise Davis, one of our Senior Facility Planners and Programmers, and James DeMeritt, one of our Senior Project Managers, who brings extensive experience to this effort. We are confident that our proven track record and expert team make us the ideal partner to deliver a comprehensive and effective feasibility study for Caldwell County.

Proposed Scope of Work

The scope of work is outlined fully on Attachment A – **Scope of Services for Caldwell County Animal Care Facility Feasibility Study,** but here are some key scope of work highlights/aspects:

- The study will explore options for building animal care facilities. The goal is to guide county decisions on future animal services.
- Options include expanding the current facility or building a new one. The study will not include operational requirements.
- The project will span six months, with three phases. The key activities include:
  - Data gathering including Staff interviews and workshops with an Executive Steering Committee.
  - Developing Feasibility Options

- Documentation including a final report and presentation for the Commissioner's Court Approval.

Schedule of Performance

Based on the work approach outlined above, we propose a six-month duration to complete, following a Notice to Proceed (NTP), estimated to be sometime September.

Compensation

Based on the work approach outlined above, as shown below, we propose an Hourly, Not to Exceed Fee of $162,288.

2025									
Role	Rate	Sep-25 FTE	Oct-25 FTE	Nov-25 FTE	Dec-25 FTE	Jan-26 FTE	Feb-26 FTE	Total Hrs	Amount
Program Executive Support -AG	$ 242	0.05	0.05	0.05	0.05	0.05	0.05	49	$ 11,858
Sr. Project Manager - JD	$ 220	0.25	0.25	0.25	0.25	0.25	0.25	245	$ 53,900
Sr. Planner - DD	$ 225	0.15	0.15	0.15	0.25	0.25	0.25	196	$ 44,100
Project/Construction Manager - BS	$ 180	0.15	0.15	0.15	0.25	0.25	0.25	196	$ 35,280
Project Planner - TW	$ 125	0.15	0.15	0.15	0.15	-	-	98	$ 12,250
Cost Estimating Manager - JJ	$ 200	-	-	-	0.05	0.05	0.05	25	$ 4,900
Scheduling	$ 160	-	-	-	-	-	-	-	$ -
Total		**$23,896**	**$23,896**	**$23,896**	**$32,127**	**$29,071**	**$29,071**	**809**	**$ 162,288**

Upon review, please let us know if you have any questions or if you would like us to set up a meeting to review and discuss our proposed scope of work and approach in further detail.

After completion of this Feasibility Study and alignment from you and your team on the implementation options chosen by Caldwell County, B&A can provide a comprehensive scoping and fee proposal for developing and implementing the project tailored to Caldwell County specific needs.

We look forward to our continuing efforts in support of Caldwell County and thank you for the opportunity.

Very respectfully,

Alex Gonzales
Vice President

CC: James DeMeritt; Denise Davis

City of Lockhart, Texas

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COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding a lease renewal with Stenger Air Services, Inc. for an airport hangar at the Lockhart Municipal Airport for 5 additional years.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The original ground lease between Stenger Air and the City of Lockhart was approved on September 19, 1995. The ground lease for 6,250 sf for property at the airport had a term of 30 years, with a 5-year renewal option and is set to expire on September 19, 2025. Mr. Joe Stenger built the hangar on the leased land and has provided flight training services at the Lockhart Municipal Airport for nearly 30 years. The terms of the contract allow for a 5-year extension of the contract and the lessee has provided notification to the City that he would like to continue leasing the property. The lessee plans to continue providing flight training through his flight school.

If the extension is approved, the lessee will continue to adhere to the terms of the 1995 lease agreement. These terms include: 1) Maintaining insurance, 2) Covering utilities costs, 3) Providing building maintenance, 4) Abiding by the rules and regulations of the airport, and 5) Paying the annual ground lease rent, which is based on their current rate plus Consumer Price Index (CPI) adjustments written into the current lease.

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: Staff respectfully recommends approval of extension of the ground lease at the airport for an additional 5-years with Stenger Air Services, Inc.

City of Lockhart, Texas

Council Agenda Item
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LIST OF SUPPORTING DOCUMENTS: Hangar Location, Stenger Air Service Inc Lease Renewal 2025, Exhibit A - 1995 Stenger Air Ground Lease Agmt, Exhibit B Stenger Lease


Lockhart Municipal Airport
Ground Lease
Locatrion "Stenger
Air" Hangar
Airport Dr
Airport Dr
Airport Dr
Airport Dr
S Colorado St
183
Image © 2025 Airbus
Google Earth

FIRST LEASE AGREEMENT EXTENSION
Hangar located at City of Lockhart Airport

THIS FIRST LEASE EXTENSION AGREEMENT ("First Extension") is made by and between Stenger Air Services, Inc., a Texas corporation, herein referred to as the Lessee, and the City of Lockhart ("City"), a Texas Municipal Corporation, herein referred to as the Lessor.

1. An original lease was executed on or about September 19, 1995 with the Lessee under which the property ("Leased Premises") described therein was leased for the thirty (30) years, ending on September 19, 2025, a copy of which is attached as **Exhibit A**. Exhibit A is hereafter referred to as the "Lease."

2. Stenger Air Services, Inc. wishes to extend the lease for an additional five (5) years. The City and Lessee agree to such extension with the following additions to the Lease:

    a) The First Extension shall begin on September 16, 2025, and end on September 30, 2030.

    b) Lessee is responsible for all utility payments and maintenance of the Leased Premises.

    c) Lessee shall immediately purchase, at his sole expense, and maintain an insurance policy for the value of the structure on the Leased Premises, naming the City as an additional insured, for the life of this First Extension, and will provide a copy of the insurance policy to the City.

    d) The Leased Premises shall comprise a City-owned property covering 6,250 square feet, which is more particularly described in **Exhibit B**.

3. The Lockhart City Council finds that this extension of the Lease serves a public purpose by providing for productive use of the Leased Premises that benefits the community, including Flight Training located at the Lockhart Municipal Airport.

4. Lessee agrees to fulfill all the terms and covenants of the Lease and this renewal, including making all payments due to or payable on behalf of the City when due and payable.

(SIGNATURES ON NEXT PAGE)

Lessee:
Stenger Air Services, Inc.

________________________________ ________________________
Joseph O. Stenger, President Date

STATE OF TEXAS §
COUNTY OF CALDWELL §

BEFORE ME, the undersigned authority, on this day personally appeared Joseph O. Stenger, 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 consideration therein expressed and in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the ___ day of _______________, 2025.

____
Notary Public

City of Lockhart, Texas:

____
Lew White
Mayor

Attest:

____
Julie Bowerman
City Secretary

EXHIBIT A – LEASE

EXHIBIT B – DESCRIPTION OF LEASED PREMISES

GROUND LEASE AGREEMENT

This Ground Lease Agreement made and entered into this the 19th day of September, 1995, by and between the CITY OF LOCKHART, TEXAS, a Municipal Corporation existing by and under the authority of the laws of the State of Texas, hereinafter referred to as "Lessor", and Stenger Air Services, Inc. , hereinafter referred to as "Lessee".

WITNESSETH:

WHEREAS, Lessor owns and operates, in the City of Lockhart, an Airport, and said Lessor is desirous of leasing to Lessee certain property hereinafter more fully described and located on said airport; and

WHEREAS, Lessee has indicated a willingness and ability to properly construct, keep, maintain and improve said property with standards approved by Lessor, and desires to lease said property from the City of Lockhart, Texas;

NOW THEREFORE, for and in consideration of the rents, covenants and agreements herein contained, Lessor does hereby lease, demise, grant and let to Lessee, and Lessee does hereby hire, take and lease from Lessor, the following premises, rights and easements on and Airport property upon the following terms and conditions, to-wit:

ARTICLE ONE

Lessor does hereby grant, demise and lease unto Lessee the following described tract of land at said Airport with respect to which Lessee is to have for the term of this lease the use of said tract described as follows:

See Exhibit "A" attached hereto and incorporated for all purposes by reference.

ARTICLE TWO

Buildings and Improvements

Lessee shall have the right to erect hangars upon the leased premises.

Lessee agrees to maintain in good condition, order and repair the structures and other improvements upon the demised premises.

Lessee agrees and understands the plans and specifications for any and all proposed improvements to the leasehold property shall receive the prior written approval of the Lessor, and shall conform to the City of Lockhart Airport Master Plan or as mutually agreed upon and with approval of Lessor, as well as meet all City of Lockhart Code requirements.

Lessor, acting through its building inspector and other inspectors shall have free access to the property covered hereby and to the improvements thereon for the purposes of determining that any construction conforms to the plans and the specifications approved by Lessor, and to determine if the building or the improvements are being maintained in accordance with the requirements of this Lease Agreement. It shall be Lessee's responsibility to take such actions as are necessary to insure that the construction of the hangars and any later required maintenance work is conducted without interference with other Lessees, the

F.A.A., or any aviation activities which are the principal purpose of the airport. Any activity which interferes with or endangers aviation activity will be immediately discontinued when so mandated by the Lessor or the F.A.A.

ARTICLE THREE
Term of Lease

The term of this Lease shall be for a period of Thirty (30) years, commencing on the date above first written, with the option of renewal for Five (5) years, if terms are mutually agreed upon by the parties. This Lease shall be subject to review by the appropriate State Agency and the Federal Aviation Administration , as required, and acceptance by Lessor and Lessee of the terms of this Lease Agreement shall be provisional until such time as all appropriate agencies have approved this Agreement.

ARTICLE FOUR
Use of Property

Lessee agrees and understands that this Lease Agreement shall be for the construction and use of a commercial hangar facility for the placement of one or more general aviation aircraft. It is expressly understood and agreed by the parties that Lessee operation shall be an on-site flight training and active commercial flight facility, and not be used solely for storage of aircraft. It is intended by the parties and agreed to by the Lessee that this Lease is for the construction of hangars and for the placement of aircraft owned or operated by Lessee or his flight training Customers.

ARTICLE FIVE
Rental Charges

Lessee agrees to pay an annual rental for the use of the premises, rights and easements herein provided for as follows:

(a) **Ground Rent**

(1) Ground rent to be paid annually in the amount of $0.05 per square foot per year on each square foot of land on the tract of land described in Exhibit "A" herein for a total annual rental of $312.50, the first payment of which shall be due and payable contemporaneously with the signing of the Lease.

(2) The ground rent on the tract leased shall be subject to Article V, Section (b), "Adjustments to Rent."

(3) Should any governmental agency require for any reason any portion of the tract held by Lessee under this Lease, Lessee shall be entitled to reimbursement for the sums paid to Lessor for the area of property actually utilized by the governmental agency. Nothing herein shall entitle Lessee to reimbursement for any amount greater than the sum actually paid to Lessor on the property actually utilized by the governmental agency.

(b) **Adjustments to Rent**

As promptly as practicable after the end of the fifth (5th) year after the beginning date of this Lease and each fifth (5th) year thereafter, Lessor shall compute the percentage of change (increase or decrease), if any, in the cost of living during the time period between the beginning date of this Lease Agreement and the date of the fifth (5th) year anniversary and each fifth (5th) year anniversary thereafter during the term of this Lease, based upon the changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers - U.S. Average (1967-100) (hereinafter called "Consumer Price Index"), as determined by the United

States Department of Labor , Bureau of Labor Statistics for " All Items". It is agreed that the Consumer Price Index Number at the commencement date of this lease is June 1, 1995 (herein called "Base Index Number"). If the Consumer Price Index Number for the month in which any such anniversary of the beginning date shall occur (each such number being herein called an "Anniversary Index Number") is higher or lower than the Base Index Number, then such Anniversary Index Number shall be divided by the Base Index Number and from the quotient thereof shall be subtracted the integer one (1). The resulting number multiplied by one hundred, shall be deemed to be the percentage of increase or decrease in the cost of living. Such percentage of change shall be multiplied by the Basic Rental, and the product thereof shall be added to, or subtracted from, the Basic Rental to determine the annual rental payable for the next five (5) year period, commencing on the immediately preceding anniversary of the beginning date (such amount being herein sometimes called "Adjusted Basic Rental"). Such Adjusted Basic Rental shall be calculated in the above manner during the fifth (5th) year anniversary and each fifth (5th) year thereafter of the Lease Term. Lessor shall, within a reasonable time after obtaining the appropriate data necessary for computing any change in the annual rent, give Lessee notice of any change so determined. Lessee shall notify Lessor of any claimed error therein within thirty (30) days after receipt of such notice. If publication of the Consumer Price Index shall be discontinued, the parties hereto shall thereafter accept comparable statistics on the cost of living for the City of San Antonio, Texas, as they shall be computed and published by an agency of the United States, or by a responsible financial periodical of recognized authority, then to be selected by the parties hereto. As an example, only, of the foregoing adjustment:

(a) Assume Basic Rental is per acre one hundred dollars ($100.00) per year,

(b) Assume Basic Index Number is two hundred (200),

(c) Assume Anniversary Index Number on the anniversary date of the commencement date is three hundred (300),

then based upon the foregoing, the Annual Basic Rental shall be:

Anniversary Index Number 300 divided by Base Index Number 200 =

1.5 - 1 = .5 x 100 = 50 = 50%

50% x 100 = 50.00

50.00 + 100.00 = 150.00 Adjusted Basic Rental.

All payments are to be made to the Office of the City Manager at P.O. Box 239, Lockhart, Texas 78644.

In the event of Lessee's failure to pay any installment of rental when due or any other fee when due, Lessor may declare the lease terminated, or may declare all unmatured rental due, and further will be entitled to judgment for court costs, reasonable attorney's fees and interest on its unpaid rental and fees at the rate of TEN (10%) PERCENT per annum.

(c) **Late payments on rent.**

(1) All rental payments shall be due on the anniversary date, of the year beginning the lease payment period. Payments not received by the Tenth (10th) shall be deemed late and there will be an automatic ten (10%) percent penalty assessed and collected by the Lessor from the Lessee in that event.

ARTICLE SIX

Insurance

Lessee shall maintain, at his own cost and expense insurance in an amount adequate to cover eighty (80%) percent of the cost of replacement of all fixtures in the demised premises in the event of fire, special extended coverage, vandalism or malicious mischief. Lessee shall maintain, at his own cost and expense comprehensive general liability insurance on an occurence basis, with minimum limits of liability in an amount of $1,000,000.00 for damage to property, including contractual liability. Lessee agrees to carry Lessor as an additional insured party, and such insurance policy shall contain the endorsement that such insurance may not be canceled or amended with respect to Lessee without thirty (30) days written notice by registered mail, to Lessor, by the insurance company; and that Lessee shall be solely responsible for the payment of premiums; and that Lessor shall not be required to pay any premiums for the insurance. Lessee waives the right of subrogation against Lessor for any reason whatsoever. Any insurance policy herein required or procured by Lessee shall contain an express waiver of subrogation by the insurance company against the Lessor. The minimum limits of any insurance coverage required herein shall not limit Lessee's liability under the following paragraph.

If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

If the leased premises should be totally destroyed by fire, tornado, or other causality not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, or if it should be so damaged by such a cause that rebuilding or repairs cannot reasonably be completed within one hundred and twenty (120) working days, this lease shall terminate, and rent shall be abated for the unexpired portion of this lease, effective as of the date of written notification provided for hereinabove.

If the leased premises should be damaged by fire, tornado, or other casualty not the fault of the Lessee or any person in or about the leased premises with the express or implied consent of Lessee, but not to such an extent that rebuilding or repairs cannot reasonably be completed within one hundred and twenty (120) working days, this lease shall not terminate, and it shall be the responsibility of Lessee to rebuild or repair said damage at Lessee's expense.

ARTICLE SEVEN

Non-Exclusivity

Lessee agrees to operate the premises leased for the use and benefit of the public.

Notwithstanding anything herein contained that may be or appear to the contrary, it is expressly understood and agreed that the rights granted under this agreement are non-exclusive and the lessor herein reserves the right to grant similar privileges to another operator or other operators on other parts of the airport.

ARTICLE EIGHT

Non-Assignment

Lessee shall not, at any time during the term of this lease, or in any manner, either directly or indirectly, assign, sublease, hypothecate, or transfer this agreement or any interest therein without prior written consent of the Lessor. Lessor shall not unreasonably withhold consent under this provision.

Should a lending institution require first lien on Lessee's leasehold interest and require collateral assignment of said lease to the financial institution, Lessor agrees that this will not be violative of the Lease Agreement. Any assignment, hypothecation, or pledge shall not be effective without prior written consent of the City of Lockhart, and such consent shall not be unreasonably withheld. Prior to such assignment, sublease, hypothecation or pledge or this lease as provided for in this paragraph, Lessee shall provide Lessor's City Manager with a copy of said assignment, sublease, hypothecation or pledge and of any and all agreements collateral thereto. In the event that the City of Lockhart approves the proposed assignment, sublease, hypothecation or pledge a copy thereof shall be filed with the City Secretary of the City of Lockhart. It is specifically understood and agreed by the parties that any assignment of this lease or hypothecation thereof shall not create any type of lien upon the realty or create any further obligation upon Lessor as a result of such assignment or hypothecation thereof.

ARTICLE NINE

Indemnity

(a) Lessee shall indemnify Lessor and save it harmless from suits, actions, damages, liability, and legal defense expense in connection with the loss of life, bodily or personal injury or property damage arising from or out of any occurrence in or upon the demised premises, or occasioned wholly or in part by any act or omission of Lessee, his agents, contractors, employees, servants, invitees or licensees, in their use of the demised premises, the runways and taxiways, and any other area within the City of Lockhart Airport; and

(b) Lessor shall not be responsible or liable at any time for any loss or damage to Lessee's equipment, fixtures, machinery, airplane or airplane parts or any other personal property of Lessee; and

(c) Lessor shall not be responsible or liable to Lessee or to those claiming by, through or under Lessee, for any loss or damage to either the person or property of Lessee that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting or adjoining premises; and

(d) Lessor shall not be responsible or liable for any defect, latent or otherwise, on any building in the airport area, or of any of the equipment, machinery, utilities, appliances or apparatus therein or thereupon, nor shall it be responsible or liable for any injury, loss or damage to any person or to any property or Lessee, or any other person caused by or resulting from any bursting, breakage, or by or from leakage, steam, snow or ice, running, backing up, seepage or the overflow of water or sewage in any part of said premises, or for any injury or damage caused by or resulting from any defects or negligence in the occupancy, construction, operation or use of any said buildings, equipment, machinery, utilities, appliances or apparatus by any person or by or from the acts of negligence of any occupant of the premises; and,

(e) Lessee shall give prompt notice to Lessor in case of fire or accidents in the demised premises.

ARTICLE TEN

General Construction Standards

In addition to all code requirements of the City of Lockhart and any other legal entity or sub-entity, the following shall be the minimum construction standards for the construction of the hangars to be placed on property listed in Exhibit "A" and incorporated by reference:

(1) Hangars shall be of all metal materials to include all supports and exterior siding.

(2) The permanent Hangar shall be on pier and beam with footings appropriate to support the structure. Interior flooring of the permanent Hangar so constructed shall be of slab of sufficient depth(of at least 5 inches) with steel and wire support to adequately hold the weight of an aircraft.

(3) All utilities, to include electrical service shall be brought underground to the structure at the sole expense of Lessee. The City of Lockhart hereby grants an easement for that purpose to Lessee. Lessee shall be required to have at least one (1) restroom facility located in the permanent Hangar. Lessee's discharge of sewage and waste water shall be in accordance with City Code Section 26-52.1.

(4) Foundation shall be with concrete footings under all uprights and columns on the permanent Hangar.

ARTICLE ELEVEN

General Rights and Duties of Parties

The parties hereto for themselves, their legal representatives, successors and assigns, further covenant and agree as follows:

(a) Lessee agrees to observe and obey during the term of this lease, all laws, ordinances, rules and regulations promulgated and enforced by Lessor, and by any other proper authority having jurisdiction over the conduct of operations at the airport.

(b) So long as Lessee comports himself in a fair, reasonable and workmanlike manner, Lessee shall peaceably have and enjoy the leased premises, and all the rights and privileges herein granted.

(c) With regard to permanent improvements either in place or to be placed upon the premises by Lessee, Lessee hereby agrees to the following provisions:

(i) Permanent improvements placed upon the premises by Lessee during the term of this lease shall revert to Lessor on termination of this lease.

(ii) All loans upon permanent improvements placed upon the premises by Lessee shall be paid in their entirety and any liens placed upon improvements as a result of those construction loans shall be released no later than five (5) years prior to the termination of this lease agreement.

(iii) No equity or other type of loan which results in additional lien or liens on existing improvements shall be allowed without the expressed written consent of Lessor.

(d) Lessor hereby designates the City Manager, City of Lockhart as its official representative with the full power to represent Lessor in all dealings with Lessee in connection with the premises herein leased. Lessor may designate by notice in writing, addressed to Lessee, other representatives from time to time and such notice shall have the same effect as if included in the terms of this agreement.

(e) Notice to Lessor as herein provided shall be sufficient if sent by registered mail, postage prepaid, to the City Manager, of the City of Lockhart, at 308 West San Antonio Street, Lockhart, Texas, 78644, and notice to Lessee in the same manner, shall likewise be sufficient if addressed to Lessee at Stenger Air Services, Inc., P.O. Box 1121, Lockhart, Texas, 78644, or such other addresses as may be designated by Lessor or Lessee in writing from time to time.

(f) Lessee shall keep premises, as described hereinabove, clean and all grass areas within the leased premises properly mowed. He shall dispose of all debris and other waste matter which may accumulate on the leased premises at Lessee's expense, and shall provide containers with proper covers for waste within the building to be erected on said premises. Should Lessee fail to mow grassy areas, or dispose of waste, trash or junked vehicles, Lessor shall have the right to do so, and Lessee shall be billed for this work. Lessee shall forthwith remit payment to Lessor, should this occur.

(g) Lessee shall pay all taxes and assessments against the buildings placed on the premises by the Lessee during the term of this agreement.

(h) Lessee agrees and covenants that in the event that any proceedings in bankruptcy or insolvency shall be instituted against Lessee, whether voluntary or involuntary, Lessor may, at its option, declare this lease forfeited and terminated, and upon such declaration Lessee agrees to give and deliver immediate possession of the premises to Lessor.

(i) Lessee shall have the right of ingress to and egress from the demised premises, which right shall extend to Lessee's patrons, guests and invitees.

(j) Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance.

ARTICLE TWELVE

Abatement Due To Airport Closure

During any period when the Airport shall be closed by any lawful authority restricting the use of the Airport in such a manner as to interfere with the use of same by Lessee for its business operations, the rent shall abate and the period of such closure shall be added to the term of this lease so as to extend and postpone the expiration thereof.

ARTICLE THIRTEEN

Police Protection

Lessor does not guarantee police protection to Lessee and his property, and Lessor shall not be responsible for injury or harm to any person or for any property belonging to Lessee, his officers, agents, servants, employees, contractors, licensees or invitees which may be stolen, destroyed or in anyway damaged, and

Lessee hereby indemnifies and holds harmless Lessor, its officers, agents, servants, and employees from and against any and all such claims.

ARTICLE FOURTEEN
Right of Entry By Lessor

Lessor reserves the right to enter and view the premises at any reasonable times for the purposes of making any inspection it may deem expedient to the property enforcement of any of the covenants or conditions of this agreement.

ARTICLE FIFTEEN
Aerial Approaches

Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the leased property which, in the opinion of Lessor, would limit the usefulness of the airport or constitute a hazard to air navigation.

ARTICLE SIXTEEN
National Emergency

During time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use; and, if any such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

ARTICLE SEVENTEEN

Lease Subordinate

This lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the State of Texas and/or the United States, relative to the operation or maintenance of the airport, the execution of which has been, or may be required, as a condition precedent to the expenditure of Federal funds for the development of the Airport.

ARTICLE EIGHTEEN

General Provisions

(a) This agreement embraces the entire agreement between the parties hereto and no statement, remark, agreement, or understanding, oral or written, not contained herein shall be recognized or enforced. This agreement may be modified only by written addendum hereto signed by all of the parties.

(b) This agreement shall be binding upon the successors, heirs, assigns, and legal representatives of the Lessor and Lessee.

(c) For the purpose of this Agreement, the singular number shall include the plural, and masculine shall include feminine and vice versa, whenever the context so admits.

(d) The captions and headings in this Agreement are inserted solely for convenience of references, and are not a part of nor intended to govern, limit and/or aid in the construction of any provision hereof.

(e) Each of the parties heretofore been represented by the attorneys of their choice in the negotiation and drafting of this Agreement, and the same shall not be construed in favor of either party.

(f) This Contract shall be governed by the laws of the State of Texas and construed thereunder, and is performable in Caldwell County, Texas.

(g) If any section, paragraph, sentence or phrase hereof is held to be illegal or unenforceable by a Court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this Contract.

(h) Lessee shall pay or cause to be paid all charges for water, heat, gas, electricity, septic system, commercial refuse pickup, and any and all other utilities used on the leased premises throughout the terms of this Lease, including any connections fees.

(i) The Lessee and its successor and assigns will complete a Federal Aviation Administration (F.A.A.) Form 7460-1, "Notice of Proposed Construction of Alteration", and receive a favorable determination from F.A.A. prior to any construction on the property, if deemed necessary by the F.A.A.

(j) The following events shall be deemed to be events of default by Lessee under this lease.

(1) Lessee fails to pay any installment of rent under this lease and failure continue for a period of thirty (30) days.

(2) Lessee fails to comply with any term provision, or covenant of this lease, other than payment of rent, and does not cure the failure within thirty (30) days after written notice of the failure to Lessee.

(3) Lessee makes an assignment for the benefit of creditors.

(4) Lessee deserts any substantial portion of the premises for a period of one hundred and twenty (120) or more days.

(5) The abandonment of the leased premises or discontinuance of

Lessee's business operations. Should this occur, Lessor shall not be responsible for the custodial protection of merchandise, fixtures or equipment abandoned, even though it is necessary for Lessor to remove the same from the leased premises for storage or disposal.

Upon default by Lessee of any terms thereunder, Lessee shall surrender the premises upon demand by Lessor without notice, protest, or recourse.

(k) It is understood and agreed that by execution of this lease, the City of Lockhart does not waive or surrender its governmental powers.

ARTICLE NINETEEN

Reverter Clause

In the event that Lessee fails to complete construction upon the hangar facility within one hundred and eighty (180) days, from this date of the signing of this Lease Agreement, or as agreed upon by both parties with written notification of extension, this lease shall become nullity and of no force and effect. All property described in Exhibit "A" attached hereto shall be deemed to be automatically reverted to the City of Lockhart and Lessee shall have no right under this Lease Agreement to enter onto or remain upon the leased premises.

IN WITNESS WHEREOF, the parties have hereunto set their hands and signatures the day and year first above written.

LESSOR:

CITY OF LOCKHART

BY: ______________________

M. LOUIS CISNEROS, MAYOR

ATTEST:

Gwendlyn L Barrett

GWEN BARRETT, CITY SECRETARY

LESSEE:

STENGER AIR SERVICES, INC.

Joseph O. Stenger

JOSEPH O. STENGER, PRESIDENT

THE STATE OF TEXAS *

*

COUNTY OF CALDWELL *

BEFORE ME, the undersigned authority, on this day personally appeared M. LOUIS CISNEROS, Mayor of the City of Lockhart, Texas, a Municipal Corporation, 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 consideration therein expressed and in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 19 day of September, 1995.

GWENDLYN L. BARRETT
Notary Public, State of Texas
My Commission Expires
FEB. 14, 1998

Gwendlyn L Barrett
NOTARY PUBLIC - STATE OF TEXAS

BEFORE ME, the undersigned authority, on this day personally appeared **JOSEPH O. STENGER,** President, Stenger Air Services, Inc., 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 expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the 19 day of September, 1995.

GWENDLYN L. BARRETT
Notary Public, State of Texas
My Commission Expires
FEB. 14, 1998

Gwendlyn L Barrett
NOTARY PUBLIC - STATE OF TEXAS

Claude Hinkle Surveyors

All of a certain tract or parcel of land situated in the City of Lockhart, Caldwell County, Texas and being a part of the Esther Berry Survey and being also a part of a tract of land called 248 acres and conveyed to the City of Lockhart by deed recorded in Volume 223 Page 3 of the Deed Records of Caldwell County, Texas and being more particularly described as follows:

BEGINNING at an iron pin set for the NE corner this tract and from which iron pin the SE corner of a 5.00 acre tract of land conveyed to Lockhart Airport Development Inc. by deed recorded in Volume 492 Page 540 of the said Deed Records bears N 31 degrees 11 minutes 55 seconds E 920.61 feet.

THENCE S 03 degrees 04 minutes 17 seconds W 50.00 feet to an iron pin set for the SE corner this tract.

THENCE N 86 degrees 55 minutes 43 seconds W 125.00 feet to an iron pin set for the SW corner this tract.

THENCE N 03 degrees 04 minutes 17 seconds E 50.00 feet to an iron pin set for the NW corner this tract.

THENCE S 86 degrees 55 minutes 43 seconds E 125.00 feet to the place of beginning containing 6250 square feet of land.

I hereby certify that the foregoing field notes are a true and correct description of a survey made on the ground by me on July 19, 1995. This survey is for use with this one transaction only. Only those prints containing the raised Surveyor's seal and an original "LIVE" signature should be considered official and relied upon by the user.

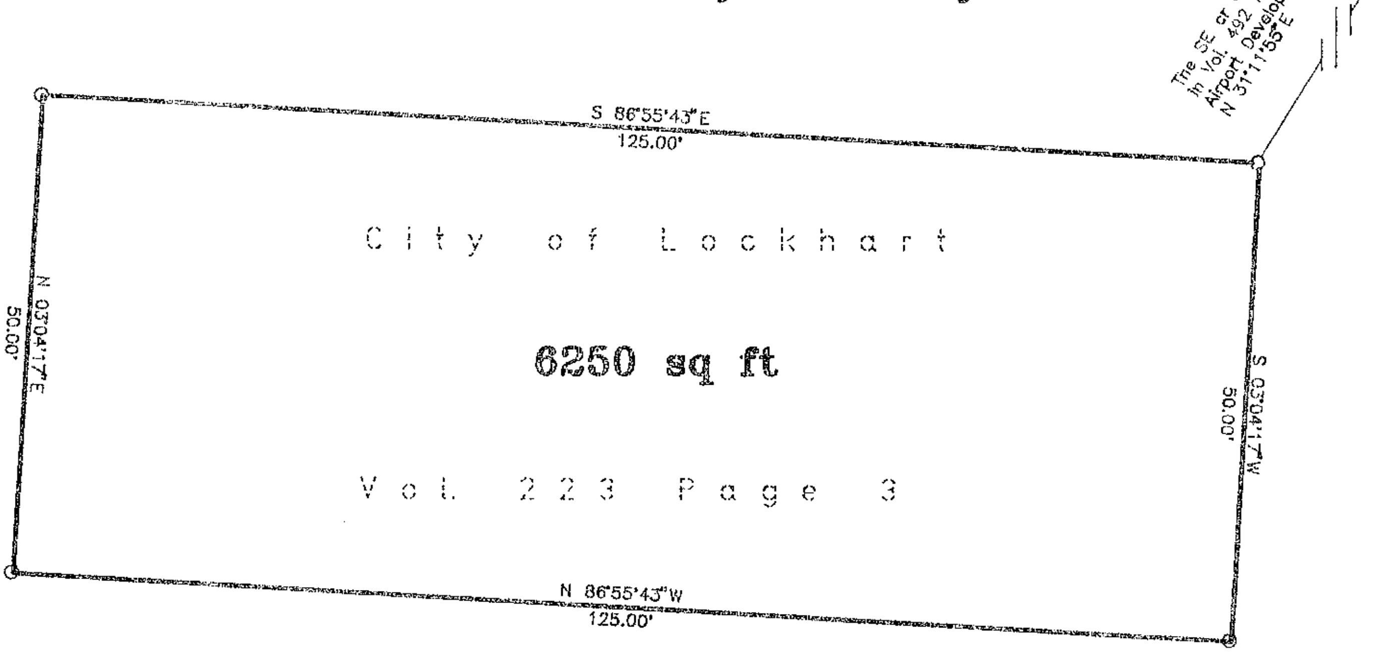
STATE OF TEXAS REGISTERED CLAUDE E. HINKLE SR. 1612 PROFESSIONAL LAND SURVEYOR

Claude E. Hinkle R.P.L.S. #1612

P.O. Box 1027 • Lockhart, Texas 78644 • Phone (512) 398-2000 • Fax (512) 398-7683

Caldwell County, Texas

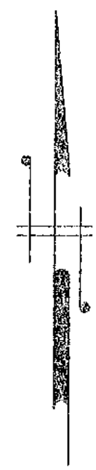
Esther Berry Survey



2 4 6 a c.

Lat: 29°51'06.4" N

Long: 97°40'12.5" W



SURVEY PLAT

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Scale 1"=20'

STATE OF TEXAS REGISTERED CLAUDE F. HINKLE, SR. 1612 PROFESSIONAL LAND SURVEYOR

Claude F. Hinkle, R.P.L.S. #1612

Field Book: d.c.	Drawn By: JLW
Job No. 91494a	Drawing: 71995.dwg
Date: June 19, 1995	Word Disk: Begin 60195
Surveyed By: JLW BMP CFH	Autocad Disk: Begin 60195

Claude Hinkle Surveyors

1409 South Main St.
P. O. Box 1027
Lockhart, Texas 78644

Claude Hinkle Surveyors

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STATE OF TEXAS
REGISTERED
CLAUDE E. HINKLE SR.
1612
PROFESSIONAL
LAND SURVEYOR

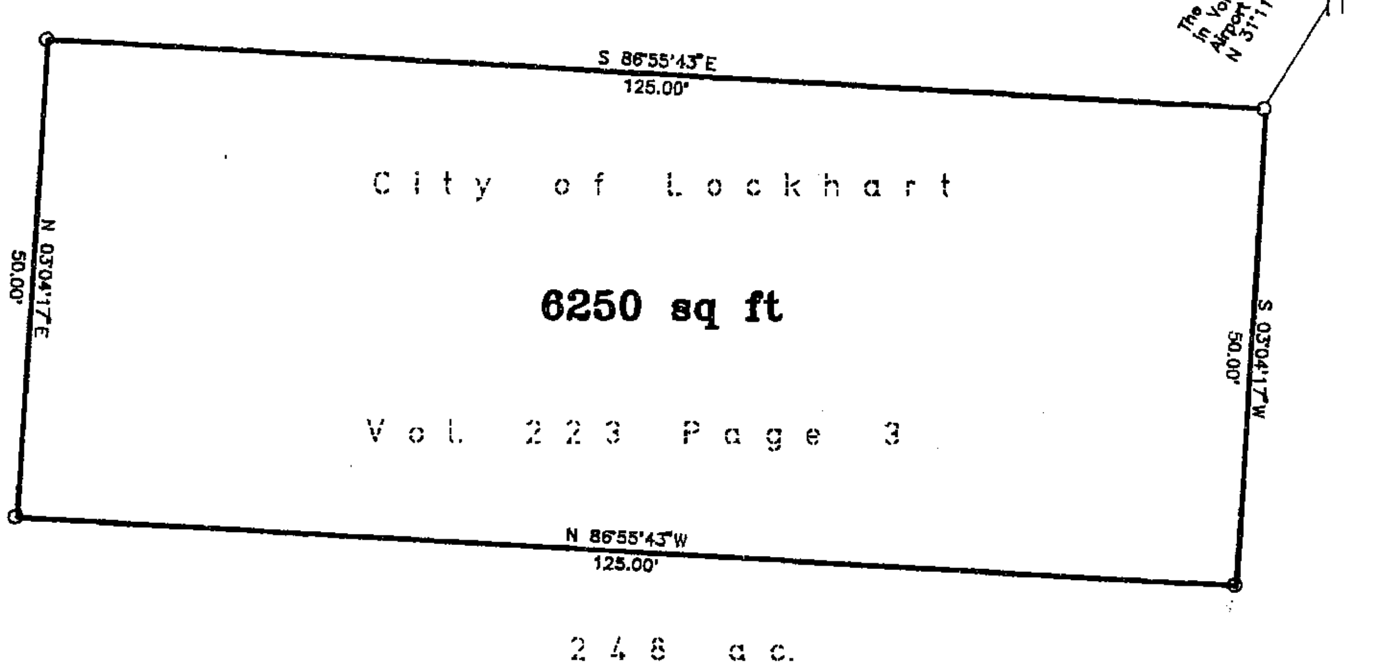
Claude E. Hinkle, R.P.L.S. #1612

EXHIBIT "A"

P.O. Box 1027 • Lockhart, Texas 78644 • Phone (512) 398-2000 • Fax (512) 398-7683

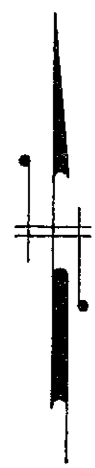
Caldwell County, Texas

Esther Berry Survey



Lat: 29°51'06.4" N

Long: 97°40'12.5" W



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Claude F. Hinkle R.P.L.S. #1612

Field Book: d.c.	Drawn By: JLW
Job No. 91494a	Drawing: 71995.dwg
Date: June 19, 1995	Word Disk: Begin 60195
Surveyed By: JLW BMP CFH	Autocad Disk: Begin 60195

Claude Hinkle Surveyors
1409 South Main St.
P. O. Box 1027
Lockhart, Texas 78644

Exhibit B

Claude Hinkle Surveyors

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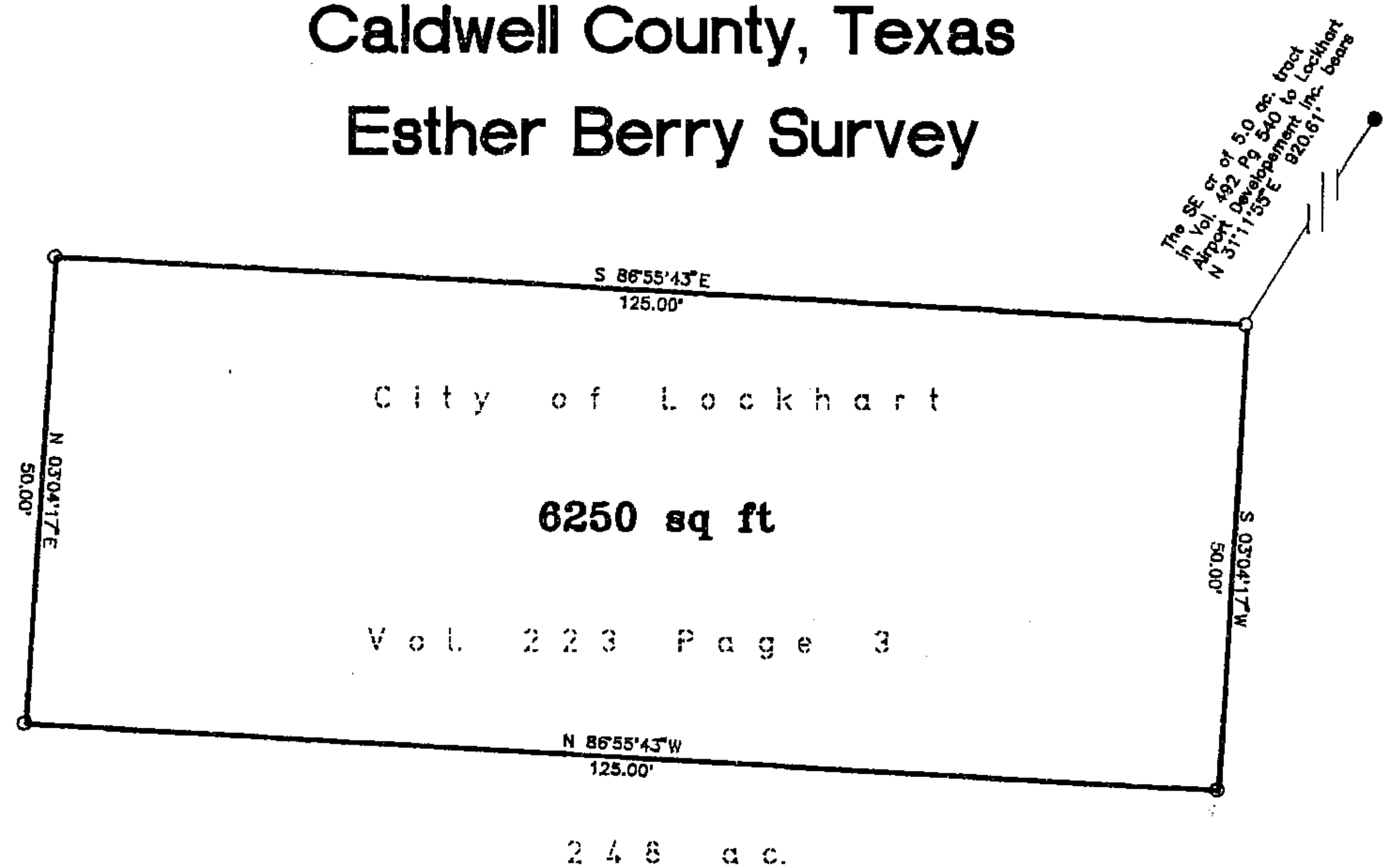
STATE OF TEXAS
REGISTERED
CLAUDE E. HINKLE SR.
1612
PROFESSIONAL
LAND SURVEYOR

Claude E. Hinkle, R.P.L.S. #1612

EXHIBIT "A"

Caldwell County, Texas

Esther Berry Survey



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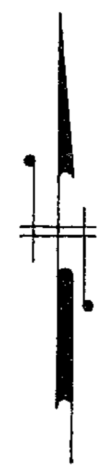

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Surveyed By: JLW BMP CFH	Autocad Disk: Begin 60195

Claude Hinkle Surveyors

1409 South Main St.
P. O. Box 1027
Lockhart, Texas 78644

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action to consider Resolution 2025-32 naming the City of Lockhart's nominations for Directors of the Caldwell County Appraisal District for the 2026-2027 term.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: The City of Lockhart received a notice from the Caldwell County Appraisal District (CCAD) for nominations of up to five director positions for the 2026-2027 term. Nominations are to be submitted by written resolution by October 15, 2025. Qualifications are that a director must reside in the appraisal district for at least two years immediately preceding the date he or she takes office, and must not have delinquent property taxes. An employee of a taxing unit is not eligible to serve as a director unless the employee is also an elected official.

If the Council chooses to make a nomination(s) to the CCAD BOD, staff requests that nominees be named during the September 16th or October 9th Council meeting. A Resolution is attached that will be amended to reflect the nominee(s) that will thereafter be submitted to the CCAD to place the City's nominee(s) on a ballot that the Council will vote on in the future. The City of Lockhart's previous nominees (Alfredo Munoz and Sally Daniel) remain on the CCAD Board of Directors.

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:

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Council to make a nomination(s), if desired, that will be inserted on attached Resolution 2025-32 that will thereafter be provided to the CCAD.

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

LIST OF SUPPORTING DOCUMENTS: History: Resolution 2023-14, Proposed Resolution 2025-32, August 25, 2025 letter regarding Nomination of Appraisal District Directors , List of current Board of Directors

RESOLUTION 2023-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS NAMING THE CITY OF LOCKHART'S NOMINEE(S) TO THE BOARD OF DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT FOR THE 2024-2025 TERM

WHEREAS, the City of Lockhart is entitled to cast 451 votes to serve on the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City of Lockhart City Council has been notified and requested to make up to five nominations to the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City Council has duly considered the nominations and taken a vote in a public setting at a regular meeting of the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Lockhart City Council hereby nominates the following to serve on the Caldwell County Appraisal District Board of Directors:

Alfredo Munoz
1201 Plum Street
Lockhart, Texas 78644

Sally Daniel
113 E. San Antonio Street Apt. A
Lockhart, Texas 78644

This Resolution shall be in full force and effect immediately upon its passage, approval and adoption on this the 19th day of September 2023.

CITY OF LOCKHART

Lew White

Lew White, Mayor

ATTEST:

Julie Bowermon

Julie Bowermon
Assistant City Secretary

APPROVED AS TO FORM:

Monte Akers
City Attorney

RESOLUTION 2025-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS NAMING THE CITY OF LOCKHART'S NOMINEE(S) TO THE BOARD OF DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT FOR THE 2026-2027 TERM

WHEREAS, the City of Lockhart is entitled to cast 487 votes to serve on the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City of Lockhart City Council has been notified and requested to make up to five nominations to the Caldwell County Appraisal District Board of Directors; and,

WHEREAS, the City Council has duly considered the nominations and taken a vote in a public setting at a regular meeting of the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Lockhart City Council hereby nominates the following to serve on the Caldwell County Appraisal District Board of Directors:

This Resolution shall be in full force and effect immediately upon its passage, approval and adoption on this the 16th day of September 2025.

CITY OF LOCKHART

____
Lew White, Mayor

ATTEST:

____
Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____
Bradford E. Bullock
City Attorney

Caldwell County Appraisal District

RECEIVED
CITY OF LOCKHART

AUG 2 7 2025

RECVD. BY:________
TIME RECVD:________

DATE: August 25, 2025

TO: Taxing Unit Presiding Officers

FROM: Shanna Ramzinski, Chief Appraiser

RE: Nomination of Appraisal District Directors

Dear Members:

Nominations for directors of the Caldwell County Appraisal District for the 2026-2027 term are to be submitted to the chief appraiser on or before **October 15, 2025.** Each taxing unit may nominate one candidate for each position to be filled. All five positions are available for selection, therefore, each unit may nominate up to five candidates.

A director must reside in the appraisal district for at least two years immediately preceding the date he or she takes office and must not have delinquent property taxes. An employee of a taxing unit is not eligible to serve as a director unless the employee is also an elected official.

The presiding officer of the taxing unit submits the names and addresses of the nominees ***by written resolution*** to the chief appraiser by October 15, 2025. Names submitted after this date will not be listed on the ballot. The resolution must be adopted by majority vote of your taxing unit's governing body. Each unit will then receive a ballot before October 30, 2025.

Enclosed you will find the voting entitlement for each of the voting taxing units. Please submit nominees only at this time.

I have enclosed a document outlining the steps in the selection process and a copy of the Property Tax Code regarding eligibility

Please call on me if you have any questions about the selection process.

Sincerely,

Shanna Ramzinski

Shanna Ramzinski
Chief Appraiser

Encl; Vote allocation
Process letter
Tax Code §6.03

211 Bufkin Ln
P.O. Box 900
Lockhart, Texas 78644
United States

PHONE (512) 398-5550
FAX (512) 398-5551
E-MAIL general@caldwellcad.org
WEB SITE www.caldwellcad.org

CALDWELL COUNTY APPRAISAL DISTRICT
VOTE ALLOCATION FOR BOARD OF DIRECTORS SELECTION 2026-2027 TERM

TAXING UNIT	2024 TAX LEVY	/	ALL LEVIES	=	Quotient	X	1000	=	Product	X	# Members	=	VOTES	ROUNDED VOTES
CALDWELL COUNTY	$26,350,864.81	/	$85,320,206.20	=	0.30884671	X	1000	=	308.8	X	5	=	1544.2	1544
CITY LOCKHART	$8,304,453.11	/	$85,320,206.20	=	0.09733278	X	1000	=	97.3	X	5	=	486.7	487
CITY LULING	$1,862,403.26	/	$85,320,206.20	=	0.0218284	X	1000	=	21.8	X	5	=	109.1	109
CITY MARTINDALE	$396,329.92	/	$85,320,206.20	=	0.00464521	X	1000	=	4.6	X	5	=	23.2	23
CITY MUSTANG RIDGE	$142,413.20	/	$85,320,206.20	=	0.00166916	X	1000	=	1.7	X	5	=	8.3	8
CITY NIEDERWALD	$77,204.33	/	$85,320,206.20	=	0.00090488	X	1000	=	0.9	X	5	=	4.5	5
CITY OF SAN MARCOS	$279,056.10	/	$85,320,206.20	=	0.00327069	X	1000	=	3.3	X	5	=	16.4	16
CITY OF UHLAND	$34,971.39	/	$85,320,206.20	=	0.00040988	X	1000	=	0.4	X	5	=	2.0	2
LOCKHART ISD	$34,299,154.11	/	$85,320,206.20	=	0.40200505	X	1000	=	402.0	X	5	=	2010.0	2010
LULING ISD	$6,217,466.19	/	$85,320,206.20	=	0.07287214	X	1000	=	72.9	X	5	=	364.4	364
PRAIRIE LEA ISD	$2,073,370.81	/	$85,320,206.20	=	0.02430105	X	1000	=	24.3	X	5	=	121.5	122
HAYS ISD	$1,516,329.31	/	$85,320,206.20	=	0.01777222	X	1000	=	17.8	X	5	=	88.9	89
GONZALES ISD	$542,220.75	/	$85,320,206.20	=	0.00635513	X	1000	=	6.4	X	5	=	31.8	32
SAN MARCOS ISD	$2,715,797.13	/	$85,320,206.20	=	0.03183064	X	1000	=	31.8	X	5	=	159.2	159
WEALDER ISD	$365,751.76	/	$85,320,206.20	=	0.00428681	X	1000	=	4.3	X	5	=	21.4	21
AUSTIN COM COLLEGE	$142,420.02	/	$85,320,206.20	=	0.00166924	X	1000	=	1.7	X	5	=	8.3	8
TOTAL	$85,320,206.20		$85,320,206.20										5000	4999

* = Not including Plum Creek Conservation, Plum Creek Underground, Gonzales Underground, ESD's OR MUD's

* = Only Levy within Caldwell County PTC 6.03d

STEPS IN THE VOTING PROCESS TO ELECT DIRECTORS OF THE CALDWELL COUNTY APPRAISAL DISTRICT

1 Chief appraiser delivers written notice of nominations process and voting entitlement before October 1, 2025 to:

County Judge
County Commissioners
Mayors
City Managers
City Secretaries (if no city manager)
School Board Presidents
School Superintendents

2 Governing body adopts resolution nominating from one to five candidates for directors.

3 Presiding officer of governing body submits the resolution naming the unit's nominees to the chief appraiser no later than October 15, 2025.

4 Chief Appraiser delivers ballot to the presiding officer of each governing body before October 30, 2025.

5 Governing body determines its vote by resolution and submits it to the chief appraiser no later than December 15, 2025.

6 Chief appraiser counts the votes, declares the five candidates who receive the most votes elected, and submits the results to the governing bodies and the candidates before December 31, 2025.

surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) Except as provided by Subsection (k-1), the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k-1) This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The governing body of each taxing unit entitled to cast at least five percent of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) Repealed by Acts 2007, 80th Leg., ch. 648, § 5(4), effective January 1, 2008.

HISTORY: Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 15, 167(a), effective January 1, 1982; am. Acts 1987, 70th Leg., ch. 59 (S.B. 469), § 1, effective September 1, 1987; am. Acts 1987, 70th Leg., ch. 270 (H.B. 268), § 1, effective August 31, 1987; am. Acts 1989, 71st Leg., ch. 1123 (H.B. 2301), § 2, effective January 1, 1990; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 15, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 371 (H.B. 864), § 1, effective September 1, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.06, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.73, effective September 1, 1997; am. Acts 1997, 75th Leg., ch. 1039, § 2, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 705 (H.B. 834), § 1, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 629 (H.B. 2043), effective June 20, 2003; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008; am. Acts 2013, 83rd Leg., ch. 1161 (S.B. 359), § 1, effective June 14, 2013; am. Acts 2021, 87th Leg., ch. 644 (H.B. 988), § 3, effective January 1, 2022; am. Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.01, effective July 1, 2024.

Sec. 6.03. Board of Directors in Less Populous Counties. [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.]

(a) This section applies only to an appraisal district established in a county with a population of less than 75,000.

(a-1) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Members of the board of directors other than a county assessor-collector serving as a nonvoting director serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

(1) to the county judge and each commissioner of the county served by the appraisal district;

(2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager;

(3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and

(4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

(f) The chief appraiser shall calculate the number of votes to which each conservation and reclamation district entitled to vote for district directors is entitled and shall deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-numbered year.

(g) Each taxing unit other than a conservation and reclamation district that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the chief appraiser before October 15.

(h) Each conservation and reclamation district entitled to vote may nominate by resolution adopted by its governing body one candidate for the district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year. Before August 1, the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district. The board of directors of each district shall determine its vote by resolution and submit it to the chief appraiser before August 15. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(i) If no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h), the chief appraiser, before September 1, shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. Each conservation and reclamation district may submit a nominee by September 15 to the chief appraiser as provided by Subsection (h). The chief appraiser shall submit a second nominating ballot by October 1 to the conservation and reclamation districts as provided by Subsection (h). The conservation and reclamation districts shall submit their votes for nomination before October 15 as provided by Subsection (h). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(j) Before October 30, the chief appraiser shall prepare a ballot, listing the candidates whose names were timely submitted under Subsections (g) and, if applicable, (h) or (i) alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) Except as provided by Subsection (k-1), the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k-1) This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The governing body of each taxing unit entitled to cast at least five percent of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) Repealed by Acts 2007, 80th Leg., ch. 648, § 5(4), effective January 1, 2008.

HISTORY: Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 15, 167(a), effective January 1, 1982; am. Acts 1987, 70th Leg., ch. 59 (S.B. 469), § 1, effective September 1, 1987; am. Acts 1987, 70th Leg., ch. 270 (H.B. 268), § 1, effective August 31, 1987; am. Acts 1989, 71st Leg., ch. 1123 (H.B. 2301), § 2, effective January 1, 1990; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 15, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 371 (H.B. 864), § 1, effective September 1, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.06, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.73, effective September 1, 1997; am. Acts 1997, 75th Leg., ch. 1039, § 2, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 705 (H.B. 834), § 1, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 629 (H.B. 2043), effective June 20, 2003; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008; am. Acts 2013, 83rd Leg., ch. 1161 (S.B. 359), § 1, effective June 14, 2013; am. Acts 2021, 87th Leg., ch. 644 (H.B. 988), § 3, effective January 1, 2022; am. Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.01, effective July 1, 2024; am. Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.02, effective July 1, 2024.

Sec. 6.0301. Board of Directors in Populous Counties. [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.]

(a) This section applies only to an appraisal district established in a county with a population of 75,000 or more.

(b) Sections 6.031, 6.034, and 6.10 do not apply to an appraisal district to which this section applies.

(c) The appraisal district is governed by a board of nine directors. Five directors are appointed by the taxing units that participate in the district in the manner prescribed by Section 6.03. Three directors are elected by majority vote at the general election for state and county officers by the voters of the county in which the district is established. The county assessor-collector serves as an ex officio director.

(d) To be eligible to serve on the board of directors, an individual other than the county assessor-collector must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(e) Members of the board of directors appointed by the taxing units participating in the district serve staggered four-year terms beginning on January 1 of every other even-numbered year. Elected members of the board of directors serve staggered four-year terms beginning on January 1 of every other odd-numbered year.

(f) If a vacancy occurs in an appointive position on the board of directors, each taxing unit that is entitled to vote under Section 6.03 may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The taxing unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall appoint by majority vote of its members one of the nominees to fill the vacancy.

(g) If a vacancy occurs in an elective position on the board of directors, the board of directors shall appoint by majority vote of its members a person to fill the vacancy. A person appointed to fill a vacancy in an elective position must have the qualifications required of a director elected at a general election.

HISTORY: Enacted by Acts 2023, 88th Leg., 2nd C.S., ch. 1 (S.B. 2), § 5.03, effective July 1, 2024.

Sec. 6.031. Changes in Board Membership or Selection.

(a) The board of directors of an appraisal district, by resolution adopted and delivered to each taxing unit participating in the district before August 15, may increase the number of members on the board of directors of the district to not more than 13, change the method or procedure for appointing the members, or both, unless the governing body of a taxing unit that is entitled to vote on the appointment of board members adopts a resolution opposing the change, and files it with the board of directors before September 1. If a change is rejected, the board shall notify, in writing, each taxing unit participating in the district before September 15.

(b) The taxing units participating in an appraisal district may increase the number of members on the board of directors of the district to not more than 13, change the method or procedure for appointing the members, or both, if the governing bodies of three-fourths of the taxing units that are entitled to vote on the appointment of board members adopt resolutions providing for the change. However, a change under this subsection is not valid if it reduces the voting entitlement of one or more taxing units that do not adopt a resolution proposing it to less than a majority of the voting entitlement under Section 6.03 of this code or if it reduces the voting entitlement of any taxing unit that does not adopt a resolution proposing it to less than 50 percent of its voting entitlement under Section 6.03 of this code and if that taxing unit's allocation of the budget is not reduced to the same proportional percentage amount, or if it expands the types of taxing units that are entitled to vote on appointment of board members.

(b-1) If an appraisal district increases the number of members on the board of directors of the district or changes the method or procedure for appointing the members as provided by this section, the board of directors by resolution shall provide for the junior college districts that participate in the appraisal district to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the appraisal district among all of the school districts with representation in the appraisal district. A resolution adopted

(CURRENT)

Board of Directors

Board Member	Location
Sally Daniel	Lockhart
Kathy Haigler	Dale
Alfredo Munoz	Lockhart
Linda Hinkle	Lockhart
Kayline Cabe	Dale

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding member appointment and meeting dates for the citizen planning committee regarding the City of Lockhart's activities to commemorate and celebrate the 250th anniversary of the signing of the Declaration of Independence on July 4, 2026.

ORIGINATING DEPARTMENT AND CONTACT: Council - Mayor Lew White

ACTION REQUESTED: Direction

BACKGROUND/SUMMARY/DISCUSSION: On July 15, 2025, Council discussed the 250th anniversary of the signing of the Declaration of Independence on July 4, 2026 and how the City of Lockhart could develop its own spirited tribute to celebrate this occasion.

There was a consensus to appoint members to a citizen planning committee at a future meeting to explore and possibly plan activities to celebrate the 250th anniversary.

During August City Council meetings, Council appointed the following individuals to serve on the committee:

Ron Faulstich	Deanna Juarez
Travis Tober	Megan Carvajal
Jim Lee	Janet Pitre
Kay Askins	Cynthia Solis Ramirez
Rob Ortiz	Mayor Pro-Tem Gonzales-Sanchez
Whitney Abel	Jennifer Ochoa
Robbie Abel	Quartermetra Hughes
B J Westmoreland	Councilmember Michelson
Ed Theriot	Mary Beth Nickle
Adam Miller	Paula Ostroot
Alfonso Sifuentes	Rick Arnic
Michael Govea	Stephanie Carter
Mark Ostroot	Harvey Franks
Christine Ohlendorf	Holly Malish
Lane Dever	

During the U.S. bicentennial in 1976, communities devised their own local celebrations including: community parties, concerts, parades, airshows, fireworks, storytelling, re-enactments, civics instruction, etc.

A review of the 1976 Lockhart Post Register archives reveals the following events/activities took place in Lockhart:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

- Bicentennial Salute - 2,000 balloons launched and given to children.
- Bicentennial Dance - At City Park, sponsored by Lockhart Jaycees.
- 4th of July Dance in Rockne.
- Daughters of the Revolution - Invitation to a local chapter meeting at the Caldwell County District Courtroom.
- Bicentennial Savings Bond - Lockhart State Bank sold Independence Day Savings Bonds and marketed them as "collectors items."

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: August 5 and 19, 2025: initial appointment of committee members.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS:

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding Resolution No. 2025-28 approving a Performance Agreement with Balcones Lockhart 2023, LP and authorizing economic development incentives for the infrastructure upgrade of a new facility in Lockhart, TX.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Balcones Real Estate is currently in the process of building a 62,000 square ft facility in the Lockhart Industrial Park #3, between FBS and Ziegenfelder. A new tenant, local to the area, is looking to combine their operations into one building, located at 2605 Dewitt St in Lockhart, TX.
In order to assist the new tenant moving into the facility, providing a rate similar to their previous location, and retrofitting the building to accommodate the new tenant's growing production line, Balcones Real Estate applied for economic development incentives.
The proposed incentives have support from the Lockhart EDC, for the retrofit is beneficial in the recruitment of the food/beverage industry should a new tenant move into the building and is assisting in the expansion of a local business that will create additional jobs.

PROJECT SCHEDULE (if applicable): Certificate of Obligation should be given on October 15, 2025.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: Lockhart EDC Board approved EDC Resolution on Sept 8, 2025.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving Resolution No. 2025-28

LIST OF SUPPORTING DOCUMENTS: City Council Resolution No. 2025-28 Baclones, Resolution-Agrement No. 2025-12 Balcones

RESOLUTION NO. 2025-28

A RESOLUTION OF CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH BALCONES LOCKHART 2023, LP AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR THE INFRASTRUCTURE UPGRADE OF A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the “City”) has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, BALCONES LOCKHART 2023, LP, a Texas limited liability company (“Balcones”), has applied to LEDC for financial incentives for a project whereby Balcones agrees to operate a new facility with $10,000,000 in new capital investment in the City of Lockhart for Balcones’s business operations; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and **BALCONES LOCKHART 2023, LP** attached hereto as Exhibit “A” and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

SIGNATURE PAGE TO FOLLOW

CITY OF LOCKHART

____

Lew White
Mayor

ATTEST:

____

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____

Brad Bullock
City Attorney

RESOLUTION NO. 2025-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION APPROVING A PERFORMANCE AGREEMENT WITH BALCONES LOCKHART 2023, LP AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR THE INFRASTRUCTURE UPGRADE OF A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, the Lockhart Economic Development Corporation (LEDC) is a Type B development corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, BALCONES LOCKHART 2023, LP, a Texas limited liability company ("Balcones"), has applied to LEDC for financial incentives for a project whereby Balcones agrees to operate a new facility with $10,000,000 in new capital investment in the City of Lockhart for Balcones's business operations; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and **BALCONES LOCKHART 2023, LP** attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

SIGNATURE PAGE TO FOLLOW

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Alan Fielder

Alan Fielder, Chairman

Attest:

Holly Malish

Holly Malish, Board Secretary

Approved as to form:

Brad Bullock, Board Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Balcones Lockhart 2023, LP

This Economic Development Incentive Agreement ("Agreement") is entered into by and between the Lockhart Economic Development Corporation, a Type-B economic development corporation (hereinafter called the "LEDC"), and Balcones Lockhart 2023, LP, a Texas limited partnership (hereinafter called "Company"), otherwise known as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the ACT requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Company desires to upgrade their facility, located at 2605 Dewitt Street, Lockhart, Texas 78644 (the "Property"), to accommodate a third-party tenant that seeks to establish its first Texas location (the "Tenant"); and

WHEREAS, Company intends to invest a minimum of TEN MILLION AND NO/100 DOLLARS ($10,000,000.00) for on-site building improvements and upgrades prior to the Expiration Date; and

WHEREAS, LEDC intends to provide an infrastructure rebate not to exceed TWO MILLION EIGHT THOUSAND SEVENTY-FOUR AND NO/100 DOLLARS ($2,008,074.00), upon Company receiving a Certificate of Occupancy for the building improvements, providing copies of receipts, and providing proof of payment for completion of building upgrades; and

WHEREAS, the location of Company's facility, as proposed, will contribute to the economic development of the City of Lockhart (the "City") by assisting, through the leasing of space at the Property to third-party tenants, in the creation of new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revalue for the City, and will have both a direct and indirect positive overall improvement and stimulus in the local and state economy;

WHEREAS, the LEDC desires to offer incentives to Company to enable Company, through the leasing to third-party tenants, to increase real property and workforce pursuant to this Agreement in substantial conformity with Lockhart 2023 Targeted Business Strategy Refresh Plan and the Act; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE 1
RECITALS

The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The LEDC's execution of this Agreement is authorized by the Act and constitutes a valid and binding obligation of the LEDC. The LEDC acknowledges that Company is acting in reliance upon the LEDC's performance of its obligations under this Agreement in making the decision to commit substantial and money to the establishment of the Project, hereinafter established.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between Company and the LEDC for the payment of certain incentive funds to assist with

costs associated with the Project and specifically state covenants, representations of the Parties, and the incentives associated with Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the LEDC and Company as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by Company may constitute a breach of the entire Agreement and terminate any further commitments (if any) by the LEDC unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement. Upon the Effective Date, the LEDC delegates the administration and oversight of this Agreement to the Director of the LEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the LEDC.

ARTICLE III
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as by common and ordinary usage.

"Bankruptcy" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Certificate of Occupancy" shall mean the signed certificate issued by City of Lockhart Permit Inspections Division giving Tenant the right to occupy the Facility and confirming that the entire work covered by the permit and plans for the Project are in place.

"Default" shall mean failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant if uncured within sixty (60) days of receiving written notice from any other Patty.

"Effective Date" shall be the date of the last signature authorizing this agreement.

"Expiration Date" shall mean December 1, 2026.

"Facility" shall mean the building and site improvements within the approximately 5.35-acre property located at 2605 Dewitt St, Lockhart TX 78644.

"Infrastructure Rebate" shall mean a rebate on invoices provided for construction and installation of infrastructure, finish-out improvements, upgrades, and fixtures not to exceed TWO MILLION EIGHT THOUSAND SEVENTY-FOUR AND NO/100 DOLLARS ($2,008,074.00).

“Investment Amount” means the aggregate of all costs and expenses incurred or expended by Company in connection with its acquisition, development, and improvement of the Property, including, without limitation, all design costs, hard and soft costs of construction, costs of equipment and fixtures for the operation of the Facility, leasing costs, financing costs, and permit fees.

“Lease” shall mean that certain Lease Agreement between Company, as landlord, and the Tenant, as tenant, for the lease of approximately 48,730 gross square feet of space at the Property.

"Project" shall mean Company’s construction and installation of infrastructure, finish-out improvements, upgrades, and fixtures at the Facility for or on behalf of the Tenant as required or contemplated under the terms of the Lease.

“Project Expenses” shall mean all costs and expenses incurred by Company in connection with the Project.

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor.

ARTICLE IV
ECONOMIC DEVELOPMENT TERMS AND CONDITIONS

1. Infrastructure Rebate. Subject to the satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the rebate pursuant to Article V hereof, the LEDC agrees to provide Company with an Infrastructure Rebate equal to the lesser of (i) the Project Expenses or (ii) TWO MILLION EIGHT THOUSAND SEVENTY-FOUR DOLLARS AND NO/100 DOLLARS ($2,008,074.00). The rebate shall be paid to Company within sixty (60) days after receipt by the LEDC Director of (i) a Certificate of Occupancy for the Project and (ii) receipts and proof of payment of all Project Expenses.

2. Current Revenue. The funds distributed hereunder shall be paid solely from lawfully available funds to the LEDC. Under no circumstances shall the obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3. Confidentiality. The LEDC, to the extent allowed by law, shall keep all tax information and documentation received, pursuant to this Agreement hereof, confidential. In the event a request is made for such information pursuant to the Texas Public Information Act, LEDC will not disclose the information unless required to do so by the Attorney General of Texas under the provisions of the applicable statutes.

4. Conditions Precedent. The obligation of the LEDC to pay funds in the form of an Infrastructure Rebate shall be conditioned upon Company successfully obtaining a Certificate of Occupancy and providing to the LEDC of receipts and proof of payment of all Project Expenses incurred by Company.

ARTICLE V
COVENANTS AND DUTIES

1. Company's Covenants and Duties. Company makes the following covenants and warranties to the LEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Company.

(a) Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any time of this Agreement and shall timely and fully comply with all of the terms and conditions of this Agreement to commence and complete the Project in accordance with the Agreement.

(b) The execution of this Agreement has been duly authorized by Company's authorized agent, and the individual signing this Agreement is empowered to execute such Agreement and bind the Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of Company's by-laws, or of any agreement or instrument to which Company is a party to or by which it may be bound.

(c) Company is not a party to any Bankruptcy proceedings currently pending or contemplated, and Company has not been informed of any potential involuntary Bankruptcy proceedings.

(d) To its current, actual knowledge, and subject to Company's receipt of the Certificate of Occupancy (or other approvals and permits to be obtained under subpart (f) immediately below), Company has acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use commercially reasonable efforts to maintain all necessary rights, licenses, permits, and authority.

(e) Company agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the Facility and shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project.

(f) Company shall cooperate with the LEDC in providing all necessary information and documentation to assist the LEDC in its determination that Company in in compliance with this Agreement.

(g) During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a, Company shall be in Default and subject to the remedies set forth in this Agreement. Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Company enters into with any subsidiary, assignee, affiliate, or franchisee for which the Infrastructure Rebate provided herein will be used.

(h) Maintain and prepare financial statements in accordance with sound accounting principles and permit the LEDC to visit, examine, audit, inspect, and make and take away copies or reproductions of Company's book of accounts and other records at mutually agreed upon times (provided, the LEDC shall pay the reasonable fees and disbursements of any accountants or other agents of the LEDC, selected by the LEDC, for the foregoing purposes). Unless written notice of another location is given to the LEDC, Company's books and records will be located 2605 Dewitt St, Lockhart TX 78644

(i) Not later than ninety (90) days prior to the Expiration Date, Company shall provide reasonable written evidence to the LEDC of Company's expenditure of an Investment Amount, inclusive of the Infrastructure Rebate funds provided to Company hereunder, of not less than TEN MILLION AND NO/100 DOLLARS ($10,000,000.00).

2. LEDC's Covenants and Duties. The LEDC is obligated to pay Company an Infrastructure Rebate equal to the lesser of (i) the Project Expenses or (ii) TWO MILLION EIGHT THOUSAND SEVENTY-FOUR AND NO/100 DOLLARS ($2,008,074.00) upon Company's delivery to the LEDC of (i) the Certificate of Occupancy for the Project and (ii) receipts and proof of payment of all Project expenses incurred by Company.

3. Substantial Compliance and Default. Failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant (including, without limitation, Company's failure to comply with Section 1(i) of Article V hereof) shall be considered a "Default" under this Agreement if uncured within sixty (60) days of receiving written notice of such failure from any other Party. Failure of Company to timely and substantially cure a default will give the LEDC the right to terminate this Agreement, as reasonably determined by the Board of Directors of the LEDC.

4. Recapture. In the event of Default by the Company, the LEDC shall, as its sole and exclusive remedy for Default hereunder, after providing Company written notice and an opportunity to cure, have the right to recapture all Infrastructure Rebate amounts previously paid to Company under this Agreement (as applicable, the "Recaptured Amount"). The Recaptured Amount shall be paid by Company within one hundred twenty (120) days after the date Company is notified by the LEDC of such Default (the "Payment Date"), provided said Default was not cured. In the event the Recaptured Amount is not repaid by the applicable Payment Date, the unpaid portion thereof shall accrue interest at the rate of two percent (2.00%) per annum from the Effective Date until paid in full. Company's obligation to pay the Recaptured Amount shall survive the termination of this Agreement.

ARTICLE VI
TERMINATION

This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

(a) The written agreement of the Parties;
(b) The Agreement's Expiration Date as defined in Article III; or
(c) Default by Company (at the option of the LEDC).

ARTICLE VII
DISPUTE RESOLUTION

1. In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the Parties shall attempt in good faith to resolve the same by good faith mediation before a mediator mutually agreed to by the Parties.

2. In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the Parties, either Party may file suit in a court of competent jurisdiction sitting in the State of Texas.

ARTICLE VIII
MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. The Executive Director of the LEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the LEDC, on behalf of the Parties related thereto. Notwithstanding any other provision of this Agreement to the contrary, performance of either Party under this Agreement is specifically contingent on Company obtaining a Certificate of Occupancy from the City and tenant commencing operations at the Facility under the terms of this Agreement.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terns and provisions of this Agreement and to aid and assist each other in carving out such terms and provisions.

3. Representations and Warranties. The LEDC represents and warrants to Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Company represents and warrants to the LEDC that it has the requisite authority to enter into this Agreement.

4. Assignment. Company shall not have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party. Any assignment provided herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement, nor shall they relieve Company of any liability to the LEDC including any required indemnity in the event that any Assignee hereof shall at any time be in Default of the terms of this Agreement.

5. Notice. Any notice required or permitted to be delivered hereunder 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 intended for LEDC: Lockhart Economic Development Corporation
Attention: Dir. of Economic Development
215 E Market Street
Lockhart, TX 78644

With a Copy To: Messer Fort
Attention: Bradford E. Bullock
4201 W. Parmer Lane
Ste C-150
Austin, TX 78644

If to the Company: Balcones Lockhart 2023, LP
Attention: Otto Swingler
____
____

Any Party may designate a different address at any time upon written notice to other Parties.

7. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Caldwell County. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors of the LEDC.

9. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.

10. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the Board of Directors of the LEDC.

12. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

13 Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

14. Indemnification. ***COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE LEDC, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES (EACH AN "INDEMNIFIED PARTY"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS OR LESSEES, RELATED TO THE PROPERTY, IMPROVEMENTS ON THE PROPERTY, INCLUDING THE PROJECT IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, COMPANY SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE LEDC AGAINST CLAIMS CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE LEDC INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND AN INDEMNIFIED PARTY, THE COMPANY'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO COMPANY'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.***

TO THE EXTENT ALLOWED BY LAW, THE LEDC HEREBY RELEASES AND AGREES TO HOLD HARMLESS COMPANY, ITS OFFICERS, AGENTS, AFFILIATES AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) THE LEDC'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE LEDC, ITS OFFICERS, SERVANTS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, RELATED TO THE PROPERTY, IMPROVEMENTS ON THE PROPERTY, INCLUDING THE PROJECT IMPROVEMENTS, AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE LEDC SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY COMPANY AGAINST CLAIMS CAUSED BY COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF COMPANY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF

COMPANY AND THE LEDC, THE LEDC'S OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE LEDC'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

Executed on this day, 9th of Sept., 2025.

BALCONES LOCKHART 2023, LP,
a Texas limited partnership

By: BRE Group General Partner, LLC,
a Texas limited liability company,
its general partner

By: Otto Swingler
Otto Swingler, Manager

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

By: Alan Fielder
Alan Fielder, Chairman

Attest:
Holly Malish
Holly Malish, Secretary

Approved as to Form:

____
Brad Bullock, Attorney

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding Resolution No. 2025-29 approving a performance agreement with Hill Country Foodworks LLC and authorizing economic development incentives for building improvements for a new facility in Lockhart, TX.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Hill Country Foodworks is a local company that is seeking incentives to assist in their production line expansion when they locate to a new facility in Lockhart, TX.

The expansion will consist of buying a larger pouch packing machine and an upgraded canning machine. The expansion will also add 23 new jobs and create more opportunities to expand their business in the marketplace.

PROJECT SCHEDULE (if applicable): Certificate of Occupancy to be obtained October 15, 2025.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: Lockhart EDC Board approved September 8, 2025.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving Resolution No. 2025-29.

LIST OF SUPPORTING DOCUMENTS: City Council Resolution No. 2025-29 - HCF, HCF Performance Agreement-Resolution NO 2025-13

RESOLUTION NO. 2025-29

A RESOLUTION OF THE CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH HILL COUNTRY FOODWORKS, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, Hill Country Foodworks, LLC, a Texas limited liability company ("HCF"), has applied to LEDC for financial incentives for a project whereby HCF agrees to operate a facility of at least 48,730sf square feet with $1,200,000 in new capital investment in area in the City of Lockhart for HFC's business operations and to create and maintain at least twenty-three (23) new full-time jobs at the facility over a nine year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Hill Country Foodworks, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

CITY OF LOCKHART

____

Lew White
Mayor

ATTEST:

____

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____

Brad Bullock
City Attorney

RESOLUTION NO. 2025-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION APPROVING A PERFORMANCE AGREEMENT WITH HILL COUNTRY FOODWORKS, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW FACILITY IN LOCKHART, TEXAS.

WHEREAS, the Lockhart Economic Development Corporation (LEDC) is a Type B development corporation operating pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, Hill Country Foodworks, LLC, a Texas limited liability company ("HCF"), has applied to LEDC for financial incentives for a project whereby HCF agrees to operate a facility of at least 48,730 sf square feet with $1,200,000 in new capital investment in area in the City of Lockhart for HFC's business operations and to create and maintain at least twenty-three (23) new full-time jobs at the facility over a nine year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION, that:

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2. The Performance Agreement by and between the LEDC and Hill Country Foodworks, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Executive Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

____
Alan Fielder, Chairman

Attest:

Holly Malish
Holly Malish, Board Secretary

Approved as to form:

____
Brad Bullock, Board Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Hill Country Foodworks, LLC.

This Economic Development Incentive Agreement ("Agreement") is entered into by and between the Lockhart Economic Development Corporation, a Type-B economic development corporation (hereinafter called "LEDC") and Hill Country Foodworks, LLC a Texas limited liability, (hereinafter called "Company") otherwise known as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the ACT requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Company desires to expand operations in Texas and operate at a forty-eight thousand seven hundred thirty (48,730 sf) square feet facility with $1,200,000 in new capital investment that is located at 2605 Dewitt St, Lockhart TX 78644; and

WHEREAS, Company intends to add 23 new full-time employees (FTE) to the current 60 FTE with a total, minimum annual payroll of $2,500,000; and

WHEREAS, LEDC intends to provide a building improvement and equipment upgrade rebate upon Company receiving a Certificate of Occupancy, commencement of operations and hiring of new full-time jobs; and

WHEREAS, the location of the Company, as proposed, will contribute to the economic development of the City of Lockhart (the “City”) by creating new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revalue for the City, and will have both a direct and indirect positive overall improvement and stimulus in the local and state economy;

WHEREAS, the LEDC desires to offer incentives to Company to enable Company to increase tangible business personal property and workforce pursuant to this Agreement in substantial conformity with Lockhart 2023 Targeted Business Strategy Refresh Plan and the Act; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE 1
RECITALS

1. Recitals. The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The LEDC's execution of this Agreement is authorized by the Act and constitutes a valid and binding obligation of the LEDC. The LEDC acknowledges that the Company is acting in reliance upon the LEDC's performance of its obligations under this Agreement in making the decision to commit substantial and money to the establishment of the Project, hereinafter established.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between the Company and the LEDC for the building improvement grant to assist with costs associated with the Project and specifically state covenants, representations of the Parties, and the incentives associated with Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the LEDC and the Company as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by the Company may constitute a breach of the entire Agreement and terminate any further commitments (if any) by the LEDC unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement. Upon the Effective Date, the LEDC delegates the administration and oversight of this Agreement to the Director of the LEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the LEDC.

ARTICLE III
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as by common and ordinary usage.

"Annual Payroll" shall mean the total wages paid, exclusive of employee benefits, to Fulltime Employees at the Lockhart Facility

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"Bankruptcy" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Building Improvement Rebate" shall mean a grant for building which includes indirect cost associated with design and furniture, fixtures and equipment upgrades in exchange for receipts and proof of payment not to exceed ONE MILLION AND TWO HUNDRED AND TWENTY-NINE THOUSAND DOLLARS ($1,229,000) from LEDC to Company; and

"Calendar Year" shall mean the period from January 1 to December 31

"Certificate of Occupancy" shall mean the signed certificate issued by City of Lockhart Permit Inspections Division permitting the Company the right to occupy the Facility and confirming that the entire work covered by the permit and plans are in place.

"Default" shall mean failure by any Party to timely and substantially comply with the performance requirements set forth in Article IV, duty, or covenant if uncured within sixty (60) days of receiving written notice from any other Party.

"Effective Date" shall be the date of the last signature authorizing this agreement.

"Expiration Date" shall mean October 1, 2034.

"Facility" shall mean the property and improvements within the 6-acre property located 2605 Dewitt St, Lockhart Texas, 78644.

“Force Majeure” shall mean that neither party shall be liable for any failure or delay in performance under this Agreement to the extent such failure or delay is caused by circumstances beyond its reasonable control, including, without limitation, acts of God, natural disasters, war, terrorism, riots, civil commotion, governmental actions or orders, epidemics or pandemics, labor disputes (including strikes, lockouts, or slowdowns), supply chain disruptions, material shortages, utility or telecommunications failures, cyberattacks, fires, explosions, or floods. The affected Party shall promptly notify the other Party in writing of the occurrence of such an event, shall use commercially reasonable efforts to mitigate its impact, and shall resume performance as soon as reasonably practicable. Obligations excused by force majeure shall be suspended only for the duration of the event.

"Full-time employee” or “FTE" shall mean: (1) an employee with a regular work schedule of at least 40 hours per week as reported on the Texas Employers Quarterly Wage Report from the Texas Workforce Commission and (2) are entitled to at least the customary employer-sponsored employee benefits package afforded by the Company to its similarly situated employees at other locations.

"Project" shall mean the retention and creation of at least 23 new full-time employees, occupy a 48,730 square-foot warehouse facility and new capital investment of at least $1,200,000 in the warehouse facility; and

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor; and

"Tangible Personal Property" shall mean real property improvements, excluding the building and land, and all tangible personal property, equipment, machinery, and fixtures owned or leased by Company that is added to the Project through the Building Improvement Rebate subsequent to the execution of this Agreement and is accounted on the tax rolls by the Caldwell County Appraisal District.

ARTICLE IV
ECONOMIC DEVELOPMENT TERMS AND CONDITIONS

1. Building Improvement Grant

Subject to the satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the Building Improvement Grant pursuant to Article V hereof, the LEDC agrees to provide Company with a building improvement grant for: 1) the creation of 23 FTE over a ~~10~~ 8-year 100month period and 2) new capital investment of $1,200,000 in a forty eight thousand seven hundred thirty (48,730sf) square feet facility located at 2605 Dewitt Street.

The Building Improvement Grant shall not exceed ONE MILLION AND TWO HUNDRED AND TWENTY-NINE THOUSAND DOLLARS ($1,229,000). The Building Improvement Grant shall be paid to Company within sixty (60) days after receipt of a Certificate of Occupancy. Additionally, the Company must maintain the minimum jobs and minimum tangible personal property criteria outlined in the Performance Table for the duration of the agreement.

Performance Table

Period Ending Dec 31	Full-Time Employees	Total Payroll	Minimum Tangible Personal Property	Certification Date
Year 1 - 2026	68	$2,500,000	$1,200,000	15-APR-27
Year 2 - 2027	76	$2,800,000	$1,092,000	15-APR-28
Year 3 - 2028	76	$2,800,000	$993,720	15-APR-29
Year 4 – 2029	76	$2,800,000	$904,285	15-APR-30
Year 5 – 2030	82	$3,000,000	$822,900	15-APR-31
Year 6 - 2031	82	$3,000,000	$748,838	15-APR-32
Year 7 – 2032	82	$3,000,000	$681,442	15-APR-33
Year 8 – 2033	85	$3,100,000	$620,112	15-APR-34
Year 9 - Ending October 2034~~4~~	85	$3,100,000	$840,000 $564,302	15-APR-35

2. Current Revenue. The funds distributed hereunder shall be paid solely from lawfully available funds to the LEDC. Under no circumstances shall the obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3. Confidentiality. The LEDC, to the extent allowed by law, shall keep all tax information and documentation received, pursuant to this Agreement hereof, confidential. In the event a request is made for such information pursuant to the Texas Public Information Act, LEDC will not disclose the information unless required to do so by the Attorney General of Texas under the provisions of the applicable statutes.

4. Conditions Precedent. The obligation of the LEDC to pay funds in the form of a building improvement grant shall be conditioned upon Company successfully obtaining a Certificate of Occupancy and the continued compliance with and satisfaction of each of the conditions set forth in this Agreement as reflected in the Performance Table above.

5. Annual Report. The Company shall submit an Annual Report (an "Annual Report") for the preceding Calendar Year to the Executive Director of the LEDC each year not later than April 15th each year. The Annual Report should substantially conform to the Annual Report Form attached as Exhibit "A" to this Agreement along with a copy of IRS Form 941. The first Annual Report will be due April 15, 2028.

ARTICLE V
COVENANTS AND DUTIES

1. Company's Covenants and Duties. Company makes the covenants and warranties to the LEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Company.

(a) Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any time of this Agreement and shall timely and fully comply with all of the terms and conditions of this Agreement to commence and complete the Project in accordance with the Agreement.

(b) The execution of this Agreement has been duly authorized by Company's authorized agent, and the individual signing this Agreement is empowered to execute such Agreement and bind the Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of Company's by-laws, or of any agreement or instrument to which Company is a party to or by which it may be bound.

(c) Company is not a party to any Bankruptcy proceedings currently pending or contemplated, and Company has not been informed of any potential involuntary Bankruptcy proceedings.

(d) To its current, actual knowledge, and subject to the Certificate of Occupancy (or other approvals and permits to be obtained under subpart (f) immediately below), Company has acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use its best efforts to maintain all necessary rights, licenses, permits, and authority.

(e) Company agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the Facility and shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project.

(f) Company shall cooperate with the LEDC in providing all necessary information and documentation to assist the LEDC in its determination that Company in in compliance with this Agreement.

(g) During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a, Company shall be in Default and subject to the remedies set forth in this Agreement. Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Company enters into with any subsidiary, assignee, affiliate, or franchisee for which a building improvement grant provided herein will be used.

(h) Maintain and prepare financial statements in accordance with generally accepted accounting principles in the United States of America as established by the Financial Accounting Standards Board and permit LEDC to visit, examine, audit, inspect, and make and take away copies or reproductions of Company's book of accounts and other records at mutually agreed upon times (provided, LEDC shall pay the reasonable fees and disbursements of any accountants or other agents of LEDC, selected by LEDC, for the foregoing purposes). Unless written notice of another location is given to LEDC, Company's books and records will be located at 2605 Dewitt St, Lockhart, Caldwell County, Texas 78644 or 215 E MLK Jr. Industrial Blvd, Lockhart, TX 78644..

(i) Grant LEDC the right to review audited year-end financial statements to include balance sheet, operating statement and surplus reconciliation, together with an officer's certificate of compliance with this Agreement including computations of all quantitative covenants, as well as un-audited, interim financial statements, and promptly provide LEDC with such additional information, reports, or statements respecting its business operations and financial condition as LEDC may reasonably request in the event any performance objectives are not met as reported in the Annual Reports as required in Article IV, Section 5.

(j) Grant LEDC the right to periodically (and with reasonable advance notice) verify the terms and conditions of this Agreement including, but not limited to, the number of persons employed by Company as a result of the assistance provided hereunder, the number of hours each employee worked during the previous 12 months, and the cumulative payroll for Company's Lockhart operation.

2. LEDC's Covenants and Duties. The LEDC is obligated to pay Company an amount not to exceed ONE MILLION AND TWO HUNDRED AND TWENTY-NINE THOUSAND DOLLARS ($1,229,000) as a Building Improvement Grant as set forth in Article IV.

3. Substantial Compliance and Default. Failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant shall be considered an act of Default if uncured within sixty (60) days of receiving written notice from any other Party or such longer period as reasonably necessary if the default cannot be cured within 60 days and the defaulting party has commenced cure efforts in good faith . Failure of Company to timely and substantially cure a default will give the LEDC the right to terminate this Agreement, as reasonably determined by the Board of Directors of the LEDC.

4. Recapture. In the event of Default by the Company, the LEDC shall, as a remedy for Default hereunder, after providing Company notice and an opportunity to cure, have the right to recapture a pro-rated portion of all Building Improvement Grants amounts paid under this Agreement (as applicable, the "Recaptured Amount") based on the percentage of underperformance relative to the Performance Table (e.g., if FTE targets are met at 90%, LEDC may recapture 10%).. The Recaptured Amount shall be paid by the Company within one hundred twenty (120) days after the date Company is notified by the LEDC of such Default (the "Payment Date") provided said Default was not cured. In the event the Recaptured Amount is not repaid by the applicable Payment Date, the unpaid portion thereof shall accrue interest at the rate of two percent (2.00%) per annum from the Effective Date until paid in full.

5. Loan and Security. In addition to the remedy set forth in Section 3, the Building Improvement Grant shall be additionally secured by a contingent, springing loan which comes into effect and becomes due and payable for the Recapture Amount at the time of the default and only if the Company defaults as defined in this Agreement. Upon such security of the loan, the Recapture Amount shall immediately become a debt owed by the Company to LEDC, bearing interest at 2.00% per annum from date of default until paid and full, and shall be payable on demand. If the Company complies with the provisions of the Agreement such that no default occurs, then the loan is not effective. The loan shall be evidenced by a promissory note (the "LEDC Note") from the Company to the LEDC as described below. The Company shall submit the original LEDC Note to the LEDC for the LEDC to hold in the event of a default. If no default occurs, then the Note shall not become effective. The parties do not intend to create a note with an obligation to be forgiven, but to create a note which will become effective, if ever, only upon a default.

a. LEDC Note. Within 30 days after the effective date of this Agreement, the Company shall execute and deliver the original LEDC Note to the LEDC in substantially the form as shown in Exhibit "B" attached hereto and made a part hereof for all purposes.

b. Secured Collateral. The Company will encumber the Tangible Personal Property acquired through the Building Improvement Rebate grant. (collectively, the "Secured Collateral") as collateral for repayment of the LEDC Note pursuant to the terms of and as described in a security agreement (the "Security Agreement") in substantially the form as shown in Exhibit "C," attached hereto and made a part hereof for all purposes. The Security Agreement shall be executed by the Company and the original delivered to the LEDC concurrently with the LEDC Note. Upon issuance of the certificate of occupancy, the LEDC may record a form UCC-1 in Caldwell County, Texas evidencing the LEDC Note and Security Agreement and any modifications, amendments, extensions or continuations of such instruments, as applicable. Before the LEDC makes the Building Improvement Grant to the Company, the Company will provide evidence to the LEDC that each lender having a lien or other security interest in the Secured Collateral (as defined in the Security Agreement) consents to the terms of this Agreement, the Security Agreement and the recording of a UCC-1 by the LEDC. The LEDC and the lender(s) for the Project shall enter into a multi-party lender agreement to address, among other issues, i) the contingent nature of the LEDC Note, ii) the ability of any other lenders to pay the LEDC Note and insure that the collateral for the Security Agreement will not be foreclosed by the LEDC without notice and opportunity to cure to the lenders, iii) that the same collateral which is pledged under the Security Agreement may be pledged to the lenders, subject to the rights of the LEDC, and iv) that the lenders shall have first and prior liens on the collateral. If there is default by the expiration of the Term, then the LEDC Note and Security Agreement and any UCC-1 will be released by the LEDC.

ARTICLE VI
TERMINATION

1. Termination. This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

(a) The written agreement of the Parties;
(b) The Agreement's Expiration Date as defined in Article III; or
(c) Default by Company (at the option of the LEDC).

ARTICLE VII
DISPUTE RESOLUTION

1. In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator mutually agreed to by the parties.

2. In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas.

ARTICLE VIII
MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. The Executive Director of the LEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the LEDC, on behalf of the Parties related thereto. Notwithstanding any other provision of this Agreement to the contrary, performance of either Party under this Agreement is specifically contingent on Company obtaining a Certificate of Occupancy from the City and commencing operations at the Facility under the terms of this Agreement.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terns and provisions of this Agreement and to aid and assist each other in carving out such terms and provisions.

3. Representations and Warranties. The LEDC represents and warrants to Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Company represents and warrants to the LEDC that it has the requisite authority to enter into this Agreement.

4. Assignment. Company shall have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party' with prior written approval of the LEDC which shall not be unreasonably withheld, provided the assignee assumes all obligations in writing and provides financial security if requested. Any assignment provided herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement, nor shall they relieve Company of any liability to the LEDC including any required indemnity in the event that any Assignee hereof shall at any time be in Default of the terms of this Agreement. The LEDC may demand and receive adequate assurance of performance including the deposit or provision of financial security by' any proposed Assignee prior to its approval of an assignment.

5. Notice. Any notice required or permitted to be delivered hereunder 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 intended for LEDC: Lockhart Economic Development Corporation
Attention: Dir. of Economic Development
215 E Market Street
Lockhart, TX 78644

With a Copy To: Messer Fort
Attention: Bradford E. Bullock
4201 W. Parmer Lane
Ste C-150
Austin, TX 78644

If to the Company: Hill Country Foodworks LLC
Attention: Jake Cathey

____

____

Any Party may designate a different address at any time upon written notice to other Parties.

7. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Caldwell County. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors of the LEDC.

9. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.

10. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the Board of Directors of the LEDC.

12. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

13 Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

14. Indemnification. ***COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE LEDC, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES (EACH AN "INDEMNIFIED PARTY"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS OR LESSEES, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE COMPANY SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE LEDC AGAINST CLAIMS CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE LEDC INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND AN INDEMNIFIED PARTY, THE COMPANY'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE COMPANY'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.***

TO THE EXTENT ALLOWED BY LAW, THE LEDC HEREBY RELEASES AND AGREES TO HOLD HARMLESS COMPANY, ITS OFFICERS, AGENTS, AFFILIATES AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) THE LEDC'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE LEDC, ITS OFFICERS, SERVANTS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS, AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE LEDC SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE COMPANY AGAINST CLAIMS CAUSED BY THE COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND

IF THE COMPANY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND THE LEDC, THE LEDC'S OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE LEDC'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

Executed on this day, 8th of September, 2025.

HILL COUNTRY FOODWORKS, LLC

By: Jacob Cathey
Jake Cathey,

Lockhart Economic Development Corporation

By:________________________
Alan Fielder, Chairman

Attest:

____
Holly Malish, Secretary

Approved as to Form:

____
Brad Bullock, Attorney

EXHIBIT A
SAMPLE ANNUAL CERTIFICATION REPORT FORM
[SEE ATTACHED]

Annual Certification Report

Reporting Period: January I to December 31, 20____

The Annual Certification Report for the Economic Development Performance Agreement between the City of Lockhart Economic Development Corporation and ____ is due on March 31,_____.

Please sign and return the Annual Certification Report form with **accompanying narrative and IRS Form 941.**

I. PROJECT INFORMATION

Company Legal Name: ____

Address (subject to incentive): ____

Company Primary Contact: ________________________________ Title: _____________________________

Phone: ____ Email: ad__________________________

II. REPORTING INFORMATION

Employment and Wage Information:

What is the total number of Full-Time Employees located at the Facility during the calendar year? _________

What is the current average wage at your facility? ____________________________

What is the total Annual Payroll for the Lockhart Facility during the calendar year? ______________________

Investment Information:

What is the Company's Personal Property value for the reporting period? ______________________________

Narrative: Please attach a brief narrative explaining the current year's activities and/or comments relating to any potential defaults.

III. ADDITIONAL INFORMATION (VOLUNARTY)

Employment:

Number of Full-Time Employees added in past year: _______

Number of employees that live in Lockhart, Texas: _________

Number of employees that live in Caldwell County, TX: ______

Interested in being contacted about workforce training opportunities? _____ Yes ______ No

Interested in being contacted for assistance with City permits? ______ Yes ______ No

IV. CERTIFICATION

I certify that, to the best of my knowledge and belief, the information and attachments provided herein are true and accurate and in compliance with the terms of the Economic Development Performance Agreement.

I further certify that the representations and warranties contained within the Agreement remain true and correct as of the date of this Certification, and ____________________remakes those representations and warranties as of the date hereof.

I further certify that the employment and wage information provided is true and accurate to the best of my knowledge and I can provide documentation from the Texas Workforce Commission to support my claim if so requested.

I understand that this Certificate is being relied upon by the LEDC in connection with the expenditure of public funds.

I have the legal and express authority to sign this Certificate on behalf of ____________________________.

Name of Certifying Officer:_______________________ Certifying Officer's Title: ______________________

Phone Number: ________________________________ E-Mail Address:_____________________________

Signature of Certifying Officer:____________________ Date: ______________________________________

STATE OF TEXAS x
COUNTY OF CALDWELL

This information was acknowledged before me on this day of by for ___________________., a Texas limited partnership, on behalf of said agency

____
Notary Public, State of Texas

____
Notary's typed or printed name

____
My commission expires

The Annual Certification Report is to be completed, signed and returned on or before April 15, 20___Please send an original to the following address:

Attention: Economic Development Director
City of Lockhart Economic Development Corporation
215 E. Market St.
Lockhart, TX 78644

EXHIBIT “B” – FORM OF CONTINGENT PROMISSORY NOTE

Date: S e p t e m b e r 9 , , 2025

Borrower: Hill Country Foodworks, LLC

Borrower’s Mailing Address:

Lender: Lockhart Economic Development Corporation, 215 E Market St, Lockhart, Caldwell County, Texas 78130

Building Improvement Grant: This promissory note is the promissory note required under that certain Economic Development Incentive Agreement (the “Agreement”) between Borrower and Lender related to Borrower’s construction of building improvements and facility upgrades to a building located in Lockhart at 2605 Dewitt Street. (the “Loan”).

Place for Payment: ____________________

Principal Amount: The Principal Amount shall be the Recapture (as that term is defined in the Agreement) total of the Building Improvement Grant disbursed to Borrower by Lender up to the date of termination of the Agreement due to a default (as that term is defined in the Agreement) caused by the Borrower, pursuant to the terms and schedule in the Agreement.

Annual Interest Rate: Zero (0%) percent.

Contingency Date: The date, if ever, of termination of the Agreement due to a default caused by the Borrower as defined in Article V, Section 4 of the Agreement. This note is not effective until the Contingency Date.

Maturity Date: The Contingency Date

Security for Payment: This note is secured by a security interest created in a security agreement of even date herewith that covers certain personal property of Borrower and that is executed by Borrower as the debtor in favor of Lender as the secured party.

1. Borrower’s Promise to Pay

If the Contingency Date occurs, then Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment by the Maturity Date.

2. Default

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due. Borrower waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney's fees and court and other costs if this note is placed in the hands of an attorney to collect or enforce the note. These expenses will become part of the debt evidenced by the note and will be secured by any security for payment.

The occurrence of any one of the following events shall constitute a default by Borrower (referred to as a "Default"):

(a) Borrower defaults as set forth in the Agreement; and

(b) Borrower fails to pay the note on the Maturity Date.

Even if, at a time when Borrower is in Default, the Lender does not require Borrower to pay immediately in full as described above, the Lender will still have the right to do so if Borrower is in Default at a later time.

3. Miscellaneous

(a) Excess Interest. Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

(b) Notice. Unless applicable law requires a different method, any notice that must or may be given to Borrower under this Note will be given by hand delivery or by mailing same by first class mail, postage prepaid, return receipt requested, to Borrower at Borrower's address above or at a different address if Borrower gives the Lender a notice of Borrower's different address.

(c) Assignment. Borrower understands that the Lender may transfer or assign this note, put only as part of the assignment of the 380 Agreement. The Lender or anyone who takes this note by transfer or assignment and that is entitled to receive payments under this Note is called the "Lender".

(d) Applicable Law and Venue. This note will be construed under the laws of the State of Texas. This note is performable in Caldwell County, Texas. Mandatory venue for any action under this Agreement will be in the state court of appropriate jurisdiction for the action in Caldwell County, Texas. Mandatory venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

(e) Successors and Assigns. The terms "Borrower" and "Lender" also include their respective heirs, personal representatives, successors and assigns.

(f) Each Borrower is responsible for all obligations represented by this note.

(g) When the context requires, singular nouns and pronouns include the plural.

BORROWER:
Hill Country Foodworks, LLC

By: Jacob Cathey

Name: Jacob Cathey

Title: COO

EXHIBIT “C” – FORM OF SECURITY AGREEMENT

Date: September 9, 2025

Debtor: Hill Country Foodworks, LLC

Debtor’s Mailing Address:

Secured Party: Lockhart Economic Development Corporation, a Type B economic development corporation

Secured Party’s Mailing Address: 215 E.Market St, Lockhart TX 78644______________________

Classification of Secured Collateral: Furniture, Fixtures, and Equipment ~~and goods~~.

Secured Collateral: [Insert FFE acquired through the Building Improvement Rebate (as that term is defined in the Agreement].

Obligation:

Note

Date:

Original principal amount: As stated therein

Borrower (Obligor): Hill Country Foodworks, LLC

Lender (Secured Party): Lockhart Economic Development Corporation, a Type B economic development corporation

Maturity date: As stated therein.

Project: Hill Country Foodworks Expansion

In connection with that certain Economic Development Incentive Agreement between Debtor and Secured Party, Debtor grants to Secured Party a security interest in the Secured Collateral and all its proceeds to secure the Obligation and all renewals, modifications, and extensions of the Obligation. Debtor authorizes Secured Party to file a financing statement describing the Secured Collateral.

Superior Lien(s): Any lien, certificate of title or security agreement concerning the financing, purchase, construction, renovation or refinancing of the Secured Collateral. This Security Agreement shall remain subordinate to any Superior Lien(s) and any renewals, modification or amendments to, or extensions of such Prior Lien(s). The City will execute documents reasonably requested by lenders for the Project confirming the superior lien priority.

A. Debtor represents and warrants the following:

1. Debtor owns the Secured Collateral and has the authority to grant this security interest, free from any setoff, claim, restriction, security interest, or encumbrance except liens for taxes not yet due.

2. No person, other than Debtor or Secured Party, has actual or constructive possession of any Secured Collateral, except as authorized agents or representatives of Debtor or Secured Party.

B. Debtor agrees to—

1. Defend the Secured Collateral against all claims adverse to Secured Party's interest; pay all taxes imposed on the Secured Collateral; keep the Secured Collateral free from liens, except for liens in favor of Secured Party or for taxes not yet due or liens to other lenders for the Project; and keep the Secured Collateral in Debtor's possession and ownership except as otherwise provided in this agreement.

2. Pay all Secured Party's expenses, including reasonable attorney's fees and legal expenses, incurred or assessed by a court to (a) obtain, preserve, perfect, defend, and enforce this agreement; (b) retake, hold, prepare for disposition, dispose, collect, or enforce the Secured Collateral; and
(c) collect or enforce the Obligation. These expenses will bear interest from the date of advance at the rate stated in the Note for matured, unpaid amounts and are payable on demand at the place where the Obligation is payable. These expenses and interest are part of the Obligation and are secured by this agreement.

3. Sign and deliver to Secured Party any documents or instruments necessary to obtain, maintain, and perfect this security interest in the Secured Collateral

4. Take any action requested by Secured Party for Secured Party to obtain control of the Secured Collateral.

5. Notify Secured Party immediately of any event of default and of any material change (a) in the Secured Collateral, (b) in Debtor's Mailing Address, (c) in the location of any Secured Collateral,
(d) in any other representation or warranty in this agreement, and (e) that may affect this security interest, and of any change (f) in Debtor's name and (g) of any location set forth above to another state.

6. Maintain accurate records of the Secured Collateral at the address set forth above; furnish Secured Party any requested information related to the Secured Collateral; and permit (or authorize third parties to permit) Secured Party to inspect the Secured Collateral and copy all records relating to the Collateral, whether or not in the possession and control of the Debtor or any third party.

7. Preserve the liability of all obligors on the Secured Collateral and preserve the priority of all security for the Collateral.

8. Cause all obligors on the Secured Collateral to pay and perform all their obligations and inform Secured Party immediately of the default in the payment or performance of any Secured Collateral.

C. Debtor agrees not to—

1. Sell, transfer, or encumber any of the Secured Collateral, without the consent of Secured Part, provided that Debtor may pledge the Secured Collateral to other lenders on the Project, subject to Secured Party's rights

2. Modify any agreement related to the Secured Collateral, except in relation to a Prior Lien.

D. Insurance and Risk of Loss

1. Debtor will insure the Secured Collateral in accordance with Manufacturing Industry standards and the requirements of other lender to the Project. Policies must be written in favor of Debtor, be endorsed to name Secured Party as an additional insured or as otherwise directed in writing by Secured Party, and provide that Secured Party will receive at least 30days' notice before cancellation. Debtor must provide copies of the policies or evidence of insurance to Secured Party.

2. Debtor assumes all risk of loss to the Secured Collateral.

3. Debtor appoints Secured Party as attorney-in-fact to collect any returned unearned premiums and proceeds of any insurance on the Secured Collateral and to endorse and deliver to Secured Party any payment from such insurance made payable to Debtor. Debtor's appointment of Secured Party as Debtor's agent is coupled with an interest and if Debtor is an individual will survive any disability of Debtor.

E. Default and Remedies

1. A default exists if—

    a. Debtor, Obligor, or any secondary obligor fails to timely pay or perform any obligation or covenant in any written agreement between Secured Party and any of Debtor, Obligor, or secondary obligor;

    b. any warranty, covenant, or representation in this agreement or in any other written agreement between Secured Party and any of Debtor, Obligor, or secondary obligor is materially false when made;

    c. a receiver is appointed for Debtor, Obligor, any secondary obligor, or any Secured Collateral;

    d. any Secured Collateral is assigned for the benefit of creditors;

e. a bankruptcy or insolvency proceeding is commenced by Debtor, a partnership in which Debtor is a general partner, Obligor, or any secondary obligor;

f. a bankruptcy or insolvency proceeding is commenced against Debtor, a partnership in which Debtor is a general partner, Obligor, or any secondary obligor, and the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered;

g. any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Debtor; a partnership of which Debtor is a general partner; Obligor; or any secondary obligor; or

h. any Secured Collateral is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral of like kind and quality or restored to its former condition.

2. If a default exists, Secured Party may—

a. demand, collect, convert, redeem, settle, compromise, receipt for, realize on, sue for, and adjust the Secured Collateral either in Secured Party's or Debtor's name, as Secured Party desires, or take control of any proceeds of the Secured Collateral and apply the proceeds against the Obligation;

b. take possession of the Secured Collateral not already in Secured Party's possession, without demand or legal process, and for that purpose Debtor grants Secured Party the right to enter any premises where the Secured Collateral may be located;

c. without taking possession, sell, lease, or otherwise dispose of the Secured Collateral at any public or private sale in accordance with law;

d. exercise any rights and remedies granted by law or this agreement;

e. notify obligors on the Secured Collateral to pay Secured Party directly and enforce Debtor's rights against such obligors; and

f. as Debtor's agent, make any endorsements in Debtor's name and on Debtor's behalf.

3. Foreclosure of this security interest by suit does not limit Secured Party's remedies, including the right to sell the Secured Collateral under the terms of this agreement. Secured Party may exercise all remedies at the same or different times, and no remedy is a defense to any other.

Secured Party's rights and remedies include all those granted by law and those specified in this agreement.

4. Secured Party's delay in exercising, partial exercise of, or failure to exercise any of its remedies or rights does not waive Secured Party's rights to subsequently exercise those remedies or rights. Secured Party's waiver of any default does not waive any other default by Debtor. Secured Party's waiver of any right in this agreement or of any default is binding only if it is in writing. Secured Party may remedy any default without waiving it.

5. Secured Party has no obligation to clean or otherwise prepare the Secured Collateral for sale.

6. At any time Secured Party may contact obligors on the Secured Collateral directly to verify information furnished by Debtor.

7. Other than exercising reasonable care to assure safe custody of the Secured Collateral in its possession, Secured Party has no responsibility for the Secured Collateral. Secured Party has no obligation to collect any of the Secured Collateral and is not liable for failure to collect any of the Secured Collateral, for failure to preserve any rights pertaining to the Secured Collateral, or for any act or omission on the part of Secured Party or Secured Party's officers, agents, or employees, except willful misconduct.

8. Secured Party has no obligation to satisfy the Obligation by attempting to collect the Obligation from any other person liable for it. Secured Party may release, modify, or waive any collateral provided by any other person to secure any of the Obligation. If Secured Party attempts to collect the Obligation from any other person liable for it or releases, modifies, or waives any collateral provided by any other person, that will not affect Secured Party's rights against Debtor. Debtor waives any right Debtor may have to require Secured Party to pursue any third person for any of the Obligation.

9. If Secured Party must comply with any applicable state or federal law requirements in connection with a disposition of the Secured Collateral, such compliance will not be considered to adversely affect the commercial reasonableness of a sale of the Secured Collateral.

10. Secured Party may sell the Secured Collateral without giving any warranties as to the Secured Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of a sale of the Secured Collateral.

11. If Secured Party sells any of the Secured Collateral on credit, Debtor will be credited only with payments actually made by the purchaser and received by Secured Party for application to the indebtedness of the purchaser. If the purchaser fails to pay for the Secured Collateral, Secured Party may resell the Secured Collateral and Debtor will be credited with the proceeds of the sale.

12. If Secured Party purchases any of the Secured Collateral being sold, Secured Party may pay for the Secured Collateral by crediting the purchase price against the Obligation.

13. Secured Party has no obligation to marshal any assets in favor of Debtor or against or in payment of the Note, any of the Other Obligation[s], or any other obligation owed to Secured Party by Debtor or any other person.

14. If the Secured Collateral is sold after default, recitals in the bill of sale or transfer will be prima facie evidence of their truth and all prerequisites to the sale specified by this agreement and by law will be presumed satisfied.

F. General

1. Secured Party may at any time—

a. take control of proceeds of insurance on the Secured Collateral and reduce any part of the Obligation accordingly or permit Debtor to use the funds to repair or replace the Secured Collateral and

b. purchase single-interest insurance coverage that will protect only Secured Party if Debtor fails to maintain insurance, and premiums for the insurance will become part of the Obligation.

2. Notice is reasonable if it is mailed, postage prepaid, to Debtor at Debtor's Mailing Address at least ten days before any public sale or ten days before the time when the Secured Collateral may be otherwise disposed of without further notice to Debtor.

3. This security interest will attach to an after-acquired commercial tort claim only to the extent permitted by law.

4. This security interest will neither affect nor be affected by any other security for any of the Obligation. Neither extensions of any of the Obligation nor releases of any of the Secured Collateral will affect the priority or validity of this security interest.

5. This agreement binds, benefits, and may be enforced by the successors in interest of Secured Party and will bind all persons who become bound as debtors to this agreement. Assignment of any part of the Obligation and Secured Party's delivery of any part of the Secured Collateral will fully discharge Secured Party from responsibility for that part of the Secured Collateral. If such an assignment is made, Debtor will render performance under this agreement to the assignee. Debtor waives and will not assert against any assignee any claims, defenses, or setoffs that Debtor could assert against Secured Party except defenses that cannot be waived. All representations, warranties, and obligations are joint and several as to each Debtor.

6. This agreement may be amended only by an instrument in writing signed by Secured Party and Debtor.

7. The unenforceability of any provision of this agreement will not affect the enforceability or validity of any other provision.

8. This agreement will be construed according to Texas law, without regard to choice-of-law rules of any jurisdiction. This agreement is to be performed in Caldwell County, Texas, and has been signed by Debtor in said Caldwell County. Mandatory venue for any action under this Agreement will be in the state court of appropriate jurisdiction for the action in Caldwell County, Texas. Mandatory venue for any matters in federal court will be in the United States District Court for the Western District of Texas, Austin Division.

9. Interest on the Obligation secured by this agreement will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the Obligation or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the Obligation or, if the principal of the Obligation has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the Obligation.

10. In no event may this agreement secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

11. When the context requires, singular nouns and pronouns include the plural.

12. Any term defined in sections 1.101 to 11.108 of the Texas Business and Commerce Code and not defined in this agreement has the meaning given to the term in the Code.

DEBTOR:
Hill Country Foodworks, LLC

By: ______________________________

Name: ______________________________

Title: ______________________________

ACKNOWLEDGMENT

STATE OF TEXAS)
)

COUNTY OF _____)

This instrument was acknowledged before me on ____________, 2025, by
______________________, ____________________ of _________________.

____
Notary Public, State of Texas

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding Resolution No. 2025-30 approving a performance agreement with Spare Change Restaurant, LLC and authorizing economic development incentives for building improvements for a new business in Lockhart, TX.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Spare Change Restaurant LLC is establishing an Arcade/Duck Pin Bowling concept in the Former Arts and Craft location in Lockhart, TX. The concept is unique to Lockhart and will cater to tweens/teens. It also assists the EDC in their goal of providing quality of life to the community and increasing tourism activities.

Due to the historical aspect and age of the building and concept of the new business, additional electrical upgrades were needed. Spare Change applied for EDC incentives to assist in the electrical upgrades that would help not only the new business, but businesses in the surrounding area.

PROJECT SCHEDULE (if applicable): Business is set to open October 3, 2025.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: EDC Board approved incentive request on Sept. 8, 2028

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving Resolution No. 2025-30.

LIST OF SUPPORTING DOCUMENTS: City Council Resolution No. 2025-30 - Spare Change, Resolution No. 2025-14 Spare Change

RESOLUTION NO. 2025-30

A RESOLUTION OF CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH SPARE CHANGE RESTAURANT, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW BUSINESS IN LOCKHART, TEXAS.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, Spare Change Restaurant, LLC, a Texas limited liability company ("Spare Change"), has applied to LEDC for financial incentives for a project whereby Spare Change agrees to operate a facility of at least 3,500 square feet with $700,000 in new capital investment in area in the City of Lockhart for Spare Change's business operations and to create and maintain at least ten (10) full time jobs at the facility over a seven year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Spare Change Restaurant, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

CITY OF LOCKHART

____
Lew White
Mayor

ATTEST:

____
Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____
Brad Bullock
City Attorney

RESOLUTION NO. 2025-14

A RESOLUTION OF CITY COUNCIL APPROVING A PERFORMANCE AGREEMENT WITH SPARE CHANGE RESTAURANT, LLC AND AUTHORIZING ECONOMIC DEVELOPMENT INCENTIVES FOR BUILDING IMPROVEMENTS FOR A NEW BUSINESS IN LOCKHART, TEXAS.

WHEREAS, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City; and

WHEREAS, Spare Change Restaurant, LLC, a Texas limited liability company ("Spare Change"), has applied to LEDC for financial incentives for a project whereby Spare Change agrees to operate a facility of at least 3,500 square feet with $700,000 in new capital investment in area in the City of Lockhart for Spare Change's business operations and to create and maintain at least eight (8) full time jobs at the facility over a seven year period; and

WHEREAS, the Board of Directors finds that the project will promote new or expanded business development in the City of Lockhart and the surrounding area and that it qualifies as a project pursuant to Chapters 501 and 505, Texas Local Government Code; and

WHEREAS, the Board of Directors is of the opinion that approving a performance agreement for the project and providing financial incentives for its implementation is in the best interests of the LEDC and the City of Lockhart;

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

1. The foregoing recitals are adopted and incorporated herein for all purposes.
2. The Performance Agreement by and between the LEDC and Spare Change Restaurant, LLC attached hereto as Exhibit "A" and incorporated herein is hereby approved and authorized.
3. The Director of the LEDC is directed to take such steps as are necessary to obtain approval of the City Council of Lockhart for the project and Performance Agreement, in the manner required by law, and to take such other steps, including the issuance of notice and the holding of a public hearing, that will authorize and implement the project and performance agreement and payment of financial incentives thereunder.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Alan Fielder

Alan Fielder
Chairman

ATTEST:

Holly Malish

Holly Malish
Secretary

APPROVED AS TO FORM:

Brad Bullock
City Attorney

EXHIBIT A

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
Spare Change Restaurant, LLC.

This Economic Development Incentive Agreement ("Agreement") is entered into by and between the Lockhart Economic Development Corporation, a Type-B economic development corporation (hereinafter called "LEDC") and Spare Change Restaurant, LLC a Texas limited liability company, (hereinafter called "Company") otherwise known as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the ACT requires an incentive agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, Company desires to commence operations in Texas and operate at a thirty-five hundred (3,500 sf) square feet business with $700,000 in new capital investment that is located at 113 N Main St, Lockhart TX 78644; and

WHEREAS, Company intends to create and maintain a minimum of 8 new full-time employees (FTE) with a total, minimum annual payroll of $390,000; and

WHEREAS, LEDC intends to provide a building improvement rebate upon Company receiving a Certificate of Occupancy, commencement of operations, and hiring of new full-time jobs; and

WHEREAS, the location of the Company, as proposed, will contribute to the economic development of the City of Lockhart (the "City") by creating new jobs and increased employment, promoting and developing expanded business enterprises, increased development, increased real property value and tax revalue for the City, and will have both a direct and indirect positive overall improvement and stimulus in the local and state economy;

WHEREAS, the LEDC desires to offer incentives to Company to enable Company to increase tangible business personal property and workforce pursuant to this Agreement in substantial conformity with Lockhart 2023 Targeted Business Strategy Refresh Plan and the Act; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties with respect to such matters; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings; if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE 1
RECITALS

1. Recitals. The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The LEDC's execution of this Agreement is authorized by the Act and constitutes a valid and binding obligation of the LEDC. The LEDC acknowledges that the Company is acting in reliance upon the LEDC's performance of its obligations under this Agreement in making the decision to commit substantial and money to the establishment of the Project, hereinafter established.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between the Company and the LEDC for the building improvement rebate to assist with costs associated with the Project and specifically state covenants, representations of the Parties, and the incentives associated with Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the LEDC and the Company as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by the Company may constitute a breach of the entire Agreement and terminate any further commitments (if any) by the LEDC unless an alternative penalty or remedy is provided for herein.

4. Administration of Agreement. Upon the Effective Date, the LEDC delegates the administration and oversight of this Agreement to the Director of the LEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the LEDC.

ARTICLE III
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as by common and ordinary usage.

"Annual Payroll" shall mean the total wages paid, exclusive of employee benefits, to Fulltime Employees at the Lockhart Facility

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"Bankruptcy" shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Building Improvement Rebate" shall mean a grant for building and equipment upgrades in exchange for receipts and proof of payment not to exceed NINETY-FIVE THOUSAND, FIVE HUNDRED AND FIFTY EIGHT DOLLARS AND NO/100 ($95,558) from LEDC to Company; and

"Certificate of Occupancy" shall mean the signed certificate issued by City of Lockhart Permit Inspections Division permitting the Company the right to occupy the Facility and confirming that the entire work covered by the permit and plans are in place.

"Default" shall mean failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant if uncured within sixty (60) days of receiving written notice from any other Patty.

"Effective Date" shall be the date of the last signature authorizing this agreement.

"Expiration Date" shall mean December 31, 2032

"Facility" shall mean the property and improvements within the 6-acre property located 113 N Main St, Lockhart Texas, 78644.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of a patty, including, without limitation, acts of God or the public enemy, war riot, civil corruption, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of a party), fires, explosions or floods, strikes, slowdowns or work stoppages

"Full-time employee" or "FTE" shall mean: (1) an employee with a regular work schedule of at least 40 hours per week as reported on the Texas Employers Quarterly Wage Report from the Texas Workforce Commission and (2) are entitled to at least the customary employer-sponsored employee benefits package afforded by the Company to its similarly situated employees at other locations.

"Project" shall mean the retention and creation of at least 10 new FTE and occupy a 3,500 square-foot business; and

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor; and

"Tangible Personal Property" shall mean real property improvements excluding building and land and tangible personal property, equipment, machinery, fixtures and inventory owned or leased by Company that is added to the Project subsequent to the execution of this Agreement and is accounted on the tax rolls by the Caldwell County Appraisal District.

ARTICLE IV
ECONOMIC DEVELOPMENT TERMS AND CONDITIONS

1. <u>Building Improvement Rebate</u>

Subject to the satisfaction of all the terms and conditions of this Agreement and the obligation of Company to repay the building improvement rebate pursuant to Article V hereof, the LEDC agrees to provide Company with a building improvement rebate for the creation of 10 FTE over a 7-year period and not to exceed NINETY-FIVE THOUSAND, FIVE HUNDRED AND FIFTY EIGHT DOLLARS AND NO/100 ($95,558). The building improvement rebate shall be paid to Company within sixty (60) days after receipt by the LEDC Director of a Certificate of Occupancy and must maintain the minimum jobs criteria outlined in the Performance Table for the duration of the agreement.

Performance Table

Period Ending Dec 31	Full-Time Employees	Total Payroll	Minimum Tangible Personal Property	Certification Date
Year 1 - 2026	8	\$390,000	\$700,000	15-APR-27
Year 2 - 2027	8	\$390,000	\$700,000	15-APR-28
Year 3 - 2028	8	\$390,000	\$700,000	15-APR-29
Year 4 - 2029	8	\$390,000	\$700,000	15-APR-30
Year 5 - 2030	8	\$390,000	\$700,000	15-APR-31
Year 6 - 2031	8	\$390,000	\$700,000	15-APR-32
Year 7 - 2032	8	\$390,000	\$700,000	15-APR-33

2. Current Revenue. The funds distributed hereunder shall be paid solely from lawfully available funds to the LEDC. Under no circumstances shall the obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. None of the obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3. Confidentiality. The LEDC, to the extent allowed by law, shall keep all tax information and documentation received, pursuant to this Agreement hereof, confidential. In the event a request is made for such information pursuant to the Texas Public Information Act, LEDC will not disclose the information unless required to do so by the Attorney General of Texas under the provisions of the applicable statutes.

4. Conditions Precedent. The obligation of the LEDC to pay funds in the form of a building improvement rebate shall be conditioned upon Company successfully obtaining a Certificate of Occupancy and the continued compliance with and satisfaction of each of the conditions set forth in this Agreement as reflected in the Performance Table above.

5. Annual Report. The Company shall submit an Annual Report (an "Annual Report") for the preceding Calendar Year to the Executive Director of the LEDC each year not later than April 15th each year. The Annual Report should substantially conform to the Annual Report Form attached as Exhibit A to this Agreement along with a copy of IRS Form 941. The first Annual Report will be due April 15, 2027.

ARTICLE V
COVENANTS AND DUTIES

1. Company's Covenants and Duties. Company makes the covenants and warranties to the LEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Company.

(a) Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any time of this Agreement and shall timely and fully comply with all of the terms and conditions of this Agreement to commence and complete the Project in accordance with the Agreement.

(b) The execution of this Agreement has been duly authorized by Company's authorized agent, and the individual signing this Agreement is empowered to execute such Agreement and bind the Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of Company's by-laws, or of any agreement or instrument to which Company is a party to or by which it may be bound.

(c) Company is not a party to any Bankruptcy proceedings currently pending or contemplated, and Company has not been informed of any potential involuntary Bankruptcy proceedings.

(d) To its current, actual knowledge, and subject to the Certificate of Occupancy (or other approvals and permits to be obtained under subpart (f) immediately below), Company has acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use its best efforts to maintain all necessary rights, licenses, permits, and authority.

(e) Company agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of any improvements to the Facility and shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project.

(f) Company shall cooperate with the LEDC in providing all necessary information and documentation to assist the LEDC in its determination that Company in in compliance with this Agreement.

(g) During the term of this Agreement, Company agrees to not knowingly employ any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a, Company shall be in Default and subject to the remedies set forth in this Agreement. Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Company enters into with any subsidiary, assignee, affiliate, or franchisee for which a building improvement rebate provided herein will be used.

(h) Maintain and prepare financial statements in accordance with generally accepted accounting principles in the United States of America as established by the Financial Accounting Standards Board and permit LEDC to visit, examine, audit, inspect, and make and take away copies or reproductions of Company's book of accounts and other records at mutually agreed upon times (provided, LEDC shall pay the reasonable fees and disbursements of any accountants or other agents of LEDC, selected by LEDC, for the foregoing purposes). Unless written notice of another location is given to LEDC, Company's books and records will be located at 113 N Main St, Lockhart, Caldwell County, Texas 78644.

(i) Grant LEDC the right to review audited year-end financial statements to include balance sheet, operating statement and surplus reconciliation, together with an officer's certificate of compliance with this Agreement including computations of all quantitative covenants, as well as un-audited, interim financial statements, and promptly provide LEDC with such additional information, reports, or statements respecting its business operations and financial condition as LEDC may reasonably request in the event any performance objectives are not met as reported in the Annual Reports as required in Article IV, Section 5.

(j) Grant LEDC the right to periodically (and with reasonable advance notice) verify the terms and conditions of this Agreement including, but not limited to, the number of persons employed by Company as a result of the assistance provided hereunder, the number of hours each employee worked during the previous 12 months, and the cumulative payroll for Company's Lockhart operation.

2. LEDC's Covenants and Duties. The LEDC is obligated to pay Company an amount not to exceed NINETY-FIVE THOUSAND, FIVE HUNDRED AND FIFTY EIGHT DOLLARS AND NO/100 ($95,558) as a building improvement rebate as set forth in Article IV.

3. Substantial Compliance and Default. Failure by any Party to timely and substantially comply with any performance requirement, duty, or covenant shall be considered an act of Default if uncured within sixty (60) days of receiving written notice from any other Party. Failure of Company to timely and substantially cure a default will give the LEDC the

right to terminate this Agreement, as reasonably determined by the Board of Directors of the LEDC.

4. Recapture. In the event of Default by the Company, the LEDC shall, as its sole and exclusive remedy for Default hereunder, after providing Company notice and an opportunity to cure, have the right to recapture all building improvement rebate amounts previously paid under this Agreement (as applicable, the "Recaptured Amount"). The Recaptured Amount shall be paid by the Company within one hundred twenty (120) days after the date Company is notified by the LEDC of such Default (the "Payment Date") provided said Default was not cured. In the event the Recaptured Amount is not repaid by the applicable Payment Date, the unpaid portion thereof shall accrue interest at the rate of two percent (2.00%) per annum from the Effective Date until paid in full.

ARTICLE VI
TERMINATION

1. Termination. This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

(a) The written agreement of the Parties;
(b) The Agreement's Expiration Date as defined in Article III; or
(c) Default by Company (at the option of the LEDC).

ARTICLE VII
DISPUTE RESOLUTION

1. In the event of any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties shall attempt in good faith to resolve the same by good faith mediation before a mediator mutually agreed to by the parties.

2. In the event that the claim or controversy is not settled by mediation or any other alternative dispute resolution method agreed to by the parties, either party may file suit in a court of competent jurisdiction sitting in the State of Texas.

ARTICLE VIII
MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. The Executive Director of the LEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the LEDC, on behalf of the Parties related thereto. Notwithstanding any other provision of this Agreement to the contrary, performance of either Party under this Agreement is specifically contingent on Company obtaining a Certificate of

Occupancy from the City and commencing operations at the Facility under the terms of this Agreement.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terns and provisions of this Agreement and to aid and assist each other in carving out such terms and provisions.

3. Representations and Warranties. The LEDC represents and warrants to Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. Company represents and warrants to the LEDC that it has the requisite authority to enter into this Agreement.

4. Assignment. Company shall have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party' with prior written approval of the LEDC. Any assignment provided herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement, nor shall they relieve Company of any liability to the LEDC including any required indemnity in the event that any Assignee hereof shall at any time be in Default of the terms of this Agreement. The LEDC may demand and receive adequate assurance of performance including the deposit or provision of financial security by' any proposed Assignee prior to its approval of an assignment.

5. Notice. Any notice required or permitted to be delivered hereunder 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 intended for LEDC:	Lockhart Economic Development Corporation Attention: Dir. of Economic Development 215 E Market Street Lockhart, TX 78644
With a Copy To:	Messer Fort Attention: Bradford E. Bullock 4201 W. Parmer Lane Ste C-150 Austin, TX 78644
If to the Company:	Spare Change Restaurant, LLC Attention: Daniel Warrilow 113 N. Main St Lockhart, TX 78644

Any Party may designate a different address at any time upon written notice to other Parties.

7. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Caldwell County. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors of the LEDC.

9. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.

10. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that, in any manner, relates to the subject matter of this Agreement, except as provided for in any Exhibits attached hereto or duly approved amendments to this Agreement, as approved by the Board of Directors of the LEDC.

12. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

13 Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

14. Indemnification. ***COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE LEDC, ITS OFFICERS, AGENTS SERVANTS AND EMPLOYEES (EACH AN "INDEMNIFIED PARTY"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS OR***

LESSEES, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE COMPANY SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE LEDC AGAINST CLAIMS CAUSED BY AN INDEMNIFIED PARTY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE LEDC INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND AN INDEMNIFIED PARTY, THE COMPANY'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE COMPANY'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

TO THE EXTENT ALLOWED BY LAW, THE LEDC HEREBY RELEASES AND AGREES TO HOLD HARMLESS COMPANY, ITS OFFICERS, AGENTS, AFFILIATES AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO THOSE FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) THE LEDC'S DEFAULT WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE LEDC, ITS OFFICERS, SERVANTS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, RELATED TO THE LAND, IMPROVEMENTS ON THE LAND, INCLUDING THE PROJECT IMPROVEMENTS, AND ANY OPERATIONS AND ACTIVITIES THEREON, OR OTHERWISE TO THE PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THE LEDC SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE COMPANY AGAINST CLAIMS CAUSED BY THE COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT, AND IF THE COMPANY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT FAULT OR NEGLIGENCE OF COMPANY AND THE LEDC, THE LEDC'S OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE LEDC'S OWN PERCENTAGE OF RESPONSIBILITY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

Executed on this day 8th of September 2025.

SPARE CHANGE RESTAURANT, LLC

By: ______________________

Lockhart Economic Development Corporation

By: Alan Fielder

Alan Fielder, Chairman

Attest:

Holly Malish

Holly Malish, Secretary

Approved as to Form:

____

Brad Bullock, Attorney

Annual Certification Report

Reporting Period: January I to December 31, 20____

The Annual Certification Report for the Economic Development Performance Agreement between the City of Lockhart Economic Development Corporation and ____ is due on March 31,_____.

Please sign and return the Annual Certification Report form with **accompanying narrative and IRS Form 941.**

I. PROJECT INFORMATION

Company Legal Name: ____

Address (subject to incentive): ____

Company Primary Contact: _________________________________ Title: _____________________________

Phone: ____ Email: ad___________________________

II. REPORTING INFORMATION

Employment and Wage Information:

What is the total number of Full-Time Employees located at the Facility during the calendar year? _________

What is the current average wage at your facility? ____________________________

What is the total Annual Payroll for the Lockhart Facility during the calendar year? ______________________

Investment Information:

What is the Company's Personal Property value for the reporting period? _____________________________

Narrative: Please attach a brief narrative explaining the current year's activities and/or comments relating to any potential defaults.

III. ADDITIONAL INFORMATION (VOLUNARTY)

Employment:

Number of Full-Time Employees added in past year: _______

Number of employees that live in Lockhart, Texas: _________

Number of employees that live in Caldwell County, TX: ______

Interested in being contacted about workforce training opportunities? _____ Yes ______ No

Interested in being contacted for assistance with City permits? ______ Yes ______ No

IV. CERTIFICATION

I certify that, to the best of my knowledge and belief, the information and attachments provided herein are true and accurate and in compliance with the terms of the Economic Development Performance Agreement.

I further certify that the representations and warranties contained within the Agreement remain true and correct as of the date of this Certification, and ____________________remakes those representations and warranties as of the date hereof.

I further certify that the employment and wage information provided is true and accurate to the best of my knowledge and I can provide documentation from the Texas Workforce Commission to support my claim if so requested.

I understand that this Certificate is being relied upon by the LEDC in connection with the expenditure of public funds.

I have the legal and express authority to sign this Certificate on behalf of ____________________________.

Name of Certifying Officer:_______________________ Certifying Officer's Title: ______________________

Phone Number: ________________________________ E-Mail Address:_____________________________

Signature of Certifying Officer:____________________ Date: _______________________________________

STATE OF TEXAS x
COUNTY OF CALDWELL

This information was acknowledged before me on this day of by for ___________________., a Texas limited partnership, on behalf of said agency

____
Notary Public, State of Texas

____
Notary's typed or printed name

____
My commission expires

The Annual Certification Report is to be completed, signed and returned on or before April 15, 20___Please send an original to the following address:

Attention: Economic Development Director
City of Lockhart Economic Development Corporation
215 E. Market St.
Lockhart, TX 78644

City of Lockhart, Texas

Council Agenda Item
Cover Sheet

COUNCIL MEETING DATE: September 16, 2025

AGENDA ITEM CAPTION: Discussion and/or action regarding Resolution No. 2025-31 approving the execution of a Letter of Intent (LOI) and funds to secure a visitor center and providing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Economic Development - Holly Malish

ACTION REQUESTED: Resolution

BACKGROUND/SUMMARY/DISCUSSION: Per direction of the Lockhart City Council to acquire and expand a Visitors Center, the Lockhart Economic Development has potentially secured a location in Downtown Lockhart. A visitor's center will serve as a front door to the city and help encourage longer stays in the community.

In order to secure the position and hold the location during a due diligence period, funds will need to be utilized.

PROJECT SCHEDULE (if applicable): Schedule to be determined.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION: Lockhart EDC board approved incentive agreeement on September 8, 2025.

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval of Resolution No. 2025-31.

LIST OF SUPPORTING DOCUMENTS: City Council Resolution 2025-31 Visitors Center, Resolution NO 2025-16, .

RESOLUTION NO. 2025-31

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION FOR THE CITY OF LOCKHART, APPROVING THE EXECUTION OF A LETTER OF INTENT (LOI) AND FUNDS TO SECURE A VISITOR CENTER, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Texas Constitution and Chapters 380, 501 and 505 of the Texas Local Government Code, among other statutory grants of authority, the City of Lockhart, Texas (the "City") has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the City would enhance the economic base of the City in conformity with Chapters 380, 501 and 505, as applicable, of the Texas Local Government Code; and

WHEREAS, the City of Lockhart has identified the need to establish and secure a Visitor Center location that reflects the community's culture, history, and hospitality; and

WHEREAS, the expenditure of funds for tourism facilities is an allowable expenditure for a Type B EDC under Texas Local Government Code § 505.152; and,

WHEREAS, Lockhart EDC staff has presented a proposed **Letter of Intent (LOI)** outlining preliminary terms and conditions for securing a Visitor Center facility; and

WHEREAS, the Lockhart EDC finds that approving the LOI is in the best interest of the City of Lockhart and supports long-term community growth and tourism development; and

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

1. The Lockhart EC hereby approves the **Letter of Intent** to secure a Visitor Center, substantially in the form presented.
2. The President of the Corporation is authorized to execute the LOI and take all necessary actions to carry out its intent.
3. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 16th day of SEPTEMBER, 2025.

CITY OF LOCKHART

____

Lew White
Mayor

ATTEST:

____

Julie Bowermon
City Secretary

APPROVED AS TO FORM:

____

Brad Bullock
City Attorney

RESOLUTION NO. 2025-16

A RESOLUTION OF THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION FOR THE CITY OF LOCKHART, APPROVING THE EXECUTION OF A LETTER OF INTENT (LOI) AND FUNDS TO SECURE A VISITOR CENTER, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lockhart EDC recognizes the importance of tourism, economic development, and community promotion as essential drivers of local prosperity; and

WHEREAS, a Visitor Center serves as a welcoming hub for residents, businesses, and tourists by providing resources, wayfinding, and information that encourages longer stays and greater local spending; and

WHEREAS, the City of Lockhart has identified the need to establish and secure a Visitor Center location that reflects the community's culture, history, and hospitality; and

WHEREAS, the expenditure of funds for tourism facilities is an allowable expenditure for a Type B EDC under Texas Local Government Code § 505.152; and,

WHEREAS, Lockhart EDC staff has presented a proposed **Letter of Intent (LOI)** outlining preliminary terms and conditions for securing a Visitor Center facility; and

WHEREAS, the Lockhart EDC finds that approving the LOI is in the best interest of the City of Lockhart and supports long-term community growth and tourism development;

NOW, THEREFORE, BE IT RESOLVED BY THE LOCKHART EDC OF THE CITY OF LOCKHART:

1. The Lockhart EC hereby approves the **Letter of Intent** to secure a Visitor Center, substantially in the form presented.
2. The President of the Corporation is authorized to execute the LOI and take all necessary actions to carry out its intent.
3. This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 8th day of SEPTEMBER, 2025.

LOCKHART ECONOMIC DEVELOPMENT CORPORATION

Alan Fielder

Alan Fielder, Chairman

Attest:

Holly Malish

Holly Malish, Board Secretary

Approved to as form:

Brad Bullock, Board Attorney

CITY OF
Lockhart
ECONOMIC DEVELOPMENT

Letter of Intent with Option Period

Date: September 9, 2025

To: Bill Guinn
109 E San Antonio St
Lockhart, TX 78644

From: Lockhart EDC
215 E Market St
Lockhart, TX 78644

Letter of Intent for 109 E Market St, Lockhart TX 78644

Purpose

This **Letter of Intent ("LOI")** outlines the preliminary terms under which Lockhart EDC ("Lessee") proposes to enter into a formal agreement with Bill Guinn ("Lessor") regarding the lease for a Visitor's Center, located at 109 E Market St, Lockhart TX 78644, (the "Property").

Purchase Price / Lease Terms

The rent shall be $3500 per month, subject to adjustments, closing conditions, and due diligence as outlined in a definitive agreement.

Option Period

- **Length:** Lessee shall have an option period of 45 days commencing on the date of full execution of this LOI (the "Option Period").
- **Option Fee:** Lessee shall pay Lessor a non-refundable option fee of $1500, which shall apply to the first month of rent.
- **Termination:** During the Option Period, Lessee may terminate this LOI for any reason by providing written notice to Lessor, in which case neither party shall have any further obligation except as expressly stated herein.

Due Diligence

Lessee shall have the right to conduct inspections, review title, survey, financials, and any other necessary diligence during the Option Period.

Execution of Lease Agreement

Execution of a lease agreement shall occur within 45 days following expiration of the Option Period.

Exclusivity

During the Option Period, Lessor agrees not to solicit, negotiate, or enter into agreements with other parties regarding the Property.

Binding / Non-Binding Effect

Except for Sections [Exclusivity, and Governing Law], which are intended to be binding, this LOI is non-binding and serves as a framework for negotiation of a lease agreement.

Governing Law

This LOI shall be governed by and construed under the laws of the State of Texas.

Acknowledged and Agreed:

[Lessee Name]
Title: ________________
Date: ________________

[Lessor Name]
Title: ________________
Date: ________________

Lockhart
TEXAS

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 contraints) 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
Jeffry 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

Facilitated by Opportunity Strategies LLC

City of Lockhart

2020-2021 Strategic Priorities

Prepared by:

Opportunity Strategies LLC