

CITY OF KYLE

Notice of Regular City Council Meeting

Kyle City Hall, 100 W. Center Street, Kyle, TX 78640;
Spectrum 10; <https://www.cityofkyle.com/kyletv/kyle-10-live>



SPECIAL NOTE: Pursuant to the March 16, 2020 proclamation issued by Governor Abbott, this meeting will be held in-person and by videoconference in order to advance the public health goal of limiting face-to-face meetings (also called 'social distancing') to slow the spread of COVID-19. Some City Council members will be present in the chamber while others will attend the meeting via videoconferencing. This meeting can be viewed live online at <https://www.cityofkyle.com/kyletv/kyle-10-live> OR Spectrum10.

Notice is hereby given that the governing body of the City of Kyle, Texas will meet at 7:00 PM on April 20, 2021, at Kyle City Hall, 100 W. Center Street, Kyle, TX 78640; Spectrum 10; <https://www.cityofkyle.com/kyletv/kyle-10-live>, for the purpose of discussing the following agenda.

Posted this 15th day of April, 2021, prior to 7:30 p.m.

I. Call Meeting to Order

II. Approval of Minutes

1. City Council Special Meeting Minutes - April 6, 2021. ~ *Jennifer Holm, City Secretary*
2. City Council Meeting Minutes - April 6, 2021. ~ *Jennifer Holm, City Secretary*

III. Citizen Comment Period with City Council

The City Council welcomes comments from Citizens early in the agenda of regular meetings. Those wishing to speak are encouraged to sign in before the meeting begins. Speakers may be provided with an opportunity to speak during this time period on any agenda item or any other matter concerning city business, and they must observe the three-minute time limit.

IV. Presentation

3. Presentation by Texas State University's MBA Capstone group on Uber Kyle \$3.14 program. ~ *Samantha Armbruster, Director of Communications*
4. CIP/Road Projects and Consent Agenda Presentation. ~ *Travis Mitchell, Mayor*

V. Consent Agenda

5. Declaring additional parks maintenance equipment as surplus and directing city staff to identify equipment to be placed on the surplus property listing and the equipment to be declared without value to be disposed or recycled. ~ *Mariana Espinoza, Director of Parks & Recreation*
6. Authorize award and execution of a Purchase Order to ATLANTIS AQUATICS GROUP through Buyboard purchasing cooperative contract # 613-20, for an amount of \$71,250.00 to replaster the James Adkins Pool. ~ *Mariana Espinoza, Director of Parks & Recreation*
7. Approve the vacation of a 50 foot access easement to the Roland Lane Elevated Storage Tank ~ *Leon Barba, P.E., City Engineer*

VI. Consider and Possible Action

8. Authorize award and execution of a Purchase Order to THE BRANDT COMPANIES, LLC., through BuyBoard purchasing cooperative contract #638-21, for an estimated amount of \$130,000 to repair damages in the plumbing system located underground and inside walls at the James Adkins Pool. Final repair costs may exceed the initial cost estimate. ~ *Mariana Espinoza, Director of Parks & Recreation*
9. (*Second Reading*) An ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of rezoning approximately 14.08 acres of land from Single Family-1 'R-1' to Townhome District 'R-1-T' for property located at the north corner of Live Oak Street and St. Anthony's Drive, in Hays County, Texas. (WS Live Oak Kyle, LLC - Z-21-0072) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 5-1 to recommend approval of the request.

City Council voted 6-0 to approve on First Reading.

10. Acceptance of the City's Comprehensive Annual Financial Report (CAFR) and the Independent Auditor's Report for the Fiscal Year ended September 30, 2020. ~ *Perwez A. Moheet, CPA, Director of Finance & Tino Robledo, CPA, RSM US, LLP, Certified Public Accountants*
11. (*First Reading*) An ordinance amending Chapter 53 (Zoning) for the purpose of amending PUD documentation related to approximately 107.247 acres of land to allow impervious surfaces calculations for two or more lots within the 'PUD' that

may be combined and considered as a whole, such that the impervious cover across the lots remains in accordance with the City of Kyle limits by district type for property located on Vista Ridge Dr. and Gateway Blvd., in Hays County, Texas. (RR HPI, LLC - Z-21-0077) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 6-1 to approve the request.

- Public Hearing

12. A Resolution of the City of Kyle, Texas, Demonstrating Support and Enthusiasm for the Texas Legislature's Bills HCR 12 and SCR 22, Which if Passed, Would Designate the City of Kyle as the Official Pie Capital of Texas. ~ *Samantha Armbruster, Director of Communications*
13. A Resolution of the City Council of the City of Kyle, Texas Providing no Objection to the Submission of an Application for Low Income Housing Tax Credits to the Texas Department of Housing and Community Affairs for the Proposed Balcones Trails Multifamily Housing Project Located at 601 Philomena Drive; Approving Findings Related to the Application; Imposing Conditions for Such Non-Objection and Declaring an Effective Date. ~ *James R. Earp, Assistant City Manager*

- Public Hearing

14. *(First Reading)* An Ordinance of the City of Kyle, Texas Regulating Sex Offender Residency within the City and Establishing Child Safety Zones; Amending Chapter 23 of the Code of Ordinances Entitled "Miscellaneous Offenses" by adding Article XI to be Entitled "Child Safety Zones;" Making it Unlawful for Certain Sex Offenders to Reside within 1500 feet of Premises where Children Commonly Gather; Providing Exceptions to the Ordinance; Prohibiting Property Owners from Renting Real Property to Certain Sex Offenders; Providing Penalties for Violations of the Ordinance; Repealing Ordinances or Parts of Ordinances in Conflict Therewith; Providing a Severability Clause, Findings of Fact and Providing for Open Meetings. ~ *Jeff Barnett, Chief of Police*

VII. City Manager's Report

15. Update on various capital improvement projects, road projects, building program, and/or general operational activities where no action is required. ~ *J. Scott Sellers, City Manager*
 - Mass Food Distribution events
 - Annual Community Survey summary
 - Parks and Recreation events and programming
 - Upcoming FY22 Budget dates
 - May 9-15th - Economic Development Week programming
 - COVID Testing and Vaccine

VIII. Executive Session

16. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.
 1. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071.
 - o City Lights and Kyle Marketplace Subdivision/Development
 - o Changeable Electronic Variable Message Sign
 - o Downtown Utilities
 - o Prairie Lakes MUD
 2. Possible purchase, exchange, lease, or value of real estate pursuant to Section 551.072.
 3. Personnel matters pursuant to Section 551.074.
 4. Convene into executive session pursuant to Section 551.087, Texas Government Code, to deliberate regarding the offer of economic incentives to one or more business prospects that the City seeks to have locate, stay, or expand in or near the City.
 - o Project Eburnean
 - o Project Pacific Blue
 - o Project Mulberry
 - o Project Apricot

17. Take action on items discussed in Executive Session.

IX. Adjourn

At any time during the Regular City Council Meeting, the City Council may adjourn into an Executive Session, as needed, on any item listed on the agenda for which state law authorizes Executive Session to be held

*Per Texas Attorney General Opinion No. JC-0169; Open Meeting & Agenda Requirements, Dated January 24, 2000: The permissible responses to a general member communication at the meeting are limited by 551.042, as follows: "SEC. 551.042. Inquiry Made at Meeting. (a) If, at a meeting of a government body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by the subchapter, the notice provisions of this subchapter, do not apply to: (1) a statement of specific factual information given in response to the inquiry; or (2) a recitation of existing policy in response to the inquiry. (b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting."



CITY OF KYLE, TEXAS

2021 0406 Minutes

Meeting Date: 4/20/2021

Date time:7:00 PM

Subject/Recommendation: City Council Special Meeting Minutes - April 6, 2021. ~ *Jennifer Holm, City Secretary*

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- 2021 0406 DRAFT Special Council Meeting Minutes

SPECIAL CITY COUNCIL MEETING MINUTES

The City Council of the City of Kyle, Texas met in Special Session on April 6, 2021 and due to COVID-19, some members attended virtually (v) at <https://www.cityofkyle.com/kyletv/kyle-10-live>; Spectrum 10 with the following persons present:

Mayor Travis Mitchell
Mayor Pro Tem Rick Koch
Council Member Dex Ellison (v)
Council Member Yvonne Flores-Cale
Council Member Robert Rizo
Council Member Ashlee Bradshaw
Council Member Michael Tobias
Scott Sellers, City Manager
James Earp, Assistant City Manager (v)
Paige Saenz, City Attorney (v)
Jerry Hendrix, Chief of Staff (v)
Samantha Armbruster, Communications Dir.
Jennifer Holm, City Secretary
Diana Torres, Economic Dev Director (v)
Sandra Duran, HR Director (v)
Matt Dawson, IT Director (v)
Grant Bowling, Video Production Specialist
Howard Koontz, Community Dev Director (v)
Jeff Barnett, Chief of Police (v)

I. Call Meeting to Order

Mayor Mitchell called the meeting to order at 6:04 p.m. Mayor Mitchell asked the city secretary to call roll.

Present were: Mayor Mitchell, Mayor Pro Tem Koch, Council Member Ellison, Council Member Flores-Cale, Council Member Rizo, Council Member Bradshaw, and Council Member Tobias. A quorum was present.

II. Citizen Comment Period with City Council

1. Members of the public that wish to provide citizen comment have the following options:
 1. In-Person at Kyle City Hall
 2. Virtual Attendance - Submit the online registration form found at: <https://www.cityofkyle.com/council/citizen-comment-sign>. Registration must be received by 12 p.m. on the day of the meeting.

Mayor Mitchell opened citizen comments at 6:05 p.m. With no one wishing to speak, Mayor Mitchell closed citizen comments at 6:05 p.m.

III. Executive Session

2. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.
 1. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071.
 - City Lights and Kyle Marketplace Subdivision/Development
 2. Possible purchase, exchange, lease, or value of real estate pursuant to Section 551.072.
 3. Personnel matters pursuant to Section 551.074.
 4. Convene into executive session pursuant to Section 551.087, Texas Government Code, to deliberate regarding the offer of economic incentives to one or more business prospects that the City seeks to have locate, stay, or expand in or near the City.
 - Project Big Red
 - Project Valkyrie
 - Project EKUS
 - Project SUFC
 - Project Pacific Blue
 - Project Apollo
 - Project Apricot

Council Member Flores-Cale read into the record, “Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics: Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071 - City Lights and Kyle Marketplace Subdivision/Development; and Convene into executive session pursuant to Section 551.087, Texas Government Code, to deliberate regarding the offer of economic incentives to one or more business prospects that the City seeks to have locate, stay, or expand in or near the City - Project Big Red; Project Valkyrie; Project EKUS; Project SUFC; Project Pacific Blue; Project Apollo; Project Apricot.”

The City Council convened into executive session at 6:06 p.m.

3. Take action on items discussed in Executive Session.

Mayor Mitchell called the meeting back to order in open session at 7:06 p.m. Mayor Mitchell announced that no action took place in Executive Session and no action would be taken now.

IV. Adjourn

Mayor Mitchell moved to adjourn. Council Member Rizo seconded the motion. All votes aye; motion carried 7-0.

With no further business to discuss, the City Council adjourned at 7:06 p.m.

Travis Mitchell, Mayor

Attest:

Jennifer Holm, City Secretary

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CITY OF KYLE, TEXAS

2021 0406 Minutes

Meeting Date: 4/20/2021
Date time: 7:00 PM

Subject/Recommendation: City Council Meeting Minutes - April 6, 2021. ~ *Jennifer Holm, City Secretary*

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- 2021 0406 DRAFT Council Meeting Minutes

REGULAR CITY COUNCIL MEETING MINUTES

The City Council of the City of Kyle, Texas met in Regular Session on April 6, 2021 and due to COVID-19, some members attended virtually (v) at Spectrum 10; <https://www.cityofkyle.com/kyletv/kyle-10-live> with the following persons present:

Mayor Travis Mitchell	Cory Rebmann
Mayor Pro Tem Rick Koch	Michael Kloss
Council Member Dex Ellison (v)	Peter Parcher
Council Member Yvonne Flores-Cale	Glen Hurlston (v)
Council Member Robert Rizo	Travis Sawvell
Council Member Ashlee Bradshaw	Tyler Gatewood
Council Member Michael Tobias	
Scott Sellers, City Manager	
James Earp, Assistant City Manager	
Paige Saenz, City Attorney (v)	
Jerry Hendrix, Chief of Staff	
Samantha Armbruster, Communications Dir.	
Jennifer Holm, City Secretary	
Leon Barba, City Engineer	
Diana Torres, Economic Dev Director (v)	
Sandra Duran, HR Director (v)	
Matt Dawson, IT Director (v)	
Grant Bowling, Video Production Specialist	
Paul Phelan, Library Director (v)	
Mariana Espinoza, PARD Director (v)	
Howard Koontz, Community Dev Director (v)	
Jeff Barnett, Chief of Police	
Pedro Hernandez, Police Captain	
Tracy Vrana, Police Sergeant	
Krissi Milliken, Emergency Comm. Manager	
Briana Brecher, Animal Control Officer	
Kelly Delagarza, Victim's Services Coordinator	
Hannah Bickford, Rcrds CP Coordinator	
Harper Wilder, Director of Public Works	
Julie Crookston, Asst. Dir. Public Works (v)	

I. Call Meeting to Order

Mayor Mitchell called the meeting to order at 7: 07p.m. The Pledge of Allegiance was recited. Mayor Mitchell asked the city secretary to call roll.

Present were: Mayor Mitchell, Mayor Pro Tem Koch, Council Member Ellison, Council Member Flores-Cale, Council Member Rizo, Council Member Bradshaw, and Council Member Tobias. A quorum was present.

IV. Recognition

4. Recognition of the Lehman Lobo Powerlifting Program - Boys and Girls State Championships 2020-2021. ~ *Michael Tobias, Council Member*

Mayor Mitchell brought forward Item No. 4 for discussion out of order before Approval of the Minutes and Citizen Comments and gave the floor to Council Member Tobias. Coach Cory Rebmann spoke about the team and all the history that was made. He introduced all the team and their winnings. No action was taken.

Mayor Mitchell called a recess at 7:20 p.m. Mayor Mitchell called the meeting back to order at 7:27 p.m.

V. Presentation

5. Mayoral Proclamations. ~ *Travis Mitchell, Mayor*
 - Child Abuse Prevention and Awareness Month
 - Sexual Assault Awareness and Prevention Month
 - National Public Safety Telecommunicators Week (April 11th – April 17th)
 - National Animal Control Officer Appreciation Week (April 11th – April 17th)

Mayor Mitchell brought forward and presented Item No. 5 and read aloud the National Public Safety Telecommunicators Week Proclamation; Council Member Flores-Cale presented the National Animal Control Officer Appreciation Week Proclamation; Council Member Rizo presented the Child Abuse Prevention and Awareness Month Proclamation; and Council Member Bradshaw presented the Sexual Assault Awareness and Prevention Month Proclamation. No action was taken.

II. Approval of Minutes

1. City Council Special Meeting Minutes - March 16, 2021. ~ *Jennifer Holm, City Secretary*
2. City Council Meeting Minutes - March 16, 2021. ~ *Jennifer Holm, City Secretary*

Mayor Mitchell brought forward the minutes for discussion after Item No. 5.

Council Member Rizo moved to approve the minutes of the March 16, 2021 Special Council Meeting and the minutes of the March 16, 2021 Council Meeting. Council Member Tobias seconded the motion. All votes aye; motion carried 7-0.

III. Citizen Comment Period with City Council

3. Members of the public that wish to provide citizen comment have the following options:
 1. In-Person at Kyle City Hall
 2. Virtual Attendance - Submit the online registration form found at: <https://www.cityofkyle.com/council/citizen-comment-sign>. Registration must be received by 12 p.m. on the day of the meeting.

Mayor Mitchell opened citizen comments at 7:42 p.m.

Michael Kloss was called to speak as registered. He spoke about the proposed sexual offender ordinance and that with the proclamations read here tonight, it would be great to have this passed this month as well.

Peter Parcher was called to speak as registered. He provided a status report regarding the emergency response team. By the end of June, he stated that there should be five handheld operators at the general level, in September, there will be someone certified for handling tragedies. He spoke about Hays County CERT being involved. He asked for suggestions. He also spoke about the Kyle Citizen's Veteran's Parade. He has 14 companies that would like to be involved and other entities waiting to hear whether the City is participating or not.

Glen Hurlston was called to speak as registered. He spoke about his interactions with Chief Barnett.

With no one else wishing to speak, Mayor Mitchell closed citizen comments at 7:50 p.m.

VI. Appointments

6. Consider approval of a resolution confirming the reappointments of Tim Samford, James Earp, and Derrick Turley to the Alliance Regional Water Authority Board of Directors for three-year terms. ~ *Travis Mitchell, Mayor*

Mayor Mitchell brought forward and presented Item No. 6.

Mayor Mitchell moved to approve a Resolution confirming the reappointments of Tim Samford, James Earp, and Derrick Turley to the Alliance Regional Water Authority Board of Directors for three-year terms. Mayor Pro Tem Koch seconded the motion. All votes aye; motion carried 7-0.

7. Reappointment to the Economic Development and Tourism Board. ~ *Diana Torres, Director of Economic Development*
 - Brian Ziegler, First United Bank, Financier Seat
 - Tessa Schmitzinsky, PEC, Utility Seat
 - Don Tracy, ACC, Higher Education/Workforce Development Seat

Mayor Mitchell brought forward Item No. 7 for discussion. Ms. Torres stated that staff received a request for postponement so that staff could provide applications. Ms. Torres asked if she should proceed forward with presentation or the request. Council Member Flores-Cale said because she and Council Member Bradshaw are new on the Council and due to the Easter weekend, she wanted time to review. Mayor Pro Tem Koch stated these were sitting board members and it was not typical to go through our own interview process with them.

Mayor Pro Tem Koch moved to approve the reappointment of Brian Ziegler, First United Bank, Financier Seat, Tessa Schmitzinsky, PEC, Utility Seat, and Don Tracy, ACC, Higher Education/Workforce Development Seat on the Economic Development and Tourism Board for a two-year term. Council Member Rizo seconded the motion.

There was discussion on the motion. Council Member Tobias stated that with it being reappointments, it is just a matter of reappointing them. Council Member Flores-Cale stated that she would like to see

some new faces and does not feel comfortable approving just because they have been serving. Council Member Rizo asked about term limits. Ms. Torres stated that she does not believe there are term limits and presented on the fact that the board is advisory in nature. Council Member Flores-Cale stated that there is another item later in the agenda to revise the staffing policy and she thinks these reappointments are putting the cart before the horse. Council Member Ellison stated his support for these recommended reappointments, but also understands Council Member Flores-Cale's position. Mayor Mitchell spoke about the history of the policy.

Motion carried 6-1 with Council Member Flores-Cale dissenting.

8. Consider nomination and take action for appointment to the Planning and Zoning Commission to fill two vacancies with unexpired terms. ~ *Howard J. Koontz, Director of Planning and Community Development*
 - Patricia Snidow
 - Matthew Chase

Mayor Mitchell brought forward Item No. 8 for discussion. Mr. Koontz presented the item.

Mayor Pro Tem Koch moved to approve the nomination and appointment Patricia Snidow and Matthew Chase to the Planning and Zoning Commission to fill two vacancies with unexpired terms. Council Member Rizo seconded the motion.

There was discussion on the motion. Council Member Ellison asked council to postpone these appointments until the later item discussion boards and commissions. He spoke about the desire to have a conversation about the policy regarding appointments and qualification process. He talked about fairness following the policy, he was not clear how that policy was followed. Council Member Flores-Cale asked about residency and how that has been verified. Mr. Sellers provided information about the generic application, and internal discussions about specifying the applications. Mr. Sellers spoke about the differences of various board's requirements concerning qualifications. Council Member Bradshaw spoke about Ms. Snidow's resume points, and statements made in her application. Mayor Mitchell spoke about the selection process, the detailed discussion that took place a few council meetings ago and expediting this appointment. Council Member Ellison asked where in the Charter it says P&Z is six months. He read the Charter section stating 12 months. He continued speaking about the policy item later the agenda. Mayor Mitchell stated that he feels comfortable voting on this and believes the issue with the policy is semantical. He stated that if Council wants to amend the policy to provide more clarity, he is happy to have that discussion. Mr. Sellers stated that Sec. 2-62 provides qualifications for Boards and Commissions, but beginning in Sections 2-67 and 2-68, qualifications for Planning & Zoning specifically. In addition, Mr. Sellers spoke about Sec. 10.04 addressing qualified voters and 6-month requirement. Council Member Flores-Cale spoke about the recent resignations, and the need to look at more than just a resume and residency. She spoke about the desire to appoint people who are being proactive. Council Member Rizo stated that the City needs to appoint candidates that are going to move the City forward. Council Member Bradshaw spoke about the fact that on Council, all but two are transplants, and it is a good thing that people who recently moved here want to be involved. She spoke about the experience that the applicants bring and want to provide their time. Council Member Flores-Cale asked if anyone knew, who on P&Z were new residents, compared to old residents. She stated her concern was that it is not limiting the pool, it is expanding

the pool, besides new people. Council Member Ellison stated that this does not have to do with these candidates, but he brought this up in February and just got it on the agenda. Council Member Ellison stated that had the resignations not taken place, these appointments would not be on the agenda for consideration, but the policy discussion would be. His reading of the policy is that the basic criteria must be met and then they should be interviewed. He asked whether the other seven applicants who were not interviewed met the basic criteria. He stated that there is no way to know what the other seven candidates may have brought to the Planning & Zoning Commission. Mayor Mitchell stated that his opinion is that staff performed work to narrow down the list for the panel, but all the panel members also looked at all the applications. Mayor Pro Tem Koch thanked the nominees for their willingness to serve and he agrees to move forward on vote and to discuss the other items when they get to it.

Mayor Mitchell requested a roll call vote. Mayor Mitchell voted aye; Council Member Ellison voted nay; Council Member Flores-Cale voted nay; Council Member Bradshaw voted aye; Council Member Tobias voted aye; Mayor Pro Tem Koch voted aye; and Council Member Rizo voted aye. Motion carried 5-2.

VII. Consent Agenda

9. CIP/Road Projects and Consent Agenda Presentation. ~ *Travis Mitchell, Mayor*

Mayor Mitchell brought forward the CIP/Road Projects and Consent Agenda Presentation for discussion. Mr. Barba provided a presentation. Chief Jeff Barnett presented on Item Nos. 14 and 15. He introduced Sgt. Vrana who presented on Item No. 14. Ms. Delagarza provided information regarding Victim's Services statistics related to Item No. 15.

Mayor Mitchell brought forward the Consent Agenda.

10. Approve Plum Creek Phase 1, Section 6F, Resub of Lot 3 (SUB-21-0166) 2.4273 acres; 4 commercial lots for property located on the southwest corner of Kohler's Crossing and Benner Road. ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 6-0 to approve.

11. Approve Plum Creek Phase 2, Section 2 - Preliminary Plan (SUB-20-0152) 55.028 acres; 201 single family lots and 16 open space lots located within the 400 block of Kohler's Crossing. ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 6-0 to approve.

12. Authorize award and execution of a Purchase Order to LCRA, Dallas TX, in an amount not to exceed \$17,718.63 for the purchase and installation of vehicles radios, mobile radios, and misc. associated equipment for the Public Works Department. ~ *Julie Crookston, Assistant Director Public Works*

13. Approve a resolution authorizing the city manager to execute separate agreements with MCGRAY & MCGRAY LAND SURVEYORS, INC., Austin, Texas; and BYRN &

ASSOCIATES INC., San Marcos, Texas to provide surveying services for all city departments. ~ *Leon Barba, P.E., City Engineer*

14. Authorize the City Manager to apply for and accept a STEP grant in an amount no greater than \$8,100.00 from TXDOT and authorize matching funding from the Police Department's approved operating budget for FY 2020-2021 in an amount not to exceed \$1,620 to fund a STEP Grant Program for an enforcement period beginning May 24, 2021 through June 6, 2021. ~ *Jeff Barnett, Chief of Police*
15. Approve a Resolution of the City Council of the City of Kyle, Texas, authorizing the submission of an application for a 2-year grant to the Office of the Attorney General, for a full-time Victim Advocate I position; authorize funds from the Police Department's future budgets to pay for the cost of fringe benefits, equipment, and uniforms for the Victim Advocate I; authorizing the City Manager to apply for, accept, reject, alter or terminate the grant on behalf of the City Council; finding and determining that the meeting at which the resolution is passed is open to the public as required by law; providing for an effective date; and making such other findings and provisions related hereto. ~ *Jeff Barnett, Chief of Police*

Council Member Rizo moved to approve Consent Agenda Item Nos. 10, 11, 12, 13, 14, and 15. Council Member Bradshaw seconded the motion. All votes aye; motion carried 7-0.

VIII. Consider and Possible Action

16. (*First Reading*) An ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of assigning original zoning to approximately 66.245 acres of land from Agriculture 'AG' to Warehouse District 'W' for property located at 24801 IH-35, in Hays County, Texas. (FM 158 Land LTD - Z-21-0071) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 6-0 to recommend approval of the request.

- Public Hearing

Mayor Mitchell brought forward Item No. 16 for discussion. Mr. Koontz presented the item.

Mayor Mitchell opened the public hearing at 8:49 p.m. With no one wishing to speak, Mayor Mitchell closed the public hearing at 8:50 p.m.

Council Member Rizo moved to an Ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of assigning original zoning to approximately 66.245 acres of land from Agriculture 'AG' to Warehouse District 'W' for property located at 24801 IH-35, in Hays County, Texas. (FM 158 Land LTD - Z-21-0071) Council Member Bradshaw seconded the motion.

All votes aye; motion carried 7-0.

Mayor Mitchell asked whether there were any objections to the item being finally passed. There were none.

17. *(First Reading)* An ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of rezoning approximately 14.08 acres of land from Single Family-1 'R-1' to Townhome District 'R-1-T' for property located at the north corner of Live Oak Street and St. Anthony's Drive, in Hays County, Texas. (WS Live Oak Kyle, LLC - Z-21-0072) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 5-1 to recommend approval of the request.

- Public Hearing

Mayor Mitchell brought forward Item No. 17 for discussion. Mr. Koontz presented the item.

Mayor Pro Tem Koch left the dais at 8:50 p.m.

Mayor Mitchell opened the public hearing at 8:54 p.m. With no one wishing to speak, Mayor Mitchell closed the public hearing at 8:54 p.m.

The presentation continued.

Council Member Rizo moved to an Ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of rezoning approximately 14.08 acres of land from Single Family-1 'R-1' to Townhome District 'R-1-T' for property located at the north corner of Live Oak Street and St. Anthony's Drive, in Hays County, Texas. Council Member Tobias seconded the motion. All votes aye; motion carried 6-0. Mayor Pro Tem Koch was absent for the vote.

18. *(First Reading)* An ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of assigning original zoning to approximately 12.9 acres of land from Agriculture 'AG' to Mixed Use District 'MXD' for property located on the northeast corner of Philomena Drive and Bunton Creek Road, in Hays County, Texas. (Estate of Evelyn Franke, et al - Z-21-0074) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 6-0 to recommend approval of the request.

- Public Hearing

Mayor Mitchell brought forward Item No. 18 for discussion. Mr. Koontz presented the item.

Mayor Mitchell opened the public hearing at 9:26 p.m. With no one wishing to speak, Mayor Mitchell closed the public hearing at 9:26 p.m.

Mayor Pro Tem Koch returned to the dais at 9:27 p.m.

Mayor Mitchell moved to an Ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of assigning original zoning to approximately 12.9 acres of land from Agriculture 'AG' to Mixed Use District 'MXD' for property located on the northeast corner of Philomena Drive and Bunton Creek Road, in Hays County, Texas. (Estate of Evelyn Franke, et al - Z-21-0074) Council Member Tobias seconded the motion.

There was discussion on the motion. Council Member Ellison stated that he is torn on this one. He stated that MXD was added in the 2017 Comp Plan Amendment. He stated that this is the first request, and his consternation is regarding the item. He thinks there is a lot of potential moving forward but would like some clarity before second reading. Mayor Mitchell requested updated information regarding the item which is to be considered during the second reading.

Motion carried 5-2 with Council Members Flores-Cale and Ellison dissenting.

19. *[Postponed 3/16/2021] (First Reading)* An ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, to rezone approximately 19.5 acres of land from Retail Service District 'RS' to Multi-Family Residential-3 'R-3-3' for property located at 5492 Kyle Center Drive, in Hays County, Texas. (DDR DB Kyle LP - Z-20-0069) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 5-1 to deny the request.

- Public Hearing

Mayor Mitchell brought forward Item No. 19 for discussion.

Mayor Mitchell announced at 9:31 p.m. the item has a public hearing which is still open. With no one wishing to speak, Mayor Mitchell closed the public hearing at 9:31 p.m.

Travis Sawvell spoke on behalf of the developer, CSW. He provided information on the history of their contract and issues they faced in developing the project.

Council Member Ellison moved to postpone an Ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, to rezone approximately 19.5 acres of land from Retail Service District 'RS' to Multi-Family Residential-3 'R-3-3' for property located at 5492 Kyle Center Drive, in Hays County, Texas to the next regularly scheduled council meeting. Council Member Bradshaw seconded the motion.

There was discussion on the motion. Council Member Rizo asked whether the applicant was amenable to postponing. Mr. Sawvell stated he is amenable. Mayor Mitchell stated that there are three votes against multifamily, so he would like to see multifamily off of this project. Mr. Sawvell was interested in creative brainstorming on the first floor. Mayor Mitchell stated that he should explore the mixed use. Mayor Mitchell also asked whether the Council wants to keep the public hearing open. No one said to keep it open. Council Member Ellison stated that he is against R-3-3. Council Member Flores-Cale asked whether there is a business reason to keep the public hearing open. Mr. Sawvell said he is okay with it being closed.

Mayor Mitchell requested a roll call vote on the motion to postpone.

Council Member Ellison voted aye; Mayor Mitchell voted nay; Mayor Pro Tem Koch voted nay; Council Member Rizo voted nay; Council Member Flores-Cale voted aye; Council Member Bradshaw voted aye; Council Member Tobias voted nay.

Motion failed to postpone 3-4.

Mayor Mitchell moved to deny R-3-3 zoning. Council Member Flores-Cale seconded the motion.

There was discussion on the motion. Mayor Pro Tem Koch asked what the rules are regarding the applicant changing the zoning. Mr. Sellers stated it would require a new application and the applicant could apply immediately so long as it is for a different zoning code such as MXD. Resubmitting for the same zoning code would require a twelve-month waiting period.

All votes aye; motion carried 7-0.

20. Third Amendment to the Development Agreement between City of Kyle, Texas and Clayton Properties Group, Inc. DBA Brohn Homes and Amendment to the Development Agreement Between the City of Kyle and Clayton Properties Group, Inc. DBA Brohn Homes. ~ *J. Scott Sellers, City Manager*

Mayor Mitchell brought forward Item Nos. 20 and 21 for discussion simultaneously. Mr. Sellers presented the items. Tyler Gatewood provided information on the project.

Mayor Mitchell moved to approve Agenda Items 20 and 21 and make Item No. 21 contingent upon the signing of Item No. 20. Council Member Bradshaw seconded the motion. All votes aye; motion carried 7-0.

Mayor Mitchell left the dais at 10:34 p.m.

21. *[Postponed 3/16/2021] (Second Reading)* An ordinance amending Chapter 53 (Zoning) for City of Kyle, Texas, for the purpose of assigning original zoning to approximately 29.8 acres of land from Agriculture 'AG' to Single Family Residential-3 'R-1-3' for property located southeast of Lehman Road and south of Lehman High School, in Hays County, Texas. (Clayton Properties Group, Inc D/B/A Brohn Homes - Z-21-0070) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 5-1 to approve the request.

City Council voted 6-1 to approve the ordinance on first reading.

22. Review and approve updated Communication and Social Media policy. ~ *Samantha Armbruster, Director of Communications*

Mayor Pro Tem Koch brought forward Item No. 22 for discussion. Ms. Armbruster presented the item.

Mayor Mitchell returned to the dais at 11:37 p.m.

Council Member Ellison moved to approve updated Communication and Social Media policy. Council Member Bradshaw seconded the motion. All votes aye; motion carried 7-0.

23. Presentation and update on status of a Multifamily Recycling Pilot program for apartment complexes in Kyle. ~ *Dex Ellison, Council Member*

Mayor Mitchell brought forward Item No. 23 and gave the floor to Council Member Ellison. Mr. Hendrix provided information on the program. No action was taken.

24. A Resolution of the City of Kyle, Texas, Accepting the Petition for Annexation of 25.2 Acres, More or Less, of Land Located in Hays County, Texas; Setting an Annexation Schedule; Providing for Open Meetings and Other Related Matters. ~ *Howard J. Koontz, Director of Planning and Community Development*

Mayor Mitchell brought forward Item No. 24 for discussion. Mr. Koontz presented the item.

Mayor Mitchell moved to a Resolution of the City of Kyle, Texas, Accepting the Petition for Annexation of 25.2 Acres, More or Less, of Land Located in Hays County, Texas; Setting an Annexation Schedule; Providing for Open Meetings and Other Related Matters. Council Member Flores-Cale seconded the motion. All votes aye; motion carried 7-0.

25. Reconsider Direction to the Planning & Zoning Commission to Revise the CBD 1 & CBD 2 zoning codes. ~ *Travis Mitchell, Mayor*

Mayor Mitchell brought forward and presented Item No. 25.

Mayor Mitchell moved to rescind the previous direction to the Planning & Zoning Commission to revise the CBD 1 & CBD 2 zoning codes. Council Member Flores-Cale seconded the motion.

Motion carried 6-1, with Council Member Ellison dissenting.

26. Discussion and possible action regarding Board & Commission Staffing Policy. ~ *Dex Ellison, Council Member*

Mayor Mitchell brought forward Item No. 26 for discussion and gave the floor to Council Member Ellison. No action was taken.

27. Approval of Balcones Trail Workforce Housing Payment and Development Agreement. ~ *James R. Earp, Assistant City Manager*

Mayor Pro Tem Koch brought forward Item No. 27 for discussion. Mayor Mitchell and Council Member Tobias left the dais at 12:14 a.m. Mr. Sellers presented the item.

Council Member Rizo moved to approve Balcones Trail Workforce Housing Payment and Development Agreement. Council Member Bradshaw seconded the motion. All votes aye; motion carried 5-0. Mayor Mitchell and Council Member Tobias were absent for the vote.

XI. City Manager's Report

28. Update on various capital improvement projects, road projects, building program, and/or general operational activities where no action is required. ~ *J. Scott Sellers, City Manager*
- Community Survey
 - Upcoming Budget Dates FY 2021-22
 - COVID-19 Testing and Vaccine update
 - Business Booster webinar
 - Kyle Mass Food Distribution Event

Mr. Sellers spoke about the Upcoming Budget Dates for FY 2021-22, Community Survey closing on April 12th, COVID-19 Testing and Vaccine update, Business Booster webinar April 13 at 10:00 a.m., and the Kyle Mass Food Distribution Event scheduled for April 24th, May 22nd, and June 26th.

X. Executive Session

29. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.
1. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071.
 - City Lights and Kyle Marketplace Subdivision/Development
 2. Possible purchase, exchange, lease, or value of real estate pursuant to Section 551.072.
 3. Personnel matters pursuant to Section 551.074.
 4. Convene into executive session pursuant to Section 551.087, Texas Government Code, to deliberate regarding the offer of economic incentives to one or more business prospects that the City seeks to have locate, stay, or expand in or near the City.
 - Project Big Red
 - Project Valkyrie
 - Project EKUS
 - Project SUFC
 - Project Pacific Blue
 - Project Apollo
 - Project Apricot

There was no executive session.

30. Take action on items discussed in Executive Session.

IX. Adjourn

Mayor Pro Tem Koch moved to adjourn. Council Member Bradshaw seconded the motion. All votes aye; motion carried 5-0.

With no further business to discuss, the City Council adjourned at 12:25 a.m. on April 7, 2021.

Attest:

Travis Mitchell, Mayor

Jennifer Holm, City Secretary

DRAFT



CITY OF KYLE, TEXAS

Uber Kyle \$3.14 program Presentation

Meeting Date: 4/20/2021
Date time: 7:00 PM

Subject/Recommendation: Presentation by Texas State University's MBA Capstone group on Uber Kyle \$3.14 program. ~ *Samantha Armbruster, Director of Communications*

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- ☐ City of Kyle - Uber314 - City Council Presentation

Uber Kyle \$3.14 Adoption Analysis

City Council Meeting
April 20th, 2021



Item # 3



The Texas State MBA Team



Name	Professional Background
Joe Savak https://www.linkedin.com/in/joesavak/	Dell Technologies, Program Manager
Amy Kramer https://www.linkedin.com/in/amy-kramer-mortgage/	Homewise Financial Group, Mortgage Broker
Ryosuke Mineta https://www.linkedin.com/in/ryosuke-mineta/	The Personal Wealth Coach, Marketing Strategist
Tomislav Sicaja https://www.linkedin.com/in/tomislav-sicaja-8942006b/	Amherst Holdings, Senior Financial Analyst
Megan Wills https://www.linkedin.com/in/megan-wills-84944889/	VMWare, Strategic Renewals Account Manager Item # 3



Key Recommendations

- Pursue grant options to reduce the cost burden on the City of Kyle.
- Implement targeted marketing activities to increase the awareness and usage of the Uber Kyle 3.14 program.
- Revisit the Uber Kyle 3.14 program when monthly ridership increases above 1,740 (58 per day).



Contextual Analysis

<p>Strengths</p> <ul style="list-style-type: none">• Meets availability needs through door-to-door service.• Meets schedule flexibility goals through on-demand service.• No capital expenditures required. Cost to the City of Kyle is based on usage.• Wheelchair accessible	<p>Weaknesses</p> <ul style="list-style-type: none">• Funding solely provided through the City of Kyle• Low ridership of the program relative to other similar-sized city programs• High reliance on smartphone access and resident technology know-how• Uber surge pricing during high demand or inclement weather can increase cost to Kyle and residents.
<p>Opportunities (Long term)</p> <ul style="list-style-type: none">• Autonomous buses• Micro-mobility (bike rental, etc)	<p>Threats</p> <ul style="list-style-type: none">• Increased liability for ride hailing public transportation programs• Declining ridership for public transportation; easier/cheaper substitutes available• Uber drivers becoming employees (higher rates)• Increased public perception of climate change and CO2 consumption



Georgetown, Pflugerville, San Marcos

City and Program	Population (2019)	Annual Cost to the City (\$)	Subsidized Amount per Year (\$)	Variable Cost per Ride to City (\$)	Variable Cost per Ride to Passenger (\$)	Number of Riders per Year
Kyle Uber	42,706	150,000	0	7.08	3.14	2,532*
Georgetown GoGeo (CARTS)	71,004	392,590	472,976	17.25	1.00	22,755
Pflugerville Capital Metro	61,737	310,235	200,157	17.00 - 23.61	1.25	13,140 - 18,250*
San Marcos (CARTS)	63,220	1,035,000	1,065,000	8.16	1.00	126,846**

statistics reported for most recent years available

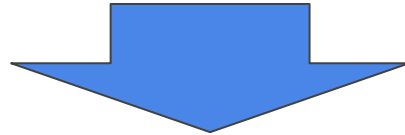
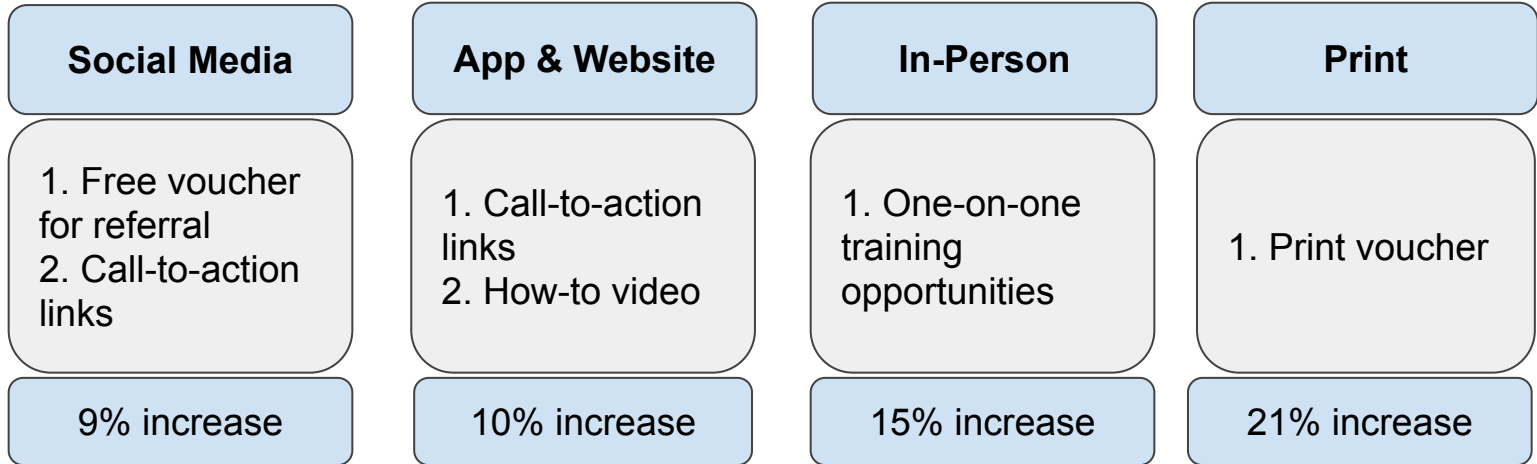
*projected
**excludes TSU route



Grant Options

- Urbanized Area Formula Grants (49 U.S.C 5307)
 - Available to cities with population from 50,000 - 200,000
 - Distributed by FTA
 - Funds can be utilized for planning, operations, and administrative activities
 - Based on population density levels
 - Local match of 20% required
- 2021 Enhanced Mobility of Seniors and Individuals with Disabilities Public Transportation (49 U.S.C 5310)
 - Distributed by FTA
 - Funds can be utilized for capital and operating expenditures including transit operations, sidewalk maintenance, and pedestrian signals
 - Allocation based on Census figures for elderly and disabled populations
 - Local or Federal match of 50% required

Key Recommended Marketing Activities



55% increase in ridership with 110 new rides per month.



Innisfil Canada: Case Study



- 2017, Innisfil becomes one of the first cities to partner with Uber. Average cost per ride is \$4-6
- First two budgets were \$100,000 and \$125,000 respectively. 2018 the budget grew to \$350,000. By 2019, budget required rose to \$900,000
- With Innisfil having massively successful demand, they have “broken” the cost savings model over traditional bus investment. City of Kyle daily ridership would have to exceed 58 to “break” the the cost savings model. Even with implementing marketing recommendations it is unlikely this occurs for 30+ years.

Thank you!

Item # 3



CITY OF KYLE, TEXAS

CIP/Road Projects Update

Meeting Date: 4/20/2021

Date time: 7:00 PM

Subject/Recommendation: CIP/Road Projects and Consent Agenda Presentation. ~ *Travis Mitchell, Mayor*

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

No Attachments Available



CITY OF KYLE, TEXAS

Parks Surplus #2

Meeting Date: 4/20/2021

Date time: 7:00 PM

Subject/Recommendation: Declaring additional parks maintenance equipment as surplus and directing city staff to identify equipment to be placed on the surplus property listing and the equipment to be declared without value to be disposed or recycled. ~ *Mariana Espinoza, Director of Parks & Recreation*

Other Information: The Parks and Recreation Department has old, unused and salvage equipment at the Park Maintenance Yard located at 225 Rebel Rd. The Parks and Recreation Department has previously presented a surplus list to Council and was approved at the February 2, 2021 Council meeting to identify equipment to be placed on the surplus listing or to be declared without value and to be disposed or recycled. This second list includes items that were identified for surplus listing, disposal or recycling during the progress of the clean up efforts at the Park Maintenance Yard.

Legal Notes:

Budget Information:




ATTACHMENTS:

Description





- ☐ PARD Surplus List #2





Date: April 13, 2021
 To: Mayor and Council
 CC: Scott Sellers, City Manager
 Jerry Hendrix, Chief of Staff
 From: Mariana Espinoza, Parks and Recreation Department Director
 Re: PARD Maintenance Surplus Listing #2

ITEM	Quantity	Reason	
Skidsteer Tracks for a Caterpillar Skidsteer Model: 762	2	Unused, outdated	
Skidteer Tires for a Caterpillar Skidsteer Model: 762	4	Used, no longer use due to upgrading to larger tires	
Troy Bilt Pressure Washer (black hose)	1	No compression, bad motor	

Auger Attachment	1	Outdated, not compatible with current backhoe, has not been used in over five years	
Backhoe Rock Bucket	1	Outdated, not compatible with current backhoe, has not been used in over five years	
Ferris (with black seat)	1	Missing parts, last operated a year ago	
Ferris (with grey seat)	1	Missing parts, last operated a year ago	

Hydraulic Lift Gooseneck	1	Unused in over five years, dead battery, battery dies fast	
Chevy Truck	1	Inside panels worn out, does not run	
Gator (w yellow seats)	1	Does not run, low compression in the engine	
Backhoe Jackhammer Attachment	1	Outdated, not compatible with current backhoe, has not been used in over five years	

Gator (without seats)	1	Does not run, missing parts, low to no compression on the engine		
Excell Pressure Washer	1	Does not run.		
Sanitaire Carpet Cleaner	1	Does not run		
Rhino Shredder Deck	1	Does not run, not compatible with current backhoe, has not been used in over five years		

Backhoe Bucket (straight edge)	2	Not compatible with current backhoe, has not been used in over five years		
Black Goosneck Trailer	1	Not compatible with current fleet, has not been used in over three years, may have wiring issues		



CITY OF KYLE, TEXAS

Replaster

Meeting Date: 4/20/2021

Date time:7:00 PM

Subject/Recommendation: Authorize award and execution of a Purchase Order to ATLANTIS AQUATICS GROUP through Buyboard purchasing cooperative contract # 613-20, for an amount of \$71,250.00 to replaster the James Adkins Pool. ~ *Mariana Espinoza, Director of Parks & Recreation*

Other Information: The pool is in need of a replaster. It has been patched over the years, but original plaster is still in place. For the safety of all guests, the pool needs a full replaster as the current plaster has a high probability of popping off the concrete shell, which could also result in long-term damages to the pool. Three bids were obtained. Staff recommends awarding a purchase order to the Atlantis Aquatics Group.

Legal Notes:

Budget Information: Funding is available in the approved CIP Budget for the Fiscal Year 2020-2021 as follows:
1720-65300-57350 \$71,250.00

ATTACHMENTS:

Description

- ☐ Atlantis Proposal

7700 Hwy 71 W Suite 160
Austin, TX 78735
Tel: (512) 243-6877 Fax: (800) 684-6789

OWNER INFORMATION

City of Kyle
Kyle TX

Contact Information

Austin Haralson
737-999-4054

Main Pool and Raised Spa

SCOPE OF WORK

1. Saw cut around drains, tile and returns
2. Remove all loose plaster by using 40,000 PSI Hydro Blaster and prep
3. Remove debris from site
4. Acid wash pool
5. Install SGM Bond Kote per manufacturer specifications
6. Furnish and install (Diamond Brite) plaster per manufacturer specifications.
7. Start Up and balance

Atlantis Pool Plastering, Inc. agrees to furnish all necessary materials, equipment, labor, supplies, supervision and tools necessary to perform the work described above.

EXCLUSIONS

Draining of pool
Water to fill pool
Brushing of Walls

PLASTER BID: Seventy One Thousand Two Hundred Fifty Dollars

\$71,250.00



CITY OF KYLE, TEXAS

Vacation of a 50' Access Easement to the Roland Lane Elevated Storage Tank

Meeting Date: 4/20/2021
Date time: 7:00 PM

Subject/Recommendation: Approve the vacation of a 50 foot access easement to the Roland Lane Elevated Storage Tank ~ *Leon Barba, P.E., City Engineer*

Other Information: Section 3.02 of the Paramount Development Agreement requires City Council action to vacate the 1.17 acre (50' wide) Access Easement recorded in Volume 715, Page 219.

3.02 City Easements. At the closing of the portion of land under an unimproved property contract that includes the City's existing Water Tower Site, the Developer shall convey the real property, within the 0.23-acre Water Storage Easement recorded in Volume 609, Page 193 in Hays County, Texas, along with an additional five (5.0') foot perimeter buffer to the City at no cost. At the time, the Developer files a final plat on an adjacent property that provides paved access to the City's Water Tower Site, the City will be prepared to and will immediately record a document to vacate, release and abandon the 1.17-acre (50' Wide) Access Easement recorded in Volume 715, Page 219 in Hays County, Texas.

Legal Notes: N/A

Budget Information: N/A

ATTACHMENTS:

Description

- Paramount Section 2 Final Plat
- Recorded Roland Lane Access Easement Document 260449
- Release and Termination of Easement- Roland Lane EST Access Road

[A]
CALLED 1.0000 ACRES
CECIL AUBREY BALES
AND DEBORAH KAY BALES
VOL. 392, PG. 673
D.R.H.C.T.

[B]
LOT 1
GREEN OAKS FARM
VOL. 10, PG. 147
O.P.R.H.C.T.
WILLIAM LYNN
WILKERSON
AND SUSAN KAY
WILKERSON
VOL. 1922, PG. 696
O.P.R.H.C.T.

CALLED 6.46 ACRES
JESSE J GREENWALT JR.
AND MARY J GREENWALT
VOL. 1420, PG. 78
O.P.R.H.C.T.

CALLED 2.41 ACRES
ADAM EARLY AND
JENNA EARLY
DOC. # 16025496
O.P.R.H.C.T.

CALLED 49.62 ACRES
KY-TEX PROPERTIES, INC.
VOL. 285, PG. 458
R.P.R.H.C.T.

REMAINDER OF
CALLED 170.876 ACRES
PARAMOUNT PARK, LTD
DOC. NO. 18013402
O.P.R.H.C.T.

[C]
KINGS CANYON DRIVE
(60' R.O.W.)

50' ROAD AND P.U.E.
VOL. 715, PG. 219
D.R.H.C.T.
(TO BE VACATED)

FROM WHICH
AN IRON ROD
FOUND LIES
N39°23'07"E 1.78'

16
DRAINAGE
EASEMENT
& OPEN SPACE

MATCHLINE

20' P.U.E.
VOL. 609, PG. 193
D.R.H.C.T.

15' DRAINAGE
EASEMENT
HEREBY
DEDICATED

15' DRAINAGE
EASEMENT
HEREBY
DEDICATED



LANDSCAPE
AREA

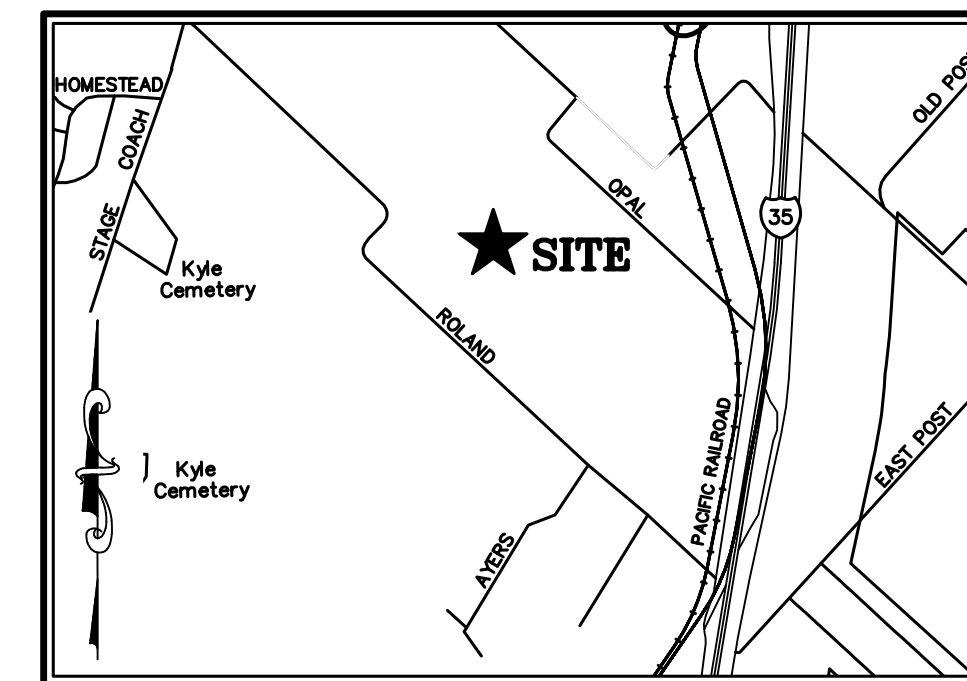
LANDSCAPE
AREA

OPAL LANE
(A.K.A. C.R. 138)
(R.O.W. VARIES)

Z. HINTON
SURVEY NO. 12
ABSTRACT NO. 220

JAMES W. WILLIAMS
SURVEY NO. 11
ABSTRACT NO. 473

SURVEY CONTROL POINT
GRID N: 13,901,242.09
GRID E: 2,324,080.28
ELEV. = 703.53'



VICINITY MAP

SCALE: 1" = 2000'

LEGEND

- PROPERTY LINE
- - - EXISTING PROPERTY LINES
- - - EXISTING EASEMENTS
- 1/2" IRON ROD WITH "4WARD BOUNDARY" CAP SET
- 1/2" IRON ROD FOUND (UNLESS NOTED)
- ⊙ IRON ROD WITH "G&R" CAP FOUND
- ⊙ 1/2" IRON PIPE FOUND (UNLESS NOTED)
- ⊙ COTTON SPINDLE FOUND
- ⊙ NAIL FOUND
- ⊙ CALCULATED POINT
- ⊙ SURVEY CONTROL POINT
- P.O.B. POINT OF BEGINNING
- DOC. NO. DOCUMENT NUMBER
- P.U.E. PUBLIC UTILITY EASEMENT
- VOL./PG. VOLUME, PAGE
- R.O.W. RIGHT-OF-WAY
- O.P.R.H.C.T. OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS
- D.R.H.C.T. DEED RECORDS, HAYS COUNTY, TEXAS
- R.P.R.T.C.T. REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS
- (.....) RECORD INFORMATION PER DEED DOC. NO. 18013402
- (.....) RECORD INFORMATION PER DEED VOL. 665 PG. 409
- [.....] RECORD INFORMATION PER DEED VOL. 749 PG. 306
- [.....] RECORD INFORMATION PER DEED VOL. 392 PG. 673
- {.....} RECORD INFORMATION PER DEED VOL. 1420 PG. 78
- {.....} RECORD INFORMATION PER DEED VOL. 285 PG. 458

OWNERS: PARAMOUNT PARK, LTD
ADDRESS: P.O. BOX 670649
DALLAS, TX 75367
PHONE: (512) 434-9684 FAX: N/A
CITY OF KYLE
ADDRESS: 100 W. CENTER STREET
KYLE, TX 78640
PHONE: (512) 262-3923 FAX: N/A
ACREAGE: 38.6805
SURVEY: Z. HINTON SURVEY NO. 12 ABSTRACT NO. 220
NUMBER OF LOTS AND PROPOSED USE: (IF MORE THAN ONE USE IS PLANNED FOR THE LOTS, PROVIDE LAND USE SUMMARY SHOWING # OF LOTS ARE PLANNED FOR EACH USE): 145 RESIDENTIAL; 6 OPEN SPACE; 1 CIVIC LOT
DATE:
SURVEYOR: 4WARD LAND SURVEYING, LLC
ENGINEER: MILLER GRAY, LLC
PHONE: (512) 537-2384 FAX: N/A
PHONE: (512) 861-5300 FAX: N/A

PARAMOUNT
SECTION TWO
City of Kyle,
Hays County, Texas



PO Box 90876, Austin Texas 78709
WWW.4WARDLS.COM (512) 537-2384
TBPLS FIRM #10174300

Date:	1/9/2020
Project:	00754
Scale:	1" = 100'
Reviewer:	PRB
Tech:	BAP
Field Crew:	JO/SG
Survey Date:	JULY 2018
Sheet:	1 OF 4

MATCHLINE

20' P.U.E.
VOL. 609, PG. 193
D.R.H.C.T.

CALLED 49.62 ACRES
KY-TEX PROPERTIES, INC.
VOL. 285, PG. 458
R.P.R.H.C.T.

(N43°08'11"E 462.20')
(N45°26'00"E 462.20')
N43°08'11"E 462.24'

P.O.B.
GRID N: 13,901,284.34
GRID E: 2,320,813.99

CALLLED 25 ACRES
EDWARD COSTER
BULLOCK JR.
VOL. 1127, PG. 630
O.P.R.H.C.T.
BEING 150.1 ACRES SAVE
AND EXCEPT 125 ACRES
VOL. 1127, PG. 633
O.P.R.H.C.T.

ROLAND LANE
(A.K.A. C.R. 137
(R.O.W. VARIES)

REMAINDER OF A
CALLED 125.00 ACRES
EDWARD COSTER
BULLOCK JR.
VOL. 1127, PG. 633
O.P.R.H.C.T.

REMAINDER OF
CALLED 170.876 ACRES
PARAMOUNT PARK, LTD
DOC. NO. 18013402
O.P.R.H.C.T.

[C]
KINGS CANYON DRIVE
(60' R.O.W.)

100' X 100' WATER
STORAGE EASEMENT
VOL. 609, PG. 193
D.R.H.C.T.

50' ROAD AND P.U.E.
VOL. 715, PG. 219
D.R.H.C.T.
(TO BE VACATED)

APPROXIMATE LOCATION
OF SURVEY LINE

Z. HINTON
SURVEY NO. 12
ABSTRACT NO. 220

JAMES W. WILLIAMS
SURVEY NO. 11
ABSTRACT NO. 473

50' ROAD AND P.U.E.
VOL. 715, PG. 219
D.R.H.C.T.

BEARING BASIS:

ALL BEARINGS ARE BASED ON THE TEXAS STATE PLANE
COORDINATE SYSTEM, GRID NORTH, SOUTH CENTRAL ZONE,
(4204), NAD83, ALL DISTANCES WERE ADJUSTED TO SURFACE
USING A COMBINED SCALE FACTOR OF 1.000100038566.

SURVEY CONTROL:

STATE PLANE GRID CONTROL FOR THIS SURVEY IS BASED ON A
1/2" IRON ROD WITH "4WARD CONTROL" CAP SET, GRID
COORDINATES AND ELEVATIONS (NAVD 88) SHOWN HEREON WERE
DERIVED FROM GPS STATIC OBSERVATIONS ON DATE JULY 23,
2018, STATIC DATA PROCESSED BY O.P.U.S., 4WARD CONTROL
POINT WAS CHECKED TO LCRA MON WS23, HAVING A PUBLISHED
GRID COORDINATE & NAVD 88 ELEVATION OF:
N 13910121.43, E 2320991.567, ELEV. 761.408'.

FLOODPLAIN NOTE:

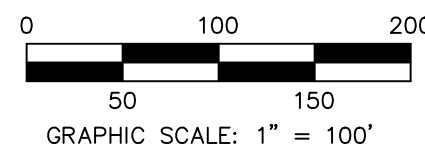
THIS PROPERTY IS LOCATED WITHIN ZONE 'X', AREAS DETERMINED
TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, AS
SHOWN ON F.I.R.M. PANEL NO.48209C 0385F, TRAVIS COUNTY,
TEXAS DATED SEPTEMBER 02, 2005.

THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY
AND/OR THE STRUCTURES THEREON WILL BE FREE FROM
FLOODING OR FLOOD DAMAGE. THIS FLOOD STATEMENT SHALL NOT
CREATE LIABILITY ON THE PART OF THE SURVEYOR.

**PARAMOUNT
SECTION TWO
City of Kyle,
Hays County, Texas**



Date:	1/9/2020
Project:	00754
Scale:	1" = 100'
Reviewer:	PRB
Tech:	BAP
Field Crew:	JO/SG
Survey Date:	JULY 2018
Sheet:	2 OF 4



PO Box 90876, Austin Texas 78709
WWW.4WARDLS.COM (512) 537-2384
TBPLS FIRM #10174300

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S30°34'57"E	29.81'
L2	S68°11'06"W	49.23'
L3	N52°24'06"W	61.27'
L4	S43°24'46"W	14.99'
L5	N46°35'14"W	5.31'
L6	N58°21'42"E	44.02'
L7	S58°21'42"W	21.96'
L8	N43°42'47"E	120.00'
L9	S46°17'13"E	115.00'
L10	N43°42'47"E	115.00'
L11	N43°42'47"E	125.00'
L12	S46°34'36"E	51.31'
L13	N43°24'54"E	120.00'
L14	N43°24'54"E	121.44'
L15	S31°38'18"E	120.00'
L16	S31°38'18"E	127.23'
L17	S46°27'09"E	118.72'
L18	N43°24'46"E	115.01'
L19	N43°24'46"E	130.00'
L20	N43°24'46"E	130.00'

LINE TABLE		
LINE #	DIRECTION	LENGTH
L21	N43°24'45"E	130.00'
L22	N43°24'46"E	130.00'
L23	N43°24'46"E	125.65'
L24	N50°01'08"E	102.10'
L25	N84°23'31"E	151.64'
L26	S59°08'50"E	99.30'
L27	S47°16'43"E	109.06'
L28	S47°16'43"E	115.00'
L29	S47°16'43"E	115.00'
L30	S47°16'43"E	113.21'
L31	S38°40'32"E	98.13'
L32	S01°26'33"E	163.45'
L33	S34°14'47"W	102.68'
L34	S43°15'30"W	115.34'
L35	S43°15'30"W	120.00'
L36	S46°17'13"E	106.14'
L37	S46°17'13"E	106.65'
L38	S46°17'13"E	107.17'
L39	S46°17'13"E	107.69'
L40	S46°17'13"E	108.20'

LINE TABLE		
LINE #	DIRECTION	LENGTH
L41	S46°17'13"E	108.72'
L42	S46°17'13"E	109.23'
L43	S46°17'13"E	109.75'
L44	S46°17'13"E	110.27'
L45	S46°17'13"E	110.78'
L46	S46°17'13"E	111.30'
L47	S46°17'13"E	111.81'
L48	S46°17'13"E	112.33'
L49	S46°19'39"E	112.95'
L50	N43°42'47"E	119.76'
L51	N43°24'46"E	120.00'
L52	S43°24'46"W	128.27'
L53	S43°24'46"W	132.41'

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	BEARING	DISTANCE
C1	39.27'	25.00'	90°00'00"	S01°17'13"E	35.36'
C2	44.28'	1,073.38'	2°21'49"	S32°46'38"E	44.28'
C3	39.27'	25.00'	90°00'00"	N01°17'13"W	35.36'
C4	39.27'	25.00'	90°00'00"	N88°42'47"E	35.36'
C5	39.27'	25.00'	90°00'00"	N01°17'13"W	35.36'
C6	39.27'	25.00'	90°00'00"	N88°42'47"E	35.36'
C7	15.71'	10.00'	90°00'00"	N01°17'13"W	14.14'
C8	15.71'	10.00'	90°00'00"	S88°42'47"W	14.14'
C9	15.71'	10.00'	90°00'00"	S01°17'13"E	14.14'
C10	15.71'	10.00'	90°00'00"	N88°42'47"E	14.14'
C11	39.27'	25.00'	90°00'00"	N01°17'13"W	35.36'
C12	39.27'	25.00'	90°00'00"	S88°42'47"W	35.36'
C13	39.47'	25.00'	90°27'18"	N88°29'08"E	35.50'
C14	39.20'	25.00'	89°50'43"	N01°39'52"W	35.31'
C15	90.71'	1,074.60'	4°50'11"	N43°51'32"W	90.68'
C16	16.61'	10.00'	95°08'47"	N89°00'50"W	14.76'
C17	15.66'	10.00'	89°41'59"	S01°26'13"E	14.11'
C18	15.76'	10.00'	90°18'01"	S88°33'47"W	14.18'
C19	14.44'	10.00'	82°43'22"	S02°03'05"W	13.22'
C20	100.24'	1,073.38'	5°21'03"	S36°38'04"E	100.21'
C21	37.05'	25.00'	84°54'22"	S79°11'07"E	33.75'

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	BEARING	DISTANCE
C22	87.31'	1,013.38'	4°56'11"	S34°15'50"E	87.28'
C23	15.74'	10.00'	90°09'26"	S13°16'59"W	14.16'
C24	15.70'	10.00'	89°56'14"	N76°40'10"W	14.13'
C25	82.35'	730.00'	6°27'48"	N34°55'57"W	82.31'
C26	42.12'	25.00'	96°31'34"	N10°05'55"E	37.31'
C27	35.93'	25.00'	82°21'17"	S80°27'39"E	32.92'
C28	88.58'	670.00'	7°34'30"	S35°29'45"E	88.51'
C29	15.72'	10.00'	90°04'13"	S13°19'36"W	14.15'
C30	16.86'	10.00'	96°37'32"	N73°19'32"W	14.94'
C31	82.53'	475.00'	9°57'19"	N29°59'25"W	82.43'
C32	40.72'	25.00'	93°19'47"	N11°41'49"E	36.37'
C33	22.95'	1,737.47'	0°45'24"	S24°36'38"E	22.95'
C34	85.82'	425.00'	11°34'10"	S30°01'01"E	85.67'
C35	37.45'	25.00'	85°50'11"	S78°43'12"E	34.05'
C36	41.71'	300.00'	7°58'00"	N54°22'42"E	41.68'
C37	63.63'	360.00'	10°07'37"	S53°17'54"W	63.55'
C38	45.79'	25.00'	104°56'56"	S05°53'14"W	39.65'
C39	21.99'	25.00'	50°23'40"	S71°47'04"E	21.29'
C40	172.80'	55.00'	180°01'04"	S06°58'22"E	110.00'
C41	17.59'	25.00'	40°18'54"	S62°52'44"W	17.23'
C42	17.59'	25.00'	40°18'54"	S22°33'50"W	17.23'

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	BEARING	DISTANCE
C43	164.46'	55.00'	171°19'17"	S88°04'01"W	109.68'
C44	17.59'	25.00'	40°18'54"	N26°25'47"W	17.23'
C45	39.34'	25.00'	90°09'17"	S88°20'08"W	35.40'
C46	39.07'	25.00'	89°32'42"	S01°30'52"E	35.21'
C47	39.27'	25.00'	90°00'00"	S88°42'47"W	35.36'
C48	39.27'	25.00'	90°00'00"	N88°42'47"E	35.36'
C49	39.27'	25.00'	90°00'00"	S01°17'13"E	35.36'
C50	39.27'	25.00'	90°00'00"	S88°42'47"W	35.36'
C51	39.27'	25.00'	90°00'00"	N01°17'13"W	35.36'
C52	39.57'	25.00'	90°41'29"	N88°04'01"E	35.57'
C53	54.75'	1,014.60'	3°05'31"	S44°43'37"E	54.75'
C54	44.31'	25.00'	101°32'33"	S07°35'26"W	38.73'
C55	32.75'	25.00'	75°03'04"	N84°06'46"W	30.46'
C56	38.97'	25.00'	89°18'31"	N01°55'59"W	35.14'
C57	39.57'	25.00'	90°41'29"	N88°04'01"E	35.57'
C58	45.79'	25.00'	104°56'56"	S05°53'14"W	39.65'
C59	32.75'	25.00'	75°03'04"	N84°06'46"W	30.46'
C60	38.97'	25.00'	89°18'31"	N01°55'59"W	35.14'
C61	50.03'	1,074.60'	2°40'02"	N44°56'07"W	50.02'
C62	40.53'	1,074.60'	2°09'39"	N42°31'16"W	40.52'
C63	50.63'	360.00'	8°03'26"	S52°15'49"W	50.58'

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	BEARING	DISTANCE
C64	13.00'	360.00'	2°04'10"	S57°19'37"W	13.00'
C65	14.96'	25.00'	34°17'43"	S63°44'05"E	14.74'
C66	7.02'	25.00'	16°05'56"	S88°55'55"E	7.00'
C67	55.20'	55.00'	57°30'06"	S68°13'50"E	52.91'
C68	32.51'	55.00'	33°52'19"	S22°32'38"E	32.04'
C69	35.00'	55.00'	36°27'40"	S12°37'20"W	34.41'
C70	50.09'	55.00'	52°11'01"	S56°56'40"W	48.38'
C71	1.28'	25.00'	2°56'34"	S81°33'53"W	1.28'
C72	16.31'	25.00'	37°22'19"	S61°24'26"W	16.02'
C73	9.53'	25.00'	21°50'26"	S31°48'04"W	9.47'
C74	8.06'	25.00'	18°28'28"	S11°38'37"W	8.03'
C75	49.34'	55.00'	51°24'13"	S28°06'30"W	47.71'
C76	35.00'	55.00'	36°27'39"	S72°02'26"W	34.41'
C77	35.00'	55.00'	36°27'39"	N71°29'54"W	34.41'
C78	45.11'	55.00'	46°59'45"	N29°46'12"W	43.86'
C79	2.08'	25.00'	4°45'54"	N08°39'17"W	2.08'
C80	15.51'	25.00'	35°32'59"	N28°48'44"W	15.26'
C81	0.16'	1,074.60'	0°00'30"	N46°16'23"W	0.16'

**PARAMOUNT
SECTION TWO
City of Kyle,
Hays County, Texas**

 <p>4WARD Land Surveying <small>A Limited Liability Company</small></p> <p>PO Box 90876, Austin Texas 78709 WWW.4WARDLS.COM (512) 537-2384 TBPLS FIRM #10174300</p>	Date:	1/9/2020
	Project:	00754
	Scale:	1" = 100'
	Reviewer:	PRB
	Tech:	BAP
	Field Crew:	JO/SG
Survey Date:	JULY 2018	
Sheet:	3 OF 4	

STATE OF TEXAS §
COUNTY OF _____ §

KNOW ALL MEN BY THESE PRESENTS, THAT PARAMOUNT PARK, LTD., ACTING BY AND THROUGH INTERMANDECO, GP, LLC, AND THAT THE CITY OF KYLE, TEXAS, OWNERS OF 38.6805 ACRES (1,684,922 SQUARE FEET) OUT OF THE Z. HINTON SURVEY NO. 12, ABSTRACT NO. 220 IN HAYS COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 170.876 ACRE TRACT CONVEYED TO PARAMOUNT PARK, LTD., BY DEED IN DOCUMENT NO. 18013402 AND BEING ALL OF A CALLED 0.278 ACRE TRACT CONVEYED TO THE CITY OF KYLE, TEXAS, BY DEED IN DOCUMENT NO. 18010218. BOTH DOCUMENTS OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, DO HEREBY SUBDIVIDE THIS PROPERTY IN ACCORDANCE WITH THE PLAT SHOWN HEREON, SUBJECT TO ANY AND ALL EASEMENTS OR RESTRICTIONS HERETOFORE GRANTED AND NOT RELEASED, AND DO HEREBY DEDICATE TO THE PUBLIC THE USE OF THE STREETS AND EASEMENTS SHOWN HEREON, AND TO BE KNOWN AS:

PARAMOUNT SECTION TWO

IN WITNESS THEREOF, THE SAID PARAMOUNT PARK, LTD., HAS CAUSED THESE PRESENTS TO BE EXECUTED BY MARIANNE PLANCKE, REPRESENTATIVE, AND THEREUNTO DULY AUTHORIZED

PARAMOUNT PARK, LTD.
BY: INTERMANDECO, GP, LLC
ITS GENERAL PARTNER
MARIANNE PLANCKE, MANAGER
P.O. BOX 670649
DALLAS, TX 75367

CITY OF KYLE, TEXAS
SCOTT SELLERS, CITY MANAGER
100 W. CENTER STREET
KYLE, TX 78640

STATE OF TEXAS §
COUNTY OF _____ §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME, ON THIS THE _____ DAY OF _____, A.D., 20____ BY MARIANNE PLANCKE, REPRESENTATIVE OF PARAMOUNT PARK, LTD., ON BEHALF OF SAID CORPORATION.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
COUNTY OF _____ §

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME, ON THIS THE _____ DAY OF _____, A.D., 20____ BY SCOTT SELLERS, REPRESENTATIVE OF THE CITY OF KYLE, TEXAS, ON BEHALF OF SAID CORPORATION.

NOTARY PUBLIC, STATE OF TEXAS

GENERAL NOTES:

- NO LOT IN THIS SUBDIVISION SHALL BE OCCUPIED UNTIL CONNECTED TO THE CITY OF KYLE WATER AND WASTEWATER SYSTEM.
- WATER AND WASTEWATER SYSTEMS, INCLUDING METERS, SERVING THIS SUBDIVISION SHALL BE DESIGNED AND INSTALLED IN ACCORDANCE WITH THE CITY OF KYLE STANDARDS. PLANS AND SPECIFICATIONS SHALL BE SUBMITTED TO THE CITY OF KYLE UTILITY DEPARTMENT FOR REVIEW.
- ALL STREETS, DRAINAGE, SIDEWALKS, WATER AND WASTEWATER LINES, AND EROSION CONTROLS SHALL BE CONSTRUCTED AND INSTALLED TO CITY OF KYLE STANDARDS.
- NO BUILDING, FENCES, LANDSCAPING OR OTHER SUCH STRUCTURES ARE PERMITTED IN DRAINAGE EASEMENTS EXCEPT AS APPROVED BY CITY OF KYLE.
- PROPERTY OWNERS SHALL PROVIDE FOR ACCESS TO DRAINAGE EASEMENTS AS MAY BE NECESSARY AND SHALL NOT PROHIBIT ACCESS BY GOVERNMENTAL AGENCY.
- NO DRAINAGE EASEMENTS ON PRIVATE PROPERTY SHALL BE MAINTAINED BY THE PROPERTY OWNER OR ASSIGNS. OBSTRUCTIONS IN DRAINAGE EASEMENTS IS PROHIBITED.
- SETBACKS NOT SHOWN ON LOTS SHALL CONFORM TO THE CITY OF KYLE ZONING ORDINANCES.
- THE OWNER OF THIS SUBDIVISION, AND HIS OR HER SUCCESSORS AND ASSIGNS, ASSUMES RESPONSIBILITY FOR PLANS FOR CONSTRUCTION OF SUBDIVISION IMPROVEMENTS WHICH COMPLY WITH APPLICABLE CODES AND REQUIREMENTS OF THE CITY OF KYLE. THE OWNER UNDERSTANDS AND ACKNOWLEDGES THAT PLAT VACATION, REPLATTING AND/OR DEDICATION OF EASEMENTS BY SEPARATE INSTRUMENT MAY BE REQUIRED, AT THE OWNER'S SOLE EXPENSE, IF PLANS TO CONSTRUCT THIS SUBDIVISION DO NOT COMPLY WITH SUCH CODES AND REQUIREMENTS.
- THE OWNER SHALL BE RESPONSIBLE FOR INSTALLATION OF TEMPORARY EROSION CONTROL, REVEGETATION AND TREE PROTECTION FOR ELECTRIC UTILITY WORK REQUIRED TO PROVIDE ELECTRIC SERVICE TO THIS PROJECT.
- ANY ELECTRIC UTILITY ACTIVITY INSIDE THE SUBDIVISION SHALL BE INCLUDED UNDER THE DEVELOPMENT PERMIT. ELECTRIC SERVICE TO EACH LOT SHALL BE UNDERGROUND.
- THE SUBDIVISION IS SERVED BY THE FOLLOWING UTILITIES:

WATER	CITY OF KYLE
WASTEWATER	CITY OF KYLE
ELECTRIC	PEDERNALES ELECTRIC COMPANY
TELEPHONE	SPECTRUM
GAS	CENTER POINT GAS
- ALL LOTS CONTAINED IN THIS SUBDIVISION AND USERS THEREOF, SHALL HAVE RECIPROCAL ACCESS FOR INGRESS AND EGRESS THROUGH ALL DRIVE LANES, FIRE LANES, AND DRIVEWAYS.
- PRIOR TO CONSTRUCTION OF ANY IMPROVEMENTS ON LOTS IN THIS SUBDIVISION, SITE DEVELOPMENT PERMITS AND BUILDING PERMITS WILL BE OBTAINED FROM THE CITY OF KYLE.
- A 15 FOOT PUE IS DEDICATED ADJACENT TO THE FRONT OF ALL LOTS, A 10 FOOT PUE IS DEDICATED ALONG SIDE LOT LINES ADJACENT TO STREET RIGHTS OF WAY, A 5 FOOT PUE IS DEDICATED ALONG EACH SIDE LOT LINE AND SIDE LOT LINES ADJACENT TO AN ALLEY, AND A 10 FOOT PUE IS DEDICATED ADJACENT TO ALL REAR LOT LINES. FOR ALL LOTS WITH ALLEYS, THE 10 FOOT REAR PUE IS NOT APPLICABLE.
- REPAIRS TO SURFACE PAVING DUE TO MAINTENANCE AND/OR REPAIR OF CITY UTILITIES WITHIN MUNICIPAL UTILITY EASEMENTS INTERIOR TO LOTS SHALL BE THE RESPONSIBILITY OF THE LOT OWNER(S).
- THIS ENTIRE SUBDIVISION IS LOCATED WITHIN THE BLANCO RIVER WATERSHED.

17) TYPICAL LANDSCAPE MAINTENANCE, CUTTING AND TRIMMING, WITHIN THE SUBDIVISION, ALL EASEMENTS, DETENTION PONDS AND RIGHT-OF-WAYS TO THE PAVEMENT TO BE THE RESPONSIBILITY OF PROPERTY OWNERS/AND OR PROPERTY OWNERS ASSOCIATIONS.

18) SIDEWALKS, PEDESTRIAN CROSSINGS AND OTHER AMENITIES TO BE DEDICATED TO THE CITY OF KYLE SHALL MEET OR EXCEED ALL 2010 ADA STANDARDS OF ACCESSIBILITY DESIGN AND ALL CURRENT FEDERAL AND STATE LAWS REGARDING ACCESS FOR PEOPLE WITH DISABILITIES FOR TITLE II ENTITIES.

GENERAL NOTES CONTINUED:

19) SIDEWALKS SHALL BE INSTALLED ON BOTH SIDES OF THE FOLLOWING STREETS: EVERGLADES DRIVE, OLYMPIC DRIVE, BANFF DRIVE, YOSEMITE DRIVE, RAINER DRIVE, ACADIA DRIVE, ARCHES DRIVE, YELLOWSTONE DRIVE, SHENANDOAH DRIVE, KINGS CANYON DRIVE, AND DENALI DRIVE.

20) BLOCK M, LOTS 1 AND 16, BLOCK N, LOT 30, BLOCK O, LOTS 34 AND 35, AND BLOCK P, LOT 7 ARE HEREBY DEDICATED TO AND SHALL BE MAINTAINED BY THE PARAMOUNT ASSOCIATION OF HOMEOWNERS INC.

21) BLOCK AA LOT 1 IS HEREBY DEDICATED TO AND SHALL BE MAINTAINED BY THE CITY OF KYLE.

22) 50' ROAD AND PUE VOL. 715, PG. 219 TO BE VACATED BY THE CITY OF KYLE UPON RECORDATION OF THE PARAMOUNT SECTION 2 FINAL PLAT.

LEGAL DESCRIPTION

BEING A DESCRIPTION OF A TRACT OF LAND CONTAINING 38.6805 ACRES (1,684,922 SQUARE FEET) OUT OF THE Z. HINTON SURVEY NO. 12, ABSTRACT NO. 220, IN HAYS COUNTY, TEXAS, BEING A PORTION OF A CALLED 170.876 ACRE TRACT OF LAND CONVEYED TO PARAMOUNT PARK, LTD. IN DOCUMENT NO. 18013402 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS (O.P.R.H.C.T.), AND BEING ALL OF A CALLED 0.278 ACRE TRACT CONVEYED TO THE CITY OF KYLE, TEXAS IN DOCUMENT NO. 18010218 (O.P.R.H.C.T.), SAID 38.6787 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, AT A 1/2-INCH IRON ROD FOUND IN THE NORTH RIGHT-OF-WAY LINE OF ROLAND LANE (C.R. 137 - RIGHT-OF-WAY VARIES), BEING THE SOUTHWEST CORNER OF SAID PARAMOUNT PARK TRACT AND BEING THE SOUTHEAST CORNER OF A CALLED 49.62 ACRE TRACT CONVEYED TO KY-TEX PROPERTIES, INC. IN VOLUME 285, PAGE 458 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS (R.P.R.H.C.T.), AND BEING THE SOUTHWEST CORNER AND POINT OF BEGINNING HEREOF;

THENCE, LEAVING THE NORTH RIGHT-OF-WAY LINE OF SAID ROLAND LANE, WITH THE COMMON LINE OF SAID PARAMOUNT PARK TRACT AND SAID KY-TEX TRACT THE FOLLOWING THREE (3) COURSES AND DISTANCES:

- N43°08'11"E, A DISTANCE OF 462.24 FEET TO A COTTON SPINDLE FOUND FOR AN ANGLE POINT HEREOF,
- N42°43'17"E, A DISTANCE OF 651.54 FEET TO A NAIL FOUND FOR AN ANGLE POINT HEREOF,
- N43°15'30"E, A DISTANCE OF 1,070.42 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" SET (FROM WHICH A 1/2-INCH IRON ROD FOUND BEARS N39°23'07"E, A DISTANCE OF 1.78 FEET) FOR THE NORTHWEST CORNER HEREOF, BEING IN THE SOUTH RIGHT-OF-WAY LINE OF OPAL LANE (C.R. 138 - RIGHT-OF-WAY VARIES), AND BEING THE NORTHWEST CORNER OF SAID PARAMOUNT PARK TRACT;

THENCE, LEAVING THE EAST LINE OF SAID KY-TEX TRACT, WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID OPAL LANE AND THE NORTH LINE OF SAID PARAMOUNT PARK TRACT, S46°17'13"E, A DISTANCE OF 613.73 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" SET FOR THE NORTHEAST CORNER HEREOF, FROM WHICH A 1/2-INCH IRON ROD FOUND FOR AN ANGLE POINT IN THE SOUTH RIGHT-OF-WAY LINE OF SAID OPAL LANE, BEING THE NORTH LINE OF SAID PARAMOUNT PARK TRACT BEARS, S46°17'13"E, A DISTANCE OF 1,534.54 FEET;

THENCE, LEAVING THE SOUTH RIGHT-OF-WAY LINE OF SAID OPAL LANE, OVER AND ACROSS SAID PARAMOUNT PARK TRACT, AND IN PART WITH THE NORTH AND EAST LINES OF SAID CITY OF KYLE TRACT, THE FOLLOWING EIGHTEEN (18) COURSES AND DISTANCES:

- S43°42'47"W, A DISTANCE OF 741.84 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S46°17'13"E, A DISTANCE OF 90.00 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR A POINT OF CURVATURE HEREOF,
- ALONG THE ARC OF A CURVE TO THE RIGHT, WHOSE RADIUS IS 25.00 FEET, WHOSE ARC LENGTH IS 39.27 FEET AND WHOSE CHORD BEARS S01°17'13"E, A DISTANCE OF 35.36 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR A POINT OF TANGENCY HEREOF,
- S43°42'47"W, A DISTANCE OF 295.00 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S46°17'13"E, A DISTANCE OF 279.29 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF, BEING THE NORTHEAST CORNER OF SAID CITY OF KYLE TRACT,
- S43°28'32"W, A DISTANCE OF 169.14 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR A NON-TANGENT POINT OF CURVATURE HEREOF,
- ALONG THE ARC OF A CURVE TO THE RIGHT, WHOSE RADIUS IS 1,073.38 FEET, WHOSE ARC LENGTH IS 44.28 FEET AND WHOSE CHORD BEARS S32°46'38"E, A DISTANCE OF 44.28 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S30°34'57"E, A DISTANCE OF 29.81 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S61°08'42"W, A DISTANCE OF 69.30 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S58°21'42"W, A DISTANCE OF 553.82 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S68°11'06"W, A DISTANCE OF 49.23 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S62°52'34"W, A DISTANCE OF 105.63 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- N31°38'18"W, A DISTANCE OF 120.39 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- N52°24'06"W, A DISTANCE OF 61.27 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- N46°27'09"W, A DISTANCE OF 110.93 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S43°24'46"W, A DISTANCE OF 14.99 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- N46°35'14"W, A DISTANCE OF 5.31 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR AN ANGLE POINT HEREOF,
- S43°34'07"W, A DISTANCE OF 195.13 FEET TO A 1/2-INCH IRON ROD WITH "4WARD-BOUNDARY" CAP SET FOR THE SOUTHEAST CORNER HEREOF, BEING THE NORTH RIGHT-OF-WAY LINE OF SAID ROLAND LANE, FROM WHICH A COTTON SPINDLE FOUND FOR AN ANGLE POINT IN THE NORTH RIGHT-OF-WAY LINE OF SAID ROLAND LANE AND THE SOUTH LINE OF SAID PARAMOUNT PARK TRACT BEARS, S46°27'09"E, A DISTANCE OF 657.40 FEET;

THENCE, WITH THE NORTH RIGHT-OF-WAY LINE OF SAID ROLAND LANE AND THE SOUTH LINE OF SAID PARAMOUNT PARK TRACT, N46°27'09"W, A DISTANCE OF 547.09 FEET TO THE POINT OF BEGINNING HEREOF, AND CONTAINING 38.6805 ACRES (1,684,922 SQUARE FEET) MORE OR LESS.

PLANNING AND ZONING COMMISSION CERTIFICATION:
THIS FINAL PLAT HAS BEEN SUBMITTED TO AND CONSIDERED BY THE PLANNING & ZONING COMMISSION OF THE CITY OF KYLE, TEXAS, AND IS HEREBY APPROVED BY SUCH PLANNING & ZONING COMMISSION.

DATED, THIS ____ DAY OF _____, 20____ A.D.

MADAM CHAIRPERSON _____ DATE _____

REVIEWED BY:

DIRECTOR OF PUBLIC WORKS _____ DATE _____

REVIEWED BY:

CITY ENGINEER _____ DATE _____

STATE OF TEXAS §
COUNTY OF HAYS §

I, ELAINE H. CARDENAS, COUNTY CLERK OF HAYS COUNTY, TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IN WRITING WITH ITS CERTIFICATE OF AUTHENTICATION WAS FILED

FOR RECORD IN MY OFFICE ON THE ____DAY OF _____, 20____, AT ____O'CLOCK ____M.,

AND DULY RECORDED ON THE _____ DAY OF _____, 20____ A.D.,

AT _____ O'CLOCK ____ M., IN THE PLAT RECORDS OF HAYS COUNTY, TEXAS IN

DOC. # _____

WITNESS MY HAND AND SEAL OF OFFICE OF THE COUNTY CLERK, THIS THE _____

DAY OF _____, 20____ A.D.

ELAINE H. CARDENAS, COUNTY CLERK
HAYS COUNTY, TEXAS

ENGINEER'S CERTIFICATE:

I, SAMUEL SHORTER, A LICENSED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT PROPER ENGINEERING CONSIDERATION HAS BEEN GIVEN THIS PLAT. NO PORTION OF THIS SUBDIVISION LIES WITHIN THE 0.2% ANNUAL CHANCE FLOODPLAIN AS DEFINED BY FEMA FIRM PANEL 48209C0385F DATED SEPTEMBER 2, 2005.

SAMUEL C. SHORTER, P.E. _____ DATE _____
REGISTERED PROFESSIONAL ENGINEER NO. 102393
MILLER GRAY, LLC
7320 N. MOPAC EXPRESSWAY
SUITE 203
AUSTIN, TEXAS 78731

SURVEYOR'S CERTIFICATE:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WAS ACTUALLY MADE UPON THE GROUND UNDER MY DIRECTION AND SUPERVISION ON THE DATE SHOWN. THIS PLAT COMPLIES WITH ORDINANCE #439 OF THE CITY CODE OF KYLE.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT. FOR REVIEW PURPOSES ONLY.

STEVEN M. DUARTE, R.P.L.S. _____ DATE _____
TEXAS REGISTRATION NO. 5940
4WARD LAND SURVEYING
2201 WOODWARD STREET, SUITE 2201
AUSTIN, TEXAS 78745

PARAMOUNT
SECTION TWO
City of Kyle,
Hays County, Texas

 A Limited Liability Company PO Box 90876, Austin Texas 78709 WWW.4WARDLS.COM (512) 537-2384 TBPLS FIRM #10174300	Date:	1/9/2020
	Project:	00754
	Scale:	1" = 100'
	Reviewer:	PRB
	Tech:	BAP
	Field Crew:	JO/SG
Survey Date:	JULY 2018	
Sheet:	4 OF 4	

EASEMENT

9⁰⁰/₁₀₀ 21

THE STATE OF TEXAS * 260449 715 21
* KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS *

That Henry J. Stouse, Trustee, of Houston, Harris County, Texas, ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) cash and other good and valuable consideration to me paid by the CITY OF KYLE, Kyle, Hays County, Texas, ("Grantee") the receipt of which is hereby acknowledged, have GRANTED and CONVEYED, and by these presents do GRANT and CONVEY, unto the said CITY OF KYLE, its successors and assigns, an easement for the purposes of ingress and egress, and for the purposes of constructing, reconstructing and perpetually maintaining public utilities, in, on and across the following described real property, to-wit:

Being a strip of land fifty (50') feet in width out of the Z. HINTON SURVEY NO. 12, in Hays County, Texas, and being more particularly described in Exhibit "A" attached hereto, to which reference is here made for all legal and relevant purposes.

Grantor reserves the right to change the location of the easement granted hereby, provided however, that Grantor shall pay any cost involved in relocating the easement and any improvements in, or under said easement.

WYATT A. DRISKELL and LOVEY N. DRISKELL, lienholders, join in the execution hereof for the purposes of subordinating their lien to the easement created hereby.

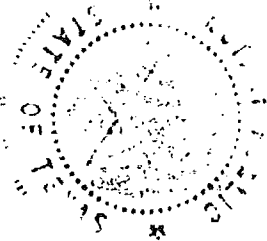
TO HAVE AND TO HOLD all and singular rights and privileges aforesaid to Grantee, its successors and assigns.

EXECUTED this the 3rd day of August, 1987.

Henry J. Stouse, Trustee
HENRY J. STOUSE, Trustee Item # 7

THE STATE OF TEXAS *
COUNTY OF HARRIS *

This instrument was acknowledged before me on this the
3rd day of August, 1987, by HENRY J. STOUSE,
Trustee, in the capacity stated.



B.K. Watson, III
NOTARY PUBLIC, State of Texas

B.K. Watson, III
Printed or typed name of Notary

My commission expires: 6/10/89

715 220

THE STATE OF TEXAS *
COUNTY OF TRAVIS *

This instrument was acknowledged before me on this the
13 day of August, 1987 by WYATT A. DRISKELL and
LOVEY N. DRISKELL.

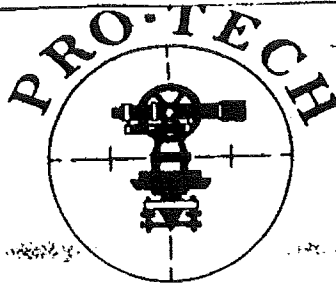


Glenn A. Hamilton
NOTARY PUBLIC, State of Texas

Glenn A. Hamilton
Printed or typed name of Notary

My commission expires: 2/4/89

Kelly Kilber, P.E., R.P.S.
Richard Taylor, R.P.S.
Darrel Sutton, R.P.S.



100 E. San Antonio St. Suite 100
San Marcos, TX 78666
512/353-3335

**ENGINEERING
GROUP**
INCORPORATED

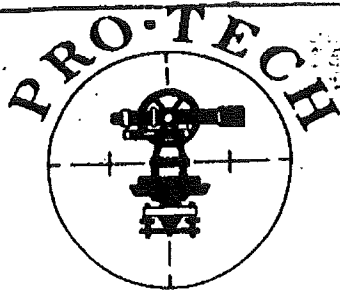
715 221

FIELD NOTE DESCRIPTION
OF
THE CENTERLINE OF
A PROPOSED 50 FOOT ROAD AND PUBLIC UTILITY EASEMENT
OVER A PORTION OF
THE Z. HINTON SURVEY
HAYS COUNTY, TEXAS

BEING A PROPOSED 30 FOOT WIDE ROAD AND PUBLIC UTILITY EASEMENT, 25 FEET ON EACH SIDE OF THE CENTERLINE HEREIN DESCRIBED, SAME BEING OVER A PORTION OF THAT 99.99 ACRE TRACT OF LAND CONVEYED TO HENRY J. STOUSE, TRUSTEE, BY WYATT A. DRISKELL, BY DEED DATED SEPTEMBER 17, 1984, AND RECORDED IN VOLUME 469, PAGE 147, HAYS COUNTY DEED RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING at the Southwestern Terminus of the centerline herein described, same being under fence on the Southwest line of the said Stouse 99.99 acre tract, and being on the Northeast side of Hays County Road No. 137, all as occupied and used upon the ground, and from which an iron stake found at a corner fence post of the said Stouse 99.99 acre tract, bears, N 41 43' 29" W, 944.74 feet;

THENCE, leaving the said fence and the said County Road No. 137, with the centerline herein described, N 47 32' 59" E, at about 25 feet passing the centerline of a 10 foot wide Water Line Easement of record in Volume 631, Page 25, Hays County Deed Records, and continuing on, in all, 1,016.67 feet to the Southwest line of that 0.23 acre Water Storage Tank Site Easement conveyed to the City of Kyle by Henry J. Stouse, trustee, by instrument dated March 6, 1986 and recorded in Volume 609, Page 193, Hays County Deed Records, for the Northeastern Terminus of the centerline herein described, and from which an iron stake with an aluminum cap marked "Pro-Tech Eng" set at the West corner of the said 0.23 acre Easement bears, N 41 52' 21" W, 50.00 feet, and the aforementioned iron stake found at the West corner of the said Stouse 99.99 acre tract bears, N 89 12' 51" W, 1,379.07 feet, Item # 7



Kelly Kilber, P.E., R.P.S.
Richard Taylor, R.P.S.
Darrel Sutton, R.P.S.

100 E. San Antonio St. Suite 100
San Marcos, TX 78666
512/353-3335

ENGINEERING GROUP

INCORPORATED

715 222

KY-TEX PROPERTIES 49.62 Ac.
(285/458)

COUNTY ROAD 137

SURVEY

S 41 52 21 E
10.10

S 09 35 01
29.12

S 47 58 53 W 1076.91

PROPOSED 20' WIDE
UTILITY EASEMENT

(462/147)
H.J. STOUSE
99.99 Ac.

PEEL 16 3/5 Ac.
(K/245)

TANK SITE
0.23 AC.

WALTER J. VAUGHAN
(128/452)

1016.67'

N 47 32' 59" E

N 41 52 21 W 896.80

EASEMENT

J. W.
CENTERLINE OF

WILLIAMS SURVEY

Item # 7

715 223

FILED
HAYS COUNTY, TEXAS
88 JAN 21 AM 9 21
Doris T. ...
COUNTY CLERK

STATE OF TEXAS
COUNTY OF HAYS

I hereby certify that this instrument was FILED on
the date and at the time stamped hereon by me and was duly
RECORDED, in the Volume and Page of the named RECORDS
of Hays County, Texas, as stamped hereon by: 13



Doris T. ... JAN 2 2 1988
COUNTY CLERK
HAYS COUNTY, TEXAS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**RELEASE AND TERMINATION OF PUBLIC
UTILITY EASEMENT**

**THE STATE OF TEXAS §
 §
COUNTY OF HAYS §**

WHEREAS, by instrument recorded under Document No. 260449 (the "Instrument") in the Official Records of Hays County Deed Records, Henry J. Stouse, Trustee conveyed a public utility easement ("Easement") over and across that certain real property, more particularly described in the Instrument (the "Property"), to the City of Kyle, Texas (the "City"); and

WHEREAS, the City of Kyle (the "City") has determined that the Easement is no longer necessary as it relates to the Property; and

WHEREAS, the City desires to terminate and grant a release of the City's interest in the Easement over the Property granted by Grantor to the City;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the benefit of all present and future owners of the Property, the City has **RELEASED AND TERMINATED** and, by these presents, does hereby ABANDON, RELEASE, TERMINATE, EXTINGUISH and DISCHARGE the Easement previously granted to the City. By execution hereof, the City confirms and acknowledges the Easement will be of no further force or effect as to the Property.

This instrument is given specifically to release the described Easement, which Easement is terminated by abandonment, termination, vacation, and cessation of purpose.

EXECUTED TO BE EFFECTIVE the ____ day of _____, 2021.

ATTEST:

THE CITY OF KYLE, TEXAS

City Secretary

Mayor/City Manager

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, _____ of the City of Kyle, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

[Seal]

Notary Public in and for the State of Texas

My Commission Expires: _____

After Recording Return to:
City of Kyle
Attn: City Secretary
100 W. Center Street
Kyle, Texas 78640



CITY OF KYLE, TEXAS

Pool Repairs

Meeting Date: 4/20/2021

Date time: 7:00 PM

Subject/Recommendation: Authorize award and execution of a Purchase Order to THE BRANDT COMPANIES, LLC., through BuyBoard purchasing cooperative contract #638-21, for an estimated amount of \$130,000 to repair damages in the plumbing system located underground and inside walls at the James Adkins Pool. Final repair costs may exceed the initial cost estimate. ~ *Mariana Espinoza, Director of Parks & Recreation*

Other Information:

Legal Notes:

Budget Information: Funding is available in the approved CIP Budget for Fiscal Year 2020-2021 as follows:
1720-65300-572350 \$130,000

ATTACHMENTS:

Description

- BuyBoard Contract



Estimate: #21-00035772

BuyBoard Contract # 638-21

April 8, 2021

City of Kyle
1100 West Center Street
Kyle, TX 78640

Attn: Arthur Zamarripa

SUBJECT: City of Kyle - Pool Leaks

Thank you for the opportunity to offer our Proposal for the above subject project. Our bid includes the following items related to the installation of the Plumbing:

I. BID DOCUMENTS:

- RFP/Bid Instructions: Per site survey
- Drawings: Site investigation

II. SCOPE OF WORK:

1. Labor, material and equipment to replace all in-wall domestic water piping based on site investigation.
2. Remove, store and reinstall existing plumbing fixtures and supports.
3. Demo and scrap of existing CMU wall face and existing in-wall domestic water piping.
4. Rework and modifications to piping systems required to tie into existing water supply.
5. Provide domestic water Insulation using FRP with PVC fitting to match existing.
6. Fresh water flushing of new Domestic Water piping systems.
7. Replace CMU wall face blocks.
8. Permit and License Fees if required.

AUSTIN

19001 N. Heatherwilde Blvd, Ste. 120
Pflugerville, TX 78660
512.491.9100
TACLA 30430C
TECL 20109
M 41312

DALLAS

1728 Briercroft Court
Carrollton, TX 75006
972.395.6000
TACLA 19981C
TECL 20109
M 40211

FORT WORTH

2502 Gravel Drive
Fort Worth, TX 76118
817.626.0033
TACLA 00060298C
TECL 20109
M 40211

HOUSTON

13810 Hollister Drive, Ste. 100
Houston, TX 77086
832.714.3200
TACLA 15221C
TECL 20109
M 40245

SAN ANTONIO

6023 Corridor Parkway, Ste. 100
Schertz, TX 78154
210.599.6120
TACLA 18441C
TECL 20109
M 41312

WACO

205 Schroeder Dr.
Waco, TX 76710
254.772.1693
TACLA 26979C
TECL 20109
M 40211



III. EXCLUSIONS:

1. New plumbing fixtures.
2. Painting or priming of CMU walls.
3. Installation of heat tracing for exposed piping.
4. Sales or Remodel Taxes.
5. Overtime or afterhours work.
6. Bid, Payment or Performance Bonds.
7. Mechanical, Electrical or Structural Engineering services.
8. Repairs due to existing Code violations.
9. Installation of barricades or plastic sheeting for safety, noise or dust control.
10. Patching, painting or touch-up of any floors, walls or ceilings.
11. Temporary utilities during construction.
12. Toilet room partitions, handicap hardware, or sanitary accessories.
13. Asbestos and mold testing, removal or remediation.
14. Hazardous waste removal if encountered.
15. Any building utilities or services beyond a 5'-0" stub out.
16. Density tests or x-ray of structure.

IV. CLARIFICATIONS:

1. Due to the current volatility in commodity material costs that underlies our pricing, Brandt's proposal will expire 30 days from the date above. After that period, Brandt's pricing is subject to adjustment to reflect any increase in commodity material costs at the time of acceptance.
2. Brandt reserves the right to review and approve all contract conditions as a condition of this proposal offer. Brandt's proposal is an offer expressly conditioned upon the parties reaching mutually-agreeable contract terms, including but not limited to a waiver of or reasonable cap on liability for any consequential damages from any source. Any language in the contract documents that purports to exclude or supersede the conditions of this proposal is expressly rejected.
3. Brandt will promptly submit pricing for any changes, modifications, or additions to the scope of work set out in this proposal. Brandt will not be required to proceed with any changed/additional/modified work until it receives a signed change order at a mutually-agreed upon price. If Brandt is directed to proceed and time is of the essence, Brandt will only be required to perform the changed/additional/modified work upon receiving a signed "time and materials" work order. The cost and Brandt's fee for this T&M work may be billed during the billing period in which the work is performed and will be due and paid within 30 days. Brandt's proposal is expressly conditioned up on the acceptance of this provision and this provision is incorporated by reference into any applicable contract documents and supersedes any provision to the contrary in those contract documents.



V. SUMMARY PRICING:

- Base Bid: \$ 130,127

Please do not hesitate to call if you need clarification or have any questions. This Estimate is valid for 30 days.

Sincerely,

JAMES KING | SERVICE ACCOUNT MANAGER

THE BRANDT COMPANIES, LLC

D 512.491.9100 | M 512.470.1391

james.king@brandt.us | www.brandt.us





Brandt's Proposal is conditioned upon the following terms and conditions, which are incorporated by reference and, together with the Proposal, form the Contract between the parties:

1. **Warranty.** Brandt shall furnish to Customer all manufacturers' parts and equipment warranties received by Brandt. For a period of one (1) year from the date of the respective work, repair or installation performed by Brandt, Brandt agrees to repair, replace or otherwise make good to the satisfaction of Customer, any defects in parts or materials supplied by Brandt that are not covered under a manufacturer's warranty and that are adversely affecting the performance of the equipment installed by Brandt, if any. Brandt warrants to Customer that all labor performed or provided shall be performed by licensed personnel, if required by applicable law, and will be performed in a good workman like manner. For a period of one (1) year from the date of the respective work, repair or installation performed by Brandt, Brandt agrees to repair, replace or otherwise make good to the satisfaction of Customer, any defects in workmanship that is adversely affecting the performance of the equipment installed by Brandt, if any.

2. **Insurance.** So long as any of the Work remains to be completed, Brandt shall, at Brandt's sole cost and expense, carry and maintain in full force and effect, the following insurance coverages:
 - (A) Workers' compensation insurance coverage on all individuals employed upon or about the Property according to the requirements of the laws of the State of Texas;

 - (B) General liability insurance coverage with the limits maintained by Brandt at the time of this Proposal (which are: \$1M each occurrence; \$1M personal/advertising injury; \$10M general aggregate; \$2M products/completed operations aggregate; \$10,000 medical expense (any one person)).

The policies will be issued by companies reasonably acceptable to Customer. In the event of any covered loss, or upon Customer's reasonable request, Brandt shall deliver to Customer copies of the insurance policies. Brandt and Customer mutually agree to a waiver by their respective insurer(s) of any and all rights to subrogation.

3. **Hoisting/Rigging Operations.** Prior to the use of heavy commercial hoisting or rigging equipment that could potentially cause damage to the Property or injury, Brandt will notify Customer in writing and shall not proceed without Customer's prior written consent. While all precautions will be exercised to protect Customer's Property, Brandt will not accept any responsibility for damage to parking lots, driveways, or landscaping that may occur as a result of normal hoisting and rigging operations, except to the extent that the damage is caused by Brandt's gross negligence or willful misconduct.



4. **Work Hours.** Unless indicated otherwise, all pricing is based upon work being performed during regular working hours of 7:00 am to 3.30 pm, Monday through Friday, except holidays. If work is required at times other than normal working hours, Customer agrees to pay the Brandt's standard overtime charge rates.
5. **Payments.** Customer agrees to pay Brandt all sums due with respect to this Proposal in accordance with the terms specified. Payments are due upon receipt of invoice. In the event payment is not received by Brandt within thirty (30) days following billing, such payment shall be considered past due. Beginning with the thirty-first (31st) day following billing, such payment shall bear interest at the maximum rate allowable by law until payment is received. If default is made in the payment of any sums due hereunder and it becomes necessary that this Contract be placed in the hands of an attorney for collection, Customer agrees to pay to Brandt all costs of collection, including reasonable attorney's fee. Brandt shall have the right to cancel this Contract at any time, upon five (5) business days' written notice, if payments as called for herein are not made.
6. **Cancellation.** This Contract may be cancelled by either party upon thirty (30) day written notice. In the event of cancellation by the Customer, Brandt reserves the right to invoice and be paid for work performed through cancellation date.
7. **No Liability from System Design or Existing Equipment Installation.** Unless Brandt was the engineer of record for the existing system design under a prior and separate construction/design-build contract or system design is expressly included within the scope of the Proposal (and, in either case, to the extent of that design), Customer acknowledges and stipulates that Brandt did not select, advise Customer regarding, engineer, design or install the system, equipment or any component part thereof to be maintained under this Contract. Accordingly, Brandt shall not be liable in any capacity, under any theory of recovery for any claims or damages related to or originating from prior or existing defects, deficiencies, injuries, or damage (whether to the system, equipment or Property) associated therewith or as a result of prior ineffective maintenance. Brandt agrees, however, to advise the Customer about the existence of such conditions upon discovery in accordance with the terms of the Contract.
8. **No Liability for Incidental Microbiological Growth/Mold.** Customer acknowledges that the Heating, Ventilation, and Air-Conditioning equipment and systems repaired or serviced as a part of this Contract may, under certain conditions, become conducive to or incidentally support microbiological growth. Brandt assumes no liability for nor warrants its work to protect against, eliminate or inhibit any type of incidental microbiological growth including, but not limited to, molds, fungi and other related matter, in or around duct systems, HVAC and related equipment or areas. Brandt agrees, however, to advise the Customer about the existence of such conditions upon discovery and to take measures to discourage such growth as required and in accordance with the terms of the Contract.
9. **Mutual Waiver of Consequential and Punitive Damages.** Notwithstanding any provision to the contrary herein, Customer and Brandt mutually and expressly waive all claims (including, but not limited to, pass-through claims by Owner or Brandt) against one another for consequential damages regardless of the basis



BRANDT

of the claim or the theory of recovery upon which such claim may be based. These damages include, but are not limited to lost revenue and profit, loss of goodwill, loss of use or opportunity, cost of substitute goods, services or facilities and cost of capital, regardless of the foreseeability of such damages. If Customer is a property manager or other legal agent or representative of the property owner, Customer represents and warrants that it has the express requisite authority to waive claims for and recovery of such damages on behalf of the property owner as well as for itself.

10. **Indemnity**. To the fullest extent permitted by law, to the PROPORTIONATE extent OF CUSTOMER'S AND Brandt's RESPECTIVE negligence and except as otherwise limited herein, CUSTOMER AND BRANDT agree to indemnify, defend, and hold ONE ANOTHER AND THEIR RESPECTIVE officers, directors, agents, assigns, successors and employees HARMLESS against all claims and damages, losses and expenses (including, but not limited to, REASONABLE attorney's fees) arising out of OR RELATED TO the performance of this contract. NOTWITHSTANDING THE FOREGOING PROVISION, THIS INDEMNITY IS SUBJECT TO THE LIMITATIONS OF LIABILITY IN SECTIONS 7-10 ABOVE.
11. **Hazardous Materials**. Brandt shall bear no responsibility or liability for the identification or removal of hazardous waste, chemical or substances existing on or at the job site (including, but not limited to, asbestos) which were not created or brought onto the site by Brandt. Should Brandt discover such hazardous waste, chemicals or substances on or at the site, Brandt shall (without any penalty for associated delay) immediately stop work and notify Customer, who shall have sole and exclusive responsibility for rectifying or remediating the hazardous waste, chemical or substance. Brandt shall not return to work until Customer has provided written confirmation that the hazardous waste, chemical or substance has been removed or remediated and it is safe for Brandt to resume the Work. **NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, CUSTOMER EXPRESSLY AGREES TO INDEMNIFY AND HOLD BRANDT HARMLESS FROM ANY AND ALL CLAIMS INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR PERSONAL OR BODILY INJURY OR DEATH THAT MAY BE BROUGHT AGAINST BRANDT IN CONNECTION WITH THE EXISTENCE OF OR EXPOSURE TO HAZARDOUS WASTE, CHEMICALS OR SUBSTANCES EXISTING AT OR ON THE SITE. THIS INDEMNITY APPLIES REGARDLESS OF THE BASIS FOR THE CLAIM, REGARDLESS OF WHO EMPLOYS THE CLAIMANT AND REGARDLESS OF THE TYPE OF DAMAGES SOUGHT OR BY WHOM SUCH DAMAGES ARE SOUGHT.**
12. **Dispute Resolution and Governing Law**. This Contract shall be interpreted and construed according to the laws of the State of Texas. Any disputes arising out of or related to this Contract will be resolved by agreement through a meeting of executive representatives of each party. If no resolution can be reached, the dispute will be resolved through binding arbitration before an arbitrator experienced in construction law and according to the rules promulgated by the American Arbitration Association. The parties agree that the arbitration will be commenced within sixty (60) days of occurrence of the meeting of executive representatives. This Contract shall be governed by the laws of the State of Texas without regard to conflicts of laws principles.
13. **Property Manager**. If Customer is a property manager or other legal agent or representative of the property owner, Customer represents and warrants that it has the express requisite authority to enter into all



BRANDT

of the terms of this Contract including, without limitation, the authority to waive claims for and recovery of consequential (special/indirect/incidental) and punitive damages on behalf of the property owner as well as for itself.

- 14. **Entire Agreement.** This Contract constitutes the entire agreement and is not assignable by either party without the express written consent of the other party. This Contract may be modified or amended only by written agreement of both parties.

- 15. **Force Majeure.** Brandt and Customer agree that an extension of time is appropriate if Brandt's work is impacted or delayed under a Force Majeure Event. A Force Majeure Event means an unforeseen event or circumstances beyond the control of an affected Party, and which is not cause by an act or omission of a Party, which results in a delay in, or total or partial failure of, performance of the affected Party (other than in the obligation to make payments) after that Party has taken every reasonable step, including reasonable expenditures of money, to remedy, avoid or limit the impact of the event.

- 16. **Force Majeure-Definition.** Force Majeure Events include Acts of God, severe and unforeseeable weather conditions, earthquakes that cause material damages to the structure requiring an engineering assessment of the damages prior to continued use of the facility or continuation of the Work, war and fire or explosions other than from construction equipment or supplies under control of Brandt. Public health emergencies (including, but not limited to, epidemics and pandemics), declared by a governmental agency shall be treated as Force Majeure Events. Force Majeure Events do not include (i) shortage of, inability to obtain, or increased cost of labor, equipment, materials or transportation, (ii) local strikes, lock-outs, or other industrial disputes or actions between either party and its or their employees, (iii) insolvency or change in economic circumstances, (iv) change in market conditions, (v) changes in laws or regulations affecting the performance of the work that should have been foreseeable or anticipated or that are part of the ordinary cost of doing business, or (vi) events involving a previous or existing condition at or before the Effective Date.

CUSTOMER ACCEPTANCE:

Accepted By: _____

Name: _____

Title: _____

Date: _____

CONTRACTOR:

The Brandt Companies, LLC

Accepted By: _____

Name: _____

Title: _____

Date: _____



CITY OF KYLE, TEXAS

WS Live Oak Kyle, LLC - Zoning
(Z-21-0072)

Meeting Date: 4/20/2021

Date time: 7:00 PM

Subject/Recommendation: *(Second Reading)* An ordinance amending Chapter 53 (Zoning) of the City of Kyle, Texas, for the purpose of rezoning approximately 14.08 acres of land from Single Family-1 'R-1' to Townhome District 'R-1-T' for property located at the north corner of Live Oak Street and St. Anthony's Drive, in Hays County, Texas. (WS Live Oak Kyle, LLC - Z-21-0072) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 5-1 to recommend approval of the request.

City Council voted 6-0 to approve on First Reading.

Other Information: See attached.

Legal Notes: N/A

Budget Information: N/A

ATTACHMENTS:

Description

- Staff Report
- Ordinance with Exhibit A & B
- Landowner Authorization Letter
- Franchise Tax Account Status
- Deed
- Project Location Map
- Current Zoning Map
- Land Use Districts Map
- Letters of Opposition
- Letter of Opposition

Property Location	Northwest of the intersection of Saint Anthony Drive and Live Oak Street
Owner	Dan Slovak WS Live Oak Kyle, LLC 2206 Hazelfine Lane Austin, TX 78744
Agent	Amar Gulhane 3016 Paseo De Charros Cedar Park, TX 78641 amar@ramendu.com
Request	Rezone 14.1-Acres (R-1) Single Family Residential & 14.1-Acres (R-1-T) Townhomes

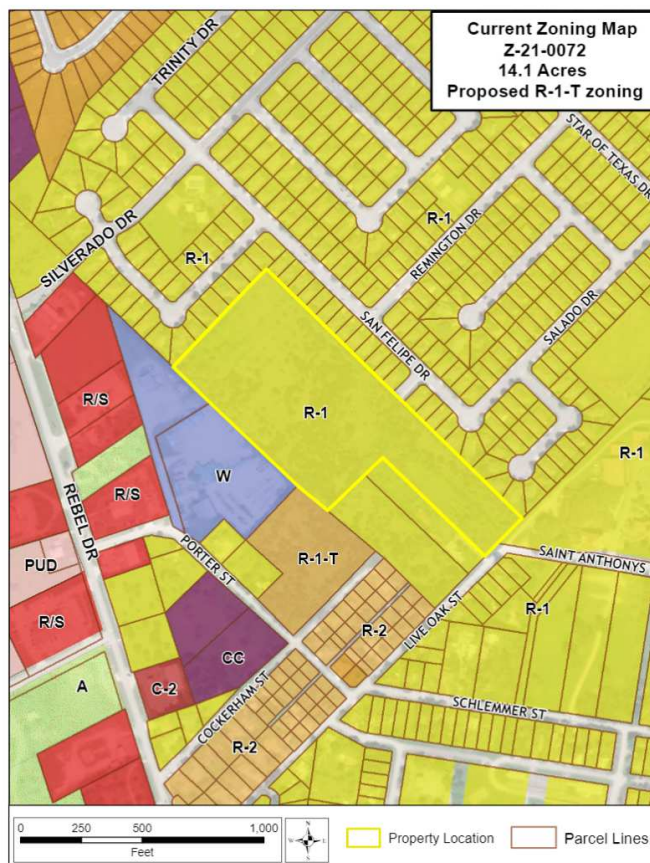
VICINITY MAP



SITE DESCRIPTION

The parcel sits directly northwest of the intersection of Saint Anthony’s Drive and Live Oak Street. The site is currently vacant and zoned R-1 (Single Family Residential). To the northwest and north is the Silverado neighborhood (zoned R-1). To the east is Saint Anthony’s Catholic Church (zoned R-1) and to the southeast are lots zoned R-1 with single family residences. To the south is land zoned R-1-T (Single Family Residential – Townhomes), however the land is undeveloped. Additionally, there is property zoned “W” (Warehouse) to the south, used as a pipe supply company.

The applicant is requesting the property to be rezoned to R-1-T and used as townhomes.



Existing Zoning

R-1 (Single Family Residential, Ord. No. 92)

5.2 District R-1: Single Family Residential

- 5.2.a. Purpose: This district includes lands which are sub-divided into tracts for residential purposes. The district is designed to protect these areas from the undesirable encroachment of nonresidential uses, dense residential development and other similar uses not compatible with the character of one-family detached home type land use, and provided with necessary services and facilities. Mobile homes are excluded from this district.

Proposed Zoning

Residential Townhouse District R-1-T

Sec. 53-140 – Purpose and Permitted Uses.

The residential townhouse district R-1-T allows attached single-family structures containing four or more dwelling units with a minimum of 1,000 square feet of living area per unit and permitted accessory structures. The single-family residences authorized in this zoning district are those generally referred to as townhouses. There shall be no more than ten units per buildable acre of land within the associated boundary of the premises of the townhouse site.

CONDITIONS OF THE ZONING ORDINANCE

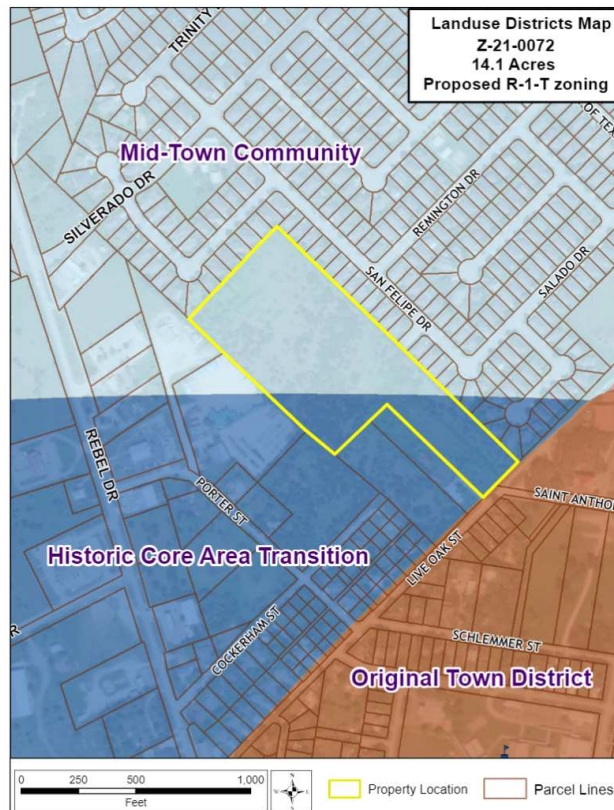
Sec. 53-1205 Amendments

(d)

Referral of amendment to planning and zoning commission. Upon its own motion, a request by the planning and zoning commission, or the receipt of an administratively complete petition and application to zone or rezone a lot, tract or parcel of land, which petition and application has been examined and approved as to form by the city manager, shall be referred to the planning and zoning commission for consideration, public hearing, and recommendation to the city council. The council may not enact a rezoning amendment until the planning and zoning commission has held a public hearing and made its recommendation to the city council, or has made a final vote on the matter without obtaining a majority, on the zoning or rezoning of the property.

(e)

Action by the planning and zoning commission. The planning and zoning commission shall cause such study and review to be made as advisable and required, shall give public notice and hold a public hearing as provided by state law, and shall recommend to the council such action as the planning and zoning commission deems proper...



COMPREHENSIVE PLAN TEXT

The subject site is primarily located in the “Mid-Town Community District”. The remainder of the property is within the “Historic Core Area Transition” District. R-1-T zoning is conditional in both districts.

Mid-Town Community District

Recommended: R-1-1, R-1-2, R-1-3, NC

Conditional: E, R-1-A, **R-1-T**, R-3-1, R-3-2, CC, R/S, MXD, O/I

Historic Core Area Transition District

Recommended: R-1-1, R-1-2, R-1-3, R-1-A

Conditional: A, R-2, R-3-1, **R-1-T**, UE, NC, E, RS, MXD

MID-TOWN COMMUNITY LAND USE DISTRICT

Character: The Mid-Town District contains sites of recent residential development in Kyle and will continue to predominantly feature residential uses. Those residential uses in this District are organized around the curvilinear streets of suburban neighborhood design, rather than the regular, rectilinear grid that characterizes the Old Town District. The Plum Creek waterway flows through and adjacent to the Mid-Town District, offering opportunities for recreation and a responsibility for environmental conservation. This District has a neighborhood-oriented form built around shared spaces such as streets, yards, porches and common areas. Neighborhood legibility and continuity is enhanced through these shared spaces. Distinctive landscape forms, including creekways, vistas, and rolling hills, give identity to this District and should be preserved, protected, and incorporated into development plans.

Intent: The purpose of the Mid-Town District is to maximize the value capture of new residential development in Kyle. This District enjoys unusual proximity to amenities, such as open space, Downtown, commercial nodes, and transit options. The area is therefore well-positioned to define an economic and lifestyle pattern that is unique to Kyle. New development should accommodate low- to mid-density detached residential uses within the unique landscape forms that are present in the District. Higher density residential, attached residential, and non-residential projects like employment and retail sales should be considered based on their proximity to higher classification streets, higher capacity water and waste water availability, and likelihood of compatibility of adjacent uses. Legibility of neighborhood identity, definition, and transportation should be improved within the Mid-Town District through such elements as trails, sidewalks, signage, and interconnected shared spaces.

HISTORIC CORE AREA TRANSITION LAND USE DISTRICT

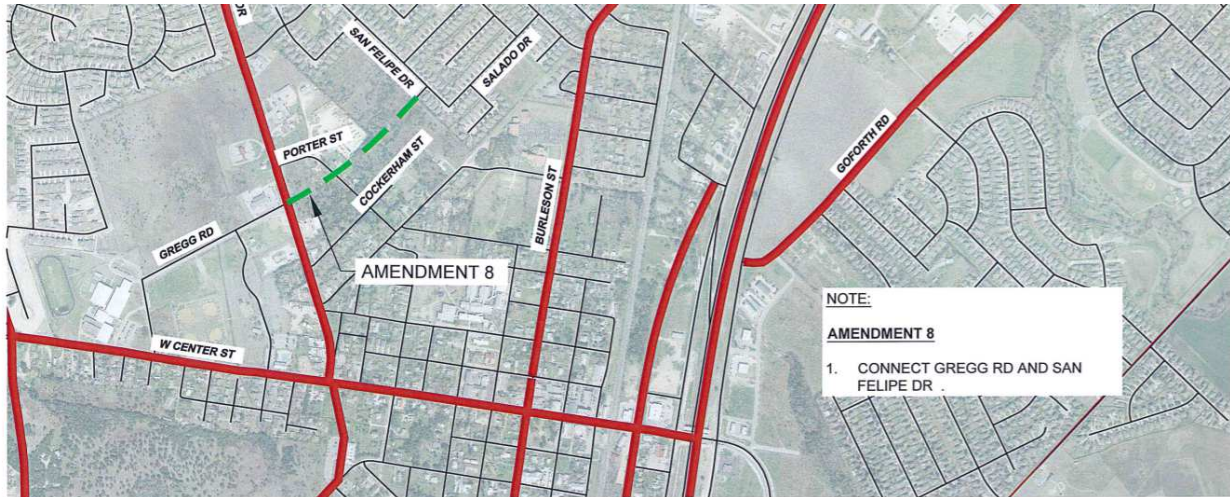
Character: The Historic Core Area Transition serves as a transition between the regular gridded development pattern that characterizes Downtown and the more rural patterns to the south and west, as well as newer development to the north. Significant features of this District include the intersection of Old Stagecoach Road and Center Street, the Gregg Clarke Park, Wallace Middle School, and the emerging commercial corridor along Rebel Road north from Center Street. This District is a “middle landscape” of historic residential

forms that transition to more rural residential forms. The District should embody the historic character of existing uses while anticipating appropriate expansion of Old Town. Development in the Historic Core Area Transition District has historically been on a small, lot-by-lot basis, rather than on a larger, project-by-project basis. Because of this, the street serves as the organizing feature of the District. Therefore, as new development extends into the District from the Old Town District, care should be taken to ensure that the historic street pattern is preserved, as called for in 'Kyle Connected', the city's Transportation Master Plan.

Intent: The purpose of the Historic Core Area Transition District is to accommodate the growth of residential and neighborhood commercial uses around the Old Town District, while preserving the historic rural fabric. The core of Kyle should be allowed to expand into this area as population growth increases in order to strengthen the core of the City. Land use transitions are critical in this District, as are architectural style transitions from traditional Rural Town Center/Old Town Block to curvilinear, rural residential, ensuring the shift from township to rural landscape should be maintained. This can be accomplished by transition in the built form and function from commercial uses to residential uses and finally to rural agricultural residential uses and by establishing transitions in density, decreasing outwardly from the Old Town District. Public spaces in this District should be used to preserve the character of ranch heritage, where appropriate.

ANALYSIS

The 14-acre site (zoned R-1) is sited between the Silverado neighborhood, Saint Anthony's Catholic Church, and a mix of single-family residential uses & townhome zoning. The parcel is currently vacant, and largely overgrown with nuisance vegetation. Historically the lot has been intermittently used as an illegal dump site for bulky solid waste like construction and landscape debris. The lot takes access from Live Oak Street and Monterra Drive (Silverado neighborhood). Any project on this site will also be required to build the extension of Monterra Drive to the southwest, within in the bounds of the parcel. This will be a road extension that will eventually align with the intersection of W FM 150 and Gregg Drive. This extension will serve the Live Oak tract and another access point for the Silverado neighborhood.



The R-1-T district is a zoning district allowing townhomes. Per Kyle’s Zoning Ordinance, a “townhome” is a minimum of 4-attached single family homes (side by side). They are not “stacked flats”, which is multifamily (apartments). The applicant is requesting this zoning as an alternative to traditional low-density single family housing.

- R-1 = 6 residential units per buildable acre, maximum
- R-1-T = 10 residential units per buildable acre, maximum

The allowable increase in density is an important aspect of this request. There are significant costs to upgrading the offsite wastewater line (along Saint Anthony’s Drive) that services this parcel. The existing wastewater line does not perform adequately, and the developer will be required to upgrade the line to service both their property and adjacent properties along the line. This will benefit both existing and future residents of Kyle, and also eliminate a capital improvement project from the city’s responsibility. The additional living units per acre can contribute more to the overall costs of installing the required wastewater infrastructure, reducing the burden on the price of the individual units.

From a comprehensive plan perspective, the site is in both the “Historic Core Area Transition” and “Mid-Town” land use districts. The R-1-T zoning district is considered conditionally in both (conditional upon infrastructure). While the land use districts generally show where certain zoning districts should be, the boundaries frequently cut through the middle of properties. This is a “gray area” for boundary demising lines. While a majority of the property is within the boundaries of the “Mid-Town” district, the existing surrounding “grid” street network lends itself better to the “Historic Core Area Transition” district, and not the intended curvilinear street networks in more suburban or rural neighborhoods. This site is still very much “Central Kyle”, and the historic, grid pattern of streets should be continued, as well as higher density

residential. From a residential building aspect, a city should strive to diversify its housing stock. The R-1-T district is a great “in between” residential product, for those residents wanting to no longer live in rental, multi-family accommodations and instead build personal equity by purchasing property fee simple. In many cases, townhomes offer a price that is less than a typical single family detached product, due to smaller size and economy of scale. This allows a family starting out to incrementally move up to larger homes, when appropriate.

RECOMMENDATION

City staff has reviewed the application and believes the proposed R-1-T district is appropriate. At the March 23, 2021 Planning & Zoning Commission meeting, the Commission voted 5-1 to recommend approval of the zoning request. Staff asks the Mayor & Council to vote to approve the rezoning.

Attachments

- Landowner Authorization Letter
- Franchise Tax Account Status
- Location map
- Surrounding Zoning Map
- Land Use Districts Map

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 53 (ZONING) OF THE CITY OF KYLE, TEXAS, FOR THE PURPOSE OF REZONING APPROXIMATELY 14.08 ACRES OF LAND FROM SINGLE FAMILY RESIDENTIAL-1 'R-1' TO TOWNHOME DISTRICT 'R-1-T' FOR PROPERTY LOCATED AT THE NORTH CORNER OF THE INTERSECTION OF LIVE OAK ST. AND ST. ANTHONY'S DRIVE, IN HAYS COUNTY, TEXAS. (WS LIVE OAK KYLE, LLC – Z-21-0072); AUTHORIZING THE CITY SECRETARY TO AMEND THE ZONING MAP OF THE CITY OF KYLE SO AS TO REFLECT THIS CHANGE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the zoning district map of the City of Kyle adopted in Chapter 53 (Zoning) be and the same is hereby amended to rezone approximately 14.08 acres of land Single Family Residential-1 'R-1' to Townhome District 'R-1-T', as shown on the property location map labeled Exhibit B.

SECTION 2. That the City Secretary is hereby authorized and directed to designate the tract of land zoned herein as such on the zoning district map of the City of Kyle and by proper endorsement indicate the authority for said notation.

SECTION 3. If any provision, section, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid (or for any reason unenforceable), the validity of the remaining portions of this Ordinance or the application to such other persons or sets of circumstances shall not be affected hereby, it being the intent of the City Council of the City of Kyle in adopting this Ordinance, that no portion hereof or provision contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion or provision.

SECTION 4. This Ordinance shall be published according to law and shall be and remain in full force and effect from and after the date of publication.

SECTION 5. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

READ, CONSIDERED, PASSED AND APPROVED ON FIRST READING by the City Council of Kyle at a regular meeting on the _____ day of _____, 2021, at which a quorum was present and for which due notice was given pursuant to Section 551.001, et. Seq. of the Government Code.

READ, CONSIDERED, PASSED AND APPROVED ON SECOND AND FINAL READING by the City Council of Kyle at a regular meeting on the _____ day of _____, 2021, at which a quorum

was present and for which due notice was given pursuant to Section 551.001, et. Seq. of the Government Code.

APPROVED this _____ day of _____, 2021.

Travis Mitchell, Mayor

ATTEST:

Jennifer Holm, City Secretary

“EXHIBIT A”

A DESCRIPTION OF A 14.083 ACRE TRACT OF LAND, LOCATED IN THE J. PHARASS SURVEY, ABSTRACT No. 361, OF HAYS COUNTY, TEXAS. SAID 14.083 ACRE TRACT, BEING ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND DESCRIBED AS CONTAINING 13 & ¾ ACRES IN A GENERAL WARRANTY DEED, DATED OCTOBER 19, 1999, FROM MACK AGUIRRE TO WILLIAM C. AGUIRRE, RECORDED AS DOCUMENT No. 9924796 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, ALSO ALL OF THAT CERTAIN SAVE AND EXCEPT TRACT OR PARCEL OF LAND DESCRIBED AS ONE ACRE OF LAND 115 BY 379 FEET OUT OF THE S.E. CORNER OF THE 14 ¾ ACRE TRACT DESCRIBED IN A DEED, DATED DECEMBER 19, 1928, FROM MARY HANCOCK, BESSIE CLAYTON, FRED CLAYTON, CORAL LAWSON, U.L. LAWSON, EUGENE LAWSON, LOWELL LAWSON, ALBERT LAWSON, AND NOVELLA BRADLEY TO JUAN MARTINEZ, RECORDED IN VOLUME 97, PAGE 329 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS . SAID 14.083 ACRE TRACT, AS SHOWN ON THE ATTACHED SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1” iron pipe (Grid Coordinates = N 13,910,798.59, E 2,323,011.44) found monumenting the northwest right-of-way of Live Oak Street, a variable width right-of-way, the east corner of lot 1, block 2 of the W.R. Simcock Addition, a subdivision plat of record in Volume S, Page 163 of the Deed Records of Hays County, Texas, and the south corner of that certain tract or parcel of land described as containing 3.06 acres (Tract 2) in a General Warranty Deed, dated April 8, 2013, from Jefferson W. Barton and wife, Cyndy Slovak-Barton to Aden Rangel, recorded in Volume 4603, Page 717 of the Official Public Records of Hays County, Texas, from which a ½ inch iron rod found monumenting the west corner of lot 1, Kimbro Addition II, a subdivision plat of record in Volume 2, Page 379 of the Plat Records of Hays County, Texas, bears S 42° 42’ 55” E, a distance of 40.20 feet;

THENCE, N 46° 17’ 25” W, departing the northwest right-of-way of said Live Oak Street, with the northeast line of said W.R. Simcock Addition, and the southwest line of said 3.06 acre tract, a distance of 334.55 feet to an iron rod with aluminum cap stamped “PRO TECH ENG 2219” found monumenting the northern most right-of-way corner of Cockerham Street, a right-of-way 40 feet in width, the east corner of that certain tract or parcel of land described as containing 3.67 acres (Tract 2) in a Constable’s Tax Deed, dated March 9, 2004, from Lupe Cruz, Constable of Hays County to Alan Dale Lowden and Wife, Sharon Lanette Lowden, recorded in Volume 2425, Pg. 182 of the Official Public Records of Hays County, Texas, and the southwest line of said 3.06 acre tract;

THENCE, N 46° 35’ 38” W, continuing with the southwest line of said 3.06 acre tract, and the northeast line of said 3.67 acre tract, a distance of 259.58 feet to a ½ inch iron rod with cap stamped “GEOMATICS 5516” set for the west corner of said 3.06 acre tract, the northeast line of said 3.67 acre tract, and the **POINT OF BEGINNING** (Grid Coordinates = N 13,911,208.10, E 2,322,581.07) of the herein described tract;

THENCE, N 46° 35’ 38” W, continuing with the northeast line of said 3.67 acre tract, the northeast line of that certain tract or parcel of land described as containing 4.422 acres (Tract I) in a Special Warranty Deed, dated March 24, 2015, from Dale Lowden and Lanette Lowden to H.D. Supply Waterworks, Ltd., recorded in Volume 5176, Page 664 of the Official Public Records of Hays County, Texas, a distance of 655.16 feet to a ½ inch iron rod with cap stamped “BUSH SURVEYING” found monumenting the north corner of said 3.67 acre tract, and the northern most east corner of that certain tract or parcel of land described as containing 2.378 acres in a Warranty Deed with Vendor’s Lien, dated August 25, 1999, from Dale Lowden Excavating, Inc. to Blake Brown and Ramona Brown, recorded as Document No. 9920360 of the Official Public Records of Hays County, Texas;

THENCE, N 46° 09' 22" W, with the northeast line of said 2.378 acre tract, a distance of 214.19 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting the south corner of lot 8, block C, Silverado At Plum Creek, Section 1A, a subdivision plat of record in Volume 10, Page 183 of the Plat Records of Hays County, Texas, and the northeast line of said 2.378 acre tract;

THENCE, N 43° 29' 22" E, with the southeast line of lots 8 through 10, block C, of said Silverado at Plum Creek, Section 1A, and lots 11 through 14, block C, Silverado at Plum Creek, Section 1B, a subdivision plat of record in Volume 10, Page 185 of the Plat Records of Hays County, Texas, a distance of 500.23 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting an angle point in said southeast line;

THENCE, N 45° 57' 47" E, with the southeast line of lots 14 and 15, block C, of said Silverado at Plum Creek, Section 1B, a distance of 56.56 feet to an iron rod with cap stamped "RDS RPLS 4049" found monumenting the west corner of lot 17, block C, of said Silverado at Plum Creek, Section 1B, and the southeast line of said lot 15;

THENCE, 45°47'24" E, with the southwest line of lots 17 through 26, block C, of said Silverado at Plum Creek, Section 1B, and lots 27 through 29, block C, Silverado at Plum Creek, Section 3A, a subdivision of record in Volume 11, Page 128 of the Plat Records of Hays County, Texas, a distance of 723.23 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting the south corner of said lot 29 and the west corner of Monterra Drive, a right-of-way 60 feet in width;

THENCE, S 45° 45' 25" E, with the southwest right-of-way of said Monterra Drive, a distance of 59.70 feet to an iron rod with cap stamped "RDS RPLS 4049" found monumenting the west corner of lot 1, block L, of said Silverado at Plum Creek, Section 3A, and the south corner of said Monterra Drive;

THENCE, S 45° 36' 57" E, with the southwest line of lots 1 through 5, block L, of said Silverado at Plum Creek, Section 3A, a distance of 255.53 feet to an iron rod found monumenting an angle point in said southwest line;

THENCE, S 45° 49' 45" E, with the southwest line of lots 5, 6, 17, and 18, block L, of said Silverado at Plum Creek, Section 3A, a passing distance of 50.07 feet, 0.55 feet perpendicular and northeast of line, an iron rod with cap stamped "RPLS 1868" found monumenting the north corner of said one acre 115 by 379 feet, from which an iron rod with cap stamped "RPLS 1868" found monumenting the west corner of said one acre tract 115 by 379 feet, bears S 44° 27' 30" W, a distance of 115.34 feet, in all a total distance of 226.78 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting an angle point in said southwest line;

THENCE, S 45° 08' 13" E, with the southwest line of lot 18 and 19, block L, of said Silverado at Plum Creek, Section 3A, a distance of 202.10 feet to a 60D nail in and old fence post found monumenting the south corner of said lot 19, the east corner of said one acre tract 115 by 379 feet, the northwest line of that certain tract or parcel of land described as containing 15-2/15 acres in a deed, dated June 21, 1958, from R.H. Teasley and Myrtle Teasley to Louis J. Reicher, Bishop of Austin, recorded in Volume 174, Page 401 of the Deed Records of Hays County, Texas, and the southeast line of the J. Pharass Survey, Abstract No. 361;

THENCE, S 44° 22' 21" W, with the northwest line of said 15-2/15 acres, the southeast line of said one acre tract 115 by 379 feet, and the southeast line of the J. Pharass Survey, a passing distance of 114.96 feet to an iron rod with cap stamped "RPLS 1868" found monumenting the south corner of said one acre tract 115 by 379 feet, continuing with the northeast line of said 15-2/15 acres, and the southeast line of said J. Pharrass Survey, a passing distance of 141.85 feet to the west corner of said 15-2/15 acre tract, the north

corner of that certain tract or parcel of land described as containing 1.46 acres of land in a Street Deed, dated September 14, 1998, from John McCarthy, Bishop of the Catholic Diocese of Austin to the City of Kyle, Texas, recorded in Volume 1456, Page 789 of the Official Public Records of Hays County, Texas, continuing with the southeast line of said J. Pharass Survey, the northwest line of said 1.46 acre tract, and the northwest right-of-way of said Live Oak Street, in all a total distance of 215 .62 feet to a ¾ inch iron rod found monumenting the east corner of that certain tract or parcel of land described as containing 1.298 acres in a General Warranty Deed, dated April 15, 2013, from Tracy Forester to Richard Giberson, recorded in Volume 4621, Page 732 of the Official Public Records of Hays County, Texas, and the northwest right-of-way of said Live Oak Street, from which said 1 " iron pipe, point of commencement, bears S 43° 59' 29" W, a distance of 321.02 feet;

THENCE, N 46° 26' 50" W, departing the northwest line of said Live Oak Street, with the northeast line of said 1.298 acres, a distance of 588.81 feet to an iron rod with cap stamped "RPLS 1868" found monumenting the north corner of said 1.298 acre tract;

THENCE, S 44° 56' 25" W, with the northwest line of said 1.298 acres, and the northwest line of said 3.06 acres, a distance of 320.86 feet to the POINT OF BEGINNING, and containing 14.083 acres of land, more or less. Survey plat accompanies and is a part of this description.

THE STATE OF TEXAS


KNOW ALL MEN BY THESE PRESENT:

COUNTY OF TRAVIS

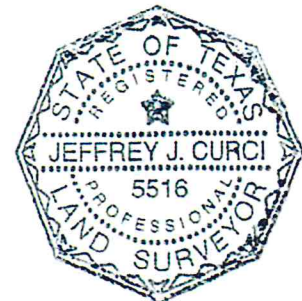
That I, Jeffrey J. Curci, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the months of June-July 2015.

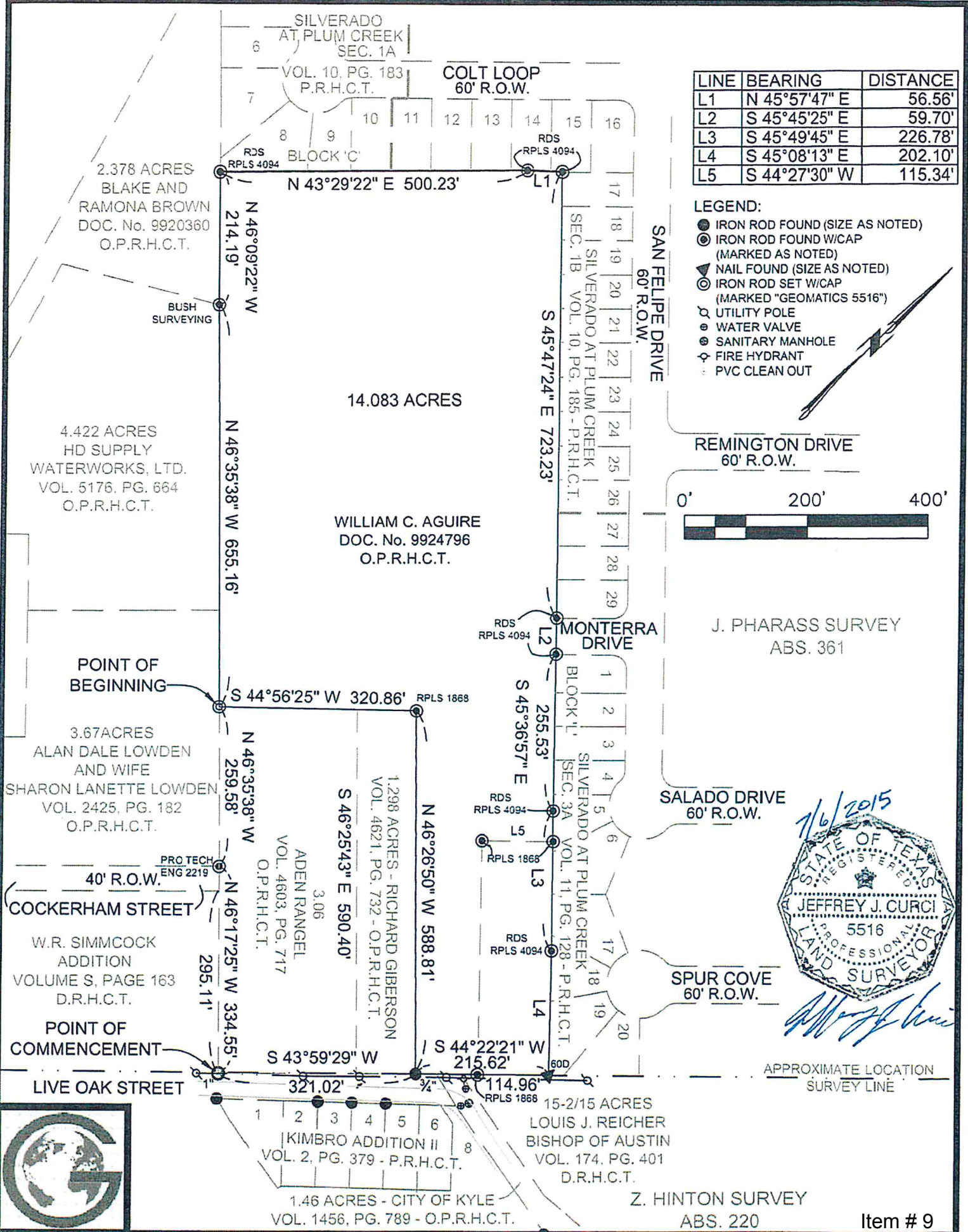
WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 6th day of July 2015 A.D.

GEOMATICS SURVEYING ANC MAPPING INC.
7500 Amanda Ellis Way
Austin, Texas 78749


Jeffrey J. Curci
Registered Professional Land Surveyor
No. 5516 – State of Texas

Bearing Basis: Texas State Plane Coordinates, South Central Zone (4204), NAD 83(2011)





LINE	BEARING	DISTANCE
L1	N 45°57'47" E	56.56'
L2	S 45°45'25" E	59.70'
L3	S 45°49'45" E	226.78'
L4	S 45°08'13" E	202.10'
L5	S 44°27'30" W	115.34'

- LEGEND:**
- IRON ROD FOUND (SIZE AS NOTED)
 - ⊙ IRON ROD FOUND W/CAP (MARKED AS NOTED)
 - ▲ NAIL FOUND (SIZE AS NOTED)
 - ⊙ IRON ROD SET W/CAP (MARKED "GEOMATICS 5516")
 - ⊕ UTILITY POLE
 - ⊙ WATER VALVE
 - ⊙ SANITARY MANHOLE
 - ⊕ FIRE HYDRANT
 - ⋯ PVC CLEAN OUT

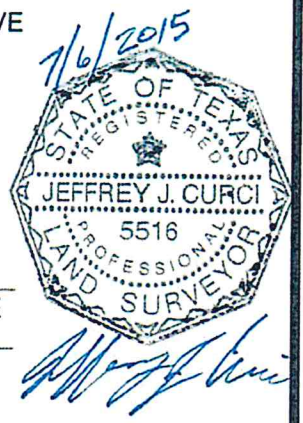
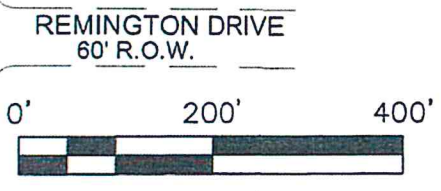
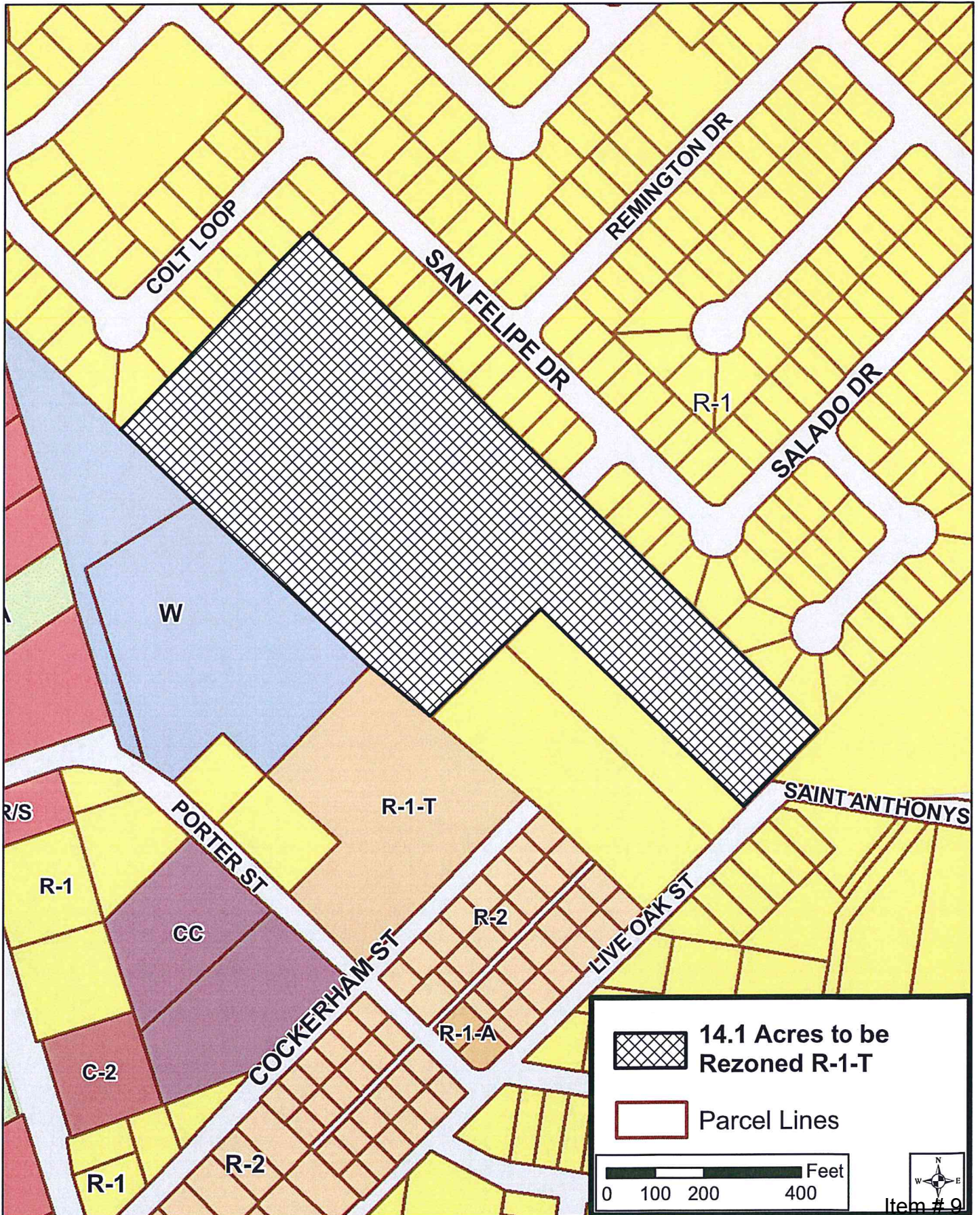


Exhibit B

Z-21-0072 Live Oak St 14.1 Acres



February 23, 2021

Debbie A Guerra
Planning Technician
City of Kyle
100 West Center Street
Kyle, Texas 78640

RE: Re-zoning for Live Oak St. Kyle TX
Summary and Owner Authorization Letter for Agent Representation

The Live Oak St. Kyle, legal address "ABS 361 John Pharass Survey 14.083 AC" is land in Hays County, TX. This application is a request for review and approval for "R-1-T" zoning.

The applicant information is the following:

Dan Slovak
Ws Live Oak Kyle LLC
2206 Hazelfine Ln
Austin, TX- 78744-1206

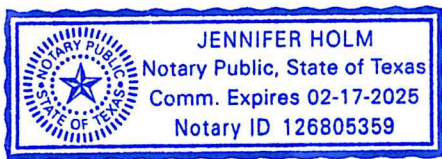
As the owner of "Live Oak St, Kyle TX" property, I hereby grant "Amar Gulhane" the right to act as authorized agent on rezoning application associated with the property. The agent will act in presenting documents, communication with county and city staff.
Please contact me if you have any questions.

Respectfully,
Ws Live Oak Kyle LLC


Dan Slovak
Owner

Before me, the undersigned authority, on this day personally appeared Dan Slovak, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed, in the capacity therein stated.

Given under my hand and seal of office this 23 day of February, 2021



(Personalized Seal)


Notary Public's Signature

Current Owner of Property

WS LIVE OAK KYLE, LLC	
Texas Taxpayer Number	32057879689
Mailing Address	6704 MENCHACA RD UNIT 41 AUSTIN, TX 78745-4944
? Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	07/24/2015
Texas SOS File Number	0802259474
Registered Agent Name	TYLER WILLIAMS
Registered Office Street Address	6704 MANCHACA RD #41 AUSTIN, TX 78745

Amar Gulhane's Business

MANJAL KYLE LLC	
Texas Taxpayer Number	32077617556
Mailing Address	3016 PASEO DE CHARROS CEDAR PARK, TX 78641-2747
? Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	01/31/2021
Texas SOS File Number	0803919801
Registered Agent Name	AMAR GULHANE
Registered Office Street Address	3016 PASEO DE CHARROS CEDAR PARK, TX 78641

**** Electronically Filed Document ****

Hays County Texas
Liz Q. Gonzalez
County Clerk

Document Number: 2015-15036224
Recorded As : ELECTRONIC RECORDING

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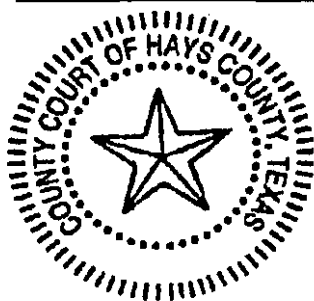
Parties:

Direct- AQUIRRE WILLIAM C
Indirect- WS LIVE OAK KYLE LLC

Receipt Number: 413697
Processed By: Rachel Hatmaker

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.



I hereby certify that this instrument was filed for record in my office on the date and time stamped hereon and was recorded on the volume and page of the named records of Hays County, Texas

Liz Q. Gonzalez, County Clerk

GENERAL WARRANTY DEED WITH VENDOR'S LIEN

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DATE: November 6, 2015

Grantor: William C. Aguirre, Francisco A. Castilleja, Jr. and Hilda Yvonne Castilleja f/k/a Yvonne Cruz

Address: PO Box 2168 Kyle, Texas 78640

Grantee: WS Live Oak Kyle, LLC

Address: 6704 Manchaca Road #41 Austin, Texas 78745

CONSIDERATION:

Ten Dollars (\$10.00) and other valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, and a note of even date that is in the principal amount of Three Hundred Twelve Thousand and No/100 Dollars (\$312,000.00) and is executed by WS Live Oak Kyle, LLC payable to the order of Crockett National Bank. This note is secured by a vendor's lien retained in favor of Crockett National Bank in this deed and by a Deed of Trust of even date from Grantee to Todd E. Huckabee, Trustee.

PROPERTY (including any improvements):

See Exhibit A Attached Hereto

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:


This conveyance is made and accepted subject to all restrictions, covenants, conditions, rights-of-way, assessments, outstanding royalty and mineral reservations and easements, if any, affecting the above described property that are valid, existing and properly of record and subject, further, to taxes for the year 2016 and subsequent years.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in anywise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor hereby binds Grantor and Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

The vendor's lien against and superior title to the property are retained until each note described is fully paid according to its terms, at which time this deed shall become absolute.

Crockett National Bank, at Grantee's request, has paid in cash to Grantor that portion of the purchase price of the Property that is evidenced by the note. The vendor's lien against the title to the Property is retained for the benefit of Crockett National Bank and is transferred to Crockett National Bank without recourse against Grantor.

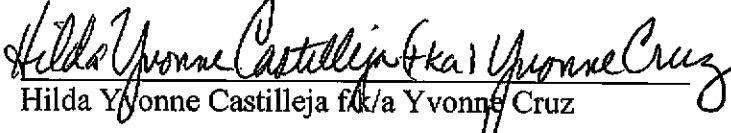
When the context requires, singular nouns and pronouns include the plural.



William C. Aguirre



Francisco A. Castilleja, Jr.

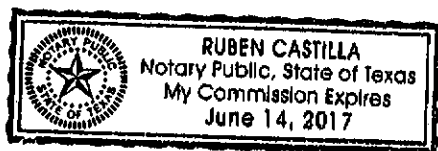


Hilda Yvonne Castilleja fka Yvonne Cruz

Acknowledgement

State of Texas
County of Travis

This instrument was acknowledged before me on the 6th day of November, 2015, by William C. Aguirre, Francisco A. Castilleja, Jr. and Hilda Yvonne Castilleja f/k/a Yvonne Cruz.




Notary Public, State of Texas

After Recording Return To:

Law Offices of T. Alan Ceshker
13413 Galleria Circle, Suite 120
Austin, Texas 78738
(512) 961-7848
(512) 961-7849 (fax)

EXHIBIT "A"

A DESCRIPTION OF A 14.083 ACRE TRACT OF LAND, LOCATED IN THE J. PHARASS SURVEY, ABSTRACT No. 361, OF HAYS COUNTY, TEXAS. SAID 14.083 ACRE TRACT, BEING ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND DESCRIBED AS CONTAINING 13 & $\frac{3}{4}$ ACRES IN A GENERAL WARRANTY DEED, DATED OCTOBER 19, 1999, FROM MACK AGUIRRE TO WILLIAM C. AGUIRRE, RECORDED AS DOCUMENT No. 9924796 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, ALSO ALL OF THAT CERTAIN SAVE AND EXCEPT TRACT OR PARCEL OF LAND DESCRIBED AS ONE ACRE OF LAND 115 BY 379 FEET OUT OF THE S.E. CORNER OF THE 14 $\frac{3}{4}$ ACRE TRACT DESCRIBED IN A DEED, DATED DECEMBER 19, 1928, FROM MARY HANCOCK, BESSIE CLAYTON, FRED CLAYTON, CORAL LAWSON, U.L. LAWSON, EUGENE LAWSON, LOWELL LAWSON, ALBERT LAWSON, AND NOVELLA BRADLEY TO JUAN MARTINEZ, RECORDED IN VOLUME 97, PAGE 329 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS . SAID 14.083 ACRE TRACT, AS SHOWN ON THE ATTACHED SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1" iron pipe (Grid Coordinates = N 13,910,798.59, E 2,323,011.44) found monumenting the northwest right-of-way of Live Oak Street, a variable width right-of-way, the east corner of Lot 1, Block 2 of the W.R. Simcock Addition, a subdivision plat of record in Volume S, Page 163 of the Deed Records of Hays County, Texas, and the south corner of that certain tract or parcel of land described as containing 3.06 acres (Tract 2) in a General Warranty Deed, dated April 8, 2013, from Jefferson W. Barton and wife, Cyndy Slovak-Barton to Aden Rangel, recorded in Volume 4603, Page 717 of the Official Public Records of Hays County, Texas, from which a $\frac{1}{2}$ inch iron rod found monumenting the west corner of Lot 1, Kimbro Addition II, a subdivision plat of record in Volume 2, Page 379 of the Plat Records of Hays County, Texas, bears S 42° 42' 55" E, a distance of 40.20 feet;

THENCE, N 46° 17' 25" W, departing the northwest right-of-way of said Live Oak Street, with the northeast line of said W.R. Simcock Addition, and the southwest line of said 3.06 acre tract, a distance of 334.55 feet to an iron rod with aluminum cap stamped "PRO TECH ENG 2219" found monumenting the northern most right-of-way corner of Cockerham Street, a right-of-way 40 feet in width, the east corner of that certain tract or parcel of land described as containing 3.67 acres (Tract 2) in a Constable's Tax Deed, dated March 9, 2004, from Lupe Cruz, Constable of Hays County to Alan Dale Lowden and Wife, Sharon Lanette Lowden, recorded in Volume 2425, Pg. 182 of the Official Public Records of Hays County, Texas, and the southwest line of said 3.06 acre tract;

THENCE, N 46° 35' 38" W, continuing with the southwest line of said 3.06 acre tract, and the northeast line of said 3.67 acre tract, a distance of 259.58 feet to a $\frac{1}{2}$ inch iron rod with

cap stamped "GEOMATICS 5516" set for the west corner of said 3.06 acre tract, the northeast line of said 3.67 acre tract, and the POINT OF BEGINNING (Grid Coordinates = N 13,911,208.10, E 2,322,581.07) of the herein described tract;

THENCE, N 46° 35' 38" W, continuing with the northeast line of said 3.67 acre tract, the northeast line of that certain tract or parcel of land described as containing 4.422 acres (Tract I) in a Special Warranty Deed, dated March 24, 2015, from Dale Lowden and Lanette Lowden to H.D. Supply Waterworks, Ltd., recorded in Volume 5176, Page 664 of the Official Public Records of Hays County, Texas, a distance of 655.16 feet to a ½ inch iron rod with cap stamped "BUSH SURVEYING" found monumenting the north corner of said 3.67 acre tract, and the northern most east corner of that certain tract or parcel of land described as containing 2.378 acres in a Warranty Deed with Vendor's Lien, dated August 25, 1999, from Dale Lowden Excavating, Inc. to Blake Brown and Ramona Brown, recorded as Document No. 9920360 of the Official Public Records of Hays County, Texas;

THENCE, N 46° 09' 22" W, with the northeast line of said 2.378 acre tract, a distance of 214.19 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting the south corner of Lot 8, Block C, Silverado At Plum Creek, Section 1A, a subdivision plat of record in Volume 10, Page 183 of the Plat Records of Hays County, Texas, and the northeast line of said 2.378 acre tract;

THENCE, N 43° 29' 22" E, with the southeast line of Lots 8 through 10, Block C, of said Silverado at Plum Creek, Section 1A, and Lots 11 through 14, Block C, Silverado at Plum Creek, Section 1B, a subdivision plat of record in Volume 10, Page 185 of the Plat Records of Hays County, Texas, a distance of 500.23 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting an angle point in said southeast line;

THENCE, N 45° 57' 47" E, with the southeast line of lots 14 and 15, block C, of said Silverado at Plum Creek, Section 1B, a distance of 56.56 feet to an iron rod with cap stamped "RDS RPLS 4049" found monumenting the west corner of Lot 17, Block C, of said Silverado at Plum Creek, Section 1B, and the southeast line of said lot 15;

THENCE, 45°47'24" E, with the southwest line of Lots 17 through 26, Block C, of said Silverado at Plum Creek, Section 1B, and Lots 27 through 29, Block C, Silverado at Plum Creek, Section 3A, a subdivision of record in Volume 11, Page 128 of the Plat Records of Hays County, Texas, a distance of 723.23 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting the south corner of said lot 29 and the west corner of Monterra Drive, a right-of-way 60 feet in width;

THENCE, S 45° 45' 25" E, with the southwest right-of-way of said Monterra Drive, a distance of 59.70 feet to an iron rod with cap stamped "RDS RPLS 4049" found monumenting the west corner of Lot 1, Block L, of said Silverado at Plum Creek, Section 3A, and the south corner of said Monterra Drive;

THENCE, S 45° 36' 57" E, with the southwest line of Lots 1 through 5, Block L, of said Silverado at Plum Creek, Section 3A, a distance of 255.53 feet to an iron rod found monumenting an angle point in said southwest line;

THENCE, S 45° 49' 45" E, with the southwest line of Lots 5, 6, 17, and 18, Block L, of said Silverado at Plum Creek, Section 3A, a passing distance of 50.07 feet, 0.55 feet perpendicular and northeast of line, an iron rod with cap stamped "RPLS 1868" found monumenting the north corner of said one acre 115 by 379 feet, from which an iron rod with cap stamped "RPLS 1868" found monumenting the west corner of said one acre tract 115 by 379 feet, bears S 44° 27' 30" W, a distance of 115.34 feet, in all a total distance of 226.78 feet to an iron rod with cap stamped "RDS RPLS 4094" found monumenting an angle point in said southwest line;

THENCE, S 45° 08' 13" E, with the southwest line of Lot 18 and 19, Block L, of said Silverado at Plum Creek, Section 3A, a distance of 202.10 feet to a 60D nail in and old fence post found monumenting the south corner of said Lot 19, the east corner of said one acre tract 115 by 379 feet, the northwest line of that certain tract or parcel of land described as containing 15-2/15 acres in a deed, dated June 21, 1958, from R.H. Teasley and Myrtle Teasley to Louis J. Reicher, Bishop of Austin, recorded in Volume 174, Page 401 of the Deed Records of Hays County, Texas, and the southeast line of the J. Pharrass Survey, Abstract No. 361;

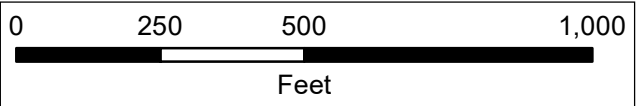
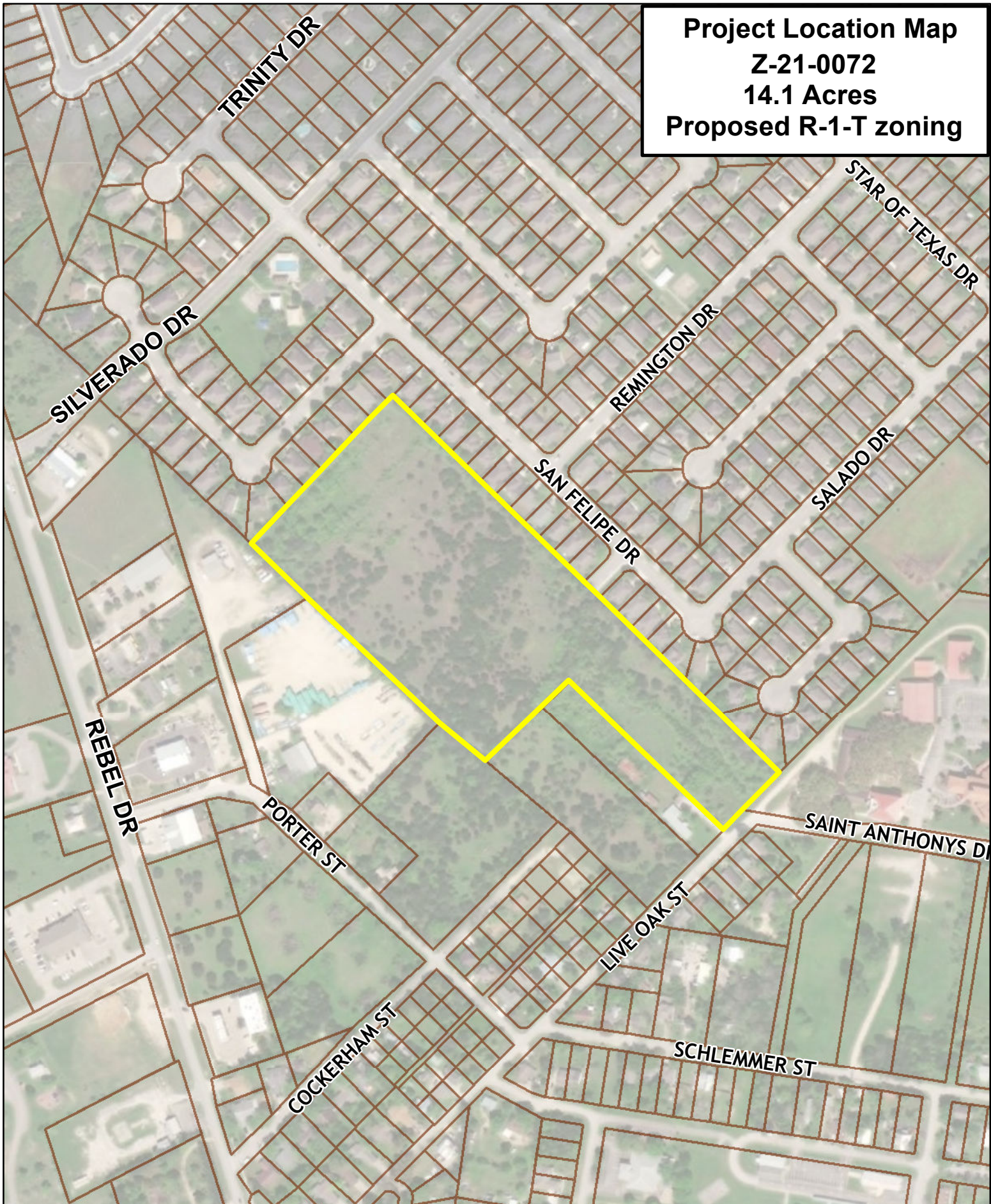
THENCE, S 44° 22' 21" W, with the northwest line of said 15-2/15 acres, the southeast line of said one acre tract 115 by 379 feet, and the southeast line of the J. Pharrass Survey, a passing distance of 114.96 feet to an iron rod with cap stamped "RPLS 1868" found monumenting the south corner of said one acre tract 115 by 379 feet, continuing with the northeast line of said 15-2/15 acres, and the southeast line of said J. Pharrass Survey, a passing distance of 141.85 feet to the west corner of said 15-2/15 acre tract, the north corner of that certain tract or parcel of land described as containing 1.46 acres of land in a Street Deed, dated September 14, 1998, from John McCarthy, Bishop of the Catholic Diocese of Austin to the City of Kyle, Texas, recorded in Volume 1456, Page 789 of the Official Public Records of Hays County, Texas, continuing with the southeast line of said J. Pharrass Survey, the northwest line of said 1.46 acre tract, and the northwest right-of-way of said Live Oak Street, in all a total distance of 215 .62 feet to a ¼ inch iron rod found monumenting the east corner of that certain tract or parcel of land described as containing 1.298 acres in a General Warranty Deed, dated April 15, 2013, from Tracy Forester to Richard Giberson, recorded in Volume 4621, Page 732 of the Official Public Records of Hays County, Texas, and the northwest right-of-way of said Live Oak Street, from which said 1 " iron pipe, point of commencement, bears S 43° 59' 29" W, a distance of 321.02 feet;

THENCE, N 46° 26' 50" W, departing the northwest line of said Live Oak Street, with the northeast line of said 1.298 acres, a distance of 588.81 feet to an iron rod with cap stamped

“RPLS 1868” found monumenting the north corner of said 1.298 acre tract;

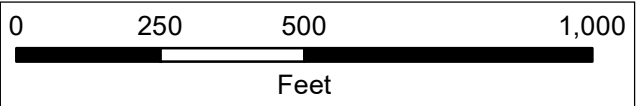
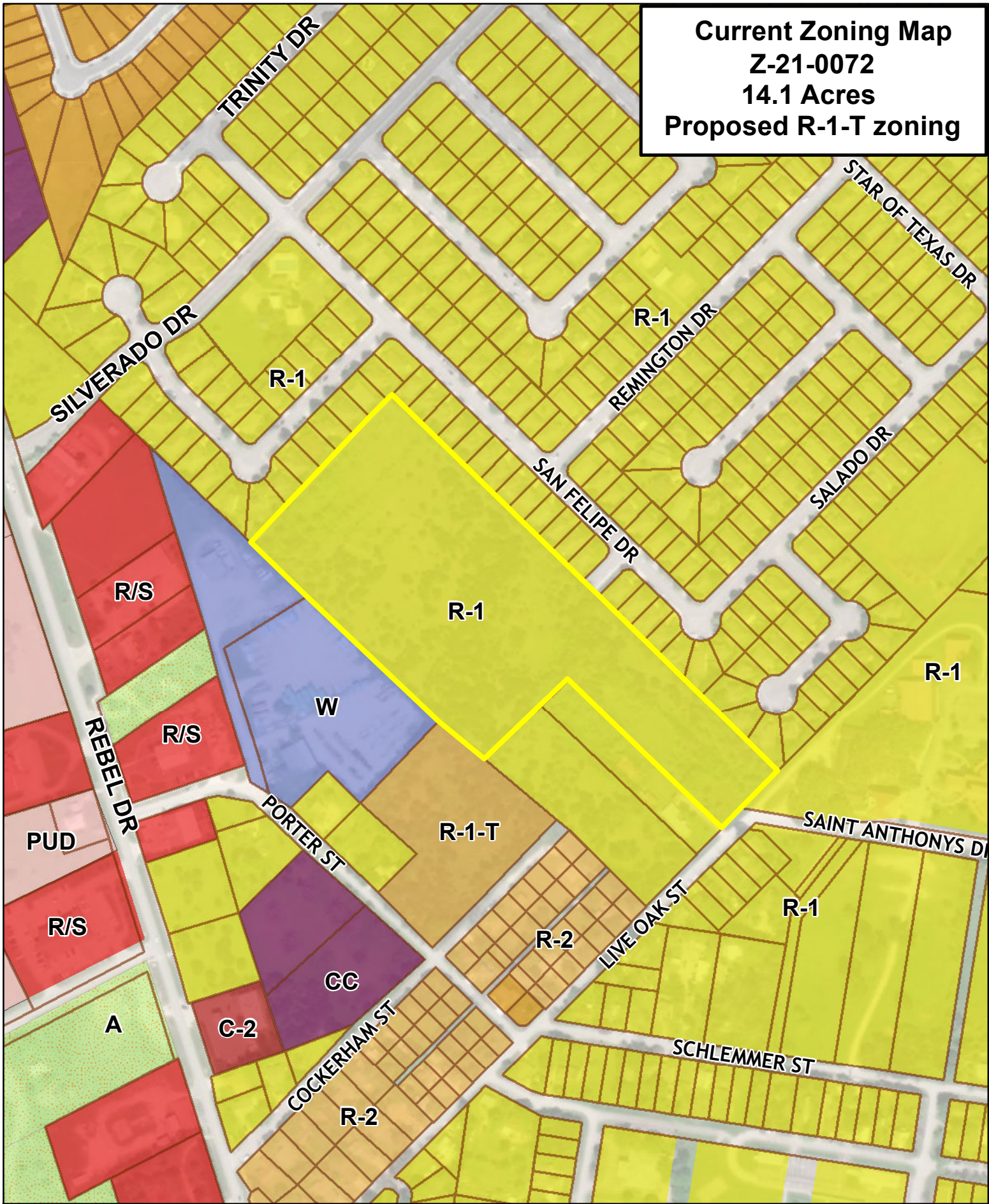
THENCE, S 44° 56’ 25” W, with the northwest line of said 1.298 acres, and the northwest line of said 3.06 acres, a distance of 320.86 feet to the POINT OF BEGINNING, and containing 14.083 acres of land, more or less.

Project Location Map
Z-21-0072
14.1 Acres
Proposed R-1-T zoning



 Property Location  Parcel Lines

Current Zoning Map
Z-21-0072
14.1 Acres
Proposed R-1-T zoning



 Property Location

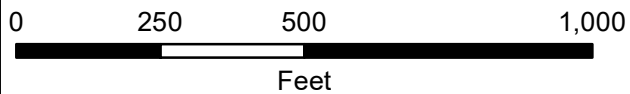
 Parcel Lines

Landuse Districts Map
Z-21-0072
14.1 Acres
Proposed R-1-T zoning

Mid-Town Community

Historic Core Area Transition

Original Town District



 Property Location

 Parcel Lines

Item # 9

You may send your written comments to the Planning Department, 100 W. Center St., Kyle, Texas 78640
(attention: Zoning File # Z-21-0072).

Name: Kevin Villaalba Address: 120 Colt Loop, Kyle, Tx. 78640

I am in favor, this is why _____

I am not if favor, and this is why The last time this was proposed there were no plans to show exactly what was going to be built (townhome is very general). Second, the last time this was proposed, there was no infrastructure to support the new buildings (i.e., roads, water, sewer, etc.). Has any of this changed?

----- being held on a request by WS Live Oak Kyle, LLC (Z-21-0072) to

You may send your written comments to the Planning Department, 100 W. Center St., Kyle, Texas 78640
(attention: Zoning File # Z-21-0072).

Name: Judy McLaughlin Address: 706 Live Oak

I am in favor, this is why _____

I am not if favor, and this is why We live in a quiet one story home area where owls roost and with an occasional opossum, racoon and deer. Townhouses would cut down the trees and destroy it.

You may send your written comments to the Planning Department, 100 W. Center St., Kyle, Texas 78640
(attention: Zoning File # Z-21-0072).

Name: REBECCA CURRY MAYFIELD Address: 710 LIVE OAK

I am in favor, this is why _____

I am not if favor, and this is why NOT FOR TOWN HOMES - HIGH TRAFFIC

ALREADY DUE TO CHURCH AND WANT TO KEEP NEIGHBORHOOD
FEEL - MAYBE CROSSWALK OR PEDESTRIAN PATH FOR OUR
OLD TOWN RYLE AREA.



CITY OF KYLE, TEXAS

Acceptance of City's FY 2020 CAFR and Independent Auditor's Report

Meeting Date: 4/20/2021
Date time: 7:00 PM

Subject/Recommendation: Acceptance of the City's Comprehensive Annual Financial Report (CAFR) and the Independent Auditor's Report for the Fiscal Year ended September 30, 2020. ~ *Perwez A. Moheet, CPA, Director of Finance & Tino Robledo, CPA, RSM US, LLP, Certified Public Accountants*

Other Information: Article VIII, Section 8.13 of the City Charter requires that the close of each fiscal year, an independent audit shall be made of all accounts of the City by a Certified Public Accountant experienced in auditing cities. The City Charter further requires that the audit shall be completed on or before March 30th of each year and upon acceptance of the audit, a summary thereof shall be published immediately in a newspaper of general circulation in the City and copies of the audit report shall be placed on file in the City Secretary's Office as a public record.

The City management is pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Kyle for the fiscal year ended September 30, 2020.

The Management's Discussion and Analysis (MD&A) section of the CAFR presents a narrative overview and analysis of the financial activities of the City of Kyle for the fiscal year ended September 30, 2020. This analysis is intended to assist readers in focusing on key financial issues and changes in the City's financial position and to identify any significant variances from the approved budget.

It is important to consider the information presented in the Management's Discussion and Analysis (MD&A) section of the City's Comprehensive Annual Financial Report (CAFR) in conjunction with additional information that we have provided in the letter of transmittal, the financial statements, and the notes to the financial statements.

REPORT HIGHLIGHTS

- The City's independent auditors conducted their audit and examination of the City's financial statements and financial records in accordance with the auditing standards prescribed and accepted in the United States of America.
- The independent auditors, RSM US, LLP, Certified Public Accountants, issued an unqualified or "clean" Auditor's Report for the fiscal year ended September 30, 2020. This is the highest level or the best type of an independent Auditor's Report that an independent auditor can issue on the financial statements of governmental entities in the United States of America.
- The independent auditor's report did not identify any audit findings or deficiencies concerning the City's financial transactions, financial records, financial controls, or in the City's accounting and financial reporting systems.

- Based on the independent auditor's audit and examination of the City's financial records, the audit report states "the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Kyle, Texas, as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."
- The City's Statement of Net Position for all funds for fiscal year ended September 30, 2020 reported \$407.0 million in assets, \$121.2 million in liabilities, and a net position totaling \$285.8 million.
- The City's overall net position totaling \$285.8 million as of September 30, 2020 is an increase of \$52.4 million or 22.5 percent from the prior fiscal year.
- The ending fund balance of the City's General Fund at September 30, 2020 totaled \$21.4 million. This is an increase of \$5.8 million or 37.4 percent from the prior fiscal year.
- Revenue and transfers-in from all sources for the City's General Fund fiscal year ended September 30, 2020 totaled \$35.6 million. (GAAP basis)
- Expenditures and transfers-out for the City's General Fund fiscal year ended September 30, 2020 totaled \$29.8 million for all government functions and activities.

For complete transparency and inclusion of detailed financial information, a copy of the following documents are attached to this agenda item:

1. City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2020.
2. Independent Auditor's Report on the City's financial statements and financial records for the fiscal year ended September 30, 2020.
3. Federal Compliance Report for the fiscal year ended September 30, 2020.
4. Independent Auditor's communication letter to City Council.

A complete copy of the City's Comprehensive Annual Financial Report (CAFR) and the Independent Auditor's Report for the fiscal year ended September 30, 2020 are also available on the website of the City's Financial Services Department.

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- ☐ CAFR - FY 2020
- ☐ Federal Compliance Report - FY 2020
- ☐ Auditor's Communication Letter



THE CITY OF KYLE, TEXAS COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED
SEPTEMBER 30, 2020

THE CITY OF KYLE, TEXAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT



City Manager
J. Scott Sellers

Director of Finance
Perwez A. Moheet, CPA

FOR THE YEAR ENDED
SEPTEMBER 30, 2020

Prepared by Financial Services Department

Item # 10



Elected Officials

Mayor
Travis Mitchell

Mayor Pro Tem
Rick Koch

Council Member, District 1
Dex Ellison

Council Member, District 2
Yvonne Flores-Cale

Council Member, District 3
Robert Rizo

Council Member, District 4
Ashlee Bradshaw

Council Member, District 6
Michael Tobias

**CITY OF KYLE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**CITY OF KYLE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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INTRODUCTORY SECTION





CITY OF KYLE

100 W. Center Street • Kyle, Texas 78640 • Tel (512) 262-1010 • Fax (512) 262-3800

March 22, 2021

Mayor, Mayor Pro Tem, and Council Members
City of Kyle, Texas

We are pleased to submit to you the City of Kyle's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. This annual financial report provides detailed information regarding the City's financial condition and activities to City Council, Boards and Commissions, taxpayers and residents of Kyle, City management, regulatory and grantor agencies, City's bondholders, and other interested entities.

City management is responsible for both the accuracy of the financial information presented and the completeness and fairness of the presentations including all disclosures. We believe the financial information, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City of Kyle. These financial statements have been prepared by the Financial Services Department in accordance with generally accepted accounting principles (GAAP) for local governments.

The City's financial statements and accompanying notes to the financial statements included in the City's Comprehensive Annual Financial Report have been audited by the independent firm of RSM US, LLP, Certified Public Accountants. Accordingly, this audit satisfies Article VIII, Section 8.13 of the City Charter which requires an annual audit of all accounts of the City by an independent Certified Public Accountant.

The Management's Discussion and Analysis (MD&A) section immediately follows the independent auditor's report. The MD&A section provides a narrative introduction, overview, and analysis to accompany the audited financial statements. This letter of transmittal is also intended to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY

The City's Comprehensive Annual Financial Report provides financial information on all funds of the City of Kyle. The City provides a full range of municipal services including general government, public safety, emergency management, permits and inspections, planning and zoning, code enforcement, public recreation and culture, economic development, solid waste collection and recycling, stormwater and drainage management, and water and wastewater services.

KYLE'S GOVERNMENT, ECONOMY, AND OUTLOOK

General Information

The City of Kyle is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the State including the City's Home Rule Charter, initially adopted by the voters in the year 2000.

The City operates as a Home Rule City under a Council-Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Council appoints the City Manager who is the chief executive officer responsible for executing City Council's policies and managing the government. The City Manager serves at the pleasure of the City Council of the City of Kyle.

Kyle is a thriving community strategically located eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio with easy access to major highways and roadways including Interstate Highway 35. Kyle is the second largest city in Hays County and enjoys a south-central location convenient to most major population and employment centers in Texas. The City covers approximately thirty one (31) square miles and had an estimated population of 56,000 at year end in 2020.

Local Economy

The City of Kyle residents enjoy a vibrant local economy and an excellent quality of life. Among the many factors attributing to the vibrancy of Kyle include a high per capita household income, low unemployment rate, educated workforce, employment growth, and the continued addition of new businesses in the consumer retail, medical, and light manufacturing sectors.

Among the major indicators of a stable yet an expanding local economy include growth in population, building permits, taxable valuations, property tax collection rate, and the trend for sales tax collections. We are pleased to report that the annual increase in the total number of building permits issued increased by 72.1% from the prior year, taxable property valuations increased by 8.9% as compared to the prior tax year, property tax collection rate has continued to surpass the 98.0% level, and sales tax collections increased by 12.0% as compared to the prior year. Total population in the City of Kyle has increased to an estimated 56,000 residents at year end in 2020.

Long-term Planning

Following an extensive public involvement process, the City adopted a Comprehensive Plan. This Plan provides a clear understanding of the community's goals and visions and provides guidance for future municipal decisions. Kyle has been experiencing rapid growth which in turn applies significant impact on all systems within the City, including financial, tax structure, transportation systems, provision of utilities, and access to goods and services. An update to the City's Comprehensive Plan is anticipated to be completed by year 2022.

To ensure adequate provision of basic services while fostering a high quality of life and preserving Kyle's unique community, it is necessary for the City to be proactive in planning for the future. The Comprehensive Plan for the City of Kyle provides guidance for service provisions, protecting cultural and natural features representative of Kyle's history and character, directing growth in key locations, and ensuring a high quality of life for its residents. The planning horizon of the 2010 Comprehensive Plan is through the year 2040, when it is projected that approximately 90,000 residents will be residing in Kyle.

Major Initiatives

The City Council adopted several policy-based priorities to develop and sustain the City of Kyle as a vibrant, healthy, family-friendly, and safe community. These policy-based priorities include but are not limited to the following:

- City-wide Beautification Programs
- Economic Development Initiatives & Programs
- Uptown Development Programs
- Downtown Revitalization Program
- Parks & Trail System Improvement Programs
- Public Safety Program Initiatives
- Street Maintenance & Reconstruction Programs
- Storm Drainage Improvement & Flood Risk Mitigation Programs
- Water and Wastewater Infrastructure Improvement & Expansion Programs

Several major programs were initiated and completed in the City of Kyle during fiscal year 2020. These program initiatives include the following:

- Major economic development agreements executed with manufacturing and other industrial employers which will result in the creation of new jobs in the City.
- Construction at 25 percent completion for the City's wastewater treatment plant expansion project.
- Completion of all five major roadways approved under the City's \$36.0 million bond program. This roadway improvement program is expected to increase commercial and industrial development throughout the City of Kyle.
- Construction in progress for the City's Plum Creek, Southside, Elliott Branch, and Bunton Creek wastewater collection system improvement projects.
- Completion of major improvements including hike and bike trails throughout the City's parks system.
- Continued streamlining and improvements of the City's development, permitting, and inspection services.
- Technology enhancements in the public safety program including addition of new police officers, addition of new marked and unmarked police vehicles, and safety equipment.

FINANCIAL INFORMATION

Budgetary Information

The City's adopted budget for fiscal year 2020 totaled \$87.2 million and included \$26.2 million for the General Fund to provide public safety, code enforcement, parks, street maintenance, library, and other municipal services to the residents of Kyle.

The budget development and adoption process were based on the City's commitment and dedication to complete transparency and inclusiveness in its local government. The City included an extensive public participation process including multiple public hearings, budget work-sessions, and public meetings throughout the budget development, deliberations, and adoption process. The City's budget development process incorporated planning for financial resource allocation with performance measurement for service delivery and public input.

The City's budget for fiscal year 2020 was adopted with no change in the property tax rate of \$0.5416 per \$100 of assessed taxable valuation. The budget provided funding for compliance with the meet and confer contractual requirements for all civil service employees (sworn police officers), addition of new positions for police, public works, and emergency dispatch operations. The adopted budget provided funding for a comprehensive capital improvements program and acquisition of heavy equipment and machinery.

The approved budget for fiscal year 2020 did not include any increase in water service rates, wastewater service rates, storm drainage fee, or other major fees and charges for city services. A 4.0% rate increase was included for solid waste collection services based on the contract terms agreed to by the City with Texas Disposal Systems.

Bond Rating

The City's bond rating was reaffirmed at AA- by Standard and Poor's rating agency based on the City's strong liquidity and financial position, stable economic growth outlook in Kyle, and the City's strong financial management team and financial management practices.

Financial Policies

The City has adopted a comprehensive set of financial policies to ensure that the City's financial resources are prudently managed and safeguarded against misuse or loss. The City has established and maintains its goal for a balanced budget to achieve long-term financial stability and viability for the taxpayers and residents of Kyle.

Internal Controls

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable assurance, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

As required under the City Charter, the annual operating budget is proposed by the City Manager and approved by the City Council after holding public discussions, deliberations, workshops, and hearings. Primary responsibility for budget variance analysis of actual expense or revenue and overall programs rests with the City departments who are responsible for their department operations and delivery of program services. As evidenced in the financial statements, notes to the financial statements, and schedules/tables included in the City's Comprehensive Annual Financial Report, the City of Kyle continues to meet its responsibility for sound financial management, transparency, and accountability.

Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Levels of budgetary control, that is the levels at which expenditures cannot legally exceed appropriated amounts, are established at the department level within individual Funds.

The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Encumbered amounts lapse at year end and a few items are re-appropriated as part of the following year's budget. Another budgetary control is the monthly revenue and expenditure report

summarizing by department budget and actual budget variances that are generated and reviewed by the Financial Services Department.

On a quarterly basis, the Financial Services Department prepares and posts financial performance reports accessible to City Council, taxpayers, residents, City staff, regulatory and grantor agencies, City's bondholders, and all other interested entities regarding the status of revenue, expenditures, and fund balance in each of the City's accounting Funds.

Risk Management

The City is a member of the Texas Municipal League's (TML) Intergovernmental Risk Pool. The Pool was established for providing coverage to member cities against risks, which are inherent in operating a municipal government. The City pays annual premiums to TML Intergovernmental Risk Pool for liability, property, and worker's compensation insurance coverage. An independent insurance brokerage firm underwrites surety bonds for selected city officials and staff.

Transparency in Financial Reporting

The City is fully committed to actively pursuing transparency in its policy-making, administration, budgeting, management oversight, and financial reporting. The City's Financial Services Department has streamlined its website to facilitate user-friendly access to the City's financial documents including operating and capital budgets, financial performance reports, comprehensive annual financial reports, capital improvements plan, check registers, financial policies, official statements, and other financial reports and documents.

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes a Comprehensive Annual Financial Report which meets and or exceeds the reporting criteria and standards as required under the GFOA program.

As in prior fiscal years, the City of Kyle was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for its Comprehensive Annual Financial Report issued for fiscal year ended September 30, 2019.

The City of Kyle was also the recipient of the Distinguished Budget Presentation Award presented by the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by an organization.

In addition, the City of Kyle was an award recipient in the Texas State Comptroller's Transparency Star Award Program. The Transparency Star Award Program is the highest level of recognition based on a five-star rating system. Each star represents excellence in transparency in a reporting category for Traditional Finances, Contracts & Procurement, Debt Obligations, Economic Development, and Pensions.

The City of Kyle was awarded each of the five Stars under the Texas State Comptroller's Transparency Star Award Program. Each Star represents a category in which fiscal transparency requirements have been fully complied with and met by the recipient City as required by the State of Texas Transparency Star Award Program managed by the Texas State Comptroller. The five transparency reporting category areas are as follows:

- Traditional Finances

- Contracts and Procurement
- Economic Development
- Public Pensions
- Debt Obligations

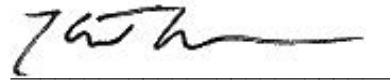
Acknowledgments

The compilation and issuance of the City's Comprehensive Annual Financial Report was made possible with the dedication and contributions of the accounting and financial reporting team members in the City's Financial Services Department. We would like to acknowledge and express our appreciation to Accounting Manager Andy Alejandro, a senior member of the Financial Services Department team who was assigned the lead role in the preparation and compilation of the City's Comprehensive Annual Financial Report for fiscal year ending September 30, 2020.

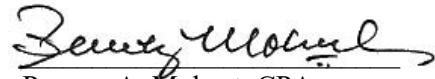
We also want to acknowledge the professional and comprehensive approach the City's independent auditor, RSM US, LLP, adhered to for the successful completion of the audit.

In closing, we want to express our appreciation and gratitude for the City Council's guidance, policy directives, and continued support in all aspects of the City's financial management and reporting responsibilities.

Respectfully submitted,

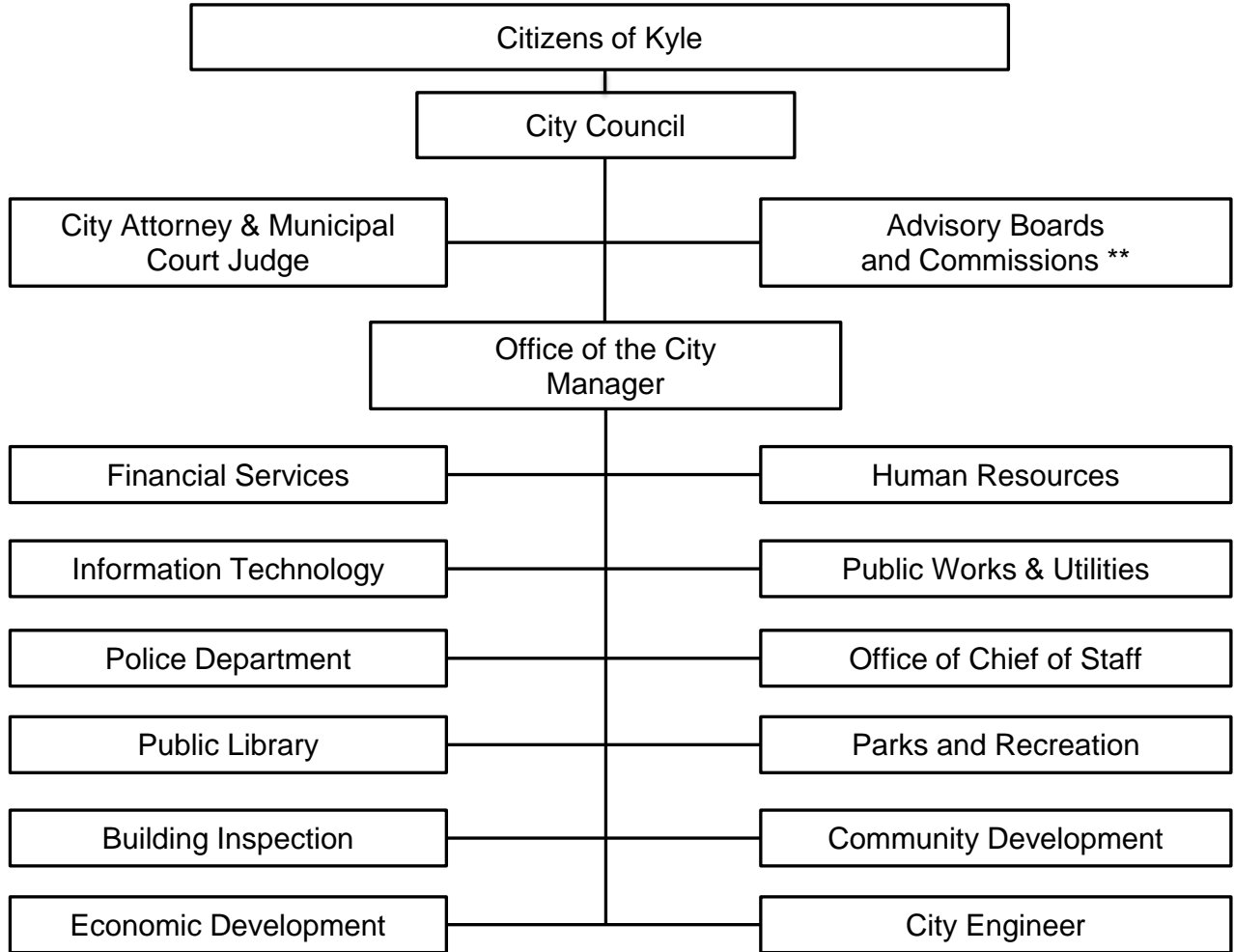


J. Scott Sellers
City Manager



Perwez A. Moheet, CPA
Director of Finance

City of Kyle - Organization Chart



** List of Advisory Boards and Commissions

Board of Adjustments
 Charter Review Commission
 Civil Service Commission
 Economic Development & Tourism Board
 Library Board

Parks and Recreation Board
 Planning and Zoning Commission
 Train Depot Board
 Ethics Commission
 Historic Preservation Commission



Elected Officials and Executive Management Team

City Council

Travis Mitchell.....	Mayor
Dex Ellison.....	District 1
Yvonne Flores-Cale.....	District 2
Robert Rizo.....	District 3
Ashlee Bradshaw.....	District 4
Rick Koch.....	Mayor Pro-Tem, District 5
Michael Tobias.....	District 6

Executive Management Team

J. Scott Sellers.....	City Manager
James R. Earp, CPM.....	Assistant City Manager
Leon Barba, P.E.....	City Engineer
Jennifer Vetrano.....	City Secretary
Jerry Hendrix.....	Chief of Staff
Samantha Armbruster.....	Director of Communications
Diana Blank-Torres.....	Director of Economic Development
Perwez A. Moheet, CPA.....	Director of Financial Services
Sandra Duran.....	Director of Human Resources
Andy Cable.....	Municipal Court Judge
Mariana Espinoza.....	Director of Parks and Recreation
Howard Koontz.....	Director of Planning
Jeff Barnett.....	Chief of Police
Paul Phelan.....	Library Director
Harper Wilder.....	Director of Public Works



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Kyle
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





RSM US LLP

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Kyle, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kyle, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual—General Fund; Schedule of Changes in Net Pension Liability and Related Ratios; Schedule of Contributions and Other Postemployment Benefits—Schedule of Changes in Total Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying Introductory and Statistical Sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Austin, Texas
March 22, 2021

The City management is pleased to present the City of Kyle's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

The Management's Discussion and Analysis section of the Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City of Kyle for the year ended September 30, 2020. The analysis is intended to assist readers in focusing on key financial issues and changes in the City's financial position and in identifying any significant variances from the approved budget.

We encourage our readers to consider the information presented in this section of the annual report in conjunction with additional information that we have provided in our letter of transmittal and the financial statements furnished in this report.

FINANCIAL HIGHLIGHTS

- The City's total assets and deferred outflows exceeded total liabilities and deferred inflows at the end of fiscal year 2020 resulting in a net position of \$285.8 million as of September 30, 2020. Of the total \$285.8 million net position, \$48.2 million remained unrestricted and is available to meet any future obligations of the City.
- Net position for all governmental activities totaled \$117.6 million and \$168.2 million for business-type activities at September 30, 2020.
- \$8.6 million or 22.0% increase in the combined fund balance totaling \$47.5 million for all governmental funds at September 30, 2020 as compared to the prior fiscal year.
- \$5.8 million or 37.4% increase in the ending balance of the City's General Fund totaling \$21.4 million at September 30, 2020 as compared to the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City of Kyle's basic financial statements, consisting of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements, including information on individual funds.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner comparable to a private-sector business. The two government-wide statements are as follows:

- The **Statement of Net Position** presents information on all of the City's assets, deferred outflows and deferred inflows, liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Kyle is improving or deteriorating.

- The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement including items that will only result in cash flows in future fiscal periods, such as revenue for uncollected taxes and expenditures for earned but unused vacation leave. This statement includes the annual depreciation for infrastructure and governmental assets.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, planning, economic development, street maintenance, code enforcement, recreation and culture, and solid waste and recycling services. The business-type activities of the City include services provided by the water and wastewater utility system.

Fund Financial Statements

The fund financial statements are intended to report financial information in groupings of related accounts used to account for and manage resources that have been designated for specific activities or objectives. The City of Kyle, like other local governments, utilizes a fund accounting system to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. These funds focus on current sources and uses of resources and on the balances of available resources at the end of the fiscal year. This information may be useful in evaluating what financial resources are available in the near term to finance the City's future obligations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City's General Fund is reported as a major fund and information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. In addition, the City maintains several governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for each major fund which is first shown on the Balance Sheet for Governmental Funds.

A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the annual budget appropriations and is presented as required supplementary information. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

Proprietary Funds – are generally used to account for services for which the City charges customers. Proprietary fund statements provide the same type of information shown in government-wide financial statements, only in more detail.

The City maintains one type of proprietary fund, an Enterprise Fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise fund to account for its water operations, wastewater utility operations, and storm drainage.

Fiduciary Funds – are used to account for resources held in a trust or agency capacity. These funds cannot be used to support governmental activities. The City uses an Other Post Employment Benefit Trust Fund to account for and report resources that are required to be held and committed to a trust for members of the city-paid retiree health insurance benefit plan.

Basis of Reporting – The government-wide statements and fund-level proprietary statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements.

Other Information

The Required Supplementary Information (RSI) section immediately follows the basic financial statements and accompanying notes to the financial statements section of this annual report. The City adopts an annual appropriated budget for the General Fund. The RSI section provides a comparison of revenues, expenditures, and other financing sources and uses of budgetary resources and demonstrates budgetary compliance for the General Fund and this section also provides a schedule of funding process for the retirement plan.

In addition, following the RSI section are other statements and schedules, including the combining statements for non-major governmental funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. For the fiscal year ending September 30, 2020, the City's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$285.8 million.

Below are summary highlights of the City's Net Position as of the end of fiscal year 2020 at September 30, 2020:

- Governmental Activities:
 - ❖ Current and Other Assets increased by \$13.3 million or 31.7% primarily from the net results of operations.

- ❖ Capital Assets increased by a net \$5.7 million or 4.2% at fiscal year-end. Capital outlay total \$9.0 million net of depreciation of \$5.7 million.
- ❖ Liabilities decreased by a net \$5.7 million or 6.7% as a result of debt service payments.
- Business-type Activities:
 - ❖ Current and Other Assets increased by a \$39.1 million or 72.9% primarily from the net results of operations.
 - ❖ Capital Assets increased by a net \$24.3 million or 27.2%, primarily from wastewater projects.
 - ❖ Total liabilities increased by a net \$34.3 million or 853.5% primarily from an increase in accounts payable, an increase in the Net Pension Liability, and new debt for WWTP.

The following table reflects a condensed summary of Statement of Net Position compared to prior year:

City of Kyle, Texas Net Position Information For the Fiscal Year Ended September 30, 2020 (With Comparative Totals for September 30, 2019)						
	Government Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 55,403,957	\$ 42,074,969	\$ 92,689,619	\$ 53,617,162	\$ 148,093,576	\$ 95,692,131
Capital assets	140,656,508	134,992,688	113,683,753	89,394,471	254,340,261	224,387,159
Total assets	\$ 196,060,465	\$ 177,067,657	\$ 206,373,372	\$ 143,011,633	\$ 402,433,837	\$ 320,079,290
Total Deferred Outflow of Resources						
Charge for Refunding	\$ 1,523,726	\$ 1,523,726	\$ -	\$ -	\$ 1,523,726	\$ 1,523,726
Pension Plan	2,122,513	2,106,889	707,506	725,189	2,830,019	2,832,078
OPEB Plan	123,776	142,407	41,265	47,473	165,041	189,880
Total Deferred	\$ 3,770,015	\$ 3,773,022	\$ 748,771	\$ 772,662	\$ 4,518,786	\$ 4,545,684
Liabilities	\$ 4,833,370	\$ 4,190,829	\$ 3,614,404	\$ 2,700,148	\$ 8,447,774	\$ 6,890,977
Non-current liabilities	75,570,560	81,948,624	34,734,999	1,321,802	110,305,559	83,270,426
Total liabilities	\$ 80,403,930	\$ 86,139,453	\$ 38,349,403	\$ 4,021,950	\$ 118,753,333	\$ 90,161,403
Total Deferred Inflow of Resources						
Pension Plan	\$ 1,527,280	\$ 682,436	\$ 509,094	\$ 234,893	\$ 2,036,374	\$ 917,329
OPEB Plan	252,554	86,334	84,187	28,778	336,741	115,112
Total Deferred	\$ 1,779,834	\$ 768,770	\$ 593,281	\$ 263,671	\$ 2,373,115	\$ 1,032,441
Net investment in capital assets	\$ 88,141,295	\$ 67,862,885	\$ 113,365,561	\$ 89,394,468	\$ 201,506,856	\$ 157,257,353
Restricted	3,559,004	1,472,943	32,603,246	19,526,325	36,162,250	20,999,268
Unrestricted	25,946,417	24,596,629	22,210,652	30,577,878	48,157,069	55,174,507
Total of Net Position	\$ 117,646,716	\$ 93,932,457	\$ 168,179,459	\$ 139,498,671	\$ 285,826,175	\$ 233,431,128

The largest portion of the City's \$285.8 million net position includes \$201.5 million or 70.5% is its investment in capital assets (e.g., land, buildings, machinery, and equipment); less depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of depreciation and related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another major portion of the City's \$285.8 million net position is its restricted resources totaling \$36.2 million or 12.7% to be used for capital improvements. The City's \$285.8 million net position also includes resources restricted for special purposes such as for the municipal court and law enforcement in the amount of \$0.14 million or 0.05% and \$1.8 million or 0.6% for debt service. The remaining balance of the City's \$285.8 million net position comprised of unrestricted resources totaling \$48.2 million or 16.8% which may be used to meet future obligations of the City of Kyle.

Changes in Net Position

The following table provides a summary of activities that resulted in the changes to the City's Net Position compared to prior year.

This section intentionally left blank.

City of Kyle, Texas						
Changes in Net Position Information						
For the Fiscal Year Ended September 30, 2020						
(With Comparative Totals for September 30, 2019)						
	Government Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenue						
Program Revenue						
Charges for services	\$ 12,300,081	\$ 8,942,488	\$ 22,055,944	\$ 20,020,127	\$ 34,356,025	\$ 28,962,615
Operating grants and contributions	699,379	342,145	-	-	699,379	342,145
Capital grants and contributions	-	-	18,192,893	6,812,529	18,192,893	6,812,529
General Revenue						
Property taxes	19,336,624	17,204,168	-	-	19,336,624	17,204,168
Sales tax	9,991,380	8,885,937	-	-	9,991,380	8,885,937
Franchise tax	2,511,177	2,414,998	-	-	2,511,177	2,414,998
Other taxes	335,852	508,867	-	-	335,852	508,867
Contributions						
not restricted	5,157,700	2,856,412	-	-	5,157,700	2,856,412
Investment earnings	914,674	2,165,517	-	-	914,674	2,165,517
Miscellaneous	2,374,550	-	6,122,089	3,008,875	8,496,639	3,008,875
Total Revenue	\$ 53,621,417	\$ 43,320,532	\$ 46,370,926	\$ 29,841,531	\$ 99,992,343	\$ 73,162,063
Expense						
General government	\$ 8,138,294	\$ 7,992,807	\$ -	\$ -	\$ 8,138,294	\$ 7,992,807
Public safety	8,634,600	7,429,713	-	-	8,634,600	7,429,713
Public works	9,574,918	8,533,187	-	-	9,574,918	8,533,187
Culture/Recreation	3,068,119	3,168,959	-	-	3,068,119	3,168,959
Interest on long term debt	2,080,570	2,202,445	-	-	2,080,570	2,202,445
Issuance Costs	-	-	-	-	-	-
Other debt service	88,095	2,700	-	-	88,095	2,700
Water	-	-	9,508,863	8,773,738	9,508,863	8,773,738
Wastewater	-	-	5,195,720	5,181,998	5,195,720	5,181,998
Storm Drainage	-	-	1,308,091	1,236,063	1,308,091	1,236,063
Total Expenses	\$ 31,584,596	\$ 29,329,811	\$ 16,012,674	\$ 15,191,799	\$ 47,597,270	\$ 44,521,610
Change in net position						
before Transfers	\$ 22,036,821	\$ 13,990,721	\$ 30,358,252	\$ 14,649,732	\$ 52,395,073	\$ 28,640,453
Transfers (net)	1,677,467	(5,078,700)	(1,677,467)	5,078,700	-	-
Change in net position	23,714,288	8,912,021	28,680,785	19,728,432	52,395,073	28,640,453
Net position - beginning	93,932,427	85,020,436	139,498,675	119,770,241	233,431,102	204,790,677
Net position - ending	\$ 117,646,715	\$ 93,932,457	\$ 168,179,460	\$ 139,498,673	\$ 285,826,175	\$ 233,431,130

Governmental Activities – Government-wide Statements

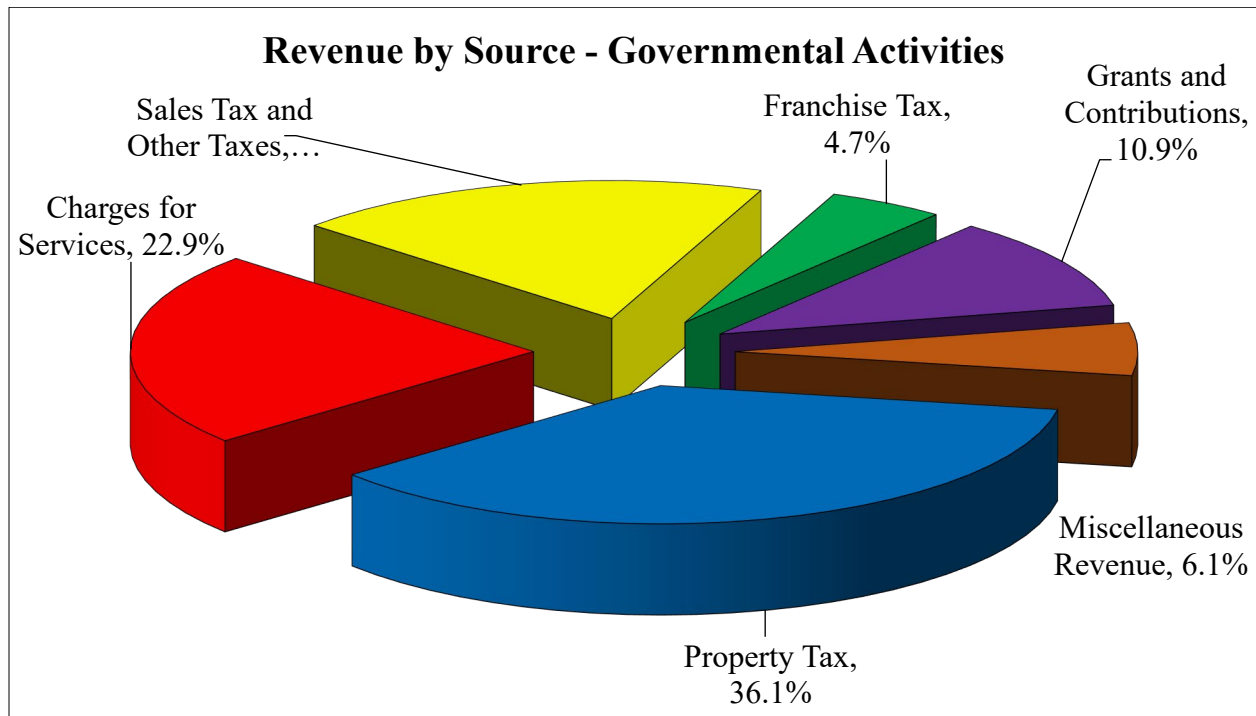
Governmental activities increased the City’s net position by \$23.7 million. Key elements of this change in net position are explained below:

Program Revenue. Total program revenue, which are charges for services, operating grants/contributions and capital grants/contributions increased by approximately \$3.7 million from the prior year due mainly to net increase in charges for services of \$3.4 million and net increase in operating and capital grants/contributions of \$0.36 million.

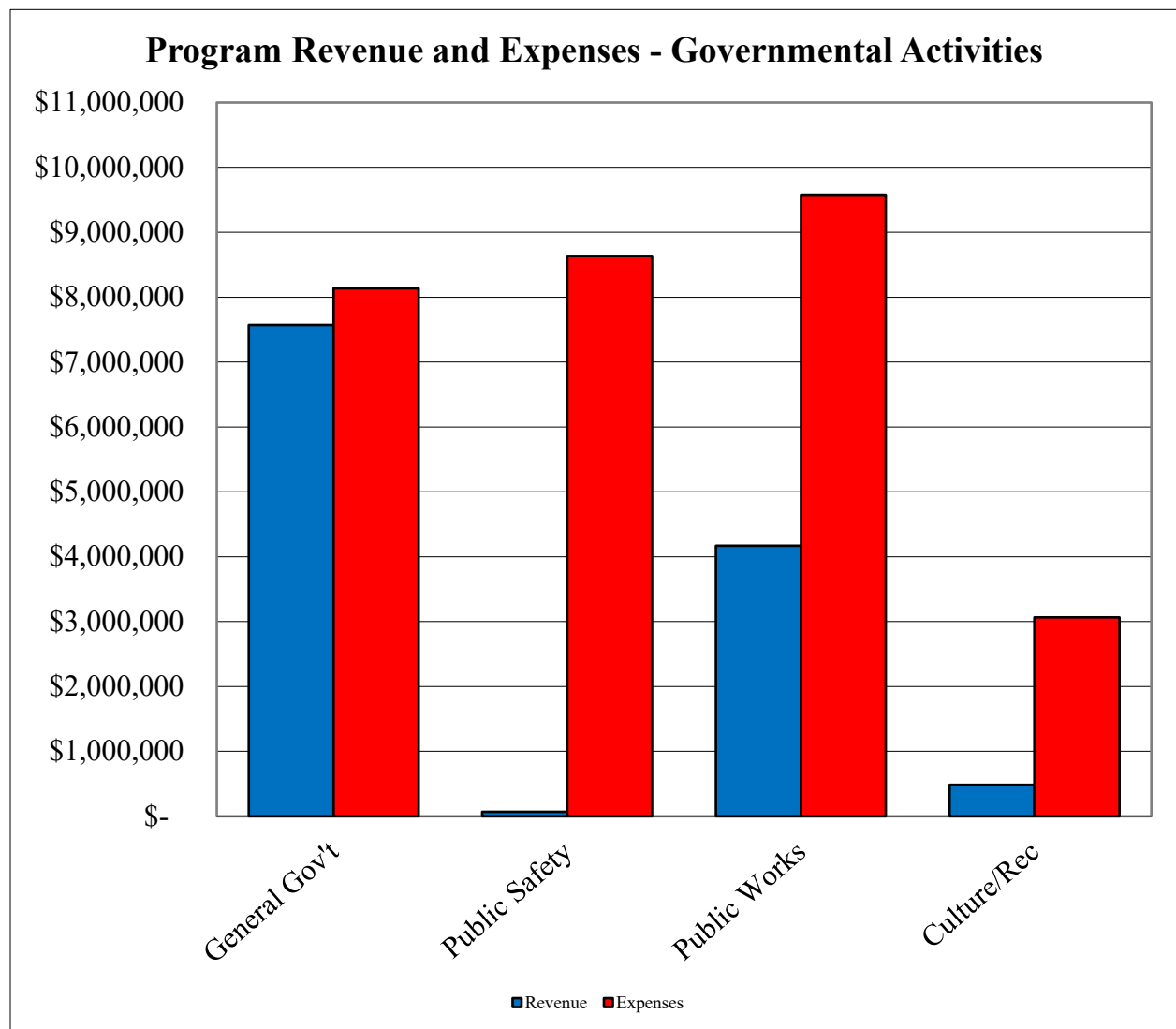
General Revenue. Property taxes, sales tax, franchise fees, and other taxes increased by \$3.2 million or 10.9%. Property tax increased by \$2.1 million or 12.4%, sales tax increased by \$1.1 million or 12.4%, investment earnings decreased by \$1.25 million or 57.8% and other taxes decreased \$0.17 million or 34.0% from the prior fiscal year.

Expenses. Governmental expenses resulted in an overall increase of \$2.3 million or 7.7% compared to the prior year. Following are the main reasons for the increase in expenditures:

- General Government increased by \$0.15 million or 1.8%.
- Public Safety increased by \$1.2 million or 16.2%. This increase is due to the addition of new staff in Public Safety.
- Public Works increased by \$1.0 million or 12.2%. This increase is the result of increase in operating costs associated with sanitation and recycling services.
- Culture and Recreation decreased by \$0.1 million or 3.2% and Bond Interest decreased by \$0.12 million or 5.5%.
- Water, Wastewater, and Storm Drainage funds increased by \$0.7 million or 8.4%.
- The legal level of budgetary control is maintained at the function level.



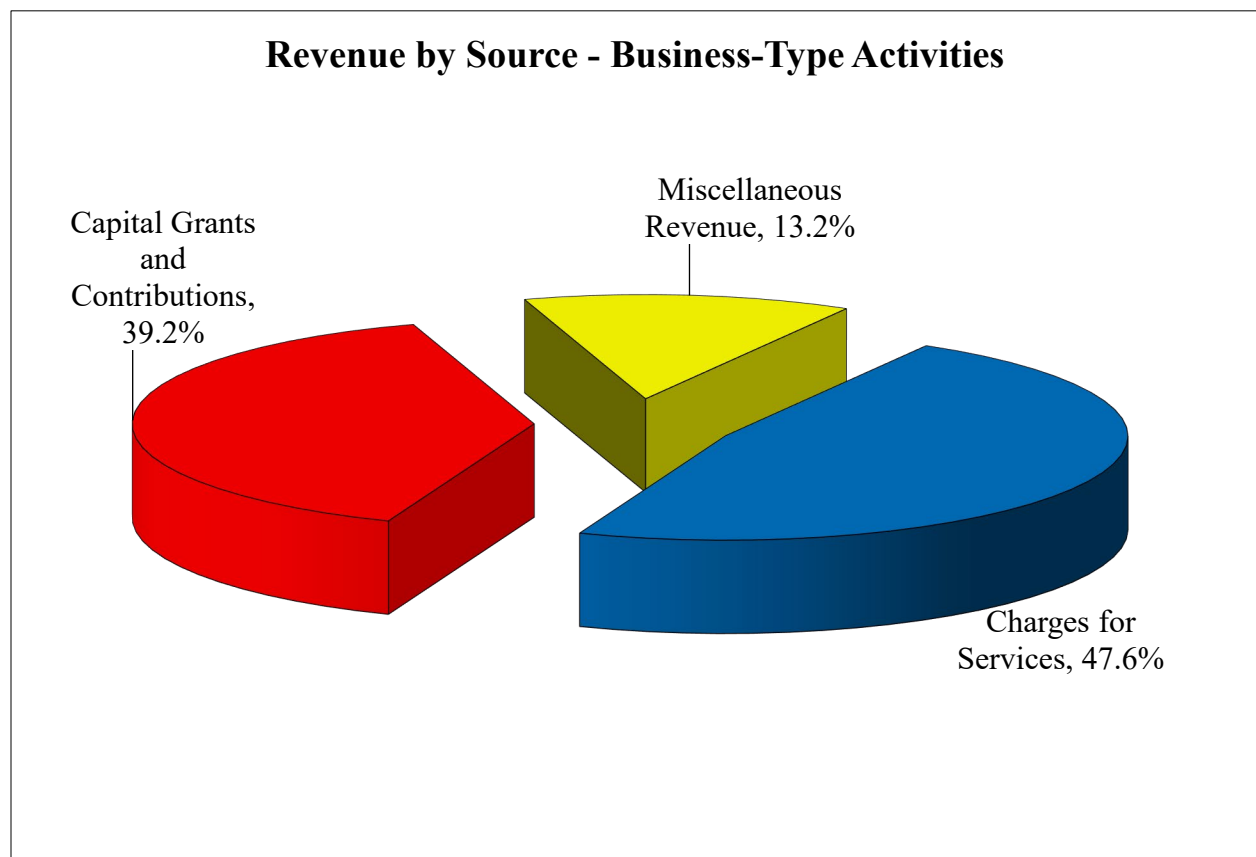
- As shown in the above chart, the primary sources of revenue for governmental activities are from property taxes (\$19.3 million or 36.1%), charges for services (\$12.3 million or 22.9%), and sales and other tax (\$10.3 million or 19.3%).
- Charges for services include revenue sources such as fees for building inspections, plan review, recreational program fees, trash collection charges, etc.
- Revenue from property taxes increased by \$2.1 million or 12.4% between 2019 and 2020. This increase is due to the increase in the certified tax roll for taxable assessed valuations from \$3.37 billion in 2019 to \$3.65 billion in 2020. The property tax rate adopted effective October 2019 (fiscal year 2020) was \$0.5201 per \$100 of assessed valuation which is the same rate as the previous year.
- Sales and other taxes which represented \$10.3 million or 19.3% of total revenue for governmental activities increased from the prior year.

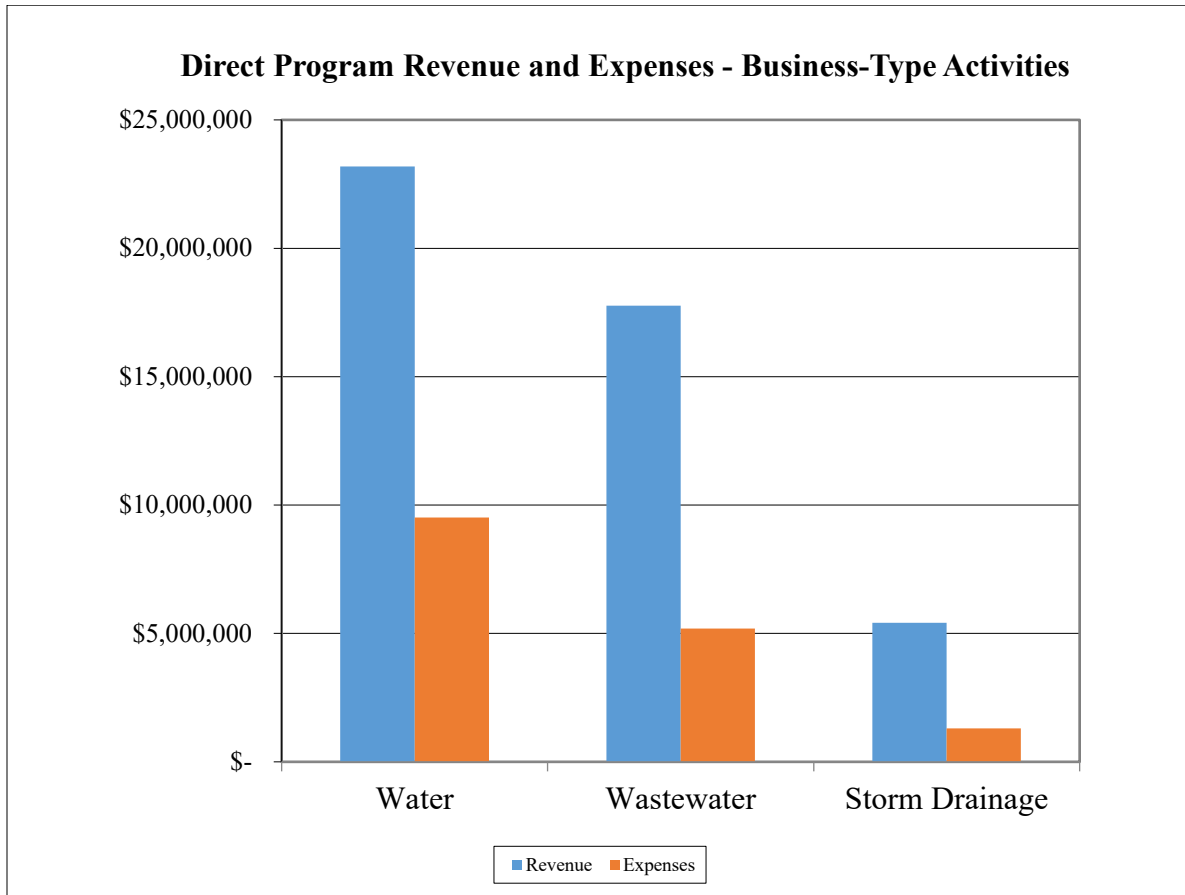


- Based on the chart above Public Works is the largest expense function (\$9.5 million or 32.6%), which includes all street maintenance and sanitation services. This is followed by Public Safety (\$8.6 million or 29.4%), General Government (\$8.1 million or 27.7%), and Culture/Recreation (\$3.1 million or 10.4%).
- Interest on Debt and Other Debt Fees do not have a source of program revenue so they are not included in the above chart. The balance of funding for all of the above activities comes from property, sales and other taxes, investment income and transfers from other funds.

Business-Type Activities – Government-wide Statements

Business-type activities increased the City’s net position by \$28.7 million in fiscal year 2020. This was the net result of \$46.4 million in revenue, \$16.0 million in expenses, and \$1.7 million in transfers out. The two charts below provide similar information as shown previously but only for business-type activities instead of governmental activities.





Revenue. Charges for services revenue for business-type activities include City's Water, Wastewater and Storm Drainage Utility operations which increased from the prior year. Revenue from charges for services increased by \$2.0 million or 10.2% from the prior year due to the addition of new customers. Contributions for capital grants increased by \$10.2 million as compared to the previous year.

Expenses. Business-type expenses totaled \$16.0 million, an overall increase of \$0.8 million or 5.4% from the prior fiscal year.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUND LEVEL STATEMENTS

In comparison to the government-wide statements, the fund-level statements focus on the key funds of the City. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The City reports the following types of governmental funds: the general fund, special revenue funds, debt service funds, and capital projects funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of government’s net resources available at the end of the fiscal year.

As of September 30, 2020, the City's governmental funds reported combined ending fund balance of \$38.9 million. Of this amount \$23.4 million is restricted and the remaining \$15.5 million is unassigned fund balance available for future obligations.

General Fund – The General Fund is the primary operating fund of the City. On September 30, 2020, the unassigned fund balance totaled \$21.4 million. The unassigned General Fund Balance increased by \$5.8 million or 37.4% at September 30, 2020 as compared to the prior fiscal year primarily due a combination of increase in revenue and reduction in budgeted expenditures. The current year tax collection rate was 99.6% of the levy.

Overall, total General Fund revenue increased by \$4.9 million or 16.7% and actual expenditures increased by approximately \$1.3 million or 6.3% during fiscal year 2020 as compared to the prior fiscal year 2019. General government functions, which serves as a roll-up for non-specific activities, decreased by \$0.3 million or 4.8% over the prior year. Public Safety increased by \$1.1 million or 15.6%, Culture/Recreation decreased by \$0.1 million or 3.4% and Public Works increased by \$1.0 million or 24.6%. The increase was mainly due to increases to non-CIP capital outlay items.

Budget Variances. All expenditures for the City's General Fund functions and activities were within adopted budget appropriations for fiscal year 2020. The following two charts illustrate first, a breakdown of general governmental activity revenue by source and second, a comparison of program revenue and expenditures by function.

The Debt Service Fund is used to account for financial activity related to the City's general bonded indebtedness, as well as other long-term obligations. Revenues from property taxes used for Debt Service remained steady at \$8.2 million in 2020. The related debt service also remained steady at \$8.1 million, which is primarily attributable to outstanding debt in 2020.

The Capital Projects Funds are used to account for financial activity related to the City indebtedness for Capital Projects, other City contributions, and the operating activities of those projects. During 2020, fund balance increased by \$0.04 million. The decrease in the Capital Projects was mainly due to fund the following projects: (i) paying professional services to plan, design, the acquisition of rights-of-way and the construction and improvement of the following City streets: Bunton Creek Road, North Burleson Street, Goforth Road, Lehman Road, and Marketplace Avenue was offset by total transfers in of \$10.1 million used to fund these capital projects.

Other Governmental Funds – In addition to the General Fund, Governmental Funds include Special Revenue Funds, Debt Service Fund and Capital Projects Funds. As of September 30, 2020, the all Other Governmental Funds reported combined ending fund balance of \$5.6 million. Please refer to Exhibit C-3 on pages 24 and 25 and Exhibit H-2 on pages 81 through 84 of the financial statements for detailed information pending to changes in fund balances for Governmental Funds.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The City accounts for its Water, Wastewater Utility, and Storm Drainage operations in an Enterprise Fund within the Proprietary Fund category for business-type activities.

Operating revenue for the water fund showed a \$1.2 million or 10.7% increase from the prior year, the operating revenue for the wastewater fund showed a \$1.2 million or 10.7% decrease from the previous year. The storm drainage fund showed an \$0.4 million or 5.9% decrease from the previous year. Factors that

contributed to the increase in net position are discussed in the business-type activities section of the government-wide statements.

CAPITAL ASSET AND DEBT MANAGEMENT

Capital Assets

The City of Kyle's investment in capital assets for its governmental and business type activities as of September 30, 2020, totaled \$254.3 million (net of accumulated depreciation). This investment in capital assets include land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the City of Kyle's investment in capital assets for the fiscal year ended September 30, 2020 was \$30.0 million or 13.3% from the prior year.

The following table summarizes the City of Kyle's investment in capital assets:

City of Kyle, Texas Capital Assets Information September 30, 2019 (With Comparative Totals for September 30, 2018)						
	Government Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,208,810	\$ 4,208,810	\$ 691,935	\$ 691,935	\$ 4,900,745	\$ 4,900,745
Buildings	17,664,927	17,370,715	3,113,623	3,113,623	20,778,550	20,484,338
Improvements other than buildings	4,712,632	4,647,801	117,845,647	99,656,741	122,558,279	104,304,542
Machinery and equipment	6,244,237	5,963,300	4,217,933	3,832,138	10,462,170	9,795,438
Infrastructure	145,313,952	142,085,808	-	-	145,313,952	142,085,808
Construction in Progress	22,435,955	14,958,585	21,016,639	11,907,010	43,452,594	26,865,595
Less: Accumulated depreciation	(59,924,006)	(54,242,517)	(33,202,024)	(29,806,976)	(93,126,030)	(84,049,493)
Total	\$ 140,656,507	\$ 134,992,502	\$ 113,683,753	\$ 89,394,471	\$ 254,340,260	\$ 224,386,973

Significant changes in capital asset balances during the fiscal year resulted from the following events:

- Road improvements totaled approximately \$6.3 million for the year.
- Design and right-of-way acquisition primarily completed for the road projects.
- Contributed capital for the year totaled \$3.2 million.

Detailed information on capital asset activity for the fiscal year ended September 30, 2020 is provided in Note D to the Financial Statements on pages 47 to 49.

Debt Management

At September 30, 2020, the City's net outstanding debt totaled \$98.4 million. This is an increase of approximately \$20.3 million.

The City's bond rating was maintained at AA- by Standard & Poor's rating agency based on the City's strong liquidity and financial position, stable economic growth outlook in Kyle, and the City's strong financial management conditions due largely to its financial management practices.

The City of Kyle currently does not have any outstanding debt associated with special assessments such as for Public Improvement District bonds.

The table below summarizes the status of the City's outstanding debt (principal amount only) as of September 30, 2020, with a comparison of outstanding debt from the prior year. In addition, please refer to Note F – Long-Term Liabilities on page 50 in the Notes to the Financial Statement for detailed information on the changes in long-term debt.

City of Kyle, Texas Outstanding Debt Information September 30, 2020 (With Comparative Totals for September 30, 2019)						
	Government Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Debt obligations	\$ 37,680,004	\$ 38,410,003	\$ 28,330,000	\$ -	\$ 66,010,004	\$ 38,410,003
Premium on bonds	219,110	2,803,654	-	-	219,110	2,803,654
Refunding bonds	32,185,000	36,885,000	-	-	32,185,000	36,885,000
Capital lease - Plant	-	-	-	-	-	-
Total	<u>\$ 70,084,114</u>	<u>\$ 78,098,657</u>	<u>\$ 28,330,000</u>	<u>\$ -</u>	<u>\$ 98,414,114</u>	<u>\$ 78,098,657</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local Economy and Outlook

The City of Kyle residents enjoy a vibrant local economy and an excellent quality of life. Among the many factors attributing to the vibrancy of Kyle include a high per capita household income, low unemployment rate, educated workforce, employment growth, and the continued addition of new businesses in the consumer, medical, and light manufacturing sectors.

All leading indicators during fiscal year 2018 showed that the City of Kyle's local economy has fully recovered and the outlook over the next year's budget development cycle is that of continued growth.

Among the major indicators of a stable yet an expanding local economy include growth in population, building permits, taxable valuations, property tax collection rate, and the trend for sales tax collections. Accordingly, we are pleased to report the following trends in the economic indicators for the fiscal year ended September 30, 2020:

- 8.9% increase in taxable assessed property valuations from the prior year.
- 98.5% annual property tax collection rate.
- 7.1% projected annual increase in population through the year 2021.
- City-wide Beautification Programs
- Economic Development Initiatives & Programs
- Uptown Development Programs
- Downtown Revitalization Program
- Parks & Trail System Improvement Programs
- Public Safety Program Initiatives
- Street Maintenance & Reconstruction Programs
- Storm Drainage Improvement & Flood Risk Mitigation Programs
- Water and Wastewater Infrastructure Improvement & Expansion Programs

Variations in Budget Appropriations			
General Fund (Budgetary Basis) - Expenditures			
	Original Budget	Final Budget	Actual Results
General Government	\$ 8,419,964	\$ 8,555,201	\$ 6,529,964
Public Safety	8,627,831	8,627,831	8,309,179
Public Works	5,421,831	5,421,831	4,932,406
Culture and Recreation	2,971,707	2,971,707	2,583,375
Capital Outlay	893,800	899,997	209,540
	<u>\$ 26,335,133</u>	<u>\$ 26,476,567</u>	<u>\$ 22,564,464</u>

Changes in original budget appropriations to the final amended budget appropriations resulted in a net \$0.14 million increase in appropriations. This increase can be summarized by the following:

- General Government increased by approximately \$135,000 due to budget amendments and due to rollover from prior year appropriations.
- Culture and Recreation and Capital Outlay had a net change of approximately \$6,200 increase to adjusted appropriated balances to meet changing needs of the City throughout the year.

Next Year's Budget

The fiscal year 2021 adopted budget totals \$134.2 million and includes \$30.2 million for the General Fund to provide public safety, code enforcement, parks, street maintenance, library, and other municipal services to the citizens of Kyle.

The fiscal year 2021 Budget was adopted with a property tax rate of \$0.5201 per \$100 of assessed taxable valuation. This is a reduction of \$0.0215 per \$100 in the property tax rate as compared to the prior fiscal year. The fiscal year 2021 adopted budget makes significant investment totaling \$70.0 million in the City's capital improvements program. The budget provides for an average 7.3 percent pay increase for civil service employees (police officers), a 2.0 percent pay increase for civilian City employees, compliance with the meet and confer requirements for civil service employees, addition of new positions for police officers, library, public works, code enforcement, and emergency dispatch operations. The budget also provides for new vehicles, trucks, and heavy equipment.

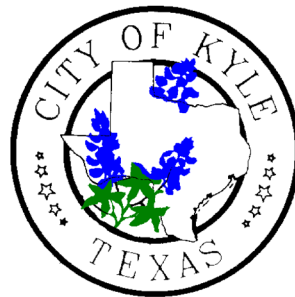
The adopted budget for fiscal year 2021 included a 10.0 percent rate increase for water and wastewater services and a 2.5 percent rate increase for solid waste collection service based on the contract terms entered into by the City with Texas Disposal Systems.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Kyle's Director of Finance, 100 West Center St., Kyle, Texas 78640.



BASIC FINANCIAL STATEMENTS



CITY OF KYLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

EXHIBIT A-1

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 34,346,607	\$ 23,824,484	\$ 58,171,091
Restricted Pooled Cash and Investments	11,773,272	66,103,246	77,876,518
Receivable (Net of Allowance for Uncollectibles)	8,164,325	3,047,184	11,211,509
Internal Balances	494,443	(494,443)	-
Prepaid Items	4,670	2,269	6,939
Capital Assets:			
Nondepreciable, Capital Assets	26,644,766	21,708,574	48,353,340
Capital Assets (Net)	114,011,742	91,975,179	205,986,921
Net OPEB Asset	620,640	206,879	827,519
Total Assets	<u>196,060,465</u>	<u>206,373,372</u>	<u>402,433,837</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge for Refunding	1,523,726	-	1,523,726
Deferred Outflow Related to Pension Plan	2,122,513	707,506	2,830,019
Deferred Outflow Related to OPEB Plan	123,776	41,265	165,041
Total Deferred Outflows of Resources	<u>3,770,015</u>	<u>748,771</u>	<u>4,518,786</u>
LIABILITIES			
Accounts Payable	3,576,052	2,461,895	6,037,947
Wages and Salaries Payable	354,033	124,563	478,596
Contracts Payable	153,121	-	153,121
Customer Deposits	4,154	846,247	850,401
Accrued Interest Payable	320,898	-	320,898
Other Current Liabilities	2,166	-	2,166
Liabilities Payable from Restricted Assets	82,946	-	82,946
Noncurrent Liabilities:			
Debt Due Within One Year	5,630,000	340,000	5,970,000
Bonds Payable - Noncurrent	66,404,112	33,478,192	99,882,304
Compensated Absences Payable	1,126,030	181,699	1,307,729
Net Pension Liability	2,750,418	916,807	3,667,225
Total Liabilities	<u>80,403,930</u>	<u>38,349,403</u>	<u>118,753,333</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pension Plan	1,527,280	509,094	2,036,374
Deferred Inflow Related to OPEB Plan	252,554	84,187	336,741
Total Deferred Inflows of Resources	<u>1,779,834</u>	<u>593,281</u>	<u>2,373,115</u>
NET POSITION			
Net Investment in Capital Assets	88,141,295	113,365,561	201,506,856
Restricted for:			
Restricted for Capital Acquisition	-	32,603,246	32,603,246
Restricted for Debt Service	1,773,177	-	1,773,177
Restricted for Tourism and Other Purposes	1,785,827	-	1,785,827
Unrestricted Net Position	25,946,417	22,210,652	48,157,069
Total Net Position	<u>\$ 117,646,716</u>	<u>\$ 168,179,459</u>	<u>\$ 285,826,175</u>

The notes to the financial statements are an integral part of this statement.

Item # 10

CITY OF KYLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 8,226,389	\$ 7,574,776	\$ 481,678	\$ 2,374,551
Public Safety	8,634,600	69,458	8,400	-
Public Works	9,574,918	4,169,638	209,301	-
Culture and Recreation	3,068,119	486,209	-	-
Interest on Debt	2,080,570	-	-	-
Total Governmental Activities	<u>31,584,596</u>	<u>12,300,081</u>	<u>699,379</u>	<u>2,374,551</u>
BUSINESS-TYPE ACTIVITIES:				
Water Fund	9,508,863	12,442,493	-	7,511,018
Wastewater Fund	5,195,720	8,012,087	-	6,862,206
Storm Drainage Fund	1,308,091	1,601,364	3,988	3,815,681
Total Business-Type Activities	<u>16,012,674</u>	<u>22,055,944</u>	<u>3,988</u>	<u>18,188,905</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 47,597,270</u>	<u>\$ 34,356,025</u>	<u>\$ 703,367</u>	<u>\$ 20,563,456</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes
Property Taxes, Levied for Debt Service
General Sales and Use Taxes
Franchise Tax
Other Taxes
Grants and Contributions
Miscellaneous Revenue
Investment Earnings

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 2,204,616	\$ -	\$ 2,204,616
(8,556,742)	-	(8,556,742)
(5,195,979)	-	(5,195,979)
(2,581,910)	-	(2,581,910)
(2,080,570)	-	(2,080,570)
(16,210,585)	-	(16,210,585)
-	10,444,648	10,444,648
-	9,678,573	9,678,573
-	4,112,942	4,112,942
-	24,236,163	24,236,163
(16,210,585)	24,236,163	8,025,578
10,787,513	-	10,787,513
8,549,111	-	8,549,111
9,991,380	-	9,991,380
2,511,177	-	2,511,177
335,852	-	335,852
5,157,700	-	5,157,700
-	6,122,089	6,122,089
914,674	-	914,674
1,677,467	(1,677,467)	-
39,924,874	4,444,622	44,369,496
23,714,289	28,680,785	52,395,074
93,932,427	139,498,675	233,431,102
\$ 117,646,716	\$ 168,179,460	\$ 285,826,176

CITY OF KYLE
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Capital Projects
ASSETS			
Pooled Cash and Investments	\$ 17,024,529	\$ -	\$ 15,017,579
Restricted Pooled Cash and Cash Equivalents	-	1,822,841	6,013,949
Receivable (Net)	6,915,392	173,811	-
Due from Other Funds	1,007,035	-	-
Prepaid Items	4,670	-	-
Total Assets	\$ 24,951,626	\$ 1,996,652	\$ 21,031,528
LIABILITIES			
Accounts Payable	\$ 1,067,996	\$ 72,662	\$ 2,333,500
Wages and Salaries Payable	354,033	-	-
Contracts Payable	153,121	-	-
Customer Deposits	4,154	-	-
Due to Other Funds	38	-	-
Other Current Liabilities	2,166	-	-
Liabilities Payable from Restricted Assets	82,946	-	-
Total Liabilities	1,664,454	72,662	2,333,500
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	169,358	150,813	-
Deferred Inflows - Unavailable Revenue	1,759,800	-	-
Total Deferred Inflows of Resources	1,929,158	150,813	-
FUND BALANCES			
Nonspendable Fund Balance:			
Prepaid Items	4,670	-	-
Restricted Fund Balance:			
Restricted Fund Balance - Tourism and Other	-	-	-
Restricted Fund Balance - Debt Service	-	1,773,177	-
Restricted Fund Balance - Capital Projects	-	-	18,698,027
Unassigned Fund Balance	21,353,344	-	-
Total Fund Balances	21,358,014	1,773,177	18,698,027
Total Liabilities, Deferred Inflows & Fund Balances	\$ 24,951,626	\$ 1,996,652	\$ 21,031,527

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 2,304,499	\$ 34,346,607
3,936,482	11,773,272
1,075,122	8,164,325
-	1,007,035
-	4,670
<u>\$ 7,316,103</u>	<u>\$ 55,295,909</u>
\$ 101,893	\$ 3,576,051
-	354,033
-	153,121
-	4,154
512,554	512,592
-	2,166
-	82,946
<u>614,447</u>	<u>4,685,063</u>
-	320,171
1,024,550	2,784,350
<u>1,024,550</u>	<u>3,104,521</u>
-	4,670
854,068	854,068
-	1,773,177
5,391,279	24,089,306
(568,241)	20,785,103
<u>5,677,106</u>	<u>47,506,324</u>
<u>\$ 7,316,103</u>	<u>\$ 55,295,908</u>

CITY OF KYLE
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2020

Total Fund Balances - Governmental Funds	\$	47,506,324
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.		70,791,506
Some assets, liabilities and deferred outflows/inflows, reported in the statement of net position do not require the use or provide current financial resources and, therefore, are not reported in the balance sheet in governmental funds.		(651,114)
Deferred Charge on Refunding	\$1,523,726	
Unamortized Premiums	(2,169,110)	
Net Pension Liability	(2,750,418)	
Deferred Inflows Property Tax	320,171	
Compensated Absences	(1,126,030)	
Pension Plan Deferred Inflows	(1,527,280)	
Pension Plan Deferred Outflows	2,122,513	
Deferred Inflows unavailable rev.	2,784,350	
Interest Accrual	(320,898)	
Net OPEB Asset	620,640	
OPEB Plan Deferred Outflows	123,776	
OPEB Plan Deferred Inflows	<u>(252,554)</u>	
Subtotal	\$(651,114)	
 Net Position of Governmental Activities	 \$	 <u>117,646,716</u>

The notes to the financial statements are an integral part of this statement.

CITY OF KYLE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Capital Projects
REVENUES:			
Taxes:			
Property Taxes	\$ 10,618,155	\$ 8,286,287	\$ -
General Sales and Use Taxes	9,991,380	-	-
Franchise Tax	2,437,413	-	-
Other Taxes	83,108	-	-
Licenses and Permits	3,207,094	-	-
Intergovernmental Revenue and Grants	4,881	-	-
Charges for Services	5,122,598	-	-
Fines	547,411	-	-
Special Assessments	-	-	-
Investment Earnings	914,383	-	-
Rents and Royalties	4,925	-	-
Contributions & Donations from Private Sources	35,000	-	2,758,351
Other Revenue	1,017,327	-	-
Total Revenues	33,983,675	8,286,287	2,758,351
EXPENDITURES:			
Current:			
General Government	6,529,965	-	-
Public Safety	8,309,179	-	-
Public Works	4,932,406	-	-
Culture and Recreation	2,583,375	-	-
Debt Service:			
Principal on Debt	-	5,429,999	-
Interest on Debt	-	2,740,068	-
Capital Outlay:			
Capital Outlay	209,540	-	7,329,316
Total Expenditures	22,564,465	8,170,067	7,329,316
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,419,210	116,220	(4,570,965)
OTHER FINANCING SOURCES (USES):			
Transfers In	1,621,949	2,971,885	4,681,193
Transfers Out (Use)	(7,220,690)	(1,672,683)	(64,024)
Total Other Financing Sources (Uses)	(5,598,741)	1,299,202	4,617,169
Net Change in Fund Balances	5,820,469	1,415,422	46,204
Fund Balance - October 1 (Beginning)	15,537,545	357,755	18,651,823
Fund Balance - September 30 (Ending)	\$ 21,358,014	\$ 1,773,177	\$ 18,698,027

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 112,011	\$ 19,016,453
-	9,991,380
73,764	2,511,177
252,744	335,852
-	3,207,094
694,498	699,379
1,823,252	6,945,850
-	547,411
141,045	141,045
291	914,674
-	4,925
2,964	2,796,315
26,629	1,043,956
<u>3,127,198</u>	<u>48,155,511</u>
1,705,198	8,235,163
8,700	8,317,879
-	4,932,406
28,175	2,611,550
-	5,429,999
-	2,740,068
<u>1,465,557</u>	<u>9,004,413</u>
<u>3,207,630</u>	<u>41,271,478</u>
<u>(80,432)</u>	<u>6,884,033</u>
1,681,786	10,956,813
(321,949)	(9,279,346)
<u>1,359,837</u>	<u>1,677,467</u>
1,279,405	8,561,500
<u>4,397,701</u>	<u>38,944,824</u>
<u>\$ 5,677,106</u>	<u>\$ 47,506,324</u>

CITY OF KYLE
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	8,561,499
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2020 capital outlays and debt principal payments is to increase (decrease) the change in net position.		14,434,413
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.		(5,701,978)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.		6,420,355
Change in Net Position of Governmental Activities	\$	23,714,288

The notes to the financial statements are an integral part of this statement.

CITY OF KYLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 14,412,103	\$ 7,831,390	\$ 1,580,991	\$ 23,824,484
Receivable (Net)	1,488,627	1,294,078	264,479	3,047,184
Due from Other Funds	53,479	1,073,950	5,681	1,133,110
Prepaid Items	827	699	743	2,269
Total Current Assets	<u>15,955,036</u>	<u>10,200,117</u>	<u>1,851,894</u>	<u>28,007,047</u>
Noncurrent Assets:				
Restricted Pooled Cash and Investments	9,203,428	56,899,818	-	66,103,246
Capital Assets:				
Nondepreciable, Capital Assets	2,051,546	19,657,028	-	21,708,574
Capital Assets - Net of Accumulated Depreciation	34,231,042	37,748,219	19,995,918	91,975,179
Net OPEB Asset	91,027	66,202	49,650	206,879
Total Noncurrent Assets	<u>45,577,043</u>	<u>114,371,267</u>	<u>20,045,568</u>	<u>179,993,878</u>
Total Assets	<u>61,532,079</u>	<u>124,571,384</u>	<u>21,897,462</u>	<u>208,000,925</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow Related to Pension Plan	311,303	226,402	169,801	707,506
Deferred Outflow Related to OPEB Plan	18,156	13,204	9,905	41,265
Total Deferred Outflows of Resources	<u>329,459</u>	<u>239,606</u>	<u>179,706</u>	<u>748,771</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	425,115	2,014,856	21,924	2,461,895
Wages and Salaries Payable	147,346	123,805	35,111	306,262
Customer Deposits	512,354	333,893	-	846,247
Due to Other Funds	1,596,067	31,486	-	1,627,553
Bonds Payable - Current	-	340,000	-	340,000
Total Current Liabilities	<u>2,680,882</u>	<u>2,844,040</u>	<u>57,035</u>	<u>5,581,957</u>
Noncurrent Liabilities:				
Bonds Payable - Noncurrent	-	33,478,192	-	33,478,192
Net Pension Liability	403,396	293,378	220,033	916,807
Total Noncurrent Liabilities	<u>403,396</u>	<u>33,771,570</u>	<u>220,033</u>	<u>34,394,999</u>
Total Liabilities	<u>3,084,278</u>	<u>36,615,610</u>	<u>277,068</u>	<u>39,976,956</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow Related to Pension Plan	224,002	162,911	122,181	509,094
Deferred Inflow Related to OPEB Plan	37,041	26,941	20,205	84,187
Total Deferred Inflows of Resources	<u>261,043</u>	<u>189,852</u>	<u>142,386</u>	<u>593,281</u>
NET POSITION				
Net Investment in Capital Assets	36,282,588	57,087,055	19,995,918	113,365,561
Restricted for Capital Improvement - Impact Fee	9,203,428	23,399,818	-	32,603,246
Unrestricted Net Position	13,030,201	7,518,655	1,661,796	22,210,652
Total Net Position	<u>\$ 58,516,217</u>	<u>\$ 88,005,528</u>	<u>\$ 21,657,714</u>	<u>\$ 168,179,459</u>

The notes to the financial statements are an integral part of this statement.

CITY OF KYLE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
OPERATING REVENUES:				
Charges for Services	\$ 12,442,493	\$ -	\$ -	\$ 12,442,493
Charges for Sewerage Service	-	8,012,087	-	8,012,087
Storm Drainage Fee	-	-	1,601,364	1,601,364
Rents and Royalties	44,640	-	-	44,640
Other Revenue	93,929	73,116	-	167,045
Total Operating Revenues	<u>12,581,062</u>	<u>8,085,203</u>	<u>1,601,364</u>	<u>22,267,629</u>
OPERATING EXPENSES:				
Personnel Services - Salaries and Wages	2,111,992	1,590,796	656,741	4,359,529
Purchased Professional & Technical Services	5,820,593	1,490,670	133,626	7,444,889
Other Operating Costs	458,659	348,047	6,502	813,208
Depreciation	1,117,619	1,766,207	511,222	3,395,048
Total Operating Expenses	<u>9,508,863</u>	<u>5,195,720</u>	<u>1,308,091</u>	<u>16,012,674</u>
Operating Income	<u>3,072,199</u>	<u>2,889,483</u>	<u>293,273</u>	<u>6,254,955</u>
NONOPERATING REVENUES (EXPENSES):				
Contributions & Donations from Private Sources	-	-	3,988	3,988
Finance Expense	-	(318,193)	-	(318,193)
Other Non-Operating Revenues - Impact Fees	3,094,490	3,134,107	-	6,228,597
Total Nonoperating Revenue (Expenses)	<u>3,094,490</u>	<u>2,815,914</u>	<u>3,988</u>	<u>5,914,392</u>
Income Before Contributions & Transfers	6,166,689	5,705,397	297,261	12,169,347
Capital Contributions	7,511,018	6,862,206	3,815,681	18,188,905
Transfers In	1,619,347	12,241,077	325,000	14,185,424
Transfers Out (Use)	(1,511,942)	(14,025,949)	(325,000)	(15,862,891)
Change in Net Position	13,785,112	10,782,731	4,112,942	28,680,785
Total Net Position - October 1 (Beginning)	<u>44,731,105</u>	<u>77,222,799</u>	<u>17,544,771</u>	<u>139,498,675</u>
Total Net Position - September 30 (Ending)	<u>\$ 58,516,217</u>	<u>\$ 88,005,530</u>	<u>\$ 21,657,713</u>	<u>\$ 168,179,460</u>

The notes to the financial statements are an integral part of this statement.

CITY OF KYLE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 13,116,912	\$ 7,827,501	\$ 1,567,478	\$ 22,511,891
Payments to Suppliers	(6,490,126)	(1,230,647)	(148,377)	(7,869,150)
Payment to Employees	(2,190,649)	(1,278,387)	(684,011)	(4,153,047)
Net cash provided by operating activities	\$ 4,436,137	\$ 5,318,467	\$ 735,090	\$ 10,489,694
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments (advances) from other funds	\$ 339,214	\$ (298,129)	\$ (888)	\$ 40,197
Transfers in	1,619,347	12,241,077	325,000	14,185,424
Transfers out	(1,511,942)	(14,025,949)	(325,000)	(15,862,891)
Net cash provided (used) by non-capital financing activities	\$ 446,619	\$ (2,083,001)	\$ (888)	\$ (1,637,270)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Bonds	\$ -	\$ 33,818,192	\$ -	\$ 33,818,192
Purchase of Capital Assets	(493,338)	(8,997,047)	(5,037)	(9,495,422)
Financing expenses	-	(318,193)	-	(318,193)
Contributions	-	-	3,988	3,988
Impact fees	3,094,490	3,134,107	-	6,228,597
Net cash provided (used) by capital and related financing activities	\$ 2,601,152	\$ 27,637,059	\$ (1,049)	\$ 30,237,162
Net increase in cash and cash equivalents	\$ 7,483,908	\$ 30,872,525	\$ 733,153	\$ 39,089,586
Cash and cash equivalents - beginning of year	\$ 16,131,623	\$ 33,858,684	\$ 847,837	\$ 50,838,144
Cash and cash equivalents - end of year	<u>\$ 23,615,531</u>	<u>\$ 64,731,209</u>	<u>\$ 1,580,990</u>	<u>\$ 89,927,730</u>
Noncash flow information				
Capital Contribution	<u>\$ 7,511,018</u>	<u>\$ 6,862,206</u>	<u>\$ 3,815,681</u>	<u>\$ 18,188,905</u>

The notes to the Financial Statements are an integral part of this statement.

CITY OF KYLE, TEXAS
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 3,072,199	\$ 2,889,483	\$ 293,273	\$ 6,254,955
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	\$ 1,117,619	\$ 1,766,207	\$ 511,222	\$ 3,395,048
Changes in assets and liabilities				
Prepaid Items	\$ (306)	\$ (306)	\$ (138)	\$ (750)
Accounts receivable	502,648	(284,201)	(33,886)	184,561
Accounts payable	(210,568)	608,376	(8,111)	389,697
Wages and salaries payable	14,656	443,706	6,493	464,855
Customer deposits	33,202	26,499	-	59,701
OPEB Asset	(91,027)	(66,202)	(49,650)	(206,879)
Pension Liability	(98,887)	(166,775)	(36,532)	(302,194)
OPEB Liability	(45,232)	(41,120)	(16,449)	(102,801)
Deferred Outflows	(9,761)	53,129	(19,477)	23,891
Deferred Inflows	151,594	89,671	88,345	329,610
Net cash provided by operating activities	<u>\$ 4,436,137</u>	<u>\$ 5,318,467</u>	<u>\$ 735,090</u>	<u>\$ 10,489,694</u>

The notes to the Financial Statements are an integral part of this statement.

CITY OF KYLE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	OPEB Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 10,916	\$ 143,217
Mutual Funds	1,733,863	-
Accounts Receivable (Net)	-	13,283
Total assets	1,744,780	156,500
LIABILITIES		
Other liability	\$ -	\$ 156,500
Total liabilities	\$ -	\$ 156,500
NET POSITION		
Net position restricted for OPEB	\$ 1,744,780	
Total net position	\$ 1,744,780	

The accompanying notes are an integral part of the financial statements.

CITY OF KYLE
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEARS ENDED SEPTEMBER 30, 2020

	<u>OPEB</u> <u>Trust Fund</u>
ADDITIONS	
Contributions	\$ 159,035
Interest and dividends (includes fair value changes)	199,109
Total Additions	<u>\$ 358,144</u>
DEDUCTIONS	
Administrative expenses	\$ (17,577)
Total Deductions	<u>\$ (17,577)</u>
Change in net position	\$ 340,568
NET POSITION, beginning	<u>\$ 1,404,212</u>
NET POSITION, ending	<u><u>\$ 1,744,780</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kyle, Texas (the City) adopted a City Charter in October 2000. As a home rule form of government, the City Council determines policy. The City Manager is the Chief Administrator of the City and is appointed by the City Council. The City provides the following services: Public Safety, Street Maintenance, Refuse Collection, Recreation Programs, Municipal Court, Community Development, Public Improvements, Water and Wastewater Services and General Administrative Services.

A. Reporting Entity

The Mayor and Council are elected by the public and they have the authority to make decisions, appoint administrators and managers, and significantly influence operations. They also have the primary accountability for fiscal matters. Therefore, the City is a primary government as defined by the Governmental Accounting Standards Board ("GASB"). The accompanying financial statements comply with the provisions of GASB Statement No. 14 and 61. There are component units which satisfy requirements for blending within the City's financial statements.

As required by generally accepted accounting principles in the United States of America (GAAP), these basic financial statements present the City and its component units, entities for which the City is considered financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Blended component units -- The City created Tax Increment Reinvestment Zone No. One (TIRZ #1), created in 2004 to expire in 31 years on a 475-acre underdeveloped contiguous area with the city limits was to facilitate a program of (1) public water distribution, wastewater collection and storm drainage facilities, (2) adequate roadway systems for mobility access and orderly development, and (3) to improve conditions that substantially impair and arrest the sound growth of the City. Although TIRZ #1 is a legally separate entity, it is, in substance, part of the City's operation for which the City is considered financially accountable. City management has operational responsibility for TIRZ #1, and the governing bodies of the two entities are substantively the same. Accordingly, TIRZ #1 is reported as a debt service fund in the City's financial statements.

The City of Kyle established Tax Increment Reinvestment Zone #2 in 2018 for 20 years on a 1,480-acre underdeveloped contiguous area within the city limits for the purpose of providing public improvements including (1) public water distribution, wastewater collection, and storm drainage facilities, (2) adequate roadway systems for mobility access, lighting, and economic development, and (3) parks, plazas, and other public spaces for public gatherings, community events, and community celebrations. The City of Kyle and Hays County are limited by the creation Ordinance to contribute only 50.0 percent of incremental property tax revenues assessed and collected within the boundaries of TIRZ #2. Although the TIRZ #2 is a legally separate entity, it is, in substance, part of the City's operations for which the City is considered financially accountable. City management has operational responsibility for TIRZ #2, and the governing bodies of the two entities are substantively the same. Accordingly, TIRZ #2 is reported as a special revenue fund in the City's financial statements.

Future GASB Statement Implementations

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 87, *Leases*, establishes criteria for a single model for lease accounting and financial reporting for state and local governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 92, *Omnibus 2020* addresses a variety of topics and includes specific provisions for the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*; the reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. Reporting Entity (Cont'd)

postemployment benefit (OPEB) plan; the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; the reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

The requirements of this Statement are effective after June 15, 2020 except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance (January 2020). The City has not yet determined the effect this Statement will have on its financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position reflects both short-term and long-term assets and liabilities, as well as deferred inflows and outflows. In the Government-wide Statement of Net Position, governmental activities are reported separately from business-type activities. Long term assets, such as capital assets, long-term obligations, such as debt, and any deferred inflows and outflows, are reported in the statement of net position. The components of Net Position are presented in three separate categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Interfund receivables and payables within governmental and business-type activities have been eliminated in the government-wide Statement of Net Position, which minimizes the duplication within the governmental and business-type activities. The net amount of interfund transfers or interfund receivables/payables between governmental, proprietary and fiduciary funds is the balance reported in the Statement of Net Position.

The Statement of Activities demonstrates how a given function or segment that participate in programs the City operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the City. The "grants and contributions" columns include amounts paid by organizations outside the City to help meet the operational or capital requirements of a given function. If a revenue including contributions is not a program revenue, it is a general revenue used to support all of the City's functions. Taxes are always general revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

The fund financial statements provide information on the financial position and the change in fund balance/net position for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for City operations, they are not included in the government-wide statements. The City considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied as a lien attaches to the real property by operation of law. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental and fiduciary funds and between proprietary funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Net Position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period they are both measurable and available. Revenues, other than grants, are considered to be available by the City when they are available and expected to be collected within the current budgetary periods or within 60 days thereafter, to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, regardless of the related cash flows. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when the liability is matured.

Revenues from local sources consist primarily of property taxes and sales taxes. Property, sales and other tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The City's availability period is no more than 60 days beyond the end of the fiscal year. Revenues from state and federal grants are recorded as revenue when they are expected to be collected within the current budgetary period, or within 60 days thereafter, and all eligibility requirements have been met. Investment earnings are recorded as earned, since they are both measurable and available.

The Proprietary Funds and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred, regardless of the timing of the related cash flow. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into investment in capital assets, restricted, and unrestricted net position.

D. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled. The City has three types of funds: governmental, proprietary, and fiduciary. The fund financial statements provide more detailed information about the City's most significant funds, but not on the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements. The criteria used to determine if a governmental

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Fund Accounting (Cont'd)

enterprise fund should be reported as a major fund are as follows: the total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10.0% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10.0% criterion above in the governmental or enterprise fund is at least 5.0% of the corresponding element total for all governmental and enterprise funds combined.

The following is a brief description of the major governmental funds that are separately presented in the fund financial statements.

The General Fund - is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund - is used to account for debt service on bonded obligations of the City.

The Capital Projects Fund - is used to pay for professional services to plan, design, the acquisition for rights-of-way and the construction and improvement of the following City Streets: Bunton Creek Road, North Burleson Street, Goforth Road, Lehman Road, and Marketplace Avenue funded by issuance of 2013 General Obligation, 2008 Certificate of Obligation Fund, 2014 Tax Notes and 2015 General Obligation.

The City reports the following major enterprise fund:

The Water Fund - is used to account for the activities necessary for the provision of water services.

The Wastewater Fund – is used to account for the activities necessary for the provision of wastewater services.

The Storm Drainage Fund – is used to for the activities necessary for the provision of drainage improvement services and flood mitigation activities including capital improvements.

In addition, the City reports the following nonmajor fund types:

Governmental Funds:

Special Revenue Funds - are used to account for funds restricted to, or designated for, special purposes by the City or a grantor.

Fiduciary Funds - are used to account for resources held for others in a custodial capacity. The City's Trust fund is the Other Post Employment Benefits Fund (Retiree Health Insurance). The other post-employment benefit trust fund is used to account for the accumulation of resources for post-employment benefits to qualified plan participants.

Agency Funds – accounts for resources held by the City in a custodial capacity for other post employment benefits.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance

Cash and Cash Equivalents

For purpose of presenting the proprietary fund cash flow statement, cash and cash equivalents include cash, demand and time deposits and investments with a maturity date within three months of the date acquired by the City.

Investments

The City's investment practices are governed by state statutes and by the City's own investment policy. City cash is required to be deposited in Federal Insurance Corporations (FDIC) insured banks. A pooled cash strategy is utilized which enabled the City to have one central depository.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or, (b) secured by obligations that are described by (1); (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third-party selected or approved by the City, and placed through a primary government securities dealer. Investments maturing within one year of date of purchase are stated at amortized cost. The City's policy is to report local government investment pools, and Securities and Exchange Commission ("SEC") registered money market mutual funds at fair value using net asset value (NAV) or amortized cost if the pool meets the requirements of GASB Statement No. 79. The City carries investments in debt securities with maturities in excess of one year at fair value using other observable significant inputs including but not limited to quoted prices for similar securities, interest rates, prepayment speeds, and fixed income security pricing models. The City carries investments in debt securities with original maturities of one year or less at the date of purchase at amortized cost.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported as other financing sources/uses in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Restricted Assets

Certain assets of the Enterprise Funds and the Governmental Funds are classified as restricted assets because their use is restricted for capital improvements or debt service via externally imposed by bond ordinance or laws of other governments.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Construction in progress will be capitalized once the project is completed and the related asset placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

CITY OF KYLE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 to 40
Waterworks and wastewater systems	10 to 50
Infrastructure	20 to 33
Machinery and equipment	5 to 10

Compensated Absences

The City permits employees to accumulate earned but unused vacation pay benefits. Certain employees have carried forward unused sick leave benefits. Unused sick leave shall be not paid upon termination of employment, except as specifically provided as follows:

1. An employee that terminates employment for any reason other than death, or being granted a retirement or disability allowance by the Texas Municipal Retirement System (TMRS) or the Social Security Administration (SSA), shall not be paid for unused sick leave.
2. An employee having at least 10 years of service with the City who is granted a retirement or a disability allowance by TMRS or SSA, or who dies, is entitled to a partial payment for up to 480 hours of unused sick leave accrued to such employee. The partial payment to the employee or the employee's beneficiary shall be as follows: (A) an amount equal to thirty percent (30%) of the value of such accrued, unused sick leave will be paid for 10 years of service; and (B) the amount to be paid for such unused sick leave shall increase by 2% for each year of service as an employee of the City, if any, in excess of 10 years.
3. An employee covered under the agreement between the City and the Kyle Police Association may be paid for their unused sick leave, in accordance with the agreement.

No liability is reported for unpaid accumulated sick leave for the remaining employees. Vacation pay and certain sick leave benefits are accrued when incurred in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures in the period incurred.

Fund Balance

The City classifies governmental fund balances in the governmental fund financial statements as follows:

Non-spendable - The non-spendable category includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – The restricted fund balance includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

Committed – The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other purposes unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund assigned amounts represent intended uses established by City Council or City Manager, and Department Directors. The City Manager, and Department Directors are authorized to assign individual amounts up to \$15,000 and City Council is authorized to assign amounts over \$15,000.

Unassigned – The unassigned fund balance includes positive fund balances within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

At September 30, 2020, the City has the following fund balance classifications:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total
Fund Balance					
Non-Spendable Prepaids	\$ 4,670	\$ -	\$ -	\$ -	\$ 4,670
Restricted:					
Capital Projects	\$ -	\$ -	\$ 18,698,027	\$ -	\$ 18,698,027
Debt Service	-	1,773,177	-	-	1,773,177
Road and Park Improvements	-	-	-	5,391,279	5,391,279
Public Safety	-	-	-	83,509	83,509
Economic Development, HOT	-	-	-	350,734	350,734
Other Development	-	-	-	419,735	419,735
	<u>\$ 4,670</u>	<u>\$ 1,773,177</u>	<u>\$ 18,698,027</u>	<u>\$ 6,245,257</u>	<u>\$ 26,721,131</u>
Unassigned:					
Unassigned	\$ 21,353,344	\$ -	\$ -	\$ (568,241)	\$ 20,785,103
	<u>\$ 21,358,014</u>	<u>\$ 1,773,177</u>	<u>\$ 18,698,027</u>	<u>\$ 5,677,016</u>	<u>\$ 47,506,234</u>

The City requires restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made. For the Net Position, the City also requires restricted amounts be spent first when both restricted and unrestricted fund balances is available unless the restriction prohibits doing this.

The City Charter has a formal minimum general fund balance policy that requires a reserve of at least equal to 25% of operating budget.

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding principal of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Cont'd)

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governmental units.

Pension

For the purposes of measuring the net pension liability, deferred inflows/outflows of resources and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to, or deductions from, TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The Net OPEB liability has been determined based on the flow of economic resources measurement focus and full accrual basis of accounting. This includes measuring the Net OPEB liability: deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about benefit payments are recognized in the total liability calculation when due and payable in accordance with the benefit terms. The OPEB Trust and the investments which are reported at fair value, are reflected in the Statement of Fiduciary Net Position.

Deferred Outflows and Inflows of Resources – The City has classified as deferred outflows of resources certain items that represent a consumption of resources that applies to a future period and, therefore, will not be recognized as an expense until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The City has classified all of the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred outflow of resources. The deferred outflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. The City has also deferred certain pension and OPEB related items in accordance with applicable pension standards as noted under Note V.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the US requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the end of the year were as follows:

	Historic Cost	Accumulated Depreciation	Net Value End of Year	Change in Net Position
<u>Capital Assets - End of Year</u>				
Non-Depreciable Assets	\$ 26,644,766	\$ -	\$ 26,644,766	
Depreciable Assets	173,935,748	59,924,006	114,011,742	
Change in Net Position	\$ 200,580,514	\$ 59,924,006	\$ 140,656,508	140,656,508
 <u>Long-term Debt - End of Year</u>				
Bonds Payable			\$ 69,865,002	
Change in Net Position			\$ 69,865,002	(69,865,002)
Net Adjustment to Net Position				\$ 70,791,506

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	Amount	Adjustment to Change in Net Position
Amortization of Bond Premiums	\$ 634,544	\$ 634,544
General Fund Contributed Capital	2,361,385	2,361,385
Compensated Absences	(209,487)	(209,487)
Deferred Inflows Property Tax	(118,491)	118,491
Deferred Inflows – Unavailable Revenue	(2,784,350)	2,784,350
Pension Expense	(38,073)	(38,073)
Interest Accrual	24,954	24,954
OPEB Expense	744,191	744,191
		\$ 6,420,355

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The Council adopts an "appropriated budget" for the General Fund. The City is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Sixty days prior to October 1st, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to the third Tuesday of September, the budget is legally enacted through passage of a resolution by the Council. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Council. Amendments are presented to the council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Council, and are not made after fiscal year end. Because the City has a policy of careful budgetary control, several amendments were necessary during the year.
4. The legal level of budgetary control is at the function level. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Council. All budget appropriations lapse at year end. Amounts encumbered prior to year-end will lapse 3 months after year end.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2020, the City had the following Pooled cash, and investments:

	Pooled cash and investments	
	Unrestricted	Restricted
General Fund	\$ 17,024,529	\$ -
Debt Service	-	1,822,841
Capital Projects	15,017,579	6,013,949
Nonmajor governmental funds	2,304,499	3,936,482
Water Fund	14,412,103	9,203,428
Wastewater Fund	7,831,390	56,899,818
Storm Drainage Fund	1,580,991	-
	\$ 58,171,091	\$ 77,876,518
 Fiduciary Funds	 \$ 1,887,998	
 Total pooled cash, cash equivalents and investments	 <u>\$ 137,935,607</u>	
 Total Investments		
TexPool	\$ 33,686,238	
TexSTAR	82,964,322	
Money Market Fund	4,488,209	
Toyota Motor Commercial Paper	4,994,640	
Federal Home Loan Bank	3,001,136	
Municipal Bond	<u>5,149,550</u>	
 Total Investments	 \$ 134,284,094	
ADD:		
Deposits	<u>1,906,733</u>	
	\$ 136,190,827	
 Cash Equivalent and Mutual Fund	 <u>\$ 1,744,781</u>	
 Total pooled cash, and investments	 <u>\$ 137,935,607</u>	

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

A. Deposits and Investments (Cont'd)

Texas Local Government Investment Pool

Texas Local Government Investment Pool (“TexPool”) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor’s and had a weighted average maturity of 38 days as of September 30, 2020.

TexPool meets the requirements of GASB Statement No. 79, and as such, measures and reports its investments at amortized cost. The City carries its investment in TexPool at amortized cost.

TexSTAR Investment Pool

TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investment of participants’ public funds and funds under their control. TexSTAR is managed by J.P. Morgan Investment Management, Inc., an affiliate of JP Morgan Chase Bank, N.A. a national banking association, and First Southwest Asset Management, Inc., an affiliate of Texas based First Southwest Company. TexSTAR’s investment manager will maintain the dollar-weighted average maturity of sixty (60) days or less, and the maximum stated maturity for any obligation of the United States, its agencies, or instrumentalities is limited to 397 days for fixed rate securities and 24 months for variable rate notes. TexSTAR is rated AAAM by Standard and Poor’s and had a weighted average maturity of 26 days at September 30, 2020.

TexSTAR does meet the requirements of GASB Statement No. 79, and as such, has elected to measure and report its investments at fair value. The City carries its investment in TexSTAR at fair value measured using published NAV, which is based on fair values of the underlying investments.

The City utilizes various methods to measure the fair value of investments on a recurring basis. GASB Statement No. 72, Fair Value Measurement and Application, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the City has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for the identical instrument in an inactive market, and other significant inputs based on third party fixed-income pricing models.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the City’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

A. Deposits and Investments (Cont'd)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of September 30, 2020, the City's investment of \$13,145,326 in agency securities, commercial paper and municipal bonds are measured at amortized cost, as the original maturity of the security at the date of purchase was less than one year. Also, the City's investment in TexPool \$33,686,238 is carried at A+ amortized cost. Accordingly, the City is not required to disclose these investments within the GASB Statement No. 72 hierarchy for investments.

As of September 30, 2020, the City's investment of \$82,964,322 in TexSTAR is carried at fair value using published NAV which is based on fair value of the underlying investments. The City's investment in TexSTAR is classified in level 2.

The City's investment in the Wells Fargo Government Money Market Fund of \$4,488,209 is carried at fair value using published NAV of the fund. The City's investment in this fund is classified in level 1. This fund invests in fixed income securities seeking current income while preserving capital and liquidity. The City's OPEB Trust fund investment of \$1,733,863 are in mutual funds and are carried at fair value using published NAV. The City's OPEB Trust investments are classified in level 1.

Interest Rate Risk: Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting the weighted average maturity of its investment portfolio to a maximum of 180 days. At September 30, 2020 the City holds \$13,145,326 of agency securities, commercial paper and municipal bonds, with a weighted average maturity of its investment portfolio of 223 days.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2020, any deposit balance exceeding the \$250,000 covered by FDIC insurance was collateralized with securities held by the pledging financial institution in the City's name. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside third party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the City and are held by the counterparty, its trust or agent, but not in the City's name. The City's investment securities are not exposed to custodial risk because all securities held by the City's custodial banks are in the City's name.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the City. It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investment pools and money market fund were rated AAAM by Standard & Poor's Investors Service and fixed income securities were rated AA+. The City's trust fund investments are not rated.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy requires the investment portfolio be diversified in terms of investment instruments, maturities and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific maturity or specific issuer. As of September 30, 2020, the City had no investments exposed to concentration of credit risk.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

B. Receivables

Receivable as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Funds						Total
	General	Debt Service	Other	Water	Wastewater	Storm Drainage	
Receivables:							
Accounts:							
Customers	\$ 939,887	\$ -	\$ -	\$ 2,243,678	\$ 1,702,082	\$ 351,095	\$ 5,236,741
Court Warrants Receivable	2,476,159	-	-	-	-	-	2,476,159
Developers	8,397	-	-	-	-	-	8,397
Property Tax	202,124	173,811	-	-	-	-	375,935
Sales Tax	1,873,228	-	-	-	-	-	1,873,228
Franchise/Access	461,250	-	-	-	-	-	461,250
Kinder Morgan Pipeline	2,700,000	-	-	-	-	-	2,700,000
Other	844,557	-	1,075,122	-	-	-	1,919,679
Gross Receivables	<u>\$9,505,602</u>	<u>\$ 173,811</u>	<u>\$ 1,075,122</u>	<u>\$ 2,243,678</u>	<u>\$ 1,702,082</u>	<u>\$ 351,095</u>	<u>\$ 15,051,389</u>
Less: Allowance for Uncollectibles	<u>(2,590,210)</u>	<u>-</u>	<u>-</u>	<u>(755,051)</u>	<u>(408,004)</u>	<u>(86,616)</u>	<u>(3,839,881)</u>
Net Receivables	<u><u>\$6,915,392</u></u>	<u><u>\$ 173,811</u></u>	<u><u>\$ 1,075,122</u></u>	<u><u>\$ 1,488,627</u></u>	<u><u>\$ 1,294,078</u></u>	<u><u>\$ 264,479</u></u>	<u><u>\$ 11,211,508</u></u>

C. Property Taxes

In accordance with Texas statutes, the City approves a tax rate and an order to levy property taxes in October of each year. Property taxes are billed by the county tax assessor collector as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are payable on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of the year following the City's order to levy taxes (the assessment date), a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessment date represents the date on which an enforceable legal claim arises and attaches as a lien on the assessed property. In the government-wide financial statements, property tax revenue is recognized as earned, net of an allowance for uncollectible taxes. In the Governmental Fund financial statements, property tax revenues are considered available when they become due and receivable within the current period.

The appraisal of property within the City is the responsibility of the Hays County Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every five years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the city limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the tax rate of the previous year.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

D. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

<u>Governmental Activities:</u>	<u>Balance 10/1/2019</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 9/30/2020</u>
Capital assets not being depreciated:				
Land	\$ 4,208,810	\$ -	\$ -	\$ 4,208,810
Construction in progress	14,958,585	7,628,456	(151,085)	22,435,955
Total capital assets not being depreciated	<u>\$ 19,167,395</u>	<u>\$ 7,628,456</u>	<u>\$ (151,085)</u>	<u>\$ 26,644,766</u>
Capital assets being depreciated:				
Buildings	\$ 17,370,715	\$ 143,127	\$ 151,085	\$ 17,664,927
Improvements other than buildings	4,647,801	64,831	-	4,712,632
Infrastructure	142,085,996	3,227,956	-	145,313,952
Machinery and equipment	5,963,298	301,429	(20,490)	6,244,237
Total capital assets being depreciated	<u>\$ 170,067,811</u>	<u>\$ 3,737,342</u>	<u>\$ 130,596</u>	<u>\$ 173,935,748</u>
Accumulated depreciation:				
Buildings	\$ (4,616,678)	\$ (492,618)	\$ -	\$ (5,109,296)
Improvements other than buildings	(2,962,020)	(268,976)	-	(3,230,996)
Infrastructure	(42,791,998)	(4,631,908)	-	(47,423,906)
Machinery and equipment	(3,871,821)	(308,477)	20,490	(4,159,808)
Total accumulated depreciation	<u>\$ (54,242,517)</u>	<u>\$ (5,701,979)</u>	<u>\$ 20,490</u>	<u>\$ (59,924,006)</u>
Total capital assets being depreciated (net)	<u>\$ 115,825,294</u>	<u>\$ (1,964,637)</u>	<u>\$ 151,085</u>	<u>\$ 114,011,742</u>
Governmental activities capital assets (net)	<u>\$ 134,992,689</u>	<u>\$ 5,663,819</u>	<u>\$ -</u>	<u>\$ 140,656,508</u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

D. Capital Assets (Cont'd)

<u>Business Type Activities:</u>	<u>Balance 10/1/2019</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 9/30/2020</u>
Capital assets not being depreciated:				
Land				
Water	\$ 415,161	\$ -	\$ -	\$ 415,161
Wastewater	276,774	-	-	276,774
Construction in progress				
Water	1,295,886	340,500	-	1,636,385
Wastewater	10,611,123	8,769,132	-	19,380,254
Total capital assets not being depreciated	<u>\$ 12,598,943</u>	<u>\$ 9,109,631</u>	<u>\$ -</u>	<u>\$ 21,708,575</u>
Capital assets being depreciated:				
Buildings				
Water	\$ 14,071	\$ -	\$ -	\$ 14,071
Wastewater	3,099,552	-	-	3,099,552
Improvements other than buildings				
Water	39,855,917	7,511,018	-	47,366,936
Wastewater	43,883,385	6,862,206	-	50,745,591
Storm Drainage	15,917,439	3,815,681	-	19,733,120
Machinery and equipment				
Water	1,157,405	152,841	-	1,310,246
Wastewater	1,298,002	227,917	-	1,525,919
Storm Drainage	1,376,731	5,037	-	1,381,768
Total capital assets being depreciated	<u>\$ 106,602,503</u>	<u>\$ 18,574,700</u>	<u>\$ -</u>	<u>\$ 125,177,203</u>
Accumulated depreciation:				
Buildings				
Water	(13,476)	(2,195)	-	\$ (15,671)
Wastewater	(700,481)	(224,128)	-	(924,609)
Improvements other than buildings				
Water	(12,593,271)	(1,049,877)	-	(13,643,148)
Wastewater	(14,326,950)	(1,462,902)	-	(15,789,852)
Storm Drainage	(417,492)	(384,878)	-	(802,370)
Machinery and equipment				
Water	(735,844)	(65,548)	-	(801,392)
Wastewater	(829,205)	(79,177)	-	(908,382)
Storm Drainage	(190,256)	(126,344)	-	(316,600)
Total accumulated depreciation	<u>\$ (29,806,976)</u>	<u>\$ (3,395,048)</u>	<u>\$ -</u>	<u>\$ (33,202,024)</u>
Total capital assets being depreciated (net)	<u>\$ 76,795,527</u>	<u>\$ 15,179,652</u>	<u>\$ -</u>	<u>\$ 91,975,179</u>
Business type activities capital assets (net)	<u>\$ 89,394,470</u>	<u>\$ 24,289,283</u>	<u>\$ -</u>	<u>\$ 113,683,753</u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

D. Capital Assets (Cont'd)

Depreciation expense was charged to functions/programs of the government as follows:

Governmental Activities:	
General government	\$ 460,309
Public safety	148,492
Public works	4,637,423
Culture and recreation	455,755
Total Depreciation Expense - Governmental Activities	\$ 5,701,979
Business Type Activities:	
Water	\$ 1,117,619
Wastewater	1,766,207
Storm Drainage	511,222
Total Depreciation Expense - Business Type Activities	\$ 3,395,048

E. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2020, is as follows:

Due to	Due from					Total
	General Fund	Nonmajor	Water	Wastewater	Storm Drainage	
General Fund	\$ -	\$ 512,554	\$ 494,481	\$ -	\$ -	\$ 1,007,035
Water	38	-	27,997	25,444	-	53,479
Wastewater	-	-	1,067,908	6,042	-	1,073,950
Storm	-	-	5,681	-	-	5,681
Total	\$ 38	\$ 512,554	\$ 1,596,067	\$ 31,486	\$ -	

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenses occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund and intrafund transfers during the year ended September 30, 2020, are as follows:

Transfers In	Transfers out							Total
	General Fund	Debt Service	Capital Projects	Nonmajor Governmental	Water Fund	Wastewater Fund	Storm Drainage	
General Fund	\$ -	\$ -	\$ -	\$ 321,949	\$ 650,000	\$ 650,000	\$ -	\$ 1,621,949
Debt Service Fund	85,663	1,672,683	-	-	234,217	979,322	-	2,971,885
Capital Projects	4,617,169	-	64,024	-	-	-	-	4,681,193
Nonmajor Governmental	1,526,236	-	-	-	-	155,550	-	1,681,786
Water Fund	991,622	-	-	-	627,725	-	-	1,619,347
Wastewater Fund	-	-	-	-	-	12,241,077	-	12,241,077
Storm Drainage Fund	-	-	-	-	-	-	325,000	325,000
	\$ 7,220,690	\$ 1,672,683	\$ 64,024	\$ 321,949	\$ 1,511,942	\$ 14,025,949	\$ 325,000	\$ 25,142,236

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities

Debt Service Fund as debt service payments become due, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Balance 10/1/2019	Additions	Reduction	Balance 9/30/2020	Due Within One Year
<u>Governmental Activities:</u>					
Bonded Indebtedness	\$ 38,410,003	\$ -	\$ 730,000	\$ 37,680,004	\$ 760,000
Premium on Bond Issuance	2,803,654	-	634,544	2,169,110	-
Refunding Bonds	36,885,000	-	4,700,000	32,185,000	4,870,000
Net Pension Liability	3,541,564	2,919,881	3,711,029	2,750,417	-
Compensated Absences	916,543	418,974	209,487	1,126,030	-
Total Governmental Activities	<u>\$ 82,556,764</u>	<u>\$ 3,338,855</u>	<u>\$ 9,985,060</u>	<u>\$ 75,910,561</u>	<u>\$ 5,630,000</u>

	Balance 10/1/2019	Additions	Reduction	Balance 9/30/2020	Due Within One Year
<u>Business Type Activities:</u>					
Bonded Indebtedness	\$ -	\$ 28,330,000	\$ -	\$ 28,330,000	\$ 340,000
Premium on Bond Issuance	-	5,488,192	-	5,488,192	-
Net Pension Liability	1,219,001	963,675	1,265,870	916,806	-
Compensated Absences	162,376	32,388	13,065	181,699	-
Total Business Type Activities	<u>\$ 1,381,377</u>	<u>\$ 34,814,255</u>	<u>\$ 1,278,935</u>	<u>\$ 34,916,697</u>	<u>\$ 340,000</u>

The General Fund is responsible for liquidating liabilities for other post employment benefits and pensions in the governmental activities.

Bonded Indebtedness

The City has issued general obligation bonds whereby the proceeds were used to purchase capital assets reported in the Water and Wastewater Funds. All general obligation debt is expected to be serviced by the governmental activities and the Water and Wastewater Funds are not expected to service the general obligation debt. Accordingly, all the City's general obligation debt is reported in the governmental activities column.

The City issues certificates of obligation and tax notes to provide funds for the acquisition and construction of major capital facilities and equipment and to refund previous issues. Bonded indebtedness of the City is as follows:

Governmental Activities:

\$15,315,000 General Obligation Refunding Bonds - Series 2009, principal due annually in series through 2025, interest due semi-annually at 4.125%.	\$ 485,000
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CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

G. Long-term Liabilities (Cont'd)

Bonded Indebtedness (Cont'd)

Governmental Activities: (Cont'd)

\$4,290,000 Combination Tax and Revenue Certificates of Obligation - Series 2010, principal due annually in series through 2030, interest due semi-annually at 3.00% to 4.05%.	\$ 2,770,000
\$3,390,000 General Obligation Refunding Bonds - Series 2011, principal due annually in series through 2024, interest due semi-annually at 1.4% to 3.40%.	1,335,000
\$13,720,000 General Obligation Refunding Bonds - Series 2013, principal due annually in series through 2033, interest due semi-annually at 3.0% to 4.0%	11,145,000
\$5,520,000 General Obligation Bonds - Series 2013, principal due annually in series through 2033, interest due semi-annually at 1.75% to 4.0%	4,140,000
\$1,875,000 Tax Notes - Series 2014, principal due annually in series through 2021, interest due semi-annually at 2.0% to 3.0%	290,000
\$7,140,000 General Obligation Refunding Bonds - Series 2014, principal due annually in series through 2028, interest due semi-annually at 4.0%.	6,970,000
\$42,525,000 General Obligation Refunding Bonds - Series 2015, principal due annually in series through 2035, interest due semi-annually at 2.0% to 4.0%.	34,210,000
\$8,520,000 General Obligation Refunding Bonds - Series 2016, principal due annually in series through 2031, interest due semi-annually at 3.0% to 4.0%.	8,520,000
	\$ 69,865,000

Proceeds from the certificates of obligation will be used for the purpose of paying contractual obligations of the City incurred for the (1) design and construction of the wastewater treatment plant and other sewer system infrastructure improvements.

Business-Type Activities

\$28,330,000 Combination Tax and Revenue Certificates of Obligations Bonds - Series 2020, principal due annually in series through 2050, interest due semi-annually at 3.00%.	\$ 28,330,000
	\$ 28,330,000

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities (Cont'd)

Debt Service Requirements

Annual debt service requirements are as follows:

Governmental Activities:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 5,630,000	\$ 2,545,913	\$ 8,175,913
2022	5,540,000	2,351,308	7,891,308
2023	5,750,000	2,152,213	7,902,213
2024	5,975,000	1,944,333	7,919,333
2025	6,200,000	1,727,047	7,927,047
2026-2030	22,790,000	5,763,456	28,553,456
2031-2035	17,980,000	1,671,500	19,651,500
	<u>\$ 69,865,000</u>	<u>\$ 18,155,768</u>	<u>\$ 88,020,768</u>

Business-Type Activities:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 340,000	\$ 1,316,869	\$ 1,656,869
2022	505,000	1,160,350	1,665,350
2023	520,000	1,145,200	1,665,200
2024	535,000	1,129,600	1,664,600
2025	560,000	1,102,850	1,662,850
2026-2030	3,255,000	5,064,250	8,319,250
2031-2035	4,105,000	4,215,900	8,320,900
2036-2040	5,005,000	3,317,200	8,322,200
2041-2045	6,090,000	2,232,800	8,322,800
2046-2050	7,415,000	912,800	8,327,800
	<u>\$ 28,330,000</u>	<u>\$ 21,597,819</u>	<u>\$ 49,927,819</u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IV. DETAILED NOTES ON ALL FUNDS (Cont'd)

F. Long-term Liabilities (Cont'd)

Total Primary Government:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 5,970,000	\$ 3,862,781	\$ 9,832,781
2022	6,045,000	3,511,658	9,556,658
2023	6,270,000	3,297,413	9,567,413
2024	6,510,000	3,073,933	9,583,933
2025	6,760,000	2,829,897	9,589,897
2026-2030	26,045,000	10,827,706	36,872,706
2031-2035	22,085,000	5,887,400	27,972,400
2036-2040	5,005,000	3,317,200	8,322,200
2041-2045	6,090,000	2,232,800	8,322,800
2046-2050	7,415,000	912,800	8,327,800
	<u>\$ 98,195,000</u>	<u>\$ 39,753,587</u>	<u>\$ 137,948,587</u>

G. Lease

Enterprise Fleet Management (EFM).

The City of Kyle has entered into a contractual arrangement to lease new vehicles required for its operations including sedans, SUVs, vans, light and heavy duty trucks, police pursuit vehicles, and specialized vehicles such as for animal control and police evidence vehicles. This lease arrangement with EFM does not include heavy equipment such as dump trucks, tanker trucks, backhoes, vector trucks, and other construction equipment. The City continues to purchase and own its heavy equipment and machinery.

For fiscal year ended September 30, 2020, the City of Kyle paid a total sum of \$419,857 in monthly lease payments to EFM.

Lease Requirements

Fiscal Year Ending September 30,	Governmental Activities	Business-Type Activities
2021	\$ 388,256	\$ 160,583
2022	378,508	156,552
2023	287,199	118,786
2024	161,597	66,837
2025	55,547	23,057
	<u>\$ 1,271,107</u>	<u>\$ 525,815</u>

H. Contingent Arbitrage Liabilities

The City has invested a portion of GO bond proceeds as a reserve for the retirement of the bonds. Any excess of interest revenue earned on invested proceeds over interest paid on the bonds must be rebated to the federal government every five years. The City has no arbitrage liability as of September 30, 2020.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool. As an insured, the City is not obligated to reimburse the pool for losses. The City has not had any significant reductions in insurance coverage, nor have insurance settlements for the last three fiscal years exceeded insurance coverage. Any losses reported, but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements.

B. Commitments and Contingencies

The City is a defendant in lawsuits occurring in the normal course of business. Although the outcome of these matters is not presently determinable, in the opinion of the City's attorney, their resolution will not have a material adverse effect on the financial condition of the City. Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City executed Water Supply Contracts with Guadalupe Blanco River Authority (GBRA) and a Regional Water Supply Contract with the Alliance Regional Water Authority (formerly Hays Caldwell Public Utility Agency "the Agency").

Under the raw water supply agreement with GBRA, the City agreed to pay on a take or pay basis for the appropriate share of debt service, debt service coverage and fixed Operation and Maintenance Expenses as defined in the agreement. Rates charged to the City for the treatment and delivery of treated water are determined pursuant to the terms of the Regional Agreement, plus GBRA's costs associated with any facilities required to convey the treated water. The City is also required under the agreement to pay on a take or pay basis as defined in the agreement for the treated water. For the period ending September 30, 2020, the City paid \$2,597,891 under the water supply agreement.

The Alliance Regional Water Authority (Agency) and Sponsoring Public Entities which includes the cities of Buda, Kyle and San Marcos and the Canyon Regional Water Authority have entered into a Regional Water Supply Contract dated January 15, 2008 as amended by amendment No. 1. The Agency agreed to design, finance, construct, own, acquire, maintain and operate the Project in a manner that will allow the Agency to deliver water to the Sponsoring Public Entities which includes the City. The City agreed to pay its share (28.17%) of the Project Costs and to make payments to or on behalf of the Agency in amount sufficient to meet all of the Agency's obligations under the Contract including its share of the Project Costs to allow the Agency own, operate and maintain the Project. For the period ending September 30, 2020, the City paid \$1,884,979 under the water supply contract.

C. Benefit Plans

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code.

TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Retirement Plan

Plan Description

The City provides pension benefits for all its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple- employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TMRS. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS website at www.TMRS.com.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City has adopted annuity increases at a rate equal to 70% of the increase in the Consumer Price Index – all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The Plan also provide death benefits and disability benefits. Effective January 1, 2002, members are vested after 5 years, unless the City opted to maintain 10-year vesting which it did until 2015. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Employees covered by benefit terms

At December 31, 2019, the following employee were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	114
Active employees	<u>222</u>
Total	365

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Contributions

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2015, valuation is effective for rates beginning January 2016).

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.52% for 2020. The City's contributions to TMRS for the year ended September 30, 2020, were \$1,655,372 and the required contributions were \$1,655,372.

Funding Policy

Cities are required to contribute at an actuarially determined rate; these rates are provided to the City on an annual basis, following the completion of the actuarial valuation.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.50% to 11.50 including inflation per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirement of Texas mortality tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements.

For disabled annuitants, the mortality tables for healthy retirees with a 4-year set-forward for both males and 3 years for females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2019, valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. The healthy annuitant post-retirement mortality rates and annuity purchase rates were based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2018 valuation.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Long-term expected rate of return:

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Changes in Net Pension Liability / (Asset)

The following table below presents the components used to calculate the NPL for the current reporting period.

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (a) – (b)
Balance at 10/1/2019	\$ 24,838,062	\$ 20,077,500	\$ 4,760,562
Changes for the year:			
Service cost	2,151,740	-	2,151,740
Interest	1,731,169	-	1,731,169
Change of benefit terms	-	-	-
Difference between expected and actual experience	337,532	-	337,532
Changes of assumptions	168,232	-	168,232
Contributions - employer	-	1,530,481	(1,530,481)
Contributions - employee	-	857,755	(857,755)
Net investment income	-	3,111,839	(3,111,839)
Benefit payments, including refunds of employee contributions	(533,971)	(533,971)	-
Administrative expense	-	(17,539)	17,539
Other changes	-	(527)	527
Net changes	3,854,702	4,948,038	(1,093,336)
Balance at 9/30/2020	\$ 28,692,764	\$ 25,025,539	\$ 3,667,225

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1 % Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
City's Net Pension Liability	\$ 8,932,075	\$ 3,667,225	\$ (547,141)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.org.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Pension Expense

For the year ended September 30, 2020, the City recognized pension expense of \$1,683,136, comprised as follows:

Total Service Cost	\$ 2,151,740
Interest on the Total Pension Liability	1,731,169
Current-Period Benefit Changes	-
Employee Contributions (Reduction of Expense)	(857,755)
Projected Earnings on Plan Investments (Reduction of Expense)	(1,355,231)
Administrative Expense	17,539
Other Changes in Fiduciary Net Position	527
Recognition of Current Year Outflow (Inflow) of Resources - Liabilities	84,153
Recognition of Current Year Outflow (Inflow) of Resources - Assets	(351,322)
Amortization of Current Year Outflow (Inflow) of Resources - Liabilities	(49,455)
Amortization of Current Year Outflow (Inflow) of Resources - Assets	311,771
Total Pension Expense	<u>\$ 1,683,136</u>

The funds used to liquidate the net pension obligations have been the general fund and the water/wastewater/storm drainage fund at a rate of 75% and 25% respectively, of the annual required contribution.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 330,782	\$ (197,220)
Changes in actuarial assumptions	141,799	-
Difference between projected and actual investment earnings	1,104,439	(1,839,153)
Contributions subsequent to the measurement date	1,252,998	-
Total	<u>\$ 2,830,018</u>	<u>\$ (2,036,373)</u>

The City reported \$1,252,998 as deferred outflows of resources related to pensions resulting from contributions made after the measurement date of the net pension liability but before the end of the fiscal year will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2020	\$ (168,374)
2021	(171,007)
2022	67,035
2023	(275,845)
2024	87,996
Thereafter	843
	<u>\$ (459,352)</u>

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

The City participates in multiple OPEB Plans. The Supplemental Death Benefit Fund is a cost sharing multiple employer defined benefit and is part of the Texas Retirement System. The City also has a single employer defined benefit health insurance plan for retirees (Medical Plan). As of September 30, 2020, the following balance related to the OPEB liability:

	Medical Plan	SDBF	Total
OPEB Liability (Asset)	\$ (1,117,134)	\$ 289,614	\$ (827,520)
Deferred Outflow of Resources	115,049	49,984	165,033
Deferred Inflow of Resources	(329,994)	(6,747)	(336,741)
OPEB Expense	(851,832)	35,372	(816,460)

Post Retirement Supplemental Death Benefits (SDBF OPEB)

Plan Description: The City participates in a single employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the SDBF. The City elected to provide group-term life insurance coverage to both current and retired employees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). Retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

Contribution: The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the year ended September 30, 2020 was \$15,875, which equaled the required annual contributions.

TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes financial and supplementary information for the SDBF. That report may be obtained from the TMRS website at www.TMRS.com.

Post Retirement Health Insurance Plan (Health OPEB)

Plan Description: The City maintains a single-employer defined benefit health insurance plan for retirees through the Texas Municipal League Intergovernmental Employee Benefits Pool (TML). The City elected to provide health insurance coverage to certain retired employees. Former full-time employees who have retired after 25 years of service and all full-time employees who have completed 5 years or more of continuous service by April 1, 2009, and who complete a total of 25 years or more of continuous service are entitled to the same group health insurance coverage provided to active employees. This coverage is completely paid by the City. Employees who have completed less than 5 years of continuous service as of April 1, 2009, and who complete 25 years or more of continuous service are entitled to the same group health insurance coverage provided to active employees. The City will pay \$300 (adjusted annually based on the CPI) toward this coverage. The employee is responsible for the balance. Any employee hired after April 1, 2009, is not entitled to group health insurance coverage after retirement. A change in plan provision occurred in the current year and is fully recognized in the current year. The change in the plan eliminated all plan benefits after age 65. This plan is an "other postemployment benefit," or OPEB.

CITY OF KYLE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Benefits (Health OPEB)

Employees in Group 1 are classified as participants with 5 or more years of continuous service on April 1, 2009 and 25 or more years of continuous service at retirement have the following benefits:

- Pre- Age 65: Medical, prescription drugs, dental, vision and \$2,000 life insurance – fully paid by the City for the retiree
- Post Age 65: No benefits paid by the City.

Employees in Group 2 are classified as participants having fewer than 5 years of continuous service on 4/1/2009, and 25 or more years of continuous service at retirement.

- \$300 monthly stipend towards medical and prescription drug coverage (both before and after age 65 only). The \$300 amount is CPI indexed (\$374.26 as of 10/1/2019). The retiree pays any additional cost. The retiree pays the full cost of spouse's coverage.

Employees hired after April 1, 2009 are not eligible for benefits under the Plan.

Medical plan provisions

	Network	Non-Network
Calendar Year Deductible	\$250	\$500
Out-of-Pocket Limit	\$2,250 i/ \$4,000 f	None
Coinsurance	85%	55%
Preventive care and annual exam	100%	100%

Contributions: The annual premiums paid from the Trust for the period ending September 30, 2020 were \$0.00, and the City's contributions with the OPEB Trust were \$156,500.

As of the valuation date October 1, 2019, plan membership consisted of the following:

Active employees	41
Retired	0
Total	41

Benefits: Supplemental Death Benefit Fund- The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

As of the measurement date of December 31, 2019, plan membership consisted of the following:

Inactive employees currently receiving or entitled to benefits	26
Inactive employees entitled to but not yet receiving benefits	20
Active employees	222
Total	268

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Investments (Health OPEB)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%) and deducting investment expenses. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2020 are summarized in the following table:

	Target Allocation	Real Return
Large Cap Stocks	37%	5.70%
S&P 500		
Mid/Small Cap Stocks	12%	6.50%
Russell 2000		
International Stocks	17%	5.40%
MSCI EAFE		
Bonds	33%	2.50%
Barclays US		
Multi-sector bonds	0%	3.50%
Real Estate	0%	4.80%
Cash Equivalents	1%	0.00%
3 month Treasury		
	100%	

Health OPEB (Cont'd)

GASB 74 does not reduce the long-term rate of return for administrative expenses. Instead administrative expenses are an explicit component of annual OPEB expense bases of the administrative expense for the fiscal year. The resulting GASB 75 rate of return is 7.25%. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made as the same percentage of participant payroll as for the 2018-19 year or \$156,500 and that all future retiree medical benefits will be paid from the trust fund under the terms of the plan. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The net OPEB liability was measured as of September 30, 2020 and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date.

CITY OF KYLE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Sensitivity of the Net OPEB Liability to changes in the discount rate

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	1% Decrease <u>6.25%</u>	Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
Net OPEB Liability (asset)	\$ (1,027,633)	\$ (1,117,134)	\$ (1,193,235)

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates

The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability (asset) would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>5.09% Grading to 3.87%</u>	Trend Rates <u>6.09% Grading to 4.87%</u>	1% Increase <u>7.09% Grading to 5.87%</u>
Net OPEB Liability (asset)	\$ (1,192,068)	\$ (1,117,134)	\$ (1,030,833)

The OPEB plan assets are measured at fair value, using the same valuation methods used by the OPEB Plan for purpose of preparing its statement of fiduciary net position. The money weighted rate of return is 12.90%.

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Health OPEB (Cont'd)

The components of net OPEB liability at September 30, 2020 were as follows:

Reconciliation of Total OPEB Liability	
Service cost	\$ 18,407
Interest on total pension liability	42,428
Change of benefit terms	(797,728)
Differences between expected and actual experience	(214,286)
Change of Assumptions	(20,954)
Expected net benefit payments	-
Net change in total pension liability	<u>\$ (972,133)</u>
Total OPEB Liability at beginning of year	<u>\$ 1,599,779</u>
Total OPEB Liability at end of year (a)	<u><u>\$ 627,646</u></u>
Fiduciary net position:	
Employer contributions	\$ 159,035
Member contributions	-
Investment income net of investment expense	199,110
Benefit payments/refunds of contributions	-
Administrative expenses	(17,577)
Net change in fiduciary net position	<u>\$ 340,568</u>
Fiduciary net position at beginning of year	<u>\$ 1,404,212</u>
Fiduciary net position at end of year (b)	<u>\$ 1,744,780</u>
Net OPEB liability/(asset) at end of year = (a) - (b)	<u><u>\$ (1,117,135)</u></u>
Fiduciary net position as a % of total OPEB liability	277.99%
Covered payroll	\$2,961,000
Net OPEB liability as a % of covered payroll	-37.73%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding in progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF KYLE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Health OPEB (Cont'd)

The projections of benefits for financial reporting purposes are based on the benefits provided which are considered for accounting purposes to be provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the City and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs; it may not be a long term legal commitment. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with long term perspective of the calculations. Additional information as the latest valuation follows:

Key Assumptions for Net OPEB Liability

Valuation Date	10/1/19 valuation date (rolled forward to 9/30/20)
Actuarial cost method	Entry age
Amortization method	Level dollar
Asset valuation	Market value
Discount rate	7.25%
Salary scale	2.5%
Expected Return on Assets	7.25%
Healthcare Cost Trend Rates	5.99% grading to 4.87%; Group 1 retirees at 5% and Group 2 at 3% per year
Mortality	Pub G-2010 for Non-Public Safety Pub S-2010 for Police

Total SDBF OPEB Liability

The City's total OPEB liability of \$289,614 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Changes in the SDBF Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - beginning of year	\$ 215,635
Changes for the year:	
Service Cost	\$ 20,831
Interest	8,364
Difference between expected and actual experience	(7,672)
Change in assumptions or other inputs	53,681
Benefit Payments	(1,225)
Net Change	\$ 73,979
Total OPEB Liability - end of year	\$ 289,614

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

Summary of Actuarial Assumptions

Inflation	2.5%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 75.
Mortality rates – service retirees	2019 Municipal Retirement Texas Mortality tables. The rates are projected as a fully government basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality rates with a 4 year set forward for males and 3 year set forward for females

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the City as well as what the City's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1 % Decrease 1.75%	Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	\$ 361,220	\$ 289,614	\$ 234,871

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

OPEB Expense – For the fiscal year ended September 30, 2020, the City recognized the following OPEB expense:

Schedule of OPEB Expense	Total	SDBF	Health
Total Service Cost	\$ 39,238	\$ 20,831	\$ 18,407
Interest on the Total OPEB Liability	50,792	8,364	42,428
Current-Period Benefit Changes	-	-	-
Employee Contributions (Reduction of Expense)	-	-	-
Projected Earning on Plan Investments (Reduction of Expense)	(107,570)	-	(107,570)
Administrative Expense	17,577	-	17,577
Other Changes in Fiduciary Net Position	-	-	-
Recognition of deferred outflows/inflows of resources:			
Actuarial (gains) and losses	(15,161)	-	(15,161)
Differences between expected and actual experience	(403)	(403)	-
Changes in assumptions or other inputs	7,031	6,580	451
Investments (gains) and losses	(10,236)	-	(10,236)
Change in Benefit Terms	(797,728)	-	(797,728)
Total OPEB Expense	\$(816,460)	\$ 35,372	\$ (851,832)

SDBF and Health OPEB deferred outflows of resources and deferred inflows of resources: For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$(816,460). At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	75,870	(33,235)
Actuarial (Gains)/Losses	61,810	(233,288)
Net difference between projected and actual earnings on OPEB plan investments	-	-
OPEB Investment gains/losses	15,343	(70,218)
Employer contributions subsequent to the measurement date	12,010	-
Total	\$ 165,033	\$ (336,741)

CITY OF KYLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. OTHER INFORMATION (Cont'd)

C. Benefit Plans (Cont'd)

The City reported \$12,010 as deferred outflows of resources related to OPEB resulting from contributions made subsequent to the measurement date of the Net OPEB liability but before the end of the fiscal year will be recognized as reduction of Net OPEB liability for the year 9/30/2021. Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Years Ended September 30:	
2020	\$ (27,049)
2021	(18,771)
2022	(18,298)
2023	(25,971)
2024	(8,533)
Thereafter	<u>(85,096)</u>
Total	<u>\$ (183,718)</u>

D. Tax Abatement

The City of Kyle enters into sales and use tax and property tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. Under the Act, localities may grant sales and use and property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City of Kyle.

For the fiscal year ended September 30, 2020, the City of Kyle abated sales and use taxes totaling \$822,157 and property taxes totaling \$65,006 under these programs, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 33 percent sales and use tax abatement to DDR, a developer, for taxable items collected on-site by the Retail Occupants and remitted to the State Comptroller. The abatement amounted to \$321,931.
- A 33 percent sales and use tax abatement to Seton Family of Hospitals for development of facility and increasing employment. The abatement amounted to \$500,225.
- A 50 percent property tax abatement to RR HPI, a developer, for assessed incremental property taxes above the base year. The abatement amounted to \$65,006.

E. Subsequent Event

On September 15, 2020, the City offered and sold its General Obligation Refunding Bonds, Series 2020 in the amount of \$4,175,000. The Series 2020 Obligations are scheduled to be issued and delivered to the initial purchasers thereof on or about October 19, 2020, which is subject to the satisfaction of certain closing conditions. A portion of the proceeds of the Series 2020 Obligations, together with certain other funds of the Authority, will be used to refund and redeem a portion of the outstanding Series 2009 and 2011 General Obligation Refunding Bonds and a portion of the outstanding Series 2010 Combination Tax & Revenue Certificates of Obligation.



**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**



CITY OF KYLE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 10,071,500	\$ 10,071,500	\$ 10,618,155	\$ 546,655
General Sales and Use Taxes	9,455,800	9,455,800	9,991,380	535,580
Franchise Tax	2,262,000	2,262,000	2,437,413	175,413
Other Taxes	100,000	100,000	83,108	(16,892)
Licenses and Permits	1,425,500	1,425,500	3,207,094	1,781,594
Intergovernmental Revenue and Grants	2,000	2,000	4,881	2,881
Charges for Services	5,007,000	5,007,000	5,122,598	115,598
Fines	525,000	525,000	547,411	22,411
Investment Earnings	1,200,000	1,200,000	914,383	(285,617)
Rents and Royalties	5,000	5,000	4,925	(75)
Contributions & Donations from Private Sources	30,000	30,000	35,000	5,000
Other Revenue	400,000	400,000	1,017,327	617,327
Total Revenues	<u>30,483,800</u>	<u>30,483,800</u>	<u>33,983,675</u>	<u>3,499,875</u>
EXPENDITURES:				
Current:				
General Government	8,419,964	8,555,201	6,529,965	2,025,236
Public Safety	8,627,831	8,627,831	8,309,179	318,652
Public Works	5,421,831	5,421,831	4,932,406	489,425
Culture and Recreation	2,971,707	2,971,707	2,583,375	388,332
Capital Outlay:				
Capital Outlay	893,800	899,997	209,540	690,457
Total Expenditures	<u>26,335,133</u>	<u>26,476,567</u>	<u>22,564,465</u>	<u>3,912,102</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,148,667</u>	<u>4,007,233</u>	<u>11,419,210</u>	<u>7,411,977</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	1,590,923	1,597,923	1,621,949	24,026
Transfers Out (Use)	(6,294,454)	(7,194,454)	(7,220,690)	(26,236)
Total Other Financing Sources (Uses)	<u>(4,703,531)</u>	<u>(5,596,531)</u>	<u>(5,598,741)</u>	<u>(2,210)</u>
Net Change	(554,864)	(1,589,298)	5,820,469	7,409,767
Fund Balance - October 1 (Beginning)	-	15,537,545	15,537,545	-
Fund Balance - September 30 (Ending)	<u>\$ (554,864)</u>	<u>\$ 13,948,247</u>	<u>\$ 21,358,014</u>	<u>\$ 7,409,767</u>

CITY OF KYLE
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Budgetary Information

The Council adopts an "appropriated budget" for the General Fund. The City is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The City compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Sixty days prior to October 1st, the City prepares a budget for the next succeeding fiscal year beginning October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to the third Tuesday of September, the budget is legally enacted through passage of a resolution by the Council. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Council. Amendments are presented to the council at its regular meetings. Each amendment must have Council approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Council, and are not made after fiscal year end. Because the City has a policy of careful budgetary control, several amendments were necessary during the year.
4. The legal level of budgetary control is at the function level. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Council. All budget appropriations lapse at year end. Amounts encumbered prior to year-end will lapse 3 months after year end.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER
POST EMPLOYMENT BENEFIT PLANS - HEALTH
SEPTEMBER 30, 2020**

Schedule of OPEB Contributions

<u>Year Ending September 30,</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2017	\$ 156,608	\$ 156,500	\$ 108	\$ 3,291,000	7.25%
2018	156,500	156,500	-	3,490,000	9.55%
2019	156,500	156,500	-	3,184,000	6.14%
2020	156,500	159,035	(2,535)	2,961,000	5.30%

Beginning fiscal year September 30, 2018, the ADC is calculated in accordance with the Employer's funding policy, if one exists. Prior to September 30, 2018 the ADC is equal to the Annual Required Contributions (ARC) calculated under GASB Statement No. 45.

Beginning fiscal year ending September 30, 2018, the ADC is calculated in accordance with the Employer's funding policy, if one exists. Prior to the current period, the ADC is equal to the Annual Required Contribution (ARC) calculated under GASB Statement No. 45.

Notes to Schedule	10/1/19 Valuation dated rolled to
Valuation date	September 30, 2020
Actuarial cost method	Entry Age normal
Asset valuation method	Market value
Discount rate	7.25%
Salary scale	3.00%
Expected Return on Assets	7.25%
Healthcare Cost Trend Rates	6.09% grading to 4.87%; Group 1 retires at 5% and Group 2 at 3% per year
Mortality	RP 2000 projected

This OPEB schedule in the required supplementary information is intended to show information for ten years. Additional information will be displayed as it becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Changes in the Employers Net OPEB Liability and Related Ratios - Health
For the last four Fiscal Years

	2020	2019	2018	2017
Reconciliation of Total OPEB Liability				
Service cost	\$ 18,407	\$ 52,958	\$ 50,112	\$ 50,485
Interest on total pension liability	42,428	108,343	100,810	79,145
Change of benefit terms	(797,728)			
Differences between expected and actual experience	(214,286)	(122,181)	177,209	-
Change of Assumptions	(20,954)	28,137	-	-
Expected net benefit payments	-	(5,893)	(5,875)	(5,123)
Net change in total pension liability	<u>\$ (972,133)</u>	<u>\$ 61,364</u>	<u>\$ 322,256</u>	<u>\$ 124,507</u>
Total OPEB Liability at beginning of year	<u>\$ 1,599,779</u>	<u>\$ 1,538,415</u>	<u>\$ 1,216,159</u>	<u>\$ 1,091,652</u>
Total OPEB Liability at end of year (a)	<u><u>\$ 627,646</u></u>	<u><u>\$ 1,599,779</u></u>	<u><u>\$ 1,538,415</u></u>	<u><u>\$ 1,216,159</u></u>
Fiduciary net position:				
Employer contributions	\$ 159,035	\$ 156,500	\$ 156,500	\$ 156,500
Member contributions	-	-	-	-
Investment income net of investment expense	199,110	59,309	83,045	109,860
Benefit payments/refunds of contributions	-	-	(2,303)	(5,123)
Administrative expenses	(17,577)	(16,660)	(9,834)	(12,427)
Net change in fiduciary net position	<u>340,568</u>	<u>199,149</u>	<u>227,409</u>	<u>248,810</u>
Fiduciary net position at beginning of year	<u>\$ 1,404,212</u>	<u>\$ 1,205,063</u>	<u>\$ 977,654</u>	<u>\$ 728,844</u>
Fiduciary net position at end of year (b)	<u>\$ 1,744,780</u>	<u>\$ 1,404,212</u>	<u>\$ 1,205,063</u>	<u>\$ 977,654</u>
Net OPEB liability/(asset) at end of year = (a) - (b)	<u><u>\$ (1,117,135)</u></u>	<u><u>\$ 195,566</u></u>	<u><u>\$ 333,352</u></u>	<u><u>\$ 238,505</u></u>
Fiduciary net position as a % of total OPEB liability	277.99%	87.78%	78.33%	80.39%
Covered payroll	\$ 2,961,000	\$ 3,184,000	\$ 3,490,000	\$ 3,291,000
Net OPEB liability as a % of covered payroll	-37.73%	6.14%	9.55%	7.25%

REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Investment Returns - OPEB Health
For the last four Fiscal Years

Annual Money-Weighted Rate of Return	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net Investment Expenses	11.21%	7.46%	4.40%	12.90%

REQUIRED SUPPLEMENTARY INFORMATION
OPEB Schedule of Changes in Total Liability and Related Ratios
For the Year Ended September 30, 2020

Total OPEB Liability for the Supplemental Death Benefit Fund

Schedule of OPEB Expense	2020	2019
Total Service Cost	20,831	22,658
Interest on the Total OPEB Liability	8,364	6,996
Current-Period Benefit Changes	-	-
Differences between expected and actual experience	(7,672)	4,344
Changes in assumptions or other inputs	53,681	(17,825)
Projected Earnings on Plan Investments (Reduction of Expense)	-	-
Benefit payments	(1,225)	(1,133)
Net Change	73,979	15,040
Total OPEB liability, beginning	215,635	200,595
Total OPEB liability, ending	289,614	215,635
Covered - employee payroll	12,253,645	11,328,847
Total liability as a percentage of covered - payroll	2.36%	1.90%

Notes to Schedule:

The OPEB schedule in the required supplementary information is intended to show information for ten years. Additional information will be displayed as it becomes available.

Summary of Actuarial Assumptions:

Inflation 2.50%

Salary Increases 3.50% to 11.50% including inflation

Discount rate 2.75%

Retirees' share of benefit-related costs \$0

Mortality rates - service retirees 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates - disabled retirees 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN

Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Six Fiscal Years*

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service Cost	\$ 2,151,740	\$ 1,978,017	\$ 1,749,440	\$ 1,565,958	\$ 1,315,411	\$ 1,137,933
Interest (on the Total Pension Liability)	1,731,169	1,517,366	1,342,527	1,192,749	1,090,180	950,075
Changes of benefit terms	-	-	-	-	6,942	-
Difference between expected and actual experience	337,529	63,015	(189,672)	(185,089)	(82,587)	59,381
Change of assumptions	168,232	-	-	-	6,064	-
Benefits Payments, including refunds of employee contributions	(533,971)	(421,654)	(431,097)	(461,759)	(254,208)	(228,929)
Net Change in Total Pension Liability	\$ 3,854,699	\$ 3,136,744	\$ 2,471,198	\$ 2,111,859	\$ 2,081,802	\$ 1,918,460
Total Pension Liability - Beginning	24,838,062	21,701,318	19,230,120	17,118,263	15,036,461	13,118,001
Total Pension Liability - Ending (a)	\$ 28,692,761	\$ 24,838,062	\$ 21,701,318	\$ 19,230,120	\$ 17,118,263	\$ 15,036,461
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,530,481	\$ 1,405,910	\$ 1,297,509	\$ 1,112,797	\$ 969,980	\$ 691,539
Contributions - Employee	857,755	793,019	715,726	639,540	582,777	528,470
Net Investment Income	3,111,839	(566,454)	2,109,464	882,061	17,316	581,772
Benefits Payments, including refunds of employee contributions	(533,971)	(421,654)	(431,097)	(461,759)	(254,208)	(228,929)
Administrative Expense	(17,539)	(10,929)	(10,916)	(9,950)	(10,543)	(6,071)
Other	(527)	(571)	(553)	(536)	(521)	(499)
Net Change in Plan Fiduciary Net Position	4,948,039	1,199,322	3,680,133	2,162,153	1,304,801	1,566,282
Plan Fiduciary Net Position - Beginning	20,077,500	18,878,178	15,198,045	13,035,892	11,731,091	10,164,809
Plan Fiduciary Net Position - Ending (b)	\$ 25,025,539	\$ 20,077,500	\$ 18,878,178	\$ 15,198,045	\$ 13,035,892	\$ 11,731,091
Net Pension Liability - Ending (a) - (b)	\$ 3,667,222	\$ 4,760,562	\$ 2,823,140	\$ 4,032,075	\$ 4,082,371	\$ 3,305,370
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.22%	80.83%	86.99%	79.03%	76.15%	78.02%
Covered Payroll						
Net Pension Liability as a Percentage of Covered Payroll	\$ 12,253,645	\$ 11,328,847	\$ 10,224,662	\$ 9,136,279	\$ 8,325,383	\$ 8,071,984
	29.93%	42.02%	27.61%	44.13%	49.04%	40.95%

* Schedules are intended to show information for ten years and the additional years' information will be displayed as it becomes available, amounts presented for the year end were determined as of December 31, the measurement date.

**REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN**

Schedule of Employer Contributions

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	\$ 482,584	\$ 482,584	\$ -	\$ 5,801,502	8.3%
2012	524,649	524,649	-	6,165,072	8.5%
2013	532,591	532,591	-	6,665,732	8.0%
2014	627,943	627,943	-	7,550,582	8.3%
2015	953,338	936,923	16,415	8,686,216	10.8%
2016	1,160,869	1,116,031	44,838	9,207,541	12.1%
2017	1,225,528	1,240,665	(15,137)	9,868,892	12.6%
2018	1,391,093	1,414,894	(23,801)	11,149,680	12.7%
2019	1,479,117	1,479,117	-	11,149,680	13.3%
2020	1,530,481	1,530,481	-	12,253,645	12.5%

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

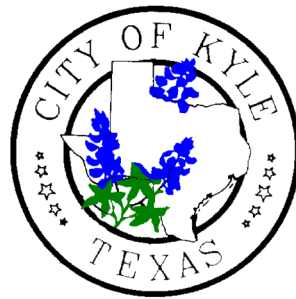
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year smoothed market: 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rate that are specific to the City's plan of benefits. Last update for the 2015 valuation pursuant to an experience study of the Period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.



COMBINING STATEMENTS



CITY OF KYLE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Plum Creek Phase II Special Fee	Public, Education & Gov't Access	Police Forfeiture	Police Special Revenue
ASSETS				
Pooled Cash and Investments	\$ 18,100	\$ 213,116	\$ 63,836	\$ 19,673
Restricted Pooled Cash and Cash Equivalents	-	-	-	-
Receivable (Net)	-	-	-	-
Total Assets	<u>\$ 18,100</u>	<u>\$ 213,116</u>	<u>\$ 63,836</u>	<u>\$ 19,673</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted Fund Balance - Tourism and Other	18,100	213,116	63,836	19,673
Restricted Fund Balance - Capital Projects	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	<u>18,100</u>	<u>213,116</u>	<u>63,836</u>	<u>19,673</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 18,100</u>	<u>\$ 213,116</u>	<u>\$ 63,836</u>	<u>\$ 19,673</u>

Court Special Revenue	General Government Grants	Hockey Rink Donations	Hotel Occupancy	TIRZ # 2 Fund	Bunton Creek PID	Blanco River Ranch PID	SW Kyle PID #1
\$ 59,232	\$ -	\$ 47,517	\$ 301,062	\$ -	\$ -	\$ 15,079	\$ 30,840
-	-	-	-	40,203	-	-	-
-	1,025,450	-	49,672	-	-	-	-
<u>\$ 59,232</u>	<u>\$ 1,025,450</u>	<u>\$ 47,517</u>	<u>\$ 350,734</u>	<u>\$ 40,203</u>	<u>\$ -</u>	<u>\$ 15,079</u>	<u>\$ 30,840</u>
\$ 103	\$ 16,892	\$ -	\$ -	\$ 79,898	\$ -	\$ -	\$ -
-	507,590	-	-	-	4,964	-	-
<u>103</u>	<u>524,482</u>	<u>-</u>	<u>-</u>	<u>79,898</u>	<u>4,964</u>	<u>-</u>	<u>-</u>
-	1,024,550	-	-	-	-	-	-
-	1,024,550	-	-	-	-	-	-
59,129	-	47,517	350,734	-	-	15,079	30,840
-	-	-	-	-	-	-	-
-	(523,582)	-	-	(39,695)	(4,964)	-	-
<u>59,129</u>	<u>(523,582)</u>	<u>47,517</u>	<u>350,734</u>	<u>(39,695)</u>	<u>(4,964)</u>	<u>15,079</u>	<u>30,840</u>
<u>\$ 59,232</u>	<u>\$ 1,025,450</u>	<u>\$ 47,517</u>	<u>\$ 350,734</u>	<u>\$ 40,203</u>	<u>\$ -</u>	<u>\$ 15,079</u>	<u>\$ 30,840</u>

CITY OF KYLE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Plum Creek North PID	KAYAC Outreach Fund	Total Nonmajor Special Revenue Funds	Transportation Fund
ASSETS				
Pooled Cash and Investments	\$ 32,154	\$ 3,890	\$ 804,499	\$ 1,500,000
Restricted Pooled Cash and Cash Equivalents	-	-	40,203	-
Receivable (Net)	-	-	1,075,122	-
Total Assets	<u>\$ 32,154</u>	<u>\$ 3,890</u>	<u>\$ 1,919,824</u>	<u>\$ 1,500,000</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 96,893	\$ -
Due to Other Funds	-	-	512,554	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>609,447</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Unavailable Revenue	-	-	1,024,550	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,024,550</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
Restricted Fund Balance - Tourism and Other	32,154	3,890	854,068	-
Restricted Fund Balance - Capital Projects	-	-	-	1,500,000
Unassigned Fund Balance	-	-	(568,241)	-
Total Fund Balances	<u>32,154</u>	<u>3,890</u>	<u>285,827</u>	<u>1,500,000</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 32,154</u>	<u>\$ 3,890</u>	<u>\$ 1,919,824</u>	<u>\$ 1,500,000</u>

CIP Park Development Fund	Road Improvement Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 2,304,499
2,665,529	1,230,750	3,936,482
-	-	1,075,122
<u>\$ 2,665,529</u>	<u>\$ 1,230,750</u>	<u>\$ 7,316,103</u>
\$ 5,000	\$ -	\$ 101,893
-	-	512,554
<u>5,000</u>	<u>-</u>	<u>614,447</u>
-	-	1,024,550
<u>-</u>	<u>-</u>	<u>1,024,550</u>
-	-	854,068
2,660,529	1,230,750	5,391,279
-	-	(568,241)
<u>2,660,529</u>	<u>1,230,750</u>	<u>5,677,106</u>
<u>\$ 2,665,529</u>	<u>\$ 1,230,750</u>	<u>\$ 7,316,103</u>

CITY OF KYLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Plum Creek Phase II Special Fee	Public, Education & Gov't Access	Police Forfeiture	Police Special Revenue
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Franchise Tax	-	73,764	-	-
Other Taxes	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	3,519
Charges for Services	11,475	-	-	-
Special Assessments	-	-	-	-
Investment Earnings	-	-	291	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	13,084	-
Total Revenues	<u>11,475</u>	<u>73,764</u>	<u>13,375</u>	<u>3,519</u>
EXPENDITURES:				
Current:				
General Government	-	13,481	-	-
Public Safety	-	-	-	5,000
Culture and Recreation	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>13,481</u>	<u>-</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,475</u>	<u>60,283</u>	<u>13,375</u>	<u>(1,481)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out (Use)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	11,475	60,283	13,375	(1,481)
Fund Balance - October 1 (Beginning)	<u>6,625</u>	<u>152,833</u>	<u>50,461</u>	<u>21,154</u>
Fund Balance - September 30 (Ending)	<u>\$ 18,100</u>	<u>\$ 213,116</u>	<u>\$ 63,836</u>	<u>\$ 19,673</u>

Court Special Revenue	General Government Grants	Hockey Rink Donations	Hotel Occupancy	TIRZ # 2 Fund	Bunton Creek PID	Blanco River Ranch PID	SW Kyle PID #1
\$ -	\$ -	\$ -	\$ -	\$ 112,011	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	252,744	-	-	-	-
-	690,979	-	-	-	-	-	-
29,927	-	-	-	-	-	-	-
-	-	-	-	-	59,877	-	-
-	-	-	-	-	-	-	-
-	-	200	-	-	-	-	-
-	-	-	-	-	-	7,737	5,808
<u>29,927</u>	<u>690,979</u>	<u>200</u>	<u>252,744</u>	<u>112,011</u>	<u>59,877</u>	<u>7,737</u>	<u>5,808</u>
(777)	1,546,403	6	-	88,095	57,783	170	37
-	3,700	-	-	-	-	-	-
-	341	-	27,834	-	-	-	-
-	-	-	-	211,306	-	-	-
<u>(777)</u>	<u>1,550,444</u>	<u>6</u>	<u>27,834</u>	<u>299,401</u>	<u>57,783</u>	<u>170</u>	<u>37</u>
30,704	(859,465)	194	224,910	(187,390)	2,094	7,567	5,771
-	34,091	-	-	147,695	-	-	-
(53,300)	(13,511)	-	(221,714)	-	(24,026)	-	-
<u>(53,300)</u>	<u>20,580</u>	<u>-</u>	<u>(221,714)</u>	<u>147,695</u>	<u>(24,026)</u>	<u>-</u>	<u>-</u>
(22,596)	(838,885)	194	3,196	(39,695)	(21,932)	7,567	5,771
81,725	315,303	47,323	347,538	-	16,968	7,512	25,069
<u>\$ 59,129</u>	<u>\$ (523,582)</u>	<u>\$ 47,517</u>	<u>\$ 350,734</u>	<u>\$ (39,695)</u>	<u>\$ (4,964)</u>	<u>\$ 15,079</u>	<u>\$ 30,840</u>

CITY OF KYLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Plum Creek North PID	KAYAC Outreach Fund	Total Nonmajor Special Revenue Funds	Transportation Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 112,011	\$ -
Franchise Tax	-	-	73,764	-
Other Taxes	-	-	252,744	-
Intergovernmental Revenue and Grants	-	-	694,498	-
Charges for Services	-	-	41,402	-
Special Assessments	-	-	59,877	-
Investment Earnings	-	-	291	-
Contributions & Donations from Private Sources	-	2,764	2,964	-
Other Revenue	-	-	26,629	-
Total Revenues	<u>-</u>	<u>2,764</u>	<u>1,264,180</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government	-	-	1,705,198	-
Public Safety	-	-	8,700	-
Culture and Recreation	-	-	28,175	-
Capital Outlay:				
Capital Outlay	-	-	211,306	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,953,379</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,764</u>	<u>(689,199)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	181,786	1,500,000
Transfers Out (Use)	<u>-</u>	<u>-</u>	<u>(312,551)</u>	<u>(9,398)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(130,765)</u>	<u>1,490,602</u>
Net Change in Fund Balance	-	2,764	(819,964)	1,490,602
Fund Balance - October 1 (Beginning)	<u>32,154</u>	<u>1,126</u>	<u>1,105,791</u>	<u>9,398</u>
Fund Balance - September 30 (Ending)	<u>\$ 32,154</u>	<u>\$ 3,890</u>	<u>\$ 285,827</u>	<u>\$ 1,500,000</u>

CIP Park Development Fund	Road Improvement Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 112,011
-	-	73,764
-	-	252,744
-	-	694,498
1,781,850	-	1,823,252
-	81,168	141,045
-	-	291
-	-	2,964
-	-	26,629
<u>1,781,850</u>	<u>81,168</u>	<u>3,127,198</u>
-	-	1,705,198
-	-	8,700
-	-	28,175
<u>602,029</u>	<u>652,222</u>	<u>1,465,557</u>
<u>602,029</u>	<u>652,222</u>	<u>3,207,630</u>
<u>1,179,821</u>	<u>(571,054)</u>	<u>(80,432)</u>
-	-	1,681,786
-	-	(321,949)
-	-	1,359,837
<u>1,179,821</u>	<u>(571,054)</u>	<u>1,279,405</u>
<u>1,480,708</u>	<u>1,801,804</u>	<u>4,397,701</u>
<u>\$ 2,660,529</u>	<u>\$ 1,230,750</u>	<u>\$ 5,677,106</u>

CITY OF KYLE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2020
AGENCY FUND				
Assets:				
Cash and Cash Equivalents	\$ 144,706	\$ 156,500	\$ 157,989	\$ 143,217
Cash with Fiscal Agent	11,794	1,489	-	13,283
Total Assets	<u>\$ 156,500</u>	<u>\$ 157,989</u>	<u>\$ 157,989</u>	<u>\$ 156,500</u>
Liabilities:				
Other Liability	<u>\$ 156,500</u>	<u>\$ 156,500</u>	<u>\$ 156,500</u>	<u>\$ 156,500</u>
 TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 144,706	\$ 156,500	\$ 157,989	\$ 143,217
Cash with Fiscal Agent	11,794	1,489	-	13,283
Total Assets	<u>\$ 156,500</u>	<u>\$ 157,989</u>	<u>\$ 157,989</u>	<u>\$ 156,500</u>
Liabilities:				
Accounts Payable	<u>\$ 156,500</u>	<u>\$ 156,500</u>	<u>\$ 156,500</u>	<u>\$ 156,500</u>



STATISTICAL SECTION



STATISTICAL SECTION (Unaudited)

This part of the City of Kyle, Texas' comprehensive annual financial report presents multiple years of data to provide a historical perspective for understanding the information available in the financial statements, note, disclosures, and required supplementary information and for assessing the City's overall financial condition.

Contents:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain trend information to help the reader assess the City's most significant local revenue resources. Property tax, sales tax and charges for services are the largest revenue sources for governmental activities. Water and wastewater charges are the largest sources for business-type activities

Debt Capacity

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Indicators

These schedules contain economic and demographic data to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services and activities performed by the City.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial report or comprehensive annual financial report for the relevant year.

CITY OF KYLE, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net Investment in Capital Assets	\$ 19,916,516	\$ 23,683,097	\$ 14,671,989	\$ 22,888,184	\$ 37,500,433	\$ 49,390,461	\$ 52,720,071	\$ 64,905,304	\$ 67,862,885	\$ 88,141,295
Restricted	8,732,402	9,356,577	12,634,224	11,015,147	1,426,961	1,450,855	2,149,427	4,035,118	1,427,943	3,559,004
Unrestricted	5,623,227	3,780,819	6,125,545	8,394,091	13,307,688	9,455,449	13,101,265	16,064,010	24,596,629	25,946,417
Total governmental activities net assets	\$ 34,272,145	\$ 36,820,493	\$ 33,431,758	\$ 42,297,422	\$ 52,235,082	\$ 60,296,765	\$ 67,970,763	\$ 85,004,432	\$ 93,887,457	\$ 117,646,716
Business-type activities:										
Net Investment in Capital Assets	\$ 47,325,520	\$ 46,132,410	\$ 47,840,753	\$ 48,085,808	\$ 50,651,024	\$ 54,243,210	\$ 63,915,105	\$ 78,905,383	\$ 89,394,468	\$ 113,365,561
Restricted	6,019,545	6,491,073	6,513,500	8,470,600	10,854,507	13,482,480	16,916,006	19,789,804	19,526,325	32,603,246
Unrestricted	2,397,371	1,490,060	3,384,379	6,520,462	8,480,255	9,305,819	14,298,489	21,075,053	30,577,878	22,210,652
Total business-type activities net assets	\$ 55,742,436	\$ 54,113,543	\$ 57,738,632	\$ 63,076,870	\$ 69,985,786	\$ 77,031,509	\$ 95,129,600	\$ 119,770,240	\$ 139,498,671	\$ 168,179,459
Primary government:										
Net Investment in Capital Assets	\$ 67,242,036	\$ 69,815,507	\$ 62,512,742	\$ 70,973,992	\$ 88,151,457	\$ 103,633,671	\$ 116,635,176	\$ 143,810,687	\$ 157,257,353	\$ 201,506,856
Restricted	14,751,947	15,847,650	19,147,724	9,858,328	12,281,468	14,933,335	19,065,433	23,824,922	20,954,268	36,162,250
Unrestricted	8,020,598	5,270,879	9,509,924	24,541,972	21,787,943	18,761,268	27,399,754	37,139,063	55,174,507	48,157,069
Total primary government net position	\$ 90,014,581	\$ 90,934,036	\$ 91,170,390	\$ 105,374,292	\$ 122,220,668	\$ 137,328,274	\$ 163,100,363	\$ 204,774,672	\$ 233,386,128	\$ 285,826,175

Source: Annual Financial Reports

* GASB 34 implemented 2004

* Statement of Net Assets on Audit Report

* Reported as Net Position beginning 2013

Item # 10

CITY OF KYLE, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental activities:										
General government	\$ 3,904,284	\$ 4,538,616	\$ 4,995,981	\$ 5,939,271	\$ 7,265,995	\$ 6,749,251	\$ 7,209,505	\$ 7,048,673	\$ 7,992,803	\$ 8,138,294
Public safety	3,982,409	4,282,402	4,918,997	5,052,323	5,687,000	6,196,660	7,101,534	7,589,067	7,429,713	8,634,600
Public Works	4,820,597	4,622,523	4,820,247	5,363,579	6,648,193	6,989,256	7,456,046	8,509,720	8,533,187	9,574,918
Transportation	-	-	-	-	-	-	-	-	-	-
Culture and Recreation/ Community services	1,711,714	1,873,292	2,032,591	2,095,111	2,497,592	2,765,839	3,006,348	3,112,324	3,168,959	3,068,119
Term Debt	2,735,822	2,916,954	2,194,889	2,873,587	2,167,498	3,640,280	3,327,722	3,117,190	2,202,445	2,080,570
Other Debt Service Fees	163,138	73,507	122,958	(3,842)	492,049	151,273	20,425	3,150	2,700	88,095
Total governmental activities expenses	\$ 17,317,964	\$ 18,307,294	\$ 19,085,663	\$ 21,320,029	\$ 24,758,327	\$ 26,492,559	\$ 28,121,580	\$ 29,380,124	\$ 29,329,807	\$ 31,584,596
Business-type activities:										
Water, Wastewater & Storm Drainage	\$ 7,986,821	\$ 7,986,821	\$ 9,743,280	\$ 10,340,478	\$ 10,728,373	\$ 10,524,295	\$ 11,249,332	\$ 13,210,150	\$ 15,191,799	\$ 16,012,674
Total business-type activities expenses	\$ 7,986,821	\$ 7,986,821	\$ 9,743,280	\$ 10,340,478	\$ 10,728,373	\$ 10,524,295	\$ 11,249,332	\$ 13,210,150	\$ 15,191,799	\$ 16,012,674
Total primary government program expenses	\$ 25,304,785	\$ 27,740,468	\$ 28,828,943	\$ 31,660,507	\$ 35,486,700	\$ 37,016,854	\$ 39,370,912	\$ 42,590,274	\$ 44,521,606	\$ 46,776,395
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	\$ 2,533,733	\$ 3,398,356	\$ 3,243,742	\$ 3,628,935	\$ 4,299,587	\$ 3,878,720	\$ 6,482,701	\$ 4,909,093	\$ 4,865,343	\$ 7,574,776
Public Safety	-	-	-	-	-	12,214	46,822	56,452	51,323	69,458
Public Works	-	85,006	100,154	163,715	62,544	630,368	373,322	3,757,258	3,666,559	4,169,638
Culture and Recreation/ Community services	494,822	297,231	281,481	263,493	449,310	815,430	655,509	395,166	359,263	486,209
Operating grants and contributions	44,987	179,766	99,722	271,053	135,308	129,307	93,990	231,083	342,145	699,379
Capital grants and contributions	3,264,029	564,882	6,537,651	-	-	-	-	-	-	-
Total governmental activities program revenues	\$ 6,337,571	\$ 4,525,241	\$ 10,262,750	\$ 4,327,196	\$ 4,946,749	\$ 5,466,039	\$ 7,652,344	\$ 9,349,052	\$ 9,284,633	\$ 12,999,460
Business-type activities:										
Charges for services:										
Water, Wastewater & Storm Drainage	\$ 7,208,355	\$ 10,533,330	\$ 12,761,147	\$ 15,523,262	\$ 16,226,692	\$ 17,675,893	\$ 10,189,754	\$ 10,833,153	\$ 11,117,332	\$ 22,055,944
Operating grants and contributions	N/A	N/A	N/A	-	-	-	-	-	-	3,988
Capital grants and contributions	1,504,003	357,518	2,660,316	1,563,847	3,509,187	1,717,379	9,934,823	14,337,952	6,812,529	18,188,905
Total business-type activities program revenues	\$ 8,712,358	\$ 10,890,848	\$ 15,421,463	\$ 17,087,109	\$ 19,735,879	\$ 19,393,272	\$ 20,124,577	\$ 25,171,105	\$ 17,929,861	\$ 40,248,837
Total primary government program revenues	\$ 15,049,929	\$ 15,416,089	\$ 25,684,213	\$ 21,414,305	\$ 24,682,628	\$ 24,859,311	\$ 27,776,921	\$ 34,520,157	\$ 27,214,494	\$ 53,248,297

**CITY OF KYLE, TEXAS
CHANGES IN NET POSITION
(Continued)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NET (EXPENSE) REVENUES										
Governmental activities	\$ (10,980,393)	\$ (13,782,053)	\$ (8,822,913)	\$ (16,992,833)	\$ (19,811,577)	\$ (16,992,833)	\$ (20,469,236)	\$ (20,031,072)	\$ (20,045,179)	\$ (18,585,136)
Business-type activities	725,537	1,477,674	5,678,183	6,746,631	9,007,506	6,746,631	16,486,927	19,942,672	11,640,856	24,236,163
Total primary government net expense	<u>(10,254,856)</u>	<u>(12,304,379)</u>	<u>(3,144,730)</u>	<u>(10,246,202)</u>	<u>(10,804,071)</u>	<u>(10,246,202)</u>	<u>(3,982,309)</u>	<u>(88,400)</u>	<u>(8,404,323)</u>	<u>5,651,027</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property	6,198,567	7,280,721	8,013,734	8,919,432	9,753,418	8,919,432	14,270,496	15,521,498	17,204,168	19,336,624
Sales Taxes	3,160,944	3,540,287	4,008,733	4,611,401	6,676,810	4,611,401	7,227,633	7,955,612	8,885,937	9,991,380
Occupancy Tax/ Other	132,580	142,301	175,615	200,753	244,065	200,753	281,996	421,490	508,867	335,852
Franchise Taxes	764,347	912,112	973,391	1,042,212	1,149,213	1,042,212	1,435,270	2,430,996	2,414,998	2,511,177
Grants and Contributions Not Restricted	N/A	534	311,942	9,241,337	9,182,145	9,241,337	2,959,602	7,517,365	2,856,412	5,157,700
Miscellaneous Revenue	182,388	142,433	828,499	1,391,064	1,495,354	1,391,064	383,362	-	-	2,374,550
Investment Earnings	87,766	33,008	65,014	19,761	27,734	19,761	33,427	1,220,859	2,165,517	914,674
Transfers In (Out)	1,046,255	2,542,575	2,267,055	2,011,505	1,359,611	2,011,505	1,551,446	1,864,400	(5,078,700)	1,677,467
Total Governmental Activities	\$ 11,572,847	\$ 14,593,971	\$ 16,643,983	\$ 27,437,465	\$ 29,888,350	\$ 27,437,465	\$ 28,143,232	\$ 36,932,220	\$ 28,957,199	\$ 42,299,424
Business-type activities:										
Investment earnings	\$ 36,957	\$ 17,221	\$ 12,201	\$ 9,109	\$ 9,602	\$ 9,109	\$ 72,365	\$ 40,351	\$ -	\$ -
Miscellaneous Revenue	19,708	78,194	98,402	268,519	118,034	268,519	3,090,249	6,655,502	3,008,875	6,122,089
Transfers	(1,653,506)	(2,542,575)	(2,267,055)	(2,011,505)	(1,359,610)	(2,011,505)	(1,551,446)	(1,864,400)	5,078,700	(1,677,467)
Total business-type activities	<u>(1,596,841)</u>	<u>(2,447,160)</u>	<u>(2,156,452)</u>	<u>(1,733,877)</u>	<u>(1,231,974)</u>	<u>(1,733,877)</u>	<u>1,611,168</u>	<u>4,831,453</u>	<u>8,087,575</u>	<u>4,444,622</u>
Total primary government	\$ 9,976,006	\$ 12,146,811	\$ 14,487,531	\$ 25,703,588	\$ 28,656,376	\$ 25,703,588	\$ 29,754,400	\$ 41,763,673	\$ 37,044,774	\$ 46,744,046
CHANGE IN NET POSITION										
Governmental activities	1,226,606	811,918	(3,388,731)	10,444,631	10,076,773	10,444,631	7,673,996	16,901,148	8,912,021	23,714,288
Business-type activities	(871,304)	(969,486)	3,521,731	5,012,753	7,775,532	5,012,753	18,098,095	24,774,125	19,728,432	28,680,785
Total primary government	\$ 355,302	\$ (157,568)	\$ 133,000	\$ 15,457,384	\$ 17,852,305	\$ 15,457,384	\$ 25,772,091	\$ 41,675,273	\$ 28,640,453	\$ 52,395,073

* GASB 34 implemented 2004

* Statement of Activities - Audit Report

* Reported as Net Position beginning 2013

**CITY OF KYLE, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 1,543	\$ 544	\$ 274	\$ -	\$ -	\$ 420	\$ 4,670
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,987,923	4,499,032	6,042,113	9,197,439	10,792,030	10,525,733	13,190,179	19,437,948	15,537,578	21,353,344
Total General Fund	\$ 2,987,923	\$ 4,499,032	\$ 6,042,113	\$ 9,198,982	\$ 10,792,574	\$ 10,526,007	\$ 13,190,179	\$ 19,437,948	\$ 15,537,998	\$ 21,358,014
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ 10,470,548	\$ 9,911,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	8,732,402	9,068,035	-	-	34,866,424	364,948	364,948	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned, reported in:										
Special revenue funds	-	-	2,163,676	1,103,400	447,064	-	248,725	561,266	1,115,188	1,785,827
Capital projects funds	-	-	-	-	-	28,863,631	19,826,457	19,107,509	21,934,334	22,589,306
Debt service funds	-	288,540	-	-	-	1,085,907	1,966,892	3,473,852	357,755	1,773,177
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 8,732,402	\$ 9,356,575	\$ 12,634,224	\$ 11,015,157	\$ 35,313,488	\$ 30,314,486	\$ 22,407,022	\$ 23,142,627	\$ 23,407,277	\$ 26,148,310

CITY OF KYLE, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes	\$ 10,256,438	\$ 11,875,421	\$ 13,171,473	\$ 14,773,798	\$ 17,742,969	\$ 20,291,629	\$ 23,040,103	\$ 26,053,682	\$ 28,812,290	\$ 31,854,862
Licenses and permits	433,095	490,914	658,889	1,133,789	1,364,274	1,288,899	1,853,819	1,427,924	1,373,768	3,207,094
Charges for services	2,080,721	2,526,263	2,877,317	3,057,051	3,732,620	4,256,135	4,682,207	5,645,231	5,132,326	6,945,850
Fines	514,739	708,864	708,003	900,574	1,082,343	536,490	473,892	569,876	661,736	547,411
Intergovernmental	1,668,149	438,887	-	-	-	-	-	-	-	-
Claims and Reimbursements	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	-	-
Investment Earnings	87,766	33,008	65,014	19,761	27,734	162,331	383,362	1,220,859	2,165,517	914,674
Rents and Royalties	103,230	77,020	10,170	9,541	12,193	9,990	33,426	32,180	7,130	4,925
Contributions	26,900	354,746	196,974	270,600	157,900	57,000	73,526	130,555	61,326	2,796,315
Grants	-	-	154,391	271,054	135,309	134,307	93,990	231,084	342,145	699,379
Special Assessments	-	85,005	100,154	163,715	62,543	630,368	373,323	483,024	689,810	141,045
Other revenues	79,158	34,960	99,343	182,537	52,822	222,085	175,114	959,734	1,077,719	1,043,956
Total Revenues	\$ 15,250,196	\$ 16,625,088	\$ 18,041,728	\$ 20,782,420	\$ 24,370,707	\$ 27,589,234	\$ 31,182,762	\$ 36,754,149	\$ 40,323,767	\$ 48,155,511
EXPENDITURES										
General Government	\$ 3,483,039	\$ 4,164,638	\$ 4,625,183	\$ 4,775,580	\$ 7,945,084	\$ 6,619,422	\$ 7,070,047	\$ 7,114,113	\$ 7,032,364	\$ 8,147,068
Public Safety	3,747,172	4,032,622	4,585,521	4,688,313	5,301,677	5,779,585	6,680,928	6,594,076	7,206,296	8,317,879
Public Works	2,309,052	2,078,689	2,271,857	2,516,122	3,190,093	3,268,313	3,546,183	4,217,587	3,959,939	4,932,406
Transportation	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	1,529,912	1,652,530	1,635,161	1,759,972	2,080,956	2,360,247	2,541,596	2,630,338	2,721,830	2,611,550
Other - Non Departmental	-	-	-	-	-	-	-	-	-	-
Capital Outlay	4,363,776	1,818,360	2,444,921	3,824,684	6,098,985	9,574,476	10,403,129	3,189,782	9,807,190	9,004,413
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest	2,275,777	2,439,260	2,214,346	2,907,943	2,212,231	3,894,605	3,258,430	5,045,000	2,931,468	2,740,068
Principal	2,390,000	2,630,000	3,045,000	2,735,000	3,490,000	4,400,000	4,879,999	3,115,730	5,235,000	5,430,000
Other Fees	1,990	3,000	494,036	(3,842)	492,049	151,273	20,425	3,150	2,700	88,095
Total Expenditures	\$ 20,100,718	\$ 18,819,099	\$ 21,316,025	\$ 23,203,772	\$ 30,811,075	\$ 36,047,921	\$ 38,400,737	\$ 31,909,776	\$ 38,896,787	\$ 41,271,479

**CITY OF KYLE, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,850,522)	\$ (2,194,011)	\$ (3,274,297)	\$ (2,421,351)	\$ (6,440,401)	\$ (8,458,687)	\$ (7,217,975)	\$ 4,844,373	\$ 1,426,976	\$ 6,884,032
OTHER FINANCING SOURCES (USES)										
Bond issuance costs	\$ 4,290,000	-	\$ 19,240,000	\$ 1,875,000	\$ 49,665,000	\$ 8,520,000	\$ -	\$ -	\$ -	\$ -
Bond sales	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	-	-	511,683	72,641	3,795,604	1,048,867	-	-	-	-
Premium or Discount on debt issued	-	-	-	-	(22,487,886)	(9,418,419)	-	-	-	-
Payment to refunded bond escrow agent	-	-	3,854,840	4,429,076	4,285,338	8,482,551	5,003,297	5,374,432	13,224,210	10,956,813
Transfers in	3,108,550	3,573,832	(1,587,785)	(2,417,571)	(2,925,727)	(5,439,881)	(3,451,851)	(3,510,032)	(18,302,910)	(9,279,346)
Transfers out	(1,455,044)	(1,031,257)	(13,923,709)	-	-	-	-	-	-	-
Other (Uses)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,943,506	2,542,575	8,095,029	3,959,146	32,332,329	3,193,118	1,551,446	1,864,400	(5,078,700)	1,677,467
NET CHANGES IN FUND BALANCES	\$ 1,092,984	\$ 348,564	\$ 4,820,732	\$ 1,537,795	\$ 25,891,928	\$ (5,265,569)	\$ (5,666,529)	\$ 6,708,773	\$ (3,651,724)	\$ 8,561,499
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	30%	30%	30%	26%	23%	31%	29%	28%	28%	25%

**CITY OF KYLE, TEXAS
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR	Real Property Actual Value	Personal Property Actual Value	Less:		Total Taxable Assessed Value	Total Direct Tax Rate	Actual Tax Collected
			Exemptions/ Adjustments				
2011	\$ 1,453,209,263	\$ 90,011,627	\$ 196,362,851	\$	1,346,858,039	\$ 0.415399	\$ 5,594,835
2012	1,485,776,573	92,074,324	194,548,307		1,383,302,590	0.484500	6,702,101
2013	1,561,358,772	96,042,503	224,334,342		1,433,066,933	0.524400	7,515,003
2014	1,628,227,793	99,641,364	227,393,506		1,500,475,651	0.548300	8,227,108
2015	1,806,482,931	107,149,372	273,333,638		1,640,298,665	0.548300	8,993,758
2016	2,091,111,878	117,752,483	261,882,926		1,946,981,435	0.584800	11,385,947
2017	2,425,335,695	136,504,189	338,955,635		2,283,013,455	0.574800	13,122,761
2018	3,122,139,551	131,875,391	263,434,455		2,990,580,487	0.541600	16,196,984
2019	3,652,264,883	155,703,263	442,344,383		3,365,623,763	0.541600	16,406,641
2020	4,050,053,427	155,517,275	527,884,624		3,677,686,078	0.520100	18,247,716

Source: Hays County Appraisal District/ Assessment Roll Grand Totals Approved; City of Kyle Financial Services Department

**CITY OF KYLE, TEXAS
WATER UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential (5/8" and 3/4")		Multi-Family/ Commercial (2")		Irrigation (1 1/2")		Construction (3")	
	Base Charge	1000 gallon	Base Charge	1000 gallon	Base Charge	1000 gallon	Charge	1000 gallon
2011	\$ 17.75	\$ 2.35	\$ 88.73	\$ 4.24	\$ 44.36	\$ 4.95	\$ 141.96	\$ 4.24
2012	\$ 23.08	\$ 3.06	\$ 115.35	\$ 5.51	\$ 57.76	\$ 6.44	\$ 184.55	\$ 5.51
2013	\$ 27.69	\$ 3.67	\$ 138.42	\$ 6.61	\$ 69.20	\$ 7.72	\$ 221.46	\$ 6.61
2014	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2015	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2016	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2017	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2018	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2019	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.27	\$ 265.75	\$ 7.94
2020	\$ 33.23	\$ 4.40	\$ 166.10	\$ 7.94	\$ 83.04	\$ 9.24	\$ 265.75	\$ 7.94

CITY OF KYLE, TEXAS
WATER UTILITY
ANNUAL BILLED AMOUNT COMPARISON
LAST TEN FISCAL YEARS

FISCAL YEAR	Residential	Commercial	Total Billed
2011	\$ 3,348,985	\$ 1,082,257	\$ 4,431,242
2012	\$ 4,142,899	\$ 1,321,486	\$ 5,464,385
2013	\$ 4,041,171	\$ 1,583,061	\$ 5,624,231
2014	\$ 2,683,000	\$ 1,625,286	\$ 4,308,286
2015	\$ 2,620,354	\$ 1,305,255	\$ 3,925,610
2016	\$ 2,709,726	\$ 1,548,330	\$ 4,258,056
2017	\$ 2,784,796	\$ 1,650,374	\$ 4,435,170
2018	\$ 3,033,638	\$ 3,694,795	\$ 6,728,433
2019	\$ 2,962,881	\$ 2,941,825	\$ 5,904,706
2020	\$ 3,565,408	\$ 3,609,133	\$ 7,174,541

CITY OF KYLE, TEXAS
WATER UTILITY
TOTAL BILLED CONSUMPTION COMPARISON
LAST TEN FISCAL YEARS
(Totals in Gallons)

FISCAL YEAR	Residential	Commercial	Total Billed Consumption
2011	540,554,250	211,750,300	752,304,550
2012	523,772,450	207,926,400	731,698,850
2013	537,766,800	206,600,100	744,366,900
2014	511,808,500	189,038,400	700,846,900
2015	495,135,628	164,364,300	659,499,928
2016	525,859,900	180,930,600	706,790,500
2017	540,212,800	207,635,700	747,848,500
2018	579,876,700	535,422,400	1,115,299,100
2019	565,397,700	353,834,700	919,232,400
2020	659,174,000	432,567,500	1,091,741,500

**CITY OF KYLE, TEXAS
WASTEWATER UTILITY RATE COMPARISON
LAST TEN FISCAL YEARS**

Fiscal Year	Residential		Multi-Family/ Commercial	
	Base Charge	Wastewater per 1000 gallon	Base Charge	Wastewater per 1000 gallon
2011	\$ 10.90	\$ 2.11	\$ 10.90	\$ 2.11
2012	\$ 13.63	\$ 2.64	\$ 13.63	\$ 2.98
2013	\$ 16.35	\$ 3.17	\$ 16.35	\$ 3.57
2014	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2015	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2016	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2017	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2018	\$ 17.99	\$ 3.48	\$ 17.99	\$ 3.93
2019	\$ 19.79	\$ 3.83	\$ 19.79	\$ 4.32
2020	\$ 19.79	\$ 3.83	\$ 19.79	\$ 4.32

**CITY OF KYLE, TEXAS
WASTEWATER UTILITY
ANNUAL BILLED AMOUNT COMPARISON
LAST TEN FISCAL YEARS**

FISCAL YEAR	Residential	Commercial	Total Billed
2011	\$ 2,006,249	\$ 322,319	\$ 2,328,568
2012	\$ 2,268,508	\$ 512,167	\$ 2,780,675
2013	\$ 3,164,765	\$ 615,426	\$ 3,780,191
2014	\$ 2,571,502	\$ 675,661	\$ 3,247,163
2015	\$ 2,673,836	\$ 556,597	\$ 3,230,432
2016	\$ 2,939,865	\$ 633,991	\$ 3,573,856
2017	\$ 3,046,286	\$ 647,438	\$ 3,693,724
2018	\$ 3,076,463	\$ 957,395	\$ 4,033,858
2019	\$ 3,559,088	\$ 1,200,333	\$ 4,759,421
2020	\$ 3,921,194	\$ 1,252,382	\$ 5,173,576

CITY OF KYLE, TEXAS
TEN LARGEST WATER CUSTOMERS
September 30, 2020

Customer	Consumption (in gallons)	Amount Billed	% of Total Consumption
KYLE CORRECTIONAL CENTER	30,513,600	\$ 242,278	2.79%
SETON MEDICAL CENTER- HAYS	15,034,600	\$ 119,375	1.38%
ALSCO CORPORATION	14,165,600	\$ 112,475	1.30%
VISTA AT PLUM CREEK	13,986,000	\$ 111,084	1.28%
KYLE BLUEBONNET MHC, LLC	11,712,100	\$ 92,994	1.07%
HIDDEN TRAILS ON ROLAND	9,349,500	\$ 74,235	0.86%
HAYS JUNCTION PHASE I, LLC	8,794,500	\$ 69,828	0.81%
HCISD	8,482,600	\$ 67,352	0.78%
SADDLECREEK APARTMENTS	7,107,200	\$ 56,431	0.65%
KYLE CAR WASH SERVICE, LLC	6,615,300	\$ 52,525	0.61%

CITY OF KYLE, TEXAS
SALES TAX COLLECTIONS BY MONTH
LAST TEN FISCAL YEARS

Fiscal Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
2011	\$ 216,921	\$ 333,590	\$ 216,162	\$ 226,155	\$ 377,557	\$ 199,597	\$ 179,339	\$ 316,730	\$ 257,077	\$ 249,528	\$ 380,685	\$ 202,592	\$ 3,155,933
2012	\$ 269,861	\$ 334,179	\$ 237,532	\$ 245,372	\$ 393,544	\$ 224,751	\$ 237,156	\$ 368,315	\$ 269,170	\$ 295,375	\$ 377,378	\$ 287,654	\$ 3,540,287
2013	\$ 304,269	\$ 366,291	\$ 299,073	\$ 286,436	\$ 440,059	\$ 275,360	\$ 270,778	\$ 413,730	\$ 302,670	\$ 318,477	\$ 418,723	\$ 312,867	\$ 4,008,733
2014	\$ 306,735	\$ 439,337	\$ 321,293	\$ 334,830	\$ 492,820	\$ 299,643	\$ 320,355	\$ 505,339	\$ 405,019	\$ 315,129	\$ 496,713	\$ 374,188	\$ 5,016,420
2015	\$ 362,331	\$ 521,872	\$ 416,690	\$ 387,232	\$ 597,254	\$ 383,110	\$ 338,851	\$ 576,976	\$ 493,472	\$ 446,136	\$ 642,442	\$ 485,237	\$ 5,651,604
2016	\$ 424,152	\$ 601,054	\$ 450,182	\$ 477,871	\$ 722,526	\$ 448,593	\$ 444,310	\$ 661,516	\$ 506,314	\$ 508,767	\$ 653,235	\$ 519,583	\$ 6,418,103
2017	\$ 491,669	\$ 655,907	\$ 515,743	\$ 536,291	\$ 746,924	\$ 510,619	\$ 490,365	\$ 695,240	\$ 568,871	\$ 564,812	\$ 701,981	\$ 629,767	\$ 7,108,190
2018	\$ 556,684	\$ 710,336	\$ 602,893	\$ 618,416	\$ 783,687	\$ 547,964	\$ 519,729	\$ 774,628	\$ 611,531	\$ 640,777	\$ 786,619	\$ 647,441	\$ 7,800,705
2019	\$ 618,822	\$ 803,104	\$ 737,462	\$ 598,596	\$ 860,520	\$ 596,816	\$ 661,431	\$ 765,828	\$ 715,225	\$ 726,804	\$ 813,732	\$ 792,205	\$ 8,690,545
2020	\$ 721,982	\$ 895,337	\$ 743,864	\$ 728,242	\$ 1,011,001	\$ 685,573	\$ 634,908	\$ 870,437	\$ 769,766	\$ 833,945	\$ 1,013,491	\$ 826,925	\$ 9,735,471

**CITY OF KYLE, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

FISCAL YEAR	City Direct Rates				Overlapping Rates						Total Direct & Overlapping Rate
	Operating	Debt Service	Total	School District	County	Special Road	Emergency Services	ACC	Plum Creek Conservation	Plum Creek Groundwater	
2011	0.183000	0.241000	0.424000	1.461300	0.418100	0.051100	0.092500	0.000000	0.018500	0.018500	2.484000
2012	0.216073	0.199326	0.425399	1.461300	0.424800	0.044400	0.095300	0.094800	0.020000	0.020000	2.585999
2013	0.236100	0.248400	0.484500	1.461300	0.425100	0.044000	0.100000	0.094800	0.020000	0.020000	2.649700
2014	0.270300	0.254100	0.524400	1.461300	0.425200	0.043800	0.100000	0.094900	0.022000	0.022000	2.693600
2015	0.270300	0.278000	0.548300	1.537700	0.425200	0.043800	0.100000	0.094200	0.022000	0.022000	2.991200
2016	0.270300	0.278000	0.548300	1.537700	0.423200	0.043800	0.100000	0.100500	0.022500	0.021500	2.797500
2017	0.239500	0.335300	0.574800	1.537700	0.401200	0.043800	0.100000	0.100800	0.023200	0.021400	2.802900
2018	0.254800	0.286800	0.541600	1.537700	0.389900	0.043800	0.100000	0.104800	0.023200	0.021400	2.762400
2019	0.315400	0.226200	0.541600	1.467700	0.389900	0.033800	0.108700	0.104900	0.022500	0.020700	2.689800
2020	0.325600	0.194500	0.520100	1.403700	0.392400	0.028800	0.100000	0.105800	0.021800	0.021600	2.594200

**CITY OF KYLE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND FIVE YEARS AGO**

2020		Percentage of
Taxpayer	Taxable Assessed Value	Total City Taxable Assessed Value
PLUM CREEK APARTMENTS LLC	\$ 50,170,000	3.50%
IVT KYLE MARKETPLACE 1031 LLC	\$ 38,779,942	2.71%
SPI OAKS 254 LLC	\$ 34,390,000	2.40%
LAUREN COMPANY LLC	\$ 33,848,771	2.36%
4925 CROMWELL LLC	\$ 29,453,157	2.06%
KYLE CROSSING HOLDINGS LLC	\$ 27,600,126	1.93%
GREY FOREST DEVELOPMENT LLC	\$ 27,086,704	1.89%
OAKS OF KYLE ICG LLC	\$ 24,500,000	1.71%
PLUM CREEK VUE LTD	\$ 21,693,764	1.51%
HAYS JUNCTION PHASE 1 LLC	\$ 20,756,161	1.45%
Total	<u>\$ 308,278,625</u>	<u>21.51%</u>
2015		Percentage of
Taxpayer	Taxable Assessed Value	Total City Taxable Assessed Value
SETTLEMENT BRES LLC	\$ 31,436,138	2.86%
BRE DDR BR KYLE TX LLC	\$ 25,172,823	2.29%
DDR DB KYLE LP	\$ 24,355,247	2.22%
AM KYLE LLC	\$ 20,635,939	1.88%
CINESTARZ ENTERTAINMENT LLC	\$ 12,040,630	1.10%
WAL-MART REAL ESTATE BUSINESS T	\$ 11,852,710	1.08%
SCC KYLE PARTNERS LTD	\$ 9,667,260	0.88%
PAM KYLE IRF LLC	\$ 9,156,640	0.83%
STRIPES LLC	\$ 8,505,563	0.77%
HEALTH CARE REIT INC	\$ 7,903,050	0.72%
Total	<u>\$ 160,726,000</u>	<u>14.89%</u>

Source: Hays County Appraisal District

**CITY OF KYLE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Taxes Levied for the Fiscal year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 5,782,063.25	\$ 5,728,465.59	99.07%	\$ 42,067.15	\$ 5,770,532.74	99.80%
2012	\$ 6,928,118.28	\$ 6,881,454.44	99.33%	\$ 23,851.83	\$ 6,905,306.27	99.67%
2013	\$ 7,710,301.90	\$ 7,614,186.51	98.75%	\$ 7,733.64	\$ 7,621,920.15	98.85%
2014	\$ 8,468,076.05	\$ 8,418,435.10	99.41%	\$ 17,021.64	\$ 8,435,456.74	99.61%
2015	\$ 9,112,282.80	\$ 9,064,585.82	99.48%	\$ 6,301.96	\$ 9,070,887.78	99.55%
2016	\$ 11,834,067.14	\$ 11,764,070.36	99.41%	\$ 11,475.29	\$ 11,775,545.65	99.51%
2017	\$ 13,470,082.98	\$ 13,407,982.47	99.54%	\$ 140,136.95	\$ 13,548,119.42	100.58%
2018	\$ 14,654,646.26	\$ 14,584,039.00	99.52%	\$ 16,943.03	\$ 14,600,982.03	99.63%
2019	\$ 16,250,638.60	\$ 16,161,867.81	99.45%	\$ 26,125.83	\$ 16,187,993.64	99.61%
2020	\$ 18,235,397.55	\$ 18,055,372.72	99.01%	\$ 117,511.60	\$ 18,172,884.32	99.66%

Source: City of Kyle Internal Reports

Note: Subsequent years includes penalties

CITY OF KYLE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities			Total	
	Certificates of Obligation	General Obligation Bonds	State Infrastructure Loan	Deferred Interest Payable	Capital Leases	Compensated Absences	Total Primary Government	Per Capita
2011	\$ 40,105,425	\$ 18,430,000	\$ 11,000,000	\$ 642,000	\$ 3,259,467	\$ 78,799	\$ 73,437,692	\$ 1,838.15
2012	\$ 37,885,750	\$ 18,010,000	\$ 11,000,000	\$ 1,130,169	\$ 2,952,895	\$ 93,124	\$ 71,165,888	\$ 2,099.29
2013	\$ 33,890,000	\$ 36,660,000	\$ -	\$ -	\$ 2,952,895	\$ 64,514	\$ 73,612,274	\$ 2,165.07
2014	\$ 34,150,000	\$ 35,540,000	\$ -	\$ -	\$ 2,850,115	\$ -	\$ 72,540,115	\$ 2,133.53
2015	\$ 11,750,000	\$ 83,605,000	\$ -	\$ -	\$ 2,650,491	\$ -	\$ 98,005,491	\$ 2,882.51
2016	\$ 6,860,000	\$ 83,595,000	\$ -	\$ -	\$ -	\$ -	\$ 90,455,000	\$ 2,660.44
2017	\$ 5,215,000	\$ 80,360,000	\$ -	\$ -	\$ -	\$ -	\$ 85,575,000	\$ 2,171.95
2018	\$ 4,045,000	\$ 76,485,000	\$ -	\$ -	\$ -	\$ -	\$ 80,530,000	\$ 1,854.80
2019	\$ 3,560,000	\$ 71,735,000	\$ -	\$ -	\$ -	\$ -	\$ 75,295,000	\$ 1,585.16
2020	\$ 3,050,000	\$ 66,805,000	\$ -	\$ -	\$ 28,330,000	\$ -	\$ 98,185,000	\$ 1,876.37

Note: Certificates of Obligation Premium On Bond Issuance are combined
Source: Notes to Financial Statements - Long Term Debt

CITY OF KYLE, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding		
	Gross Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 70,837,951	5.26%	\$ 2,299.93
2012	\$ 68,207,951	4.93%	\$ 2,012.03
2013	\$ 70,550,000	4.92%	\$ 2,075.00
2014	\$ 69,690,000	4.86%	\$ 2,049.71
2015	\$ 95,355,000	6.65%	\$ 2,804.56
2016	\$ 90,455,000	6.31%	\$ 2,660.44
2017	\$ 85,575,000	5.97%	\$ 2,171.95
2018	\$ 80,530,000	2.69%	\$ 1,854.80
2019	\$ 75,295,000	2.38%	\$ 1,585.16
2020	\$ 98,185,000	2.67%	\$ 1,876.37

**CITY OF KYLE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Average Household Income</u>	<u>Unemployment Rate</u>
2011	29,300	\$ 65,100	5.3%
2012	30,700	\$ 65,100	4.9%
2013	32,100	\$ 65,100	4.2%
2014	33,500	\$ 71,063	5.4%
2015	34,413	\$ 77,406	2.5%
2016	36,800	\$ 77,406	2.5%
2017	39,400	\$ 82,872	3.3%
2018	43,417	\$ 82,872	2.9%
2019	47,500	\$ 82,872	3.0%
2020	52,327	\$ 82,872	3.2%

Sources: Unemployment Rates: <http://www.tracer2.com/cgi/dataAnalysis/LabForceReport>;
Population: <http://kyleed.com/community-profile/population>

**CITY OF KYLE, TEXAS
PRINCIPAL EMPLOYERS
CURRENT**

Employer	2020	
	Employees	Percentage of Total City Employment
Hays County Independent School District	2,383	11.45%
Seton Medical Center Hays	610	2.93%
City of Kyle	251	6.09%
HEB Plus*	208	1.00%
Legend Oaks Healthcar & Rehabilitation	116	0.56%
Lowes	108	0.52%
Warm Springs Rehab Hospital	100	0.48%
Home Depot	100	0.48%
Austin Community College at Hays	80	0.38%
RSI, Inc	58	0.28%
Construction Metal Products	40	0.19%
Sothwestern Pneumatic	40	0.19%
Miscellaneous Steel Industries	30	0.14%
Total	4,124	25%
Total Employed within Kyle, Texas	20,809	

CITY OF KYLE, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administration	6.00	5.00	5.00	5.00	7.00	7.00	7.00	6.00	7.00	8.00
Human Resources	2.75	3.50	3.50	3.50	2.50	2.50	2.50	2.50	3.00	3.00
Finance	5.50	5.50	5.50	6.50	6.50	6.50	6.50	6.50	8.00	8.00
Municipal Court	4.00	4.50	4.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00
IT	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Planning	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Building	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Street Department	6.00	6.75	6.00	6.00	12.50	12.50	15.38	15.38	20.00	23.00
Police										
Administration	12.00	12.00	14.50	14.50	17.50	17.50	17.50	17.00	20.00	25.00
Operations	35.50	38.00	38.50	38.50	56.00	58.00	58.00	60.00	60.00	62.00
Public Works										
Administration	8.75	8.25	8.25	8.00	8.50	8.50	9.82	11.14	7.00	7.00
Water	14.00	14.50	12.50	12.50	12.50	12.50	12.90	12.90	15.00	15.00
Wastewater	5.00	5.50	5.50	5.50	10.50	10.50	10.90	10.90	12.00	12.00
Storm Drainage	0.00	0.00	0.00	0.00	0.00	0.00	11.00	12.18	14.00	14.00
Engineering	0.00	1.00	1.00	0.50	4.00	4.00	3.00	3.50	4.00	5.00
Parks and Recreation										
Administration	5.00	4.00	4.00	4.50	5.50	6.00	6.00	6.00	6.00	6.00
Parks Maintenance	12.00	12.00	12.00	12.00	14.00	14.00	12.00	12.00	14.00	14.00
Facilities Maintenance	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Library	8.00	7.00	7.00	7.00	11.00	11.00	11.00	11.00	11.00	11.00
Utility Billing	5.00	5.00	7.00	7.00	7.00	7.00	8.00	9.00	9.00	9.00
Total	147.00	150.50	152.75	154.00	198.00	200.50	215.50	221.00	237.00	251.00

Item # 10

Source: City of Kyle
Note: Does not include Mayor Council

CITY OF KYLE, TEXAS
OPERATING INDICATORS BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS

Function Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building permits issued	289	244	324	537	635	684	777	643	618	1246
Police										
Violations	4,360	6,961	8,670	10,111	5,447	3,345	5,225	5609	5805	6007
Citations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Public Works										
Street resurfacing (miles)	N/A	N/A	16	10	2	3	17	0.62	0.00	0.00
Potholes repaired	672	718	926	1,053	2,007	3,253	2,752	5,359	1,915	1,285
Street Sweeping - Miles	2,613	343	1,898	1,970	2,308	1,619	2,132	1,523	4,002	4,148
Parks and Recreation										
Facility Rental Bookings (Guests)	15,512	42,791	36,092	45,602	52,447	52,533	16,415	37,002	40,339	4,803
Summer Camp	6,105	5,275	5,500	5,800	4,675	4,285	5,170	3,325	3,565	900
Pool (patron count)	32,078	36,511	37,000	37,000	41,813	31,852	28,126	41,141	10,751	0
Library										
Circulation Count	100,121	125,715	144,904	155,860	165,175	188,222	191,275	214,419	232,035	131,648
Patron Count	91,207	119,194	126,824	133,154	138,458	139,501	153,998	158,378	160,381	70,503
Library Cards Issued	1,746	3,730	2,218	3,200	2,784	2,837	2,952	3,049	2,789	1,653
Water										
New Connections	1,900	2,188	2,402	2,773	3,024	2,276	3,167	3,083	3,064	2,405
Water leaks	117	80	91	126	108	99	78	53	71	38
Average Daily Consumption (millions of gallons)	1.6391	2.1225	2.443	1.9200	2.4190	2.5920	2.2522	2.4261	2.5242	3.2049
Wastewater										
Average Daily Sewage Treatment (millions of gallons)	2.2684	1.7207	1.838	1.6950	2.3000	2.4570	2.4590	2.3649	2.7861	2.6780

Item # 10

Source: City of Kyle
Departmental Reports, City of Kyle

Note: New Connections are by Calendar Year not Fiscal Year

**CITY OF KYLE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/ PROGRAM
LAST TEN FISCAL YEARS**

Function Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations/ Sub-Stations	1	1	2	2	2	2	2	2	2	1
Patrol Units	24	29	27	27	21	21	20	22	27	27
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Acreage	466	466	569	577	612	612	612	612	677	543
Streets										
Streets - Linear Feet	591,248	595,248	610,518	623,170	641,396	739,493	796,818	835,430	840,343	883,632
Water										
Fire Hydrants	847	859	891	905	936	993	1093	1,137	1,196	1,294
New Water Lines - Linear Feet	2,653	1,894	6,703	9,963	16,950	28,080	37,045	21,740	24,695	31,030
Ground Water Storage	8	8	8	8	8	8	8	8	8	8
Elevated Water Storage	6	6	6	6	6	6	6	6	6	6
Wastewater										
New Wastewater Lines - Linear Ft	3,890	1,555	20,059	13,286	16,127	15,799	41,340	39,348	30,855	65,465
New Storm Sewers (miles)	3,937	423	14,245	7,334	13,573	9,610	21,964	31,450	17,786	22,317
Lift Stations	10	9	9	9	11	11	13	13	14	15
Treatment Capacity (millions of gallons)	3	3	3	3	3	3	3	3	3	3

City of Kyle, Texas

Federal Awards Compliance Report
Year Ended September 30, 2020

Contents

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Kyle, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kyle, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Austin, Texas
March 22, 2021



RSM US LLP

**Report on Compliance for the Major Federal Program,
Report on Internal Control Over Compliance and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Kyle, Texas

Report on Compliance for the Major Federal Program

We have audited the City of Kyle, Texas' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item #2020-001. Our opinion on the major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item #2020-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Austin, Texas
March 22, 2021

City of Kyle, Texas

**Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020**

Federal Grantor/Program Title	Federal CFDA Number	Pass Through Entity Grant Award Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Justice				
Direct Program:				
Bureau of Justice Assistance Bulletproof Vest Partnership for 2020	16.607	N/A	\$ -	\$ 9,000
Passed Through From:				
Texas Attorney General Internet Crimes against Children Task Force Program	16.800	ICAC Grant Fund: 2018-MC-FX-K065	-	3,700
Total U.S. Department of Justice			<u>-</u>	<u>12,700</u>
Department of Treasury				
Passed Through From:				
Texas Department of Emergency Management (TDEM) Coronavirus Relief Fund—COVID19	21.019	N/A	-	1,525,769
Total Department of Treasury			<u>-</u>	<u>1,525,769</u>
U.S. Department of Housing and Urban Development				
Passed Through From:				
Texas General Land Office Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Windy Hill Road: 19-280-000-B779	-	235,405
Texas Department of Agriculture Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	TXCDBG Contract No. ED 7216212	-	14,635
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>250,040</u>
Environmental Protection Agency				
Passed Through From:				
Texas Commission on Environmental Quality Non-Point Source Assistance Agreement	66.460	Contract Number 582-17-70360	-	6,000
Total Environmental Protection Agency			<u>-</u>	<u>6,000</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 1,794,509</u>

See notes to schedule of expenditures of federal awards.

City of Kyle

**Note to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020**

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Schedule of Expenditures of Federal Awards (the Schedule) includes the activity of all federal programs administered by the City of Kyle, Texas (the City). Because this schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the City.

Basis of presentation: The Schedule presents total federal awards expended for each individual program and CFDA number in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as those awards that are passed through other government agencies, are included in the Schedule.

Basis of accounting: The expenditures for each of the federal financial assistance programs are presented on the accrual basis of accounting for the City's fiscal year. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

In accordance with the Uniform Guidance, the City did not apply or use the 10% de minimis cost rate, as defined by the Uniform Guidance, for the year ended September 30, 2020.

City of Kyle, Texas

Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

Section I

Summary of Auditor's Results

1. Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

2. Federal Awards

Internal control over major federal program:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

 X Yes _____ None Reported

Type of auditor's report issued on compliance for the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)

 X Yes _____ No

Identification of major federal program:

CFDA Number(s)
21.019

Name of Federal Program or Cluster
Coronavirus Relief Fund—COVID19

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

Section II

Financial Statement Findings

None reported

(Continued)

City of Kyle, Texas

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

Section III

Federal Award Finding and Questioned Costs

Reference No. Finding #2020-001

Allowable cost

CFDA #20.219 Coronavirus Relief Fund

Federal award year: 2020

Department of Treasury

Passed through the Texas Division of Emergency Management

Type of Finding: Significant Deficiency and Noncompliance

Criteria or specific requirement: The City is a recipient of funds under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act established the Coronavirus Relief Fund (the Fund). As a recipient of the Fund, the City agreed to the Coronavirus Relief Fund Terms and Conditions issued by the Texas Division of Emergency Management (TDEM).

Under the Terms and Conditions of the grant funds provided to the City, the City may only use grant funds to cover expenditures that are necessary expenditures incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. If the City determines that payments made were based on an estimate and later determined to not be actual and allowable allocable costs, the grantee shall return to TDEM the amount identified as an overpayment.

Additionally, per 2 CFR 200.303, the City must establish and maintain effective internal controls over federal awards that provides reasonable assurance that they are managing federal awards in compliance with federal statutes, regulation and the provisions of contract or grant agreement that could have a material effect on each of its federal programs.

Condition found: The City has a centralized accounting process for the processing of all transactions. The centralized accounting includes the processing of payroll and benefit expenses for public safety and similar employees whose service are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Based on a sample of 40 transactions of which 35 were payroll-related costs, the City submitted reimbursement requests which included an estimated fringe benefit rate of 4.35% for workers' compensation. The estimated rate was applied to the total eligible payroll cost. The estimated rate was determined by the City based on the total expected annual workers' compensation premium of \$382,071.

Based on the City-provided support, the actual workers' compensation premium paid is \$143,903 for the period ended September 30, 2020. The total public safety reimbursement costs to which the rate of 4.35% was applied is \$900,500 or \$39,171. The questioned cost is not determinable.

Statement of cause: The City used an estimated rate for the reimbursement of workers' compensation premium and did not correct the rate based on actual workers' compensation expenses and allowable allocable costs.

Statement of effect: Based on the City-provided support, the actual workers' compensation premium paid is \$143,903 for the period ended September 30, 2020. The premium paid results in an estimated workers' compensation rate of 4.35% for the category of employees selected within the sample.

Question costs: Questioned cost associated with the workers compensation estimate could not be determined.

City of Kyle, Texas

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

Repeat audit findings: The audit finding is not a repeat of a finding in the immediately prior audit.

Recommendations: Budget estimates alone do not qualify as support for charges to federal awards, but may be used for interim purposes provided that the City has a system of internal controls which includes a process to review after-the-fact interim charges and the City makes all needed adjustments to the final amount charged to the federal award. The City should implement a process that allows for management to periodically identify and adjust budget estimates.

Views of responsible officials of the auditee: Management agrees with finding. Management's response is attached.

City of Kyle, Texas

**Summary of Prior Audit Findings
Year Ended September 30, 2020**

Prior Year Federal Award Finding and Questioned Costs

There was not a single audit in the prior year and no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior audits Summary of Prior Audit Findings.



CITY OF KYLE

• 100 W. Center Street • Kyle, Texas 78640 • Telephone (512) 262-1010

City of Kyle, Texas
Schedule of Findings & Questioned Costs
Year Ended September 30, 2020

Reference No. Finding #2020-001
Allowable cost

CFDA #20.219 Coronavirus Relief Fund

Federal award year: 2020

Department of Treasury

Passed through the Texas Division of Emergency Management

Type of Finding: Significant Deficiency and Noncompliance

Criteria or specific requirement: The City is a recipient of funds under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act established the Coronavirus Relief Fund (the Fund). As a recipient of the Fund, the City agreed to the Coronavirus Relief Fund Terms and Conditions issued by the Texas Division of Emergency Management (TDEM).

Under the Terms and Conditions of the grant funds provided to the City, the City may only use grant funds to cover expenditures that are necessary expenditures incurred during the period that begins on March 1, 2020 and ends on December 30, 2020. If the City determines that payments made were based on an estimate and later determined to not be actual and allowable allocable costs, the granteeshall return to TDEM the amount identified as an overpayment.

Additionally, per 2 CFR 200.303, the City must establish and maintain effective internal controls over federal awards that provides reasonable assurance that they are managing federal awards in compliance with federal statutes, regulation and the provisions of contract or grant agreement that could have a material effect on each of its federal programs.

Condition found: The City has a centralized accounting process for the processing of all transactions. The centralized accounting includes the processing of payroll and benefit expenses for public safety and similar employees whose service are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Based on a sample of 40 transactions of which 35 were payroll-related costs, the City submitted reimbursement requests which included an estimated fringe benefit rate of 4.35% for workers' compensation. The estimated rate was applied to the total eligible payroll cost. The estimated rate was determined by the City based on the total expected annual workers' compensation premium of \$382,071.

Based on the City-provided support, the actual workers' compensation premium paid is \$143,903 for the period ended September 30, 2020. The total public safety reimbursement costs to which the rate of 4.35% was applied is \$900,500 or \$39,171. The questioned cost is not determinable.

Statement of cause: The City used an estimated rate for the reimbursement of workers' compensation premium and did not correct the rate based on actual workers' compensation expenses and allowable allocable costs.

Statement of effect: Based on the City-provided support, the actual workers' compensation premium paid is \$143,903 for the period ended September 30, 2020. The premium paid results in an estimated workers' compensation rate of 4.35% for the category of employees selected within the sample.

Question costs: Questioned cost associated with the workers compensation estimate could not be determined.

Repeat audit findings: The audit finding is not a repeat of a finding in the immediately prior audit.

Recommendations: Budget estimates alone do not qualify as support for charges to federal award but may be used for interim purposes provided that the City has a system of internal controls which includes a process to review after-the-fact interim charges and the City makes all needed adjustments to the final amount charged to the federal award. The City should implement a process that allows for management to periodically identify and adjust budget estimates.

Views of responsible officials of the auditee: Management agrees with the auditor's recommendation. The City of Kyle will implement a process that allows for accounting staff and management to periodically identify and adjust budget estimates.

Corrective Action Plan: The Budget & Accounting Division staff of the City's Financial Services Department when preparing financial performance reports will identify, review, and adjust any budget estimates to actuals, if available, on a quarterly basis.

Implementation Date: July 15, 2021

Responsible Person: Andy Alejandro, Accounting Manager



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March 22, 2021

Honorable Mayor and Members of the City Council
City of Kyle, Texas
Kyle, Texas

Attention: Honorable Mayor and Members of the City Council

This letter is to inform the Mayor, City Council and management of the City of Kyle, Texas (the City) about significant matters related to the conduct of our audit as of and for the year ended September 30, 2020, so that they can appropriately discharge their oversight responsibility and we comply with our professional responsibilities.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

The Respective Responsibilities of the Auditor and Management

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States has been described to you in our arrangement letter dated July 29, 2020. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication, dated July 29, 2020, regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

In our meeting with you, we will discuss our views about the qualitative aspects of the City's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

- Fair value of investments
- Assumptions for pension plans and related net pension liabilities
- Depreciable useful lives of capital assets

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Item # 10

Audit Adjustments and Uncorrected Misstatements

Management corrected the following material misstatements that were identified as a result of our audit procedures. The audit procedures involved a search for outstanding invoices for which goods and services were received by the City at September 30, 2020, but not invoiced by the vendor until after September 30, 2020. For the Capital Projects Fund, the audit procedure verified the proper recording of construction-related invoices in fiscal year 2020 or fiscal year 2021 based on the date of service. The identified item below was recorded in October 2020 or fiscal year 2021 instead of September 2020 or fiscal year 2020, based on when the work was performed, as required by accounting principles generally accepted in the United States of America.

Description	Capital Projects Fund—Effect—Debit (Credit)				
	Assets	Liabilities	Fund Balance	Revenue	Expense
To record adjustment in accounts payable	\$ -	\$ (773,072)	\$ 773,072	\$ -	\$ 773,072
Total effect				<u>\$ -</u>	<u>\$ 773,072</u>
Balance sheet effect	<u>\$ -</u>	<u>\$ (773,072)</u>	<u>\$ 773,072</u>		

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Internal Control and Compliance Matters

We have separately issued a Compliance Reporting package, dated March 22, 2021, which included the following:

- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
- Report on Compliance for the Major Federal Program, Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the City.

This report is intended solely for the information and use of the Mayor, City Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP



CITY OF KYLE

100 W. Center – Kyle, Texas 78640 (512) 262-1010 FAX (512) 262-3800

March 22, 2021

RSM US LLP
811 Barton Springs Rd, Suite 500
Austin, Texas 78704

This representation letter is provided in connection with your audit of the financial statements of the City of Kyle, Texas (the City) as of and for the year ended September 30, 2020, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of March 22, 2021

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated July 29, 2020 for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. There are no related-party transactions, including those with other organizations for which the nature and significance of their relationship with City of Kyle are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which City of Kyle has an interest, and jointly governed organizations in which City of Kyle participates, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
11. We have no knowledge of any uncorrected misstatements in the financial statements.
12. We agree with the findings of specialists hired by the City in evaluating the OPEB payable and TMRS pension liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
13. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

14. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the City Council and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
15. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
16. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
17. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

18. We have no knowledge of allegations of fraud or suspected fraud affecting the City's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
19. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, or others.
20. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
21. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
22. We have disclosed to you the identity of the City's related parties and all the related-party relationships and transactions of which we are aware.
23. We are aware of no significant deficiencies, or material weaknesses in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
24. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
25. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

26. With respect to supplementary information presented in relation to the basic financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
27. With respect to Management Discussion and Analysis; Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Budgetary Comparison Schedule; Pension and Other Post

Employment Schedules presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:

- a. We acknowledge our responsibility for the presentation of such required supplementary information.
- b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP
- c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

28. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
29. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
30. Is not aware of any instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
31. Is not aware of any instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the financial statements.
32. Is not aware of any instances that have occurred, or are likely to have occurred, of waste or abuse that could be quantitatively or qualitatively material to the financial statements.
33. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
34. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
35. Has a process to track the status of audit findings and recommendations.
36. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

1. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.

2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal programs.
4. Management is responsible for the preparation of the schedule of expenditures of federal awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.
5. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
6. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.
7. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
8. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
9. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or stated that there was not such noncompliance.
10. Management believes that the auditee has complied with the direct and material compliance requirements, except for the noncompliance it has disclosed to the auditor.
11. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
12. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
13. Management is aware of no communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

14. There are no findings and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
15. Management is responsible for taking corrective action on audit findings of the compliance audit and has developed a corrective action plan that meets the requirements of the Uniform Guidance
16. There are no known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
17. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
18. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
19. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
20. Management has charged costs to federal awards in accordance with applicable cost principles except for the Allowable Cost noncompliance Finding # 2020-001.
21. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance.
22. The reporting package does not contain protected personally identifiable information.
23. Management has accurately completed the appropriate sections of the data collection form.
24. If applicable, management has disclosed all contracts or other agreements with service organizations.
25. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

City of Kyle, Texas



Pervez A. Moheet, CPA, Director of Finance



Andy Alejandro, Accounting Manager



CITY OF KYLE, TEXAS

RR HPI, LLC - Zoning (Z-21-0077)

Meeting Date: 4/20/2021
Date time: 7:00 PM

Subject/Recommendation: *(First Reading)* An ordinance amending Chapter 53 (Zoning) for the purpose of amending PUD documentation related to approximately 107.247 acres of land to allow impervious surfaces calculations for two or more lots within the 'PUD' that may be combined and considered as a whole, such that the impervious cover across the lots remains in accordance with the City of Kyle limits by district type for property located on Vista Ridge Dr. and Gateway Blvd., in Hays County, Texas. (RR HPI, LLC - Z-21-0077) ~ *Howard J. Koontz, Director of Planning and Community Development*

Planning and Zoning Commission voted 6-1 to approve the request.

- Public Hearing

Other Information: See attached.

Legal Notes: N/A

Budget Information: N/A

ATTACHMENTS:

Description

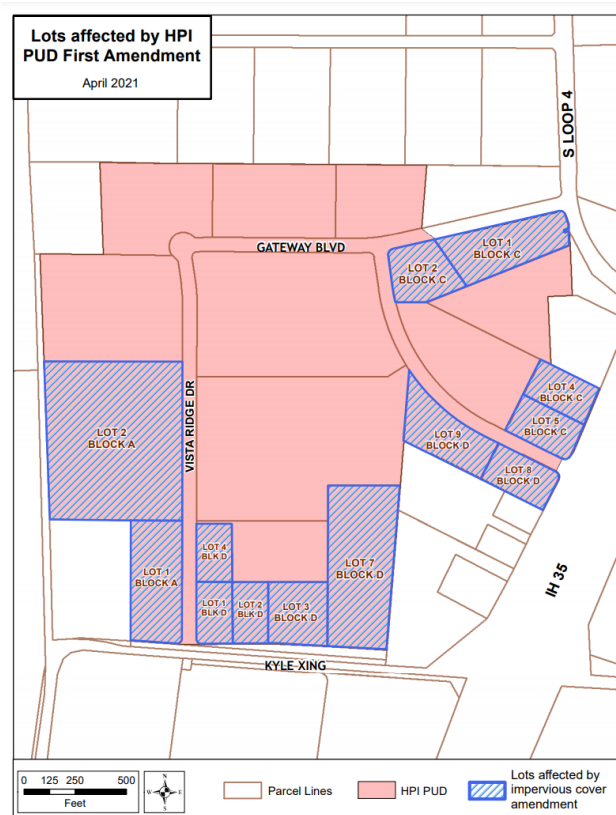
- Staff Memo
- Ordinance with Exhibit
- Summary Letter
- Landowner Authorization Letter
- Franchise Tax Account Status
- Deed
- Project Location Map
- Current Zoning Map
- Land Use Districts Map
- First Amendment HPI_Redlined

Property Location	Approximately 38.2-Acres Inside Boundaries of the HPI PUD (North of Kyle Crossing)
Owner	RR HPI, LP Richard S. Hill (President & Authorized Representative) 3700 N. Capital of Texas Hwy, Ste. 420, Austin, TX 78746
Agent	Runi Duvall RR HPI, LP 3700 N. Capital of Texas Hwy, Ste. 420, Austin, TX 78746
Request	Amend HPI PUD (38.2-Acres) to Allow Impervious Cover Averaging Between Two (2) or More Lots

Vicinity Map of HPI PUD Boundaries



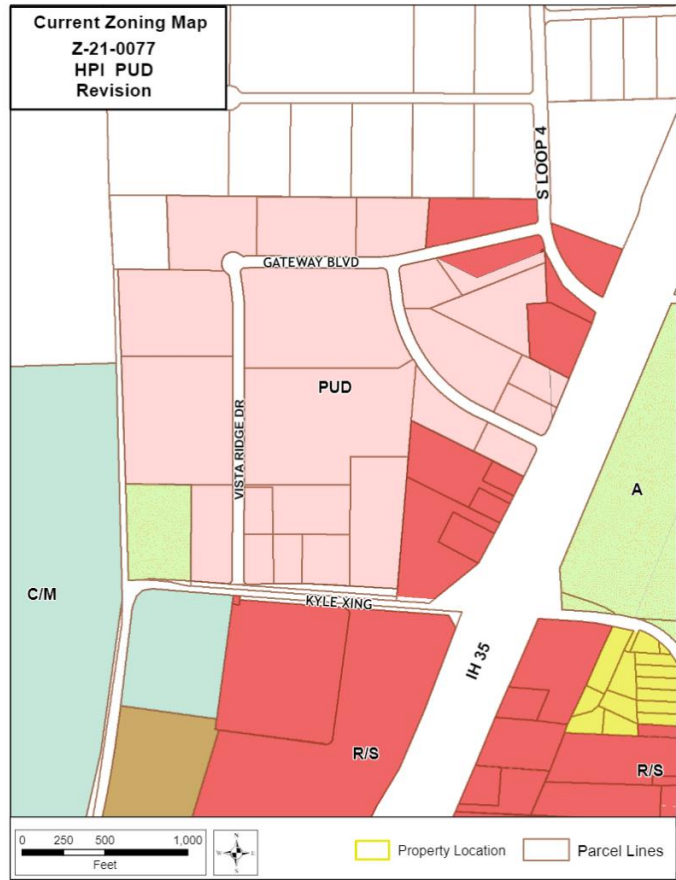
Map of Lots Affected by Amendment to HPI PUD



Site Description

The 38.2-Acres within the HPI PUD (Planned Unit Development, Hays Commerce Center), are largely undeveloped commercial pad sites, and one existing detention pond. The HPI PUD was established through the zoning process on August, 15, 2011 (Ord. No. 671). The PUD allows for uses within the Retail/Services, Warehouse and Construction/Manufacturing zoning districts, with some exclusions. Following the rezoning, subdivision plans were submitted and approved. Currently three (3) of the nineteen (19) pad sites are developed, with more planned businesses in the future.

The applicant seeks to amend the HPI PUD for the associated 38.2-Acres included in the draft of the first amendment of the development standards. The amendment is only to change how impervious cover is calculated and does not add or remove any specific land use permissions. Impervious cover is a metric within Chapter 53 of the City of Kyle Code of Ordinances. Chapter 53 is the zoning portion of the City of Kyle’s development code, and therefore this amendment is a zoning action.



Current Zoning

HPI PUD (Ord. No. 671)

Allows Retail/Services, Warehouse and Construction/Manufacturing zoning districts. Within the PUD document, some uses are excluded.

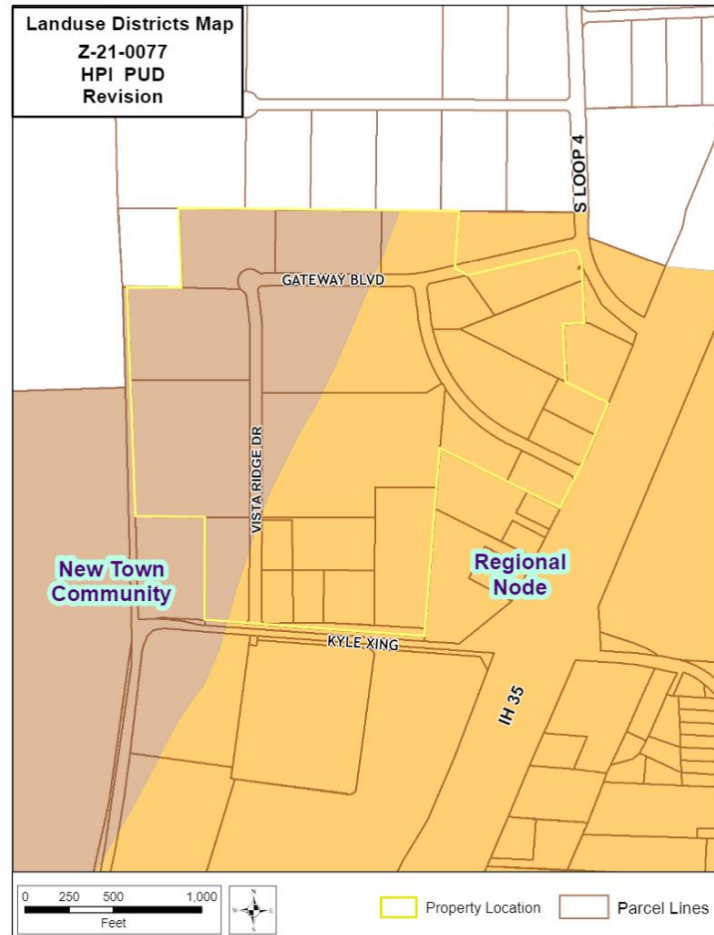
Conditions of the Zoning Ordinance

Sec. 53-1205 Amendments

- (d) *Referral of amendment to planning and zoning commission.* Upon its own motion, a request by the planning and zoning commission, or the receipt of an administratively complete petition and application to zone or rezone a lot, tract or parcel of land, which petition and application has been examined and approved as to form by the city manager, shall be referred to the planning and zoning commission for consideration, public hearing, and recommendation to the city council. The council may not enact a rezoning amendment until the planning and zoning commission has held a public hearing and made its

recommendation to the city council, or has made a final vote on the matter without obtaining a majority, on the zoning or rezoning of the property.

- (e) *Action by the planning and zoning commission.* The planning and zoning commission shall cause such study and review to be made as advisable and required, shall give public notice and hold a public hearing as provided by state law, and shall recommend to the council such action as the planning and zoning commission deems proper...



Comprehensive Plan Text

The subject site is located in the “Regional Node” District and the “New Town Community” district.

*Please note that this proposed amendment to the HPI PUD (Hays Commerce Center) will not affect which zoning districts are applied within the PUD, only how future development standards are administered. For this reason, staff did not include an

analysis of the comprehensive plan. The comprehensive plan discusses which zoning districts are appropriate in various places around the City of Kyle.

Analysis

When reviewing development plans for projects, impervious cover is calculated on a per lot basis (per City of Kyle code). This means if the zoning district allows a maximum impervious coverage, then the lot cannot exceed said percentage. Chart 2 of Sec. 53-33 limits the impervious cover for the following, included zoning districts:

Retail/Services = 80%

Warehouse = 75%

Construction/Manufacturing = 75%

The HPI PUD (Hays Commerce Center) allows all three (3) of these districts, with a focus on Warehouse and Construction/Manufacturing.

Recently, in an effort to start assembling development plans for one of the pad sites, it was found that the expected impervious cover for the plans would be more than 80%. The project would be one associated with Warehouse or Construction/Manufacturing zoning. The maximum impervious cover for both districts is 75%. This project was attempting to comply with all our development codes, but could not maintain a maximum 75% ISR.

The agent for the HPI PUD, Runi Duvall, brought up the idea of averaging impervious cover between two (2) or more lots. Staff doesn't have any objections to that method of ISR calculation, as it solved the issue at hand and would let the project continue forward. However, Sec. 53-33(l) references impervious cover on a per lot basis; therefore, staff is not enabled to accommodate the request.

As the overall development of Hays Commerce Center is zoned as a Planned Unit Development (PUD), Hays Commerce Center can have more flexibility when writing development standards (Per Sec. 53-703(a-c) & Sec. 53-704(1-5), see section below). This idea would not be allowed per standard zoning districts, as State of Texas law does not allow a municipality to condition zoning requests (except through PUDS).

Sec. 53-703. - Flexible planning.

(a) When considering a planned unit development (PUD), the unique nature of each proposal for a PUD may require, under proper circumstances, the departure from the

strict enforcement of certain present codes and ordinances, e.g., without limitation, the width and surfacing of streets and highways, lot size, parking standards, set backs, alleyways for public utilities, signage requirements, curbs, gutters, sidewalks and streetlights, public parks and playgrounds, drainage, school sites, storm drainage, water supply and distribution, sanitary sewers, sewage collection and treatment, single use districts, etc.

(b) Final approval of a PUD by the city council shall constitute authority and approval for such flexible planning to the extent that the PUD as approved, departs from existing codes and ordinances.

(c) The flexibility permitted for a PUD does not imply that any standard or requirement will be varied or decreased.

(Ord. No. 438, § 39(d), 11-24-2003)

Sec. 53-704. - Rules applicable.

The city council, after public hearing and proper notice to all parties affected and after recommendation from the planning and zoning commission, may attach a planned unit development district designation to any tract of land equal to or greater than three buildable acres. Under the planned development designation the following rules apply:

- (1) The approval of any proposed PUD or combination of uses proposed therein shall be subject to the discretion of the city council, and no such approval will be inferred or implied.
- (2) Permitted uses are those listed under the applicable zoning districts for the base zoning to be applied to the PUD (for example, the permitted uses in a PUD proposed to be developed as CBD-2, RS, W, CM districts). In addition, a planned unit development district may be established where the principal purpose is to serve as a transitional district, or as an extension of an existing district whereby the provision of off-street parking, screening walls, fences, open space and/or planting would create a protective transition between a lesser and more restrictive district. In approving a planned unit development, additional uses may be permitted, and specific permitted uses may be prohibited from the base district.
- (3) Standards required by the base zoning apply in a planned unit development except that the following regulations and standards may be varied in the adoption of the planned unit development; provided that the

plan is consistent with sound urban planning and good engineering practices.

- a. Front, side and rear setbacks.
 - b. Maximum height.
 - c. Maximum lot coverage.**
 - d. Floor area ratio.
 - e. Off-street parking requirements.
 - f. Special district requirements pertaining to the base zoning.
 - g. Number of dwelling units per buildable acre.
 - h. Accessory building regulations.
 - i. Sign standards.
- (4) In approving a planned unit development, no standards may be modified unless such modification is expressly permitted by this chapter, and in no case may standards be modified when such modifications are prohibited by this chapter.
 - (5) In approving a planned unit development, the city council may require additional standards deemed necessary to create a reasonable transition to, and protection of, adjacent property and public areas, including but not limited to, light and air, orientation, type and manner of construction, setbacks, lighting, landscaping, management associations, open space, and screening.
 - (6) The planning and zoning commission and city council, in approving modifications to standards and regulations, shall be guided by the purpose intended by the base zoning and general intent of this chapter.

(Ord. No. 438, § 39(e), 11-24-2003)

Recommendation

In conclusion, staff fully supports the request from the applicant. At the April 13, 2021 Planning & Zoning Commission meeting, the Commission voted 6-1 to recommend approval of the request. Staff asks the Mayor & Council to support the zoning amendment and vote in support of the request.

Attachments

- Landowner Authorization Form
- Deed
- Franchise Tax Account Status
- Exhibit Amending PUD
- Location Map
- Lots Affected by the PUD Amendment Map
- Existing Zoning Map
- Land Use Districts Map

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 53 (ZONING) OF THE CITY OF KYLE, TEXAS, FOR THE PURPOSE OF AMENDING PUD DOCUMENTATION RELATED TO APPROXIMATELY 107.247 ACRES OF LAND TO ALLOW IMPERVIOUS SURFACES CALCULATIONS FOR TWO OR MORE LOTS WITHIN THE 'PUD' THAT MAY BE COMBINED AND CONSIDERED AS A WHOLE, SUCH THAT THE IMPERVIOUS COVER ACROSS THE LOTS REMAINS IN ACCORDANCE WITH THE CITY OF KYLE LIMITS BY DISTRICT TYPE FOR PROPERTY LOCATED ON VISTA RIDGE DR. AND GATEWAY BLVD., IN HAYS COUNTY, TEXAS. (RR HPI, LLC - Z-21-0077); AUTHORIZING THE CITY SECRETARY TO AMEND THE ZONING MAP OF THE CITY OF KYLE SO AS TO REFLECT THIS CHANGE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; PROVIDING FOR SEVERABILITY; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

SECTION 1. That the zoning district map of the City of Kyle adopted in Chapter 53 (Zoning) be and the same is hereby amended approximately 107.247 acres of land to allow impervious surfaces calculations for two or more lots within the 'PUD' that may be combined and considered as a whole, such that the impervious cover across the lots remains in accordance with the City of Kyle limits by district type, as shown on the property location map labeled in Exhibit.

SECTION 2. That the City Secretary is hereby authorized and directed to designate the tract of land zoned herein as such on the zoning district map of the City of Kyle and by proper endorsement indicate the authority for said notation.

SECTION 3. If any provision, section, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid (or for any reason unenforceable), the validity of the remaining portions of this Ordinance or the application to such other persons or sets of circumstances shall not be affected hereby, it being the intent of the City Council of the City of Kyle in adopting this Ordinance, that no portion hereof or provision contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion or provision.

SECTION 4. This Ordinance shall be published according to law and shall be and remain in full force and effect from and after the date of publication.

SECTION 5. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

READ, CONSIDERED, PASSED AND APPROVED ON FIRST READING by the City Council of Kyle at a regular meeting on the _____ day of _____, 2021, at which a quorum was present and for which due notice was given pursuant to Section 551.001, et. Seq. of the Government Code.

READ, CONSIDERED, PASSED AND APPROVED ON SECOND AND FINAL READING by the City Council of Kyle at a regular meeting on the _____ day of _____, 2021, at which a quorum was present and for which due notice was given pursuant to Section 551.001, et. Seq. of the Government Code.

APPROVED this _____ day of _____, 2021.

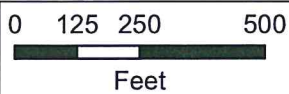
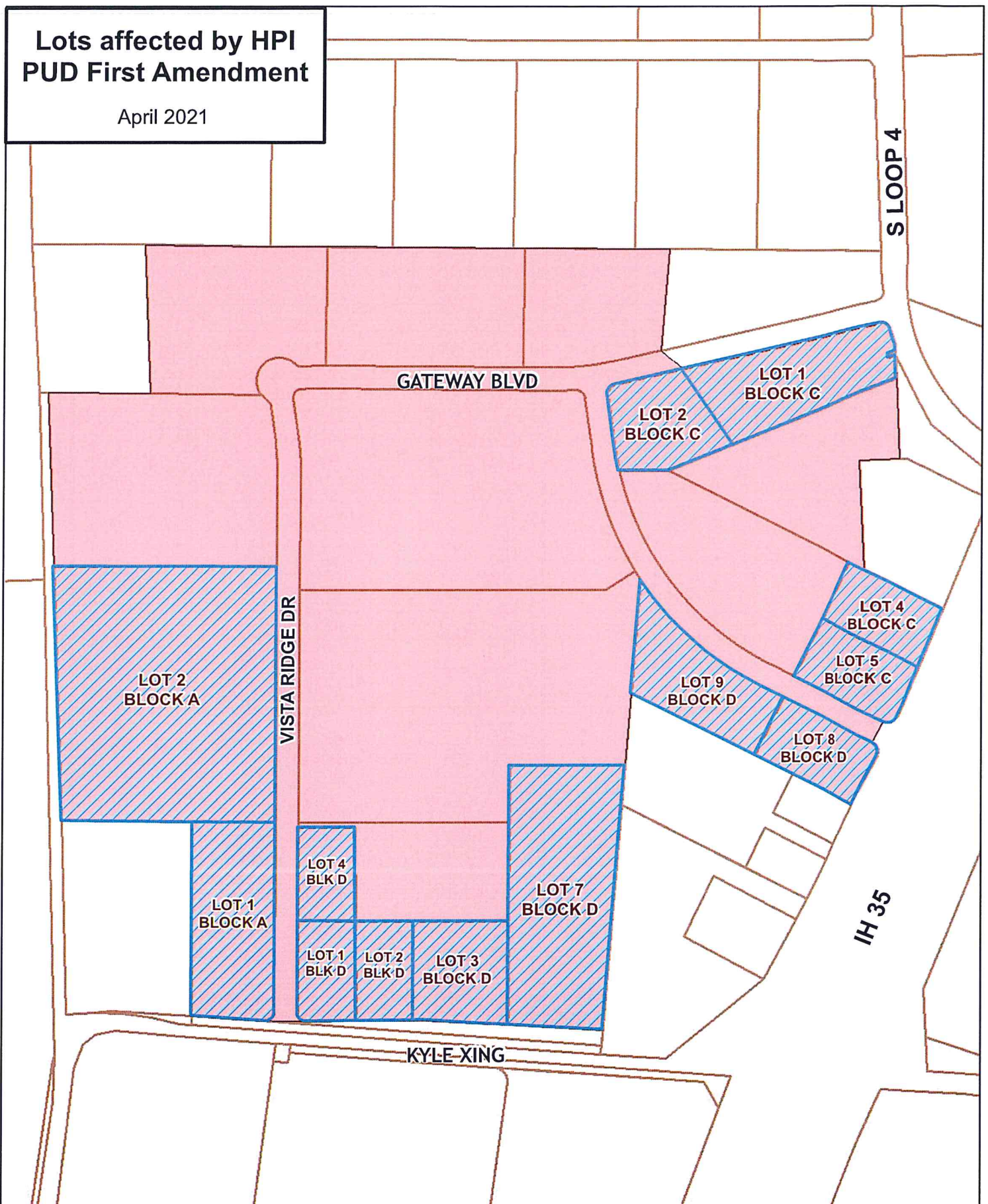
Travis Mitchell, Mayor

ATTEST:

Jennifer Holm, City Secretary

Lots affected by HPI PUD First Amendment

April 2021



Parcel Lines

HPI PUD

Lots affected by impervious cover amendment



3/4/2021

William Atkinson, City Planner
City of Kyle
100 W. Center Street
Kyle, Texas 78640

RE: Summary Request Letter – PUD Amendment

Dear Will,

For the purposes of impervious cover calculations, HPI requests that two or more lots within the PUD be combined and considered as a whole, such that the average impervious cover across the lots remains in accordance with the City of Kyle limits. We appreciate you working with us on this modification to the existing PUD.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "R. Duvall".

Runi Duvall
Development Director

LANDOWNER AUTHORIZATION AND AFFIDAVIT OF OWNERSHIP

SUBJECT PROPERTY INFORMATION

Subdivision Name, Block, Lot, or legal description if not subdivided: _____

of lots (if subdivided): 13 # of acres: 107.247

Site APN/Property ID #(s): See attachment

Location: Vista Ridge Drive, Kyle 78640 County: Hays

Development Name: Hays Commerce

OWNER

Company/Applicant Name: RR HPI, LP

Authorized Company Representative (if company is owner): Richard S. Hill

Type of Company and State of Formation: Texas Limited Partnership

Title of Authorized Company Representative (if company is owner): President

Applicant Address: 3700 No. Capital of Texas Hwy., Suite 420, Austin, Texas 78746

Applicant Fax: 512.835.1222

Applicant Phone: 512.835.4455

Applicant/Authorized Company Representative Email: hill@hpitx.com

APPLICANT REPRESENTATIVE

Check one of the following:

 . I will represent the application myself; or

X I hereby designate Runi Duvall (name of project representative) to act in the capacity as the agent for filing, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

I hereby certify that the above-named owner is the rightful owner of the Property. I am either the owner of the property identified above or a partner/manager/officer/director/member of the company who is authorized to act on behalf of the company. I further certify that the information provided herein and in the application for the development is true and correct. By signing below, I agree that the City of Kyle (the "City") is authorized and permitted to provide information contained within this application, including the email address, to the public.

Owner's Signature: [Signature] Date: 3.04.21

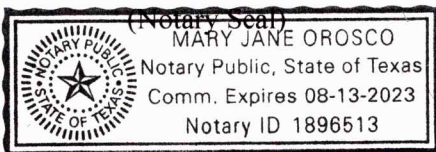
State of TEXAS §

County of TRAVIS §

This instrument was acknowledged before me on MARCH 4, 2021 by Richard S. Hill, who is PRESIDENT of RR HPI, LP, a Texas limited partnership.

SUBSCRIBED AND SWORN TO before me, this the 4 day of MARCH, 2021.

[Signature]
Notary Public's Signature
My Commission Expires



PROJECT REPRESENTATIVE

Representative Name: Runi Duvall
Representative Address: 3700 No. Capital of Tx Hwy., Suite 420, Austin, Texas 78746
Representative Phone: 512.835.4555
Representative Email: duvall@HPItx.com

Representative's Signature: _____ Date: _____

		Hays CAD	Geographic
	acres	Prop ID	ID
Hays Commerce Phase 2A, Block A, Lot 2	11.716	R151731	11-3659-000A-00200-2
Hays Commerce Phase 2A, Block A, Lot 1	3.392	R151730	11-3659-000A-00100-2
Hays Commerce Phase 1, Block C, Lot 1	2.974	R151856	11-3651-000C-00100-2
Hays Commerce Phase 3, Block C, Lot 2	1.88	R164170	11-3361-000C-00200-2
Hays Commerce Phase 3, Block C, Lot 4	1.429	R164172	11-3361-000C-00400-2
Hays Commerce Phase 3, Block C, Lot 5	1.515	R164173	11-3361-000C-00500-2
Hays Commerce Phase 3, Block D, Lot 1	1.214	R164174	11-3361-000D-00100-2
Hays Commerce Phase 3, Block D, Lot 2	1.191	R164175	11-3361-000D-00200-2
Hays Commerce Phase 3, Block D, Lot 3	2.024	R164176	11-3361-000D-00300-2
Hays Commerce Phase 3, Block D, Lot 4	1.129	R164177	11-3361-000D-00400-2
Hays Commerce Phase 3, Block D, Lot 7	5.782	R164181	11-3361-000D-00700-2
Hays Commerce Phase 3, Block D, Lot 8	2.43	R164182	11-3361-000D-00800-2
Hays Commerce Phase 3, Block D, Lot 9	1.521	R164183	11-3361-000D-00900-2
	38.197		



Franchise Tax Account Status

As of : 03/03/2021 14:20:54

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

RR HPI, LP	
Texas Taxpayer Number	32042637960
Mailing Address	3700 N CAPITAL OF TEXAS HWY STE 420 AUSTIN, TX 78746-3454
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	09/15/2010
Texas SOS File Number	0801318408
Registered Agent Name	RICHARD S. HILL
Registered Office Street Address	3600 N. CAPITAL OF TEXAS HIGHWAY SUITE B250 AUSTIN, TX 78746

When Recorded, Return To:
FROST BANK
P.O. Box 1600
San Antonio, Texas 78296
Loan Documentation Department, SOF-3
Ref: 4910246-9002

11-GF# 201702492 DRK
RETURN TO: HERITAGE TITLE
401 CONGRESS AVE., SUITE 1500
AUSTIN, TEXAS 78701

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.



**DEED OF TRUST,
SECURITY AGREEMENT - FINANCING STATEMENT**

THE STATE OF TEXAS §
 §
COUNTY OF HAYS §

As of the 1st day of May, 2018, ("Effective Date") RR HPI, LP, a Texas limited partnership (hereinafter, whether one or more, jointly and severally called "Grantor"), whose mailing address is 3700 North Capital of Texas Highway, Suite 420, Austin, Texas 78746, in consideration of the debt and trust hereinafter mentioned, does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY unto DAN J. GUARINO, Trustee (as hereinafter defined), the following described property (all of which is sometimes referred to collectively herein as the "Property"):

(i) the real estate situated in Hays County, Texas, which is more particularly described in Exhibit A attached hereto and made a part hereof for all purposes the same as if set forth herein verbatim, together with all right, title and interest of Grantor in and to (a) all streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights and public places, existing or proposed, abutting, adjacent, used in connection with or pertaining to the real property or the Improvements (as hereinafter defined); (b) any strips or gores between the real property and abutting or adjacent properties; and (c) all water and water rights, timber, crops and mineral interests pertaining to the real property (such real estate and other rights, titles and interests being hereinafter sometimes called the "Land");

(ii) all buildings, covered garages, air conditioning, towers, open parking areas, structures and other improvements of any kind or nature, and any additions, alterations, betterments or appurtenances thereto, (the "Improvements") now or hereafter situated placed or constructed on the Land;

(iii) all fixtures, systems, machinery, building and construction materials, of every kind and character, now owned or hereafter acquired by Grantor, which are now or hereafter attached to or situated in, on or about the Land or the Improvements, or used in or necessary to the complete and proper planning, development, use, occupancy or operation thereof, or acquired (whether delivered to the Land or stored elsewhere) for use or installation in or on the Land or the Improvements, and all renewals and replacements of, substitutions for and additions to the foregoing, including, but without limiting the foregoing, any and all fixtures, equipment, machinery, systems, facilities and apparatus for heating, ventilating, air conditioning, refrigerating, plumbing, sewer, lighting, generating, cleaning, storage, incinerating, waste disposal, sprinkler, fire extinguishing, communications, transportation (of people or things, including, but not limited to, stairways, elevators, escalators and conveyors), data processing, security and alarm, laundry, food or drink preparation, storage or serving, gas, electrical and electronic, water, and recreational uses or purposes; all tanks, pipes, wiring, conduits, ducts, doors, partitions, rugs and other floor coverings, wall coverings, windows, drapes, window screens and shades, awnings, fans, motors, engines and boilers; but excluding inventory and other trade or business movable personal property (all of which are herein sometimes referred to together, as the "Accessories");

(iv) all (a) plans and specifications for the Improvements; (b) contracts relating to the Land, or the Improvements or the Accessories or any part thereof, including without limitations, contracts for the purchase or sale of any of the Property; (c) deposits, (including, but not limited to, earnest money deposits or letters of credit under purchase or sale contracts, Grantor's rights in tenants' security deposits, deposits with respect to utility services to the Land, or the Improvements or the Accessories or any part thereof, refundable or reimbursable tap fees, commitment fees or development costs), and any deposits or reserves hereunder or under any other Loan Document (as hereinafter defined) for taxes, insurance or otherwise, funds, accounts, contract rights, instruments, documents, commitments, general intangibles (including, but not limited to, trademarks, trade names and symbols), notes and chattel paper used in connection with or arising from or by virtue of any transactions related to the Land, or the Improvements or the Accessories or any part thereof; (d) permits, licenses, franchises, certificates and other rights and privileges obtained in connection with the Land, or the Improvements or the Accessories or any part thereof; (e) Leases (as hereafter defined), Rents (as hereafter defined) and other benefits of the Land, the Improvements and the Accessories; (f) awards, remunerations, reimbursements, settlements and/or compensation made by any governmental authority, including, but not limited to those for municipal utility district or other

utility costs; and (g) other properties, rights, titles and interests, if any, specified in any Section or any Article of this Deed of Trust as being part of the Property; and

(v) all (a) proceeds of or arising from the properties, rights, titles and interests referred to above in paragraphs (i), (ii), (iii) and (iv), including, but not limited to, proceeds of any sale, lease or other disposition thereof, proceeds of each policy of insurance relating thereto (including premium refunds), proceeds of the taking thereof or of any rights appurtenant thereto by eminent domain or sale in lieu thereof for public or quasi-public use under any law, and proceeds arising out of any damage thereto whether caused by such a taking (including change of grade of streets, curb cuts or other rights of access) or otherwise caused; and (b) other interests of every kind and character, and proceeds thereof, which Grantor now has or hereafter acquires in, to or for the benefit of the properties, rights, titles and interests referred to above in paragraphs (i), (ii), (iii) and (iv) and all property used or useful in connection therewith, including, but not limited to, remainders, reversions and reversionary rights or interests, but expressly excluding inventory and other trade or business movable personal property. In the event the estate of Grantor in and to any of the Property is a leasehold estate, this conveyance shall include, and the lien and security interest created hereby shall encumber and extend to, all other further or additional title, estates, interest or rights which may exist now or at any time be acquired by Grantor in or to the property demised under the lease creating such leasehold estate and including Grantor's rights, if any, to the property demised under such lease and, if fee simple title to any of such property shall ever become vested in Grantor such fee simple interest shall be encumbered by this Deed of Trust in the same manner as if Grantor had fee simple title to said property as of the date of execution hereof.

TO HAVE AND TO HOLD the Property, unto Trustee and Trustee's successors, substitutes or assigns, in trust and for the uses and purposes herein set forth, forever, together with all rights, privileges, hereditaments and appurtenances in anywise appertaining or belonging thereto, subject only to the Permitted Exceptions (herein so called) listed on Exhibit B attached hereto (to the extent that the same are valid, subsisting and affect the Property), and Grantor, for Grantor and Grantor's successors, hereby agrees to warrant and forever defend, all and singular, the Property unto Trustee and Trustee's successors or substitutes in this trust against the claim or claims of all persons claiming or to claim the same or any part thereof, subject, however, as aforesaid.

ARTICLE I

THE OBLIGATION

Section 1.01. Beneficiary. This Deed of Trust [as used herein, the expression "this Deed of Trust" shall mean this Deed of Trust, Security Agreement - Financing Statement], and all rights, title, interest, liens, security interests, powers and privileges created hereby or arising by virtue hereof, are given to secure payment and performance of the Obligation (as hereinafter defined), including the indebtedness described in Section 1.02 hereof payable to the order of FROST BANK, a Texas state bank ("Beneficiary"), whose mailing address is P.O. Box 1600,

San Antonio, Texas 78296. The word "Beneficiary," as used herein, shall mean Beneficiary named in this Section and all subsequent holders of the Note at the time in question.

Section 1.02. Obligation. The word "Obligation," as used herein, shall mean all of the indebtedness, obligations and liabilities described as follows:

(a) the indebtedness evidenced by that certain promissory note (the "Note") of even date herewith, incorporated herein by this reference, executed by Grantor, payable to the order of Beneficiary in the principal amount of Six Million Seven Hundred Thirty-Four Thousand Nine Hundred Seventeen and No/100 Dollars (\$6,734,917.00), bearing interest as therein specified, containing an attorney's fee clause, interest and principal being payable as therein specified;

(b) all indebtedness, obligations and liabilities described in or arising pursuant to the provisions of this Deed of Trust, construction loan agreement ("Loan Agreement") any other security agreement, mortgage, deed of trust, collateral assignment, pledge agreement, loan agreement, contract or assignment of any kind, now or hereafter existing, as security for or in connection with payment of the Note or any part thereof and of any other document evidencing, securing or executed in connection with the Obligation as amended, modified or restated, ratified, confirmed, extended or supplemented (herein referred to individually as a "Loan Document" and collectively as the "Loan Documents");

(c) all other and any additional debts, obligations and liabilities of every kind and character of Grantor, whether now or hereafter existing, it being contemplated by Grantor and Beneficiary that Grantor may hereafter become indebted to Beneficiary in further sum or sums provided, however, that this Deed of Trust shall not secure any indebtedness of Grantor to Beneficiary which under any circumstances is prohibited by the Texas Finance Code or any other law; and

(d) any and all renewals, modifications, rearrangements, amendments, extensions or increases of all or any part of the indebtedness, obligations and liabilities described or referred to in Subsections 1.02(a), 1.02(b) and 1.02(c) preceding.

Grantor, and each party at any time claiming an interest in or lien or encumbrance against the Property, agrees that all advances made by Beneficiary from time to time under any of the Loan Documents, and all other portions of the Obligation herein referred to, shall be secured by this Deed of Trust with priority as if all of the same had been advanced, had arisen or become owing or performable on the date of this Deed of Trust. No reduction of the outstanding principal balance under the Note shall extinguish, release or subordinate any rights, titles, interests, liens, security interests, powers or privileges intended, created or arising hereunder or under any other Loan Document, and this Deed of Trust shall remain in full force and effect as to any subsequent advances or subsequently arising portions of the Obligation without loss of priority until the Obligation is fully paid, performed and satisfied, all agreements and obligations, if any, of Beneficiary for further advances have been terminated and this Deed of Trust has been released of record by Beneficiary.

ARTICLE II

CERTAIN REPRESENTATIONS, WARRANTIES AND
COVENANTS OF GRANTOR

Section 2.01. Warranties and Representations. Grantor represents, warrants and undertakes that:

- (a) Grantor has full right and authority to execute and deliver this Deed of Trust;
- (b) Grantor has, in Grantor's own right, good and indefeasible title in fee simple to the Property free from any encumbrance superior to the indebtedness hereby secured, subject only to the Permitted Exceptions;
- (c) no part of the Property is Grantor's homestead of any type or character and this Deed of Trust is and shall continue to be a valid and enforceable lien and security interest against the Property until the Obligation is fully discharged;
- (d) Grantor and each guarantor of the Obligation are solvent and no proceeding under any Applicable Bankruptcy Laws (as hereinafter defined) is pending or threatened by or against any of them, or any affiliate of any of them, as a debtor;
- (e) if Grantor is a corporation, partnership, limited liability company, trust or other entity, Grantor is and shall until the Obligation is fully discharged continue to be (i) duly organized and validly existing in good standing under the laws of the state of Grantor's organization, and in good standing under Texas law, (ii) in compliance with all conditions prerequisite to Grantor's lawfully doing business in the State of Texas and (iii) possessed of all power and authority necessary to own, encumber and operate the Property;
- (f) all Loan Documents executed by Grantor have been duly authorized, executed and delivered by Grantor, and the obligations thereunder and the performance thereof by Grantor in accordance with their terms are within Grantor's powers and are not in contravention of any law, agreement or restriction to which Grantor or the Property is subject;
- (g) the loan evidenced by the Note is solely for the purpose of carrying on or acquiring a business of Grantor, and is not for personal, family, household or agricultural purposes;
- (h) Grantor's mailing address as set forth herein is true and correct;
- (i) all reports, financial statements and other information heretofore furnished to Beneficiary by or on behalf or at the request of Grantor with respect to the Property, Grantor, any guarantor or other party liable for payment or performance of the Obligation

or any part thereof are, and all of the same hereafter furnished to Beneficiary will when furnished be, true, correct and complete in all material respects and do not, or will not, omit any fact, the inclusion of which is necessary to prevent the facts contained therein from being materially misleading;

(j) since the date of the financial statements of Grantor heretofore furnished to Beneficiary, no material adverse change has occurred in the financial condition of Grantor and, except as heretofore disclosed in writing to Beneficiary, Grantor has not incurred any material liability, direct or indirect, fixed or contingent; and

Section 2.02. Covenants. Grantor, for Grantor and Grantor's successors and permitted assigns, hereunder covenants, agrees and undertakes to

(a) pay and perform the Obligation in accordance with the terms thereof;

(b) pay or cause to be paid, before delinquent, all taxes and assessments of every kind or character in respect of the Property or any part thereof and, from time to time upon request of Beneficiary, to furnish to Beneficiary evidence satisfactory to Beneficiary of the timely payment of such taxes and assessments and governmental charges (the word "assessments" as used herein includes not only assessments and charges by any governmental body, but also all other assessments and charges of any kind, including, but not limited to, assessments or charges for any utility or utility service, easement, license or agreement upon, for the benefit of, or affecting the Property, and assessments and charges arising under subdivision, condominium, planned unit development or other declarations, restrictions, regimes or agreements);

(c) purchase and maintain policies of insurance with respect to the Property in accordance with the Loan Agreement;

(d) cause all insurance (except commercial general liability insurance) carried in accordance with Subsection 2.02(c) hereof to be payable to Beneficiary as a mortgagee and not as a co-insured, to deliver copies of such policies of insurance to Beneficiary;

(e) pay, or cause to be paid, all premiums for insurance required hereunder at least ten (10) days before such premiums become due, furnish to Beneficiary satisfactory proof of the timeliness of such payments and deliver all renewal policies to Beneficiary at least ten (10) days before the expiration date of each expiring policy;

(f) comply with all federal, state, or municipal laws, rules, ordinances and regulations applicable to the Property and Grantor's ownership, use and operation thereof, and comply with all, and not violate any, easements, restrictions, agreements, covenants and conditions with respect to or affecting the Property or any part thereof;

(g) at all times maintain, preserve and keep the Property in good repair and condition and presenting a first class appearance, and from time to time, make all necessary and proper repairs, replacements and renewals, and not commit or permit any waste on or of the Property, and not to do anything to the Property that may impair its

value and not permit any condition to exist on the Property that would permit an insurer to cancel or increase the premium for any insurance policy or invalidate such policy in whole or in part;

(h) promptly pay all bills for labor and materials incurred in connection with the Property and never permit to be created or to exist in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and security interests hereof, for any such bill, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest on a parity with or superior to any of the liens or security interests hereof;

(i) from time to time, at the request of Beneficiary, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Deed of Trust or in any other Loan Document or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record and/or file such further instruments (including, without limitation, further deeds of trust, security agreements, financing statements, continuation statements and assignments of rents or leases) and perform such further acts and provide such further assurances as may be necessary, desirable or proper, in Beneficiary's reasonable opinion, to carry out more effectively the purposes of this Deed of Trust and such other instruments and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof or thereof to be covered hereby or thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property; (iii) execute, acknowledge, deliver, procure, and file and/or record any document or instrument (including specifically, but without limitation, any financing statement) deemed advisable by Beneficiary to protect the liens and the security interests herein granted against the rights or interests of third persons, and Grantor will pay all costs connected with any of the foregoing, and (iv) cause the Loan Documents requested by Beneficiary and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded, and refiled in such manner and in such places as Trustee or Beneficiary shall reasonably request, and will pay all such recording, filing, re-recording and re-filing taxes, documentary stamp taxes, fees, and other charges;

(j) continuously maintain Grantor's existence and right to do business in Texas;

(k) INTENTIONALLY DELETED;

(l) at any time and from time to time, furnish promptly upon the request of Beneficiary, a written statement or affidavit, in form satisfactory to Beneficiary, stating the unpaid balance of the Obligation and that there are no offsets or defenses against full payment of the Obligation and the terms hereof, or, if there are any such offsets or defenses, specifying them;

(m) not cause or permit the Accessories or any part thereof, to be removed from the county and state where the Land is located, except items of the Accessories

which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to or greater than the replaced items when new;

(n) not seek or acquiesce in a zoning reclassification of any portion of the Property or grant any easement, dedication, plat or restriction (or allow any easement to become enforceable by prescription) covering any portion of the Property, or remove, release or terminate any easement, dedication, plat or restriction previously approved by Beneficiary, without Beneficiary's prior written consent; which will not be unreasonably withheld or delayed;

(o) not, without the prior written consent of Beneficiary, consent to any drilling or exploration for or extraction, removal or production of any mineral, natural element, compound or substance from the surface or subsurface of the Land regardless of the depth thereof or the method of mining or extraction thereof and agree to defend, indemnify, save and hold Beneficiary, its officers, agents, servants, employees, successors and assigns harmless from any and all claims, liabilities, losses or expenses which may be incurred by Beneficiary, and any and all other expenses or losses, either direct or consequential, which are attributable, or alleged in any way to be attributable, to the development and exploitation of mineral rights on the Property by Grantor or any other party; and

(p) subject to the provisions of Section 7.07 hereof, pay on demand all reasonable and bona fide out-of-pocket costs, fees and expenses and other expenditures, including, but not limited to, reasonable attorneys' fees and expenses, paid or incurred by Beneficiary or Trustee to third parties incident to this Deed of Trust or any other Loan Document (including, but not limited to, reasonable attorneys' fees and expenses in connection with the negotiation, preparation and execution hereof and of any other Loan Document and any amendment hereto or thereto, any release hereof, any consent, approval or waiver hereunder or under any other Loan Document, the making of any advance under the Note, and any suit to which Beneficiary or Trustee is a party involving this Deed of Trust or the Property) or incident to the enforcement of the Obligation or the exercise of any right or remedy of Beneficiary under any Loan Document.

ARTICLE III

DEFAULTS AND REMEDIES OF BENEFICIARY

Section 3.01. Default. The term "Default," as used herein, shall mean the occurrence of any Event of Default as defined in the Loan Agreement.

Section 3.02. Beneficiary's Remedies Upon Default. Upon a Default, Beneficiary may, at Beneficiary's option, do any one or more of the following:

(a) If Grantor has failed to keep or perform any covenant whatsoever contained in this Deed of Trust, Beneficiary may, but shall not be obligated to any person

to do so, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be and become a part of the Obligation, and Grantor promises, upon demand, to pay to Beneficiary, at the place where the Note is payable, all sums so advanced or paid by Beneficiary, with interest from the date when paid or incurred by Beneficiary at the rate provided in the Note for past due payment. No such payment by Beneficiary shall constitute a waiver of any Default. In addition to the liens and security interests hereof, Beneficiary shall be subrogated to all rights, titles, liens and security interests securing the payment of any debt, claim, tax or assessment for the payment of which Beneficiary may make an advance, or which Beneficiary may pay.

(b) Beneficiary may, without notice, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration or any other notice or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner whatsoever on the Obligation, declare the entire unpaid balance of the Obligation immediately due and payable, and upon such declaration, the entire, unpaid balance of the Obligation shall be immediately due and payable.

(c) Beneficiary may request Trustee to proceed with foreclosure under the power of sale which is hereby conferred, such foreclosure to be accomplished in accordance with the following provisions:

(i) Trustee is hereby authorized and empowered and it shall be Trustee's special duty, upon such request of Beneficiary, to sell the Property or any part thereof, with or without having taken possession of same. Any such sale (including notice thereof) shall comply with the applicable requirements, at the time of the sale, of Section 51.002 of the Texas Property Code or, if and to the extent such statute is not then in force, with the applicable requirements, at the time of the sale, of the successor statute or statutes, if any, governing sales of Texas real property under powers of sale conferred by deeds of trust. If there is no statute in force at the time of the sale governing sales of Texas real property under powers of sale conferred by deeds of trust, such sale shall comply with applicable law, at the time of the sale, governing sales of Texas real property under powers of sale conferred by deeds of trust.

(ii) In addition to the rights and powers of sale granted under the preceding provisions of this Subsection, if default is made in the payment of any installment of the Obligation, Beneficiary may, at Beneficiary's option, at once or at any time thereafter while any matured installment remains unpaid, without declaring the entire Obligation to be due and payable, orally or in writing direct Trustee to enforce this trust and to sell the Property subject to such unmatured indebtedness and to the rights, powers, liens, security interests and assignments securing or providing recourse for payment of such unmatured indebtedness, in the same manner, all as provided in the preceding provisions of this Subsection. Sales made without maturing the Obligation may be made hereunder whenever

there is a default in the payment of any installment of the Obligation, without exhausting the power of sale granted hereby, and without affecting in any way the power of sale granted under this Subsection, the unmatured balance of the Obligation or the rights, powers, liens, security interests and assignments securing or providing recourse for payment of the Obligation.

(iii) Sale of a part of the Property shall not exhaust the power of sale, but sales may be made from time to time until the Obligation is paid and performed in full. It is intended by each of the foregoing provisions of this Subsection that Trustee may, after any request or direction by Beneficiary, sell not only the Land and the Improvements, but also the Accessories and other interests constituting a part of the Property or any part thereof, along with the Land and the Improvements or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Property separately from the remainder of the Property. It shall not be necessary to have present or to exhibit at any sale any of the Property.

(iv) After any sale under this Subsection, Trustee shall make good and sufficient deeds, assignments and other conveyances to the purchaser or purchasers thereunder in the name of Grantor, conveying the Property or any part thereof so sold to the purchaser or purchasers with general warranty of title by Grantor. It is agreed that, in any deeds, assignments or other conveyances given by Trustee, any and all statements of fact or other recitals therein made as to the identity of Beneficiary, or as to the occurrence or existence of any Default, or as to the acceleration of the maturity of the Obligation, or as to the request to sell, notice of sale, time, place, terms and manner of sale, and receipt, distribution and application of the money realized therefrom, or as to the due and proper appointment of a substitute trustee, and, without being limited by the foregoing, as to any other act or thing having been duly done by or on behalf of Beneficiary or by or on behalf of Trustee, shall be taken by all courts of law and equity as prima facie evidence that the said statements or recitals state facts and are without further question to be so accepted, and Grantor does hereby ratify and confirm any and all acts that Trustee may lawfully do in the premises by virtue hereof.

(d) Beneficiary may, or Trustee may upon written request of Beneficiary, proceed by suit or suits, at law or in equity, to enforce the payment and performance of the Obligation in accordance with the terms hereof and of the Note or the Loan Documents, to foreclose the liens and security interests of this Deed of Trust as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction.

(e) Beneficiary, as a matter of right and without regard to the sufficiency of the security, and without any showing of insolvency, fraud or mismanagement on the part of Grantor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers of the Property or any part thereof, and of the income, rents, issues and profits thereof.

(f) Beneficiary may enter upon the Land, take possession of the Property and remove the Accessories or any part thereof, with or without judicial process, and, in connection therewith, without any responsibility or liability on the part of Beneficiary, take possession of any property located on or in the Property which is not a part of the Property and hold or store such property at Grantor's expense.

(g) Beneficiary may require Grantor to assemble the Accessories or any part thereof, and make them available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to Grantor and Beneficiary.

(h) After notification, if any, hereafter provided in this Subsection, Beneficiary may sell, lease or otherwise dispose of, at the office of Beneficiary or on the Land or elsewhere, as chosen by Beneficiary, all or any part of the Accessories, in their then condition, or following any commercially reasonable preparation or processing, and each Sale (as used in this Subsection, the term "Sale" means any sale, lease, or other disposition made pursuant to this Subsection) may be as a unit or in parcels, by public or private proceedings, and by way of one or more contracts, and, at any Sale it shall not be necessary to exhibit the Accessories or part thereof being sold. The Sale of any part of the Accessories shall not exhaust Beneficiary's power of sale, but Sales may be made from time to time until the Obligation is paid and performed in full. Reasonable notification of the time and place of any public Sale pursuant to this Subsection, or reasonable notification of the time after which any private Sale is to be made pursuant to this Subsection, shall be sent to Grantor and to any other person entitled under the Code (as hereinafter defined) to notice; provided that if the Accessories or part thereof being sold are perishable, or threaten to decline rapidly in value, or are of a type customarily sold on a recognized market, Beneficiary may sell, lease or otherwise dispose of the Accessories, or part thereof, without notification, advertisement or other notice of any kind. It is agreed that notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates, is reasonable notification and notice for the purposes of this Subsection.

(i) INTENTIONALLY DELETED

(j) Beneficiary may retain the Accessories in satisfaction of the Obligation whenever the circumstances are such that Beneficiary is entitled to do so under the Code.

(k) Beneficiary may buy the Property or any part thereof at any public sale or judicial sale.

(l) Beneficiary may buy the Accessories or any part thereof at any private sale, if the Accessories or part thereof being sold are a type customarily sold in a recognized market or a type subject to widely distributed standard price quotations.

(m) Beneficiary shall have and may exercise any and all other rights and remedies which Beneficiary may have at law or in equity, or by virtue of any Loan Document, or under the Code, or otherwise.

(n) Beneficiary may apply the reserves, if any, required by Section 6.03 hereof toward payment of the Obligation.

Section 3.03. Beneficiary as Purchaser. If Beneficiary is the purchaser of the Property or any part thereof, at any sale thereof, whether such sale be under the power of sale hereinabove vested in Trustee or upon any other foreclosure of the liens and security interests hereof, or otherwise, Beneficiary shall, upon any such purchase, acquire good title to the Property so purchased, free of the liens and security interests hereof, unless the sale was made subject to an unmatured portion of the Obligation and Beneficiary elects that no merger occur.

Section 3.04. Other Rights of Beneficiary. Should any part of the Property come into the possession of Beneficiary, whether before or after Default, Beneficiary may use or operate the Property for the purpose of preserving it or its value, pursuant to the order of a court of appropriate jurisdiction or in accordance with any other rights held by Beneficiary in respect of the Property. Grantor covenants promptly to reimburse and pay to Beneficiary on demand, at the place where the Note is payable, the amount of all reasonable expenses (including the cost of any insurance, taxes or other charges) incurred by Beneficiary in connection with Beneficiary's custody, preservation, use or operation of the Property, together with interest thereon from the date incurred by Beneficiary at the rate provided in the Note for past-due principal, and all such expenses, costs, taxes, interest and other charges shall be and become a part of the Obligation. It is agreed, however, that the risk of loss or damage to the Property is on Grantor, and Beneficiary shall have no liability whatsoever for decline in value of the Property, for failure to obtain or maintain insurance, or for failure to determine whether insurance in force is adequate as to amount or as to the risks insured.

Section 3.05. Possession After Foreclosure. If the liens or security interests hereof shall be foreclosed by power of Trustee's sale, by judicial action or otherwise, the purchaser at any such sale shall receive, as an incident to Trustee's ownership, immediate possession of the property purchased, and if Grantor or Grantor's successors shall hold possession of said property or any part thereof, subsequent to foreclosure, Grantor and Grantor's successors shall be considered as tenants at sufferance of the purchaser at foreclosure sale (without limitation of other rights or remedies, at a reasonable rental per day, due and payable daily, based upon the value of the portion of the Property so occupied), and anyone occupying such portion of the Property after demand is made for possession thereof shall be guilty of forcible detainer and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived.

Section 3.06. Application of Proceeds. The proceeds from any sale, lease or other disposition made pursuant to this Article, or the proceeds from any Rents collected by Beneficiary from the Property (except Rents received pursuant to Article V hereof), or the reserves required by Section 6.03 hereof, or sums received pursuant to Section 6.01 hereof, or proceeds from insurance which Beneficiary elects to apply to the Obligation pursuant to Section 6.02 hereof, shall be applied by Trustee, or by Beneficiary, as the case may be, as follows: first, to the payment of all expenses of advertising, selling and conveying the Property or part thereof, including reasonable attorneys' fees; second, to accrued interest on the Obligation; third, to principal on the matured portion of the Obligation; fourth, to prepayment of the unmatured

portion, if any, of the Obligation applied to installments of principal in inverse order of maturity; and fifth, the balance, if any, remaining after the full and final payment and performance of the Obligation, to the person or persons legally entitled thereto.

Section 3.07. Abandonment of Sale. In the event a foreclosure hereunder is commenced by Trustee in accordance with Subsection 3.02(c) hereof, Beneficiary may, at any time before the sale, direct Trustee to abandon the sale, and may then institute suit for the collection of the Note and for the foreclosure of the liens and security interests hereof. If Beneficiary should institute a suit for the collection of the Note and for a foreclosure of the liens and security interests hereof, Beneficiary may, at any time before the entry of a final judgment in said suit, dismiss the same and require Trustee to sell the Property or any part thereof in accordance with the provisions of this Deed of Trust.

Section 3.08. Payment of Fees. If the Note or any other part of the Obligation shall be collected or enforced by legal proceedings, whether through a probate or bankruptcy court or otherwise, or shall be placed in the hands of an attorney for collection after maturity, whether matured by the expiration of time or by an option given to the beneficiary to mature same, or if Beneficiary becomes a party to any suit where this Deed of Trust or the Property or any part thereof is involved, Grantor agrees to pay Beneficiary's reasonable attorneys' and collection fees, and such fees shall be and become a part of the Obligation.

Section 3.09. Indemnification of Trustee. Except for gross negligence or willful misconduct, Trustee shall not be liable for any act or omission or error of judgment. Trustee may rely on any document believed by Trustee in good faith to be genuine. All money received by Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and Trustee shall not be liable for interest thereon. GRANTOR SHALL INDEMNIFY TRUSTEE AGAINST ALL LIABILITY AND EXPENSES WHICH TRUSTEE MAY INCUR IN THE PERFORMANCE OF TRUSTEE'S DUTIES HEREUNDER.

Section 3.10. Substitute Trustee. Beneficiary may appoint a substitute Trustee (a) if Trustee herein named or any substitute Trustee shall die, resign, or fail, refuse or be unable, for any reason, to make any such sale or to perform any of the trusts herein declared; or (b) at the option of Beneficiary from time to time as often and whenever Beneficiary prefers and with or without any reason or cause. Each appointment shall be in writing, but without the necessity of recordation, notice to Grantor, or any other action or formality. Each substitute trustee so appointed shall thereupon by such appointment become Trustee and succeed to all the estates, titles, rights, powers, trusts and duties of predecessor Trustee. Any such appointment may be executed by Beneficiary or any authorized representative of Beneficiary, and such appointment shall be presumed conclusively to have been executed with due and proper authority. Without limiting the generality of the foregoing, if Beneficiary is a corporation, bank or association, of any type or character, such appointment may be executed in its behalf by any officer of Beneficiary and shall be presumed conclusively to have been executed with due and proper authority without necessity of proof of any action by the board of directors or any superior officer. Wherever herein the word "Trustee" is used, the same shall mean the duly appointed

trustee or substitute trustee hereunder at the time in question. Trustee may resign by written notice to Beneficiary.

ARTICLE IV

SECURITY AGREEMENT AND FINANCING STATEMENT

This Deed of Trust is also a security agreement between Grantor, as debtor, and Beneficiary, as secured party. Grantor hereby grants to Beneficiary and Beneficiary's successors and assigns, a security interest in those portions of the Property, other than the Land and Improvements, which constitute personal property (excluding inventory and other trade or business movable personal property), whether tangible or intangible, and each and every part thereof, and in all proceeds from the sale, lease or other disposition thereof, and in all sums, proceeds, funds and reserves described or referred to in Sections 6.01, 6.02 and 6.03 hereof. However, the grant of a security interest in proceeds shall not be deemed to authorize any action otherwise prohibited herein. In addition to Beneficiary's rights hereunder or otherwise, Beneficiary shall have all of the rights of a secured party under the Texas Business and Commerce Code, as amended (the "Code"). Furthermore, without limiting Beneficiary's rights hereunder, Grantor authorizes Beneficiary to file financing statements and amendments thereto under the provisions of the Code. In addition, Grantor, from time to time, upon each request of Beneficiary, shall promptly (a) execute and deliver to Beneficiary such other documents as required by Beneficiary in order to establish or maintain the validity, perfection or priority of the security interest with respect to the personal property or fixtures; (b) pay to Beneficiary on demand all costs of preparation and filing of financing statements pursuant hereto and all costs of Code searches reasonably required by Beneficiary; and (c) give to Beneficiary a certificate in form satisfactory to Beneficiary listing all trade names of Grantor and under which Grantor operates or intends to operate the Property or any part thereof, and give to Beneficiary advance written notice of any proposed change of any such trade name and of any change of name (or trade name or assumed name), identity or structure of Grantor. A carbon, photographic or other reproduction of this Deed of Trust or of a financing statement executed pursuant hereto is sufficient as a financing statement. This Deed of Trust is, without limitation, intended to be a financing statement filed as a fixture filing with respect to the portions of the Property which are or are to become fixtures, and as mineral, crop and timber filing. The address of Grantor (debtor) is set forth on the first page hereof and the address of Beneficiary (secured party) from whom information concerning the security interest may be obtained, is set forth in Section 1.01 hereof. Grantor is the record owner of the Property. Grantor's jurisdiction of organization is Texas and Grantor's organizational identification number is 801318408, or if no number is inserted, Grantor has none.

ARTICLE V

ASSIGNMENT OF LEASES AND RENTS

Section 5.01. *Assignment of Leases and Rents.*

(a) Grantor hereby assigns to Beneficiary all of Grantor's right, title and interest in and to all current and future Leases (as defined below) and Rents (as defined below) pursuant to the terms of the Texas Assignment of Rents Act (Sections 64.001 et

seq. of the Texas Property Code) ("TARA"). Except as otherwise defined in this Article V, capitalized terms shall have the same meaning ascribed to them in TARA.

(b) Without in any way limiting Grantor's obligations under the Loan Documents, at any time upon the occurrence and during the continuance of any Default, Beneficiary may deliver written notice as provided in TARA in accordance with Section 7.12 hereof to Grantor and within five (5) days after delivery of such notice, and without further notice and cure period (Grantor hereby waiving the 30 day notice requirement provided for in TARA and any right to withhold any amount permitted under Section 64.060(a) of TARA for expenses), Grantor will remit to Beneficiary payment of all prepaid Rents for future periods, accrued, unpaid Rents and Rents accruing thereafter to Beneficiary, without any deduction, setoff, or other reduction of any kind. Neither this assignment nor the receipt of Rents by Beneficiary shall effect a *pro tanto* payment of the Obligation and no credit shall be given to Grantor for any Rents until the money is actually received and is applied to the Obligation by Beneficiary. No such credit shall be given for any Rents collected or released after foreclosure or other transfer of the Property to Beneficiary or any other third party.

(c) Beneficiary may apply all such sums or any part thereof it receives, after the payment of all of its expenses (including, without limitation, costs and attorneys' fees), to one or more of the following: (i) on the Obligation secured by this Deed of Trust in such manner as Beneficiary elects (without regard to Section 64.058 of the Texas Property Code) until paid in full, whether due or not, (ii) as otherwise permitted under the terms of this Deed of Trust or any of the other Loan Documents, or (iii) as specifically hereafter agreed to with Grantor in writing with respect to the payment received.

The term "Leases" shall mean all existing and future leases, subleases, lettings, licenses, concessions and other agreements (whether written or oral) including, without limitation, any and all extensions, renewals, modifications and replacements thereof, pursuant to which any Tenant is granted a right to possess, use or occupy all or any portion of the Land and/or the Improvements, together with every guarantee of the performance of the Tenant thereunder. The term "Rents" shall mean all rents, income, receipts, revenues, issues, profits and proceeds (including Cash Proceeds) to be derived from Tenants of the Property or any part thereof, including, but not limited to, minimum rents, additional rents, percentage rents, deficiency rents and liquidated damages following default under a Lease, all proceeds payable under any policy of insurance covering the loss of Rents resulting from untenability caused by destruction or damage to the Property or otherwise, and all of Grantor's rights to recover monetary amounts from any Tenant in bankruptcy, including, without limitation, rights of recovery for use and occupancy and damage claims arising out of lease defaults, including rejections, under any Applicable Bankruptcy Law, together with any sums of money that may now or at any time hereafter become due and payable to Grantor by virtue of any and all royalties, overriding royalties, bonuses, delay rentals and any other amount of any kind or character arising under any and all present and future oil, gas and mineral Leases.

Section 5.02. Warranties Concerning Leases and Rents. Grantor represents and warrants that:

- (a) Grantor has good title to the Leases and Rents and authority to assign them, and no other person or entity has any right, title or interest therein;
- (b) all existing Leases are valid, unmodified and in full force and effect, except as indicated herein, and no default exists thereunder;
- (c) unless otherwise provided herein, no Rents have been or will be assigned, mortgaged or pledged;
- (d) no Rents have been or will be anticipated, waived, released, discounted, set off or compromised;
- (e) except as indicated in the Leases, Grantor has not received any funds or deposits from any Tenant for which credit has not already been made on account of accrued Rents; and
- (f) all Leases shall specify U.S. addresses for notice to Tenants, and prohibit prepayment of Rent more than one month in advance and contain waivers.

Section 5.03. Grantor's Covenants of Performance. Grantor covenants to:

- (a) perform all of its obligations under the Leases and give prompt notice to Beneficiary of any failure to do so;
- (b) give immediate notice to Beneficiary of any notice Grantor receives from any tenant or subtenant under any Leases, specifying any claimed default by any party under such Leases, excluding, however, notices of default under residential leases;
- (c) enforce the tenant's obligations under the Leases;
- (d) defend, at Grantor's expense, any proceeding pertaining to the Leases, including, if Beneficiary so requests, any such proceeding to which Beneficiary is a party;
- (e) neither create nor permit any encumbrance upon its interest as lessor of the Leases, except this Deed of Trust and any other encumbrances permitted by this Deed of Trust; and
- (f) cause all Leases executed after the date hereof to be expressly made subject to the provisions of TARA and include the following covenants:
 - (i) that upon the receipt by Tenant of a Notice to Pay Rents to Person Other Than Landlord ("NPROL") provided by Beneficiary pursuant to Section 64.055 of TARA, whether prior to or after a Default, Tenant shall (1) immediately turn over all Rents and Proceeds Beneficiary is entitled to collect under Section 64.053 of TARA; (2) not deduct any portion of the Rents for any purpose, notwithstanding any other provision of TARA, this Deed of Trust or other Loan Document; and (3) shall pay all Rents as they accrue to the Beneficiary; and

(ii) that Tenant waives any right to delay payment of rent contemplated by Section 64.055(d) of TARA or numbered paragraph 3 of the statutory form of NPROL set forth in Section 64.056 of TARA.

Section 5.04. Prior Approval for Actions Affecting Leases. Grantor shall not, without the prior written consent of Beneficiary:

- (a) receive or collect Rents more than one month in advance;
- (b) encumber or assign future Rents;
- (c) waive or release any material obligation of any Tenant under the Leases;
- (d) cancel, terminate or modify any of the Leases; cause or permit any cancellation, termination or surrender of any of the Leases; or commence any proceedings for dispossession of any Tenant under any of the Leases, except upon default by the Tenant thereunder;
- (e) renew or extend any of the Leases, except pursuant to terms in existing Leases;
- (f) permit any assignment of the Leases; or
- (g) enter into any Leases after the date hereof.

Section 5.05. Settlement for Termination. Grantor agrees that no settlement for damages for termination of any of the Leases under any Applicable Bankruptcy Law shall be made without the prior written consent of Beneficiary, and any check in payment of such damages will be made payable to both Grantor and Beneficiary, whether or not a Default then exists.

Section 5.06. Beneficiary in Possession. Beneficiary's acceptance of this assignment shall not, prior to entry upon and taking possession of the Property by Beneficiary, be deemed to constitute Beneficiary a "mortgagee in possession," nor obligate Beneficiary to appear in or defend any proceedings relating to any of the Leases or to the Property, take any action hereunder, expend any money, incur any expenses, or perform any obligation or liability under the Leases, or assume any obligation for any deposits delivered to Grantor by any tenant and not delivered to Beneficiary. Beneficiary shall not be liable for any injury or damage to any person or property in or about the Property.

Section 5.07. Appointment of Attorney. Grantor hereby irrevocably appoints Beneficiary its attorney-in-fact, coupled with an interest, empowering Beneficiary to subordinate any Leases to this Deed of Trust.

Section 5.08. Indemnification. Grantor hereby indemnifies and holds Beneficiary (which shall include the directors, officers, partners, employees, representatives and agents of Beneficiary and any persons or entities owned or controlled by, owning or controlling, or under common control or affiliated with Beneficiary) harmless from all liability, damage or expense

imposed on or incurred by Beneficiary from any claims under the Leases, including, without limitation, any claims by Grantor with respect to payments of Rents made directly to Beneficiary after Default and claims by any tenant for security deposits or for rental payments more than one (1) month in advance and not delivered to Beneficiary. All amounts indemnified against hereunder, including, without limitation, attorneys' fees, if paid by Beneficiary shall bear interest at the maximum lawful rate and shall be payable by Grantor in accordance with Section 1.01 hereof. The foregoing indemnities shall not terminate upon the foreclosure, release or other termination of this Deed of Trust but will survive foreclosure of this Deed of Trust or conveyance in lieu of foreclosure and the repayment of the Obligation and the discharge and release of this Deed of Trust and the other Loan Documents.

Section 5.09. Records. Upon request by Beneficiary, Grantor shall deliver to Beneficiary executed copies of all Leases, Rent rolls in a format acceptable to Beneficiary and copies of all records relating thereto.

Section 5.10. Merger. There shall be no merger of the leasehold estates, created by the Leases, with the fee estate of the Land without the prior written consent of Beneficiary.

Section 5.11. Right to Rely. Grantor hereby irrevocably authorizes and directs the Tenants to pay Rents, including all accrued, but unpaid Rents to Beneficiary upon receipt of written notice from Beneficiary as provided in TARA, without further consent of Grantor. Any such payment to Beneficiary shall constitute payment to Grantor under the Leases. The provisions of this Section are intended solely for the benefit of the Tenants and shall never inure to the benefit of Grantor or any person claiming through or under Grantor, other than a Tenant who has not received such notice. The assignment of Rents set forth in Section 5.01 is not contingent upon any notice or demand by Beneficiary to the Tenants.

ARTICLE VI

SPECIAL PROVISIONS

Section 6.01. Condemnation Proceeds. Beneficiary shall be entitled to receive any and all sums which may be awarded or become payable to Grantor for the condemnation of the Property or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Grantor for damages caused by public works or construction on or near the Property. All such sums are hereby assigned to Beneficiary and Grantor shall, upon request of Beneficiary, make, execute, acknowledge and deliver any and all additional assignments and documents as may be necessary from time to time to enable Beneficiary to collect and receipt for any such sums. Beneficiary shall not be, under any circumstances, liable or responsible for failure to collect, or exercise diligence in the collection of, any of such sums. Any sums received by Beneficiary as a result of condemnation shall be applied to installments on the Obligation in inverse order of maturity. If there shall occur any condemnation of a part of the Property, and if (i) in the judgment of Beneficiary the Property can be restored, within a reasonable time and in any event prior to the date which is six (6) months prior to the maturity of the Obligation, to an economic unit not less valuable than the same was prior to such condemnation and adequately securing the obligation, and (ii) Beneficiary

receives assurances satisfactory to Beneficiary that tenancies or other sources of revenue from the Property will continue in full force and effect after restoration subject only to rent abatement during the period when any leased premises are untenable, then, if and so long as there is no Default hereunder, Beneficiary will make available to Grantor for such restoration, proceeds of condemnation, if any, collected by Beneficiary because of the act or occurrence and not restricted by any adverse claim thereto.

Section 6.02. Insurance Proceeds. The proceeds of any and all insurance upon the Property shall be collected by Beneficiary and Beneficiary shall have the option, in Beneficiary's sole discretion, to apply any proceeds so collected either to the restoration of the Property or to the liquidation of the Obligation. If there shall occur any insured damage to or destruction of the Property or any part thereof, and if (i) in the judgment of Beneficiary the Property can be restored, within a reasonable time and in any event prior to a date which is six (6) months prior to the maturity of the Obligation, to an economic unit not less valuable than the same was prior to such insured casualty and adequately securing the obligation, and (ii) Beneficiary receives assurances satisfactory to Beneficiary that tenancies or other sources of revenue from the Property will continue in full force and effect after restoration subject only to rent abatement during the period when any leased premises are untenable, then, if and so long as there is no Default hereunder, Beneficiary will make available to Grantor for such restoration, proceeds of insurance, if any, collected by Beneficiary because of the act or occurrence and not restricted by any adverse claim thereto.

Section 6.03. Reserve for Taxes, Assessments and Insurance Premiums. Upon Grantor's failure to perform the covenants of this Deed of Trust concerning the delivery to Beneficiary of evidence of the payment of taxes and insurance premiums on the Property and upon written request by Beneficiary, Grantor shall create a fund or reserve for the payment of all insurance premiums, taxes and assessments against or affecting the Property by paying to Beneficiary, on the first day of each calendar month prior to the maturity of the Note, a sum equal to the premiums that will next become due and payable on the property insurance policies covering the Property or any part thereof, plus taxes and assessments next due on the Property or any part thereof as estimated by Beneficiary, less all sums paid previously to Beneficiary therefor divided by the number of months to elapse before one (1) month prior to the date when such premiums, taxes and assessments will become due; such sums to be held by Beneficiary without interest, unless interest is required by applicable law, for the purposes of paying such premiums, taxes and assessments. Any excess reserve shall, at the discretion of Beneficiary, be credited by Beneficiary on subsequent reserve payments or subsequent payments to be made on the Note by the maker thereof, and any deficiency shall be paid by Grantor to Beneficiary on or before the date when such premiums, taxes and assessments shall become delinquent. In the event there exists deficiency in such fund or reserve at any time when taxes, assessments or insurance premiums are due and payable, Beneficiary may, but shall not be obligated to, advance the amount of such deficiency on behalf of Grantor and such amounts so advanced shall become a part of the Obligation, shall be immediately due and payable, and shall bear interest at the rate provided in the Note from the date of such advance through and including the date of repayment. Transfer of legal title to the Property shall automatically transfer the interest of Grantor in all sums deposited with Beneficiary under the provisions hereof or otherwise.

Section 6.04. Right to Accelerate Upon Transfer. Subject to the provisions of Section 6.11 below, if Grantor shall sell, convey, assign or transfer all or any part of the Property or any interest therein or any beneficial interest in Grantor, Beneficiary may, at Beneficiary's option, without demand, presentment, protest, notice of protest, notice of intent to accelerate, notice of acceleration or other notice, or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner on the Obligation, declare the Obligation to be immediately due and payable, which option may be exercised at any time following such sale, conveyance, assignment or transfer, and upon such declaration the entire unpaid balance of the Obligation shall be immediately due and payable. Beneficiary may, in Beneficiary's sole discretion and at Grantor's request, decide not to exercise said option, in which event Beneficiary's forbearance may be predicated on such terms and conditions as Beneficiary may, in Beneficiary's sole discretion require, including, but not limited to, Beneficiary's approval of the transferee's creditworthiness and management ability, the execution and delivery to Beneficiary by transferee prior to the sale, transfer, assignment or conveyance of a written assumption agreement containing such terms as Beneficiary may require, including, but not limited to, a payment of a part of the principal amount of the Obligation, an increase in the rate of interest payable by the Obligation, the payment of an assumption fee, a modification of the term of the Obligation and such other terms as Beneficiary may require, or Beneficiary may require any of such modifications of the terms of the Obligation without requiring an assumption thereof by the transferee. Should the Property be sold, traded, transferred, assigned, exchanged or otherwise disposed of without the prior written consent of Beneficiary and should payment of any portion of the Obligation thereafter be accepted by Beneficiary, such acceptance shall not be deemed a waiver of the requirement of Beneficiary's consent in writing thereto or with respect to any other sale, trade, transfer, assignment, exchange or other disposition. Notwithstanding the foregoing, said option shall not apply in case of sales or transfers of items of the Accessories which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to or greater than the replaced items when new.

Section 6.05. Subordinate Financing. If Grantor, without the prior written consent of Beneficiary, executes or delivers any pledge, security agreement, mortgage or deed of trust covering all or any portion of the Property (hereinafter called "Subordinate Mortgage"), Beneficiary may, at Beneficiary's option, which option may be exercised at any time following such pledge, security agreement, mortgage or deed of trust, without demand, presentment, protest, notice of protest, notice of intent to accelerate, notice of acceleration or other notice, or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner on the Obligation, declare the Obligation to be immediately due and payable. In the event of consent by Beneficiary to the granting of a Subordinate Mortgage, or in the event the above-described right of Beneficiary to declare the Obligation to be immediately due and payable upon the granting of a Subordinate Mortgage without the prior written consent of Beneficiary is determined by a court of competent jurisdiction to be unenforceable under the provisions of any applicable law, Grantor will not execute or deliver any Subordinate Mortgage unless (i) it shall contain express covenants to the effect: (a) that the Subordinate Mortgage is in all respects unconditionally subject and subordinate to the liens and security interests evidenced by this Deed of Trust and each term and provision hereof, including, without limitation, the Assignment of Leases and Rents; (b) that if any action or proceeding shall be instituted to foreclose the

Subordinate Mortgage (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), no tenant of any portion of the Property will be named as a party defendant, nor will any action be taken with respect to the Property which would terminate any Lease without the prior written consent of Beneficiary; (c) that the Rents, if collected through a receiver or by the holder of the Subordinate Mortgage, shall be applied first to the Obligation, including principal and interest due and owing on or to become due and owing on the Note and the other indebtedness secured hereby, and then to the payment of maintenance, operating charges, taxes, assessments, and disbursements incurred in connection with the ownership, operation and maintenance of the Property; and (d) that if any action or proceeding shall be brought to foreclose the Subordinate Mortgage (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), written notice of the commencement thereof will be given to Beneficiary contemporaneously with the commencement of such action or proceeding; and (ii) a copy thereof shall have been delivered to Beneficiary not less than ten (10) days prior to the date of the execution of such Subordinate Mortgage.

Section 6.06. Environmental Matters; Compliance with Laws. Grantor warrants and represents to Beneficiary that (a) the occupancy, operation, and use of the Property shall not violate any applicable law, statute, ordinance, rule, regulation, order, writs, injunctions, decrees, or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction (of record or otherwise) affecting the Property, including, without limitation, applicable zoning ordinances and building codes, the Americans with Disabilities Act of 1990, flood disaster laws and Applicable Environmental Laws, as they maybe amended from time to time (hereinafter sometimes collectively called the "Applicable Regulations"); (b) Grantor and any lessee of space from Grantor in the Property shall obtain all permits, licenses, or similar authorizations required by reason of any Applicable Regulations relating to pollution and the protection of health and the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems (hereinafter sometimes collectively called "Applicable Environmental Laws"), including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and the Resource Conservation and Recovery Act of 1976 ("RCRA"), as each is amended from time to time; and (c) the use that Grantor intends to make, or intends to allow, of the Property will not result in the disposal of or release of any hazardous substance or solid waste onto or into the Property, or any part thereof, in violation of any Applicable Environmental Laws. The terms (as used in this Deed of Trust) "hazardous substance" and "release" have the meanings specified in CERCLA, and the terms "solid waste" and "disposal" (or "disposed") have the meanings specified in RCRA. If either CERCLA or RCRA is amended to broaden the meaning of any term defined thereby, the broader meaning shall apply to this provision after the effective date of the amendment. Moreover, to the extent that Texas law establishes a meaning for "hazardous substance", "release", "solid waste", or "disposal" that is broader than that specified in either CERCLA or RCRA, the broader meaning shall apply.

Grantor agrees to give prompt written notices to Beneficiary of: (i) any proceeding or inquiry by any governmental or nongovernmental entity or person with respect to the presence of any hazardous substance on, in, under, from or about the Property, the migration thereof from or to other property, the disposal, storage, or treatment of any hazardous substance generated or

used on, under or about the Property, (ii) all claims made or threatened by any third party against Grantor or the Property or any other owner or operator of the Property relating to any loss or injury resulting from any hazardous substance, and (iii) Grantor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any investigation or cleanup of the Property pursuant to any Applicable Environmental Law. Grantor shall permit Beneficiary to join and participate in, as a party if it so elects, any legal proceedings or actions initiated with respect to the Property in connection with any Applicable Environmental Law or hazardous substance, and Grantor shall pay all attorneys' fees incurred by Beneficiary in connection therewith. If any remedial work is required by Applicable Environmental Law or is reasonably necessary in the opinion of Beneficiary, Grantor shall commence and thereafter diligently prosecute to completion all such remedial work within thirty (30) days after written demand by Beneficiary for performance thereof (or such shorter period of time as may be required under any Applicable Environmental Law). All remedial work shall comply with Applicable Environmental Laws after consultation and approval by the governing authority under the Applicable Environmental Law. Remedial work shall be performed by contractors approved in advance by Beneficiary, and under the supervision of a consulting engineer approved by Beneficiary. All costs and expenses of such remedial work shall be paid by Grantor including, without limitation, Beneficiary's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such remedial work. If Grantor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such remedial work, Beneficiary may, but shall not be required to, cause such remedial work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall become part of the Obligation.

Beneficiary (through its officers, employees and agents) upon the occurrence of a Default under the terms of this Deed of Trust or any of the Loan Documents, or if Beneficiary, in its sole discretion, reasonably believes an environmental condition might exist on the Property, may employ persons (the "Site Reviewers") to conduct environmental site assessments ("Site Assessments") on the Property to determine whether or not there exists on the Property any environmental condition which might result in any liability, cost or expense to the owner, occupier or operator of the Property arising under the Applicable Environmental Laws. The Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Beneficiary (so as not to unreasonably interfere with the operation of the Property). The Site Reviewers are authorized at their own risk to enter upon the Property and to perform above and below-the-ground testing (including, without limitation, taking of core samples) to determine environmental damage or presence of any hazardous substance or solid waste in, on or under the Property and such other tests as may be necessary or desirable, in the opinion of the Site Reviewers, to conduct Site Assessments. Grantor will supply to the Site Reviewers such historical and operational information available to Grantor regarding the Property as may be requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The cost of performing such Site Assessments will be paid by Grantor upon demand of Beneficiary, which, if not paid, will be added to the indebtedness secured by this Deed of Trust.

GRANTOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL SELECTED BY BENEFICIARY) AND HOLD BENEFICIARY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND ATTORNEYS AND ALL PARTIES ACTING ON BEHALF OF BENEFICIARY (THE "INDEMNIFIED PARTIES") HARMLESS FROM AND AGAINST, AND REIMBURSE INDEMNIFIED PARTIES WITH RESPECT TO, ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSS, DAMAGE, LIABILITIES, COSTS, AND EXPENSES (INCLUDING ATTORNEY'S FEES AND COURT COSTS) OF EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, FIXED OR CONTINGENT, ASSERTED AGAINST OR INCURRED BY INDEMNIFIED PARTY AT ANY TIME AND FROM TIME TO TIME BY REASON OF OR ARISING OUT OF ANY VIOLATION OF AN APPLICABLE ENVIRONMENTAL LAW AND ALL MATTERS ARISING OUT OF ACTS, OMISSIONS, EVENTS, OR CIRCUMSTANCES RELATING TO THE PROPERTY, GRANTOR OR GRANTOR'S BUSINESS (INCLUDING, WITHOUT LIMITATION, THE PRESENCE ON THE PROPERTY OR RELEASE FROM OR TO THE PROPERTY OF HAZARDOUS SUBSTANCES OR SOLID WASTES DISPOSED OF OR OTHERWISE RELEASED AND GRANTOR'S BREACH OF ANY OF ITS COVENANTS, REPRESENTATIONS OR INDEMNITIES UNDER THIS PROVISION), REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT, OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW AT THE TIME OF THE EXISTENCE OR OCCURRENCE. THE REPRESENTATIONS, COVENANTS, WARRANTIES AND INDEMNIFICATIONS HEREIN CONTAINED SHALL SURVIVE THE RELEASE AND/OR JUDICIAL OR NON-JUDICIAL FORECLOSURE (OR TRANSFER IN LIEU THEREOF) OF THE LIEN OF THIS DEED OF TRUST.

Section 6.07. Appraisals. Upon written request of Beneficiary, Grantor agrees to reimburse Beneficiary for the full cost of narrative appraisals of the Property, such appraisals being required from time-to-time in Beneficiary's sole discretion to re-evaluate the current value of the Property due to (a) a deterioration of Grantor's revenue from the Property, (b) an increase in Grantor's operating expenses for the Property, or (c) other events which would suggest a deterioration in the value of the Property. Each appraisal shall be ordered directly by Beneficiary from an appraiser satisfactory to Beneficiary and shall be in form and substance necessary to comply with all laws and regulations affecting Beneficiary. Grantor shall reimburse Beneficiary for any requested appraisal expense within thirty (30) days from the date of the written request by Beneficiary. Appraisals may be ordered by Beneficiary at any time in its sole discretion, but Grantor is required to reimburse Beneficiary for only one appraisal in any calendar year. Failure of Grantor to reimburse Beneficiary for any requested appraisal (not to exceed one appraisal in any twelve month period) shall constitute a Default under this Deed of Trust.

Section 6.08. Waiver of Deficiency Statute.

(a) In the event an interest in any of the Property is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Grantor agrees as follows. Notwithstanding the provisions of Section 51.003, 51.004 and 51.005 of the Texas Property Code (as the same may be amended from time to time), and to the extent permitted by law, Grantor agrees that Beneficiary shall be entitled to seek a deficiency judgment from Grantor and any other party obligated on the Note equal to the difference between the amount owing

on the Note and the amount for which the Property was sold pursuant to judicial or nonjudicial foreclosure sale. Grantor expressly recognizes that this section constitutes a waiver of the above-cited provisions of the Texas Property Code which would otherwise permit Grantor and other persons against whom recovery of deficiencies is sought or any guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Property as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Grantor further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Property for purposes of calculating deficiencies owed by Grantor, any guarantor, and others against whom recovery of a deficiency is sought.

(b) Alternatively, in the event the waiver provided for in subsection (a) above is determined by a court of competent jurisdiction to be unenforceable, the following shall be the basis for the finder of fact's determination of the fair market value of the Property as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Texas Property Code (as amended from time to time): (i) the Property shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Property will be repaired or improved in any manner before a resale of the Property after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Property for cash promptly (but no later than twelve (12) months) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Property, including, without limitation, brokerage commissions, title insurance, a survey of the Property, tax prorations, attorneys' fees, and marketing costs; (iv) the gross fair market value of the Property shall be further discounted to account for any estimated holding costs associated with maintaining the Property pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in connection with a determination of the fair market value of the Property must be given by persons having at least five (5) years experience in appraising property similar to the Property and who have conducted and prepared a complete written appraisal of the Property taking into consideration the factors set forth above.

Section 6.09. Collateral Protection Notice. In case of Grantor's failure to keep the Property properly insured as required herein, Beneficiary, after notice to Grantor, at its option may (but shall not be required to) acquire such insurance as required herein at Grantor's sole expense. **TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE: (A) GRANTOR IS REQUIRED TO (i) KEEP THE MORTGAGED PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT SPECIFIED HEREIN; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER OR OTHERWISE AS PROVIDED HEREIN; AND (iii)**

NAME BENEFICIARY AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS AS PROVIDED HEREIN; (B) SUBJECT TO THE PROVISIONS HEREOF, GRANTOR MUST, IF REQUIRED BY BENEFICIARY, DELIVER TO BENEFICIARY A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) SUBJECT TO THE PROVISIONS HEREOF, IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED IN THE FOREGOING SUBPARTS (A) OR (B), BENEFICIARY MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT GRANTOR'S EXPENSE.

Section 6.10. *Contest of Certain Claims.* Notwithstanding the provisions of Subsections 2.02(b) or 2.02(h) hereof, Grantor shall not be in default for failure to pay or discharge any tax, assessment, or mechanic's or materialman's lien asserted against the Property if, and so long as, (a) Grantor shall have notified Beneficiary of same within five days of obtaining knowledge thereof; (b) Grantor shall diligently and in good faith contest the same by appropriate legal proceedings which shall operate to prevent the enforcement or collection of the same and the sale of the Property or any part thereof, to satisfy the same; (c) Grantor shall have furnished to Beneficiary a cash deposit, or an indemnity bond satisfactory to Beneficiary with a surety satisfactory to Beneficiary, in the amount of the tax, assessment or mechanic's or materialman's lien claim, plus a reasonable additional sum to pay all costs, interest and penalties that may be imposed or incurred in connection therewith, to assure payment of the matters under contest and to prevent any sale or forfeiture of the Property or any part thereof; (d) Grantor shall promptly upon final determination thereof pay the amount of any such tax, assessment or claim so determined, together with all costs, interest and penalties which may be payable in connection therewith; (e) the failure to pay the tax, assessment or mechanic's or materialman's lien claim does not constitute a default under any other deed of trust, mortgage or security interest covering or affecting any part of the Property; and (f) notwithstanding the foregoing, Grantor shall immediately upon request of Beneficiary pay (and if Grantor shall fail so to do, Beneficiary may, but shall not be required to, pay or cause to be discharged or bonded against) any such tax, assessment or claim notwithstanding such contest, if in the reasonable opinion of Beneficiary the Property shall be in jeopardy or in danger of being forfeited or foreclosed.

Section 6.11. *Partial Release Provision.* Notwithstanding any other language contained herein to the contrary, and provided that Grantor is not otherwise in default in connection with the Obligation, Grantor shall, from time to time, be entitled to partial releases from the lien created by this Deed of Trust on portions of the Property as designated by Grantor in the manner set forth below on the payment of the amounts indicated. Partial releases shall be subject to the following conditions:

(a) Releases shall be permitted only as to the individual lots as detailed below and on Exhibit C attached hereto and made a part hereof for all purposes ("Lots"), each of which must be platted to the satisfaction of the Lender for commercial development.

(b) A Lot shall be released upon the payment to Lender of a principal reduction in accordance with the release schedule as set forth below. For purposes of this section, "net sales proceeds" shall be defined as gross sales proceeds less reasonable and necessary closing costs and commissions not to exceed eight percent (8%) of the sales

contract amount. Any deviation from the release schedule must be specifically approved by Lender.

(c) Each application for a partial release must be in writing and must be accompanied by a legal description and a survey of the Lot to be released.

(d) All expenses relating to a partial release, specifically including, without limitation, survey costs, legal fees, and recording fees, shall be borne solely by Borrower.

HAYS COMMERCE CENTER LOT RELEASE SCHEDULE						
Lot ID	Acreage	Square Feet	Base Release Price PSF	Base Release Total Price	Disposition Timing	Governed by Greater of BRP or Net Sale Proceeds
A1	3.392	147,756	\$ 7.00	\$ 1,034,289	7/1/19/-6/30/20	Yes
A2	11.716	510,349	\$ 3.50	\$ 1,786,221	7/1/18/-6/30/19	No
B1	5.091	221,764	\$ 3.50	\$ 776,174	7/1/17/-6/30/18	No
B2	4.950	215,622	\$ 3.50	\$ 754,677	7/1/17/-6/30/18	No
B3	3.394	147,843	\$ 3.50	\$ 517,449	7/1/17/-6/30/18	No
C1	2.974	129,547	\$ 6.00	\$ 777,285	7/1/18/-6/30/19	Yes
C2	1.880	81,893	\$ 6.00	\$ 491,357	7/1/20/-6/30/21	Yes
C3	5.115	222,809	\$ 5.60	\$ 1,247,733	7/1/21/-6/30/22	Yes
C4	1.429	62,247	\$ 14.00	\$ 871,461	7/1/19/-6/30/20	Yes
C5	1.515	65,993	\$ 14.00	\$ 923,908	7/1/20/-6/30/21	Yes
Cavalier Sub	4.203	183,083	\$ -	\$ -		NA - Pond
D1	1.214	52,882	\$ 10.00	\$ 528,818	7/1/21/-6/30/22	Yes
D2	1.191	51,880	\$ 10.00	\$ 518,800	7/1/21/-6/30/22	Yes
D3	2.024	88,165	\$ 10.00	\$ 881,654	7/1/21/-6/30/22	Yes
D4	1.129	49,179	\$ 4.50	\$ 221,307	7/1/20/-6/30/21	Yes
D5	3.251	141,614	\$ -	\$ -		NA - Pond
D6B	12.819	558,396	\$ 3.69	\$ 2,060,480	7/1/18/-6/30/19	No
D7	5.770	251,341	\$ -	\$ -		NA - Pond
D8	2.430	105,851	\$ 6.00	\$ 635,105	7/1/21/-6/30/22	Yes
D9	1.521	66,255	\$ 14.00	\$ 927,567	7/1/19/-6/30/20	Yes
	77.008	3,354,468		\$14,954,283		

ARTICLE VII

MISCELLANEOUS

Section 7.01. *Covenants Running with the Land; Release.* The Obligation contained in this Deed of Trust and the other Loan Documents are intended by Grantor, Beneficiary, and Trustee to be, and shall be construed as, covenants running with the Property until the lien of this Deed of Trust has been fully released by Beneficiary. If the Obligation is paid in full in accordance

with the terms of this Deed of Trust and the Loan Documents, and if Grantor shall well and truly perform all of Grantor's covenants contained herein, then this conveyance shall become null and void and be released at Grantor's request and expense and Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereunder or in the Loan Documents.

Section 7.02. Rights Cumulative. Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available at law or in equity (including, without limitation, those granted by the Code and applicable to the Property or any portion thereof), and the same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Grantor or others obligated for the Obligation or any part thereof, or against any one or more of them, or against the Property, at the sole discretion of Beneficiary, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise, discontinuance of the exercise of or failure to exercise any of the same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. All rights and remedies of Beneficiary hereunder and under the other Loan Documents shall extend to any period after the initiation of foreclosure proceedings, judicial or otherwise, with respect to the Property.

Section 7.03. Waiver. Any and all covenants in this Deed of Trust may, from time to time, by instrument in writing signed by Beneficiary and delivered to Grantor, be waived to such extent and in such manner as Beneficiary may desire, but no such waiver shall ever affect or impair Beneficiary's rights, remedies, powers, privileges, liens, titles and security interests hereunder except to the extent so specifically stated in such written instrument. No waiver of any Default on the part of Grantor or a breach of any of the provisions of this Deed of Trust or of any Loan Document shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. No notice to or demand on Grantor in any case shall of itself entitle Grantor to any other or further notice or demand in similar or other circumstances. The granting of any consent or approval by Beneficiary shall be limited to the specific instance and shall not waive or exhaust the requirement of consent or approval in any other instance. Except as otherwise specified herein, in any instance hereunder where Beneficiary's approval or consent is required or the exercise of Beneficiary's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Beneficiary, and Beneficiary shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of the request or of Beneficiary's judgment.

Section 7.04. Payments. Remittances in payment of any part of the Obligation other than in the required amount in funds immediately available at the place where the Note is payable shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Beneficiary in funds immediately available at the place where the Note is payable (or such other place as Beneficiary, in Beneficiary's sole discretion, may have established by delivery of written notice thereof to Grantor) and shall be made and

accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Beneficiary of any payment in an amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be a default.

Section 7.05. Exceptions to Covenants. Grantor shall not be deemed to be permitted to take any action or to fail to take any action with respect to any particular covenant or condition contained herein or in any of the Loan Documents if the action or omission would result in the breach of any other covenant or condition contained herein or in any of the Loan Documents which has not been specifically waived or consented to by Beneficiary, nor shall Beneficiary be deemed to have consented to any such act or omission if the same would provide cause for acceleration of the Obligations as a result of the breach of any other covenant or condition contained herein or in any of the Loan Documents which has not been specifically waived or consented to by Beneficiary.

Section 7.06. Change of Security. Any part of the Property may be released, regardless of consideration, by Beneficiary from time to time without impairing, subordinating or affecting in any way the lien, security interest and other rights hereof against the remainder. The lien, security interest and other rights granted hereby shall not be affected by any other security taken for the Obligation or any part thereof. The taking of additional collateral, or the amendment, extension, renewal, increase or rearrangement of the Obligation or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser or guarantor or improve the right of any junior lienholder; and this Deed of Trust, as well as any instrument given to secure any amendment, renewal, extension, increase or rearrangement of the Obligation or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Property not expressly released until the Obligation is fully paid and performed and discharged.

Section 7.07. Controlling Agreement. The parties hereto intend to conform strictly to the applicable usury laws. All agreements between Grantor (and any other party liable for any part of the Obligation) and Beneficiary, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no event whatsoever, whether by reason of acceleration of the maturity of the Obligation or otherwise, shall the interest contracted for, charged or received by Beneficiary hereunder or otherwise exceed the maximum amount permissible under applicable law. If from any circumstances whatsoever interest would otherwise be payable to Beneficiary in excess of the maximum lawful amount, the interest payable to Beneficiary shall be reduced automatically to the maximum amount permitted under applicable law. If Beneficiary shall ever receive anything of value deemed interest under applicable law which would apart from this provision be in excess of the maximum lawful amount, the amount which would have been excessive interest shall be applied to the reduction of the principal amount owing on the Obligation in inverse order of maturity and not to the payment of interest, or if such amount which would have been excessive interest exceeds the unpaid principal balance of the Obligation, such excess shall be refunded to Grantor, or to the maker of the Note or other evidence of indebtedness if other than Grantor. All interest paid or agreed to be paid to Beneficiary shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term, including any renewal or

extension, of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the maximum permitted by applicable law.

Section 7.08. Effect of Transfer on Grantor's Liability. If the ownership (legal or beneficial) of the Property or any part thereof becomes vested in a person other than Grantor, or in the event of a change in ownership (legal or beneficial) of any Grantor other than an individual, Beneficiary may, without notice to or consent of Grantor or Grantor's successors, deal with such successor or successors in interest with reference to this Deed of Trust and the Obligation either by way of forbearance on the part of Beneficiary, or extension of time of payment of the Obligation, or release of all or any part of the property or any other property securing payment of the Obligation, or otherwise, without in any way modifying or affecting Beneficiary's rights and liens hereunder or the liability of Grantor or any other party liable for payment of the Obligation, in whole or in part.

Section 7.09. Waiver of Right to Marshal. Grantor hereby waives all rights of marshaling in the event of any foreclosure of the liens and security interests hereby created.

Section 7.10. Subrogation. To the extent that proceeds of the Obligation are used to renew, extend or pay any outstanding debt or to perform any obligation, such proceeds have been advanced by Beneficiary at Grantor's request, and Beneficiary shall be subrogated to all liens, security interests, rights, priorities, powers, titles, equities and interests owned or held by any owner or holder of such outstanding debt or obligation, however remote, irrespective of whether the same are released of record, and all of the same are recognized as valid and subsisting and are renewed, continued and preserved in force to secure the Obligation; provided, however, that if and to the extent Beneficiary desires in each case, the terms and provisions hereof and of the other Loan Documents shall govern the rights and remedies of Beneficiary and shall supersede the terms, provisions, rights, and remedies under any lien, security interest, charge or other encumbrance to which Beneficiary is subrogated hereunder.

Section 7.11. Reliance by Beneficiary. Grantor recognizes and acknowledges that in entering into the loan transaction evidenced by the Loan Documents and accepting this Deed of Trust, Beneficiary is expressly and primarily relying on the truth and accuracy of the foregoing warranties and representations set forth in Section 2.01 hereof without any obligation to investigate the Property and notwithstanding any investigation of the Property by Beneficiary; that such reliance exists on the part of Beneficiary prior hereto; that such warranties and representations are a material inducement to Beneficiary in making the loan evidenced by the Loan Documents and the acceptance of this Deed of Trust; and that Beneficiary would not be willing to make the loan evidenced by the Loan Documents and accept this Deed of Trust in the absence of any of such warranties and representations.

Section 7.12. Notice. (a) All notices, requests, demands or other communications required or permitted to be given pursuant to this Deed of Trust shall be in writing and given by (i) personal delivery, (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, sent to the intended addressee at the address set forth on the first page hereof and will be deemed to have been received either, in the case of personal delivery, as of the time of personal delivery, in the case of

expedited delivery service, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of mail, upon deposit in a depository receptacle under the care and custody of the United States Postal Service. Either party will have the right to change its address for notice hereunder to any other location within the continental United States by notice to the other party of such new address at least 30 days prior to the effective date of such new address. (b) Beneficiary and Grantor agree that no notices or other communications by electronic means between such parties or their representatives in connection with this Deed of Trust or any instrument executed in connection herewith shall constitute a transaction, agreement, contract or electronic signature under the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act or any other statute governing electronic transactions, unless otherwise specifically agreed to in writing.

Section 7.13. Enforceability. If any provision of this Deed of Trust or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Deed of Trust nor the application of such provision to any other person or circumstances shall be affected thereby, but rather the same shall be enforced to the greatest extent permitted by law. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the Obligation, the portion of the Obligation which as the result of such invalidity or unenforceability is no longer secured by the liens and security interests herein granted shall be completely paid prior to the payment of the portion, if any, of the Obligation which shall continue to be secured hereunder, and all payments made on the Obligation shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Obligation.

Section 7.14. Binding Effect. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto and shall be covenants running with the Land. The term "Grantor" shall include in their individual capacities and jointly all parties hereinabove named a Grantor. The duties, covenants, conditions, obligations, and warranties of Grantor in this Deed of Trust shall be joint and several obligations of Grantor and, if more than one, of each party named a Grantor hereinabove, and each such party's heirs, personal representatives, successors and assigns. Each party who executes this Deed of Trust and each subsequent owner of the Property or any part thereof (other than Beneficiary), covenants and agrees that it will perform, or cause to be performed, each term, provision, covenant and condition of this Deed of Trust.

Section 7.15. Headings; Construction. The headings which have been used throughout this Deed of Trust have been inserted for convenience of reference only and do not constitute matter to be construed in interpreting this Deed of Trust. Words of any gender used in this Deed of Trust shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. The words "herein," "hereof," "hereunder" and other similar compounds of the words "here" when used in this Deed of Trust shall refer to the entire Deed of Trust and not to any particular provision or section.

Section 7.16. Counterparts. To facilitate execution, this Deed of Trust may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Deed of Trust to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages.

Section 7.17. Controlling Law; Venue. This Deed of Trust is executed and delivered as an incident to a lending transaction negotiated and consummated in Bexar County, Texas, and shall be governed by and construed in accordance with the laws of the State of Texas. Grantor, for itself and its successors and assigns, hereby irrevocably (a) submits to the nonexclusive jurisdiction of the state and federal courts in Texas, (b) waives, to the fullest extent permitted by law, and objection that it may now or in the future have to the laying of venue of any litigation arising out of or in connection with any Loan Document brought in the District Court of Bexar County, Texas, or in the United States District Court for the Western District of Texas, San Antonio, Division, (c) waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in such court or that such court is an inconvenient forum, and (d) agrees that any legal proceeding against any party to any Loan Document arising out of or in connection with any of the Loan Documents may be brought in one of the foregoing courts. Nothing herein shall affect the right of Beneficiary to serve process in any manner permitted by law or shall limit the right of Beneficiary to bring any action or proceeding against Grantor or with respect to any of Grantor's property in courts in other jurisdictions. The scope of each of the foregoing waivers is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Grantor acknowledges that these waivers are a material inducement to Beneficiary's agreement to enter into agreements and obligations evidenced by the Loan Documents that Beneficiary has already relied on these waivers and will continue to rely on each of these waivers in related future dealings. The waivers in this section are irrevocable, meaning that they may not be modified either orally or in writing, and these waivers apply to any future renewals, extensions, amendments, modifications, or replacements in respect of the applicable Loan Document. In connection with any litigation, this Deed of Trust may be filed as a written consent to a trial by the court.

Section 7.18. Purpose. The Note is given in part in renewal and extension of all sums left owing and unpaid by Grantor herein upon that one certain promissory note in the principal sum of \$7,920,000.00, dated May 20, 2015, executed by Grantor and payable to the order of Beneficiary, more fully described in and secured by a Deed of Trust, Security Agreement –Financing Statement of even date therewith, duly recorded in Volume 5220, Page 524 of the Official Public Records of Real Property of Hays County, Texas, upon the Property, which lien is hereby expressly acknowledged by Grantor to be a valid and subsisting lien against the Property, and it is expressly

agreed that said lien is hereby renewed, extended and continued in full force and effect to secure the payment of the Note. The Note is also given for certain sums to be advanced for construction of Improvements pursuant to the Loan Agreement. This Deed of Trust is a construction mortgage as that term is defined in the Texas Business and Commerce Code.


*(Remainder of this page is intentionally blank.
Signatures appear on next page.)*

EXECUTED to be effective as of the date first above written.

GRANTOR:

RR HPI, LP,
a Texas limited partnership

By: RR HPI GP, Inc.
a Texas corporation,
its general partner


By: 
Richard S. Hill, President

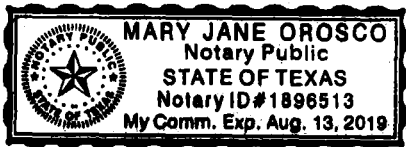
Schedule of Exhibits:

- Exhibit A - Land
- Exhibit B - Permitted Exceptions

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 25 day of April, 2018, by Richard S. Hill, President of RR HPI GP, Inc., a Texas corporation, general partner of RR HPI, LP, a Texas limited partnership on behalf of said limited liability company on behalf of said limited partnership.


Notary Public in and for the State of Texas



Signature Page

Deed of Trust
RR HPI, LP (9002)
4345478.3

**EXHIBIT A
TO
DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT**

Property

TRACT 1:

Lot(s) 2, Block A, CAVALIER SUBDIVISION, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded in Volume 18, Page(s) 123 of the Plat Records of Hays County, Texas.

TRACT 2:

Lot(s) 1, Block C, HAYS COMMERCE PHASE 1, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded under Document No. 16034148 of the Official Public Records of Hays County, Texas.

TRACT 3:

Lots 1 and 2, Block A and Lots 1, 2 and 3, Block B; HAYS COMMERCE PHASE 2A, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded under Document No. 16034294 of the Official Public Records of Hays County, Texas.

TRACT 4:

Lot(s) 2, 3, 4 and 5, Block C; and Lots 1, 2, 3, 4, 5, 6B, 7, 8 and 9, Block D, HAYS COMMERCE PHASE 3, a subdivision in Hays County, Texas, according to the map or plat thereof, recorded under Document No. 18006127 of the Official Public Records of Hays County, Texas.

EXHIBIT B
TO
DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT

Permitted Exceptions

1. The following restrictive covenants of record itemized below:

Volume 18, Page(s) 123 of the Plat Records (TRACT 1);
Volume 1772, Page 570 of the Official Public Records (TRACTS 1, 2, 3 and 4);
Volume 4205, Page 234 of the Official Public Records (TRACT 4)
Document No. 16034148 of the Official Public Records (TRACT 2);
Document No. 16034481 of the Official Public Records (ALL TRACTS);
Document No. 16034294 of the Official Public Records (TRACT 3);
Document No. 18006127 of the Official Public Records (TRACT 4);
all as recorded in Hays County, Texas.

2.
 - a. Drainage and public utility easement across the entirety of subject property, as shown by the Plat(s) recorded in Volume 18, Page 123 of the Plat Records of Hays County, Texas. (TRACT 1)

 - b. Public utility easement 15 feet in width along all street right of way property lines, 5 feet in width along all side property lines and 10 feet in width along all rear property line(s), as stated on the Plat(s) recorded in Volume 18, Page 123 of the Plat Records of Hays County, Texas. (TRACT 1)

 - c. Intentionally Deleted.

 - d. Intentionally Deleted.

 - e. Drainage easement 15 feet in width across the east portion of property near the F.M.967 property line(s), as shown by the Plat(s) recorded under Document No(s). 16034148 of the Official Public Records of Hays County, Texas. (TRACT 2)

 - f. Wastewater easement 15 feet in width across the east portion of property near the F.M.967 property line(s), as shown by the Plat(s) recorded under Document No(s). 16034148 of the Official Public Records of Hays County, Texas. (TRACT 2)

 - g. Water easement 15 feet in width along the southwest property line(s), as shown by the Plat(s) recorded under Document No(s). 16034148 of the Official Public Records of Hays County, Texas. (TRACT 2)

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Deed of Trust
RR HPI, LP (9002)
4345478.3

- h. Public utility easement 15 feet in width along all street right of way property line(s), 5 feet in width along the side property lines, and 10 feet in width along rear property lines, as stated on the Plat(s) recorded under Document No(s). 16034148 of the Official Public Records of Hays County, Texas. (TRACT 2)
- i. Building setback 35 feet in width along the F.M.967 property line(s), as shown by the Plat(s) recorded under Document No(s). 16034148 of the Official Public Records of Hays County, Texas. (TRACT 2)
- j. Any and all easements and building setbacks shown on Plat(s) recorded under Document No(s). 16034294 of the Official Public Records of Hays County, Texas. (TRACTS 3 AND 4)
- k. Public utility easement 15 feet in width along all street right of way property line(s), 5 feet in width along the side property lines, and 10 feet in width along rear property lines, as stated on the Plat(s) recorded under Document No(s). 16034294, further affected by instrument recorded under Document No. 18013020 of the Official Public Records of Hays County, Texas. (TRACTS 3 AND 4)
- l. An undivided 1/16 royalty interest in all oil, gas and other minerals, together with all rights relating thereto, express or implied, reserved in instrument recorded in Volume 119, Page 373 and Volume 124, Page 351 of the Deed Records of Hays County, Texas. Said mineral estate not traced further herein. (TRACT 4)
- m. Intentionally Deleted.
- n. Communications easement (blanket) granted to General Telephone Company of the Southwest by instrument dated December 16, 1960, recorded in Volume 185, Page 220 of the Deed Records of Hays County, Texas. (TRACTS 1, 2, 3 and 4)
- o. Underground facilities easement granted to Southwestern Bell Telephone Company, by instrument dated August 1, 1973, recorded in Volume 261, Page 490 of the Deed Records of Hays County, Texas. (TRACTS 1, 2 and 4)
- p. Electric and/or telephone transmission or distribution line easement, together with rights of ingress and egress over adjacent lands, granted to Pedernales Electric Cooperative, Inc., by instrument dated May 9, 1984, recorded in Volume 518, Page 320 of the Real Property Records of Hays County, Texas. (TRACTS 1 and 4)
- q. The terms, conditions and stipulations of that certain Water Pipeline Easement and Water Service Agreement dated July 11, 1986, recorded in Volume 639, Page 102 of the Real Property Records of Hays County, Texas.(TRACTS 3 and 4)

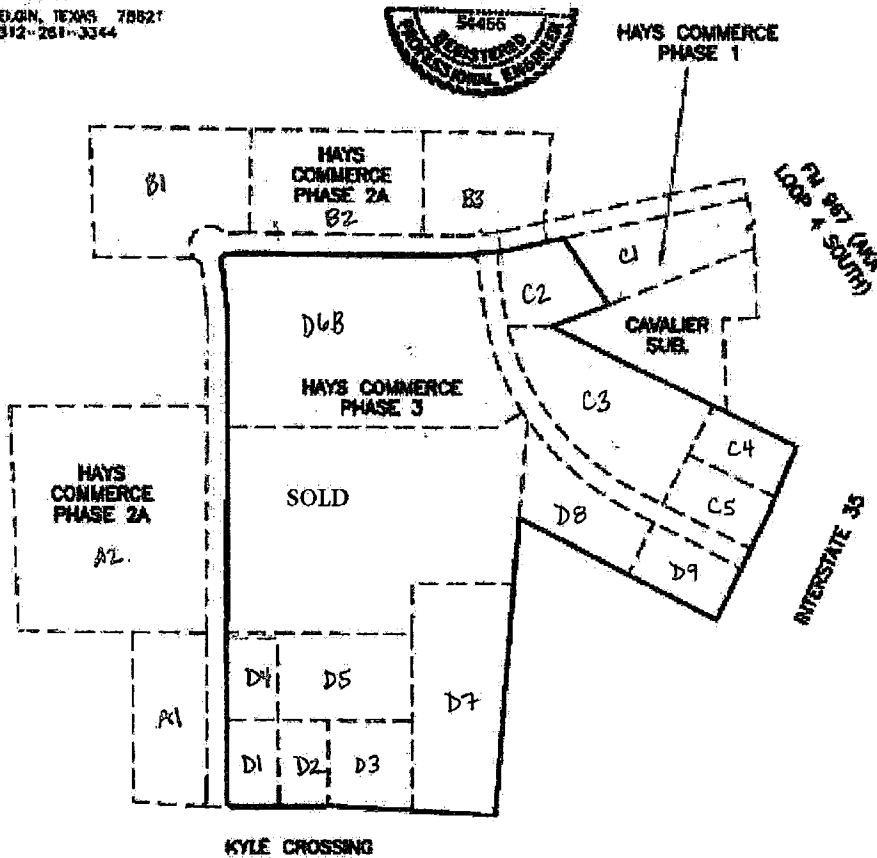
- r. Electric transmission and/or distribution line easement, together with rights of ingress and egress over adjacent lands, granted to Pedernales Electric Cooperative, Inc., by instrument dated November 13, 1986, recorded in Volume 643, Page 29 of the Real Property Records of Hays County, Texas.
- s. Water pipeline and/or distribution lines or system and appurtenances easement granted to Texas Water Services, Inc., by instrument dated August 24, 2001, recorded in Volume 1867, Page 289 of the Official Public Records of Hays County, Texas. (TRACTS 3 and 4)
- t. Intentionally Deleted.
- u. Intentionally Deleted.
- v. Intentionally Deleted.
- w. Intentionally Deleted.
- x. Waterline easement and right-of-way granted to Monarch Utilities I, L.P., by instrument dated December 15, 2009, recorded in Volume 3794, Page 883 of the Official Public Records of Hays County, Texas. (TRACTS 3 and 4)
- y. Subject to all definitions, easements, covenants, limitations, conditions, rights, privileges, obligations, liabilities, and all other terms and provisions of that certain Declaration Regarding Common Areas, Stormwater Drainage and Detention Pond Easements, recorded under Document No. 16034481 of the Official Public Records of Hays County, Texas. (ALL TRACTS)
- z. Liens securing assessments and/or charges payable to the Common Improvements Maintenance Coordinator as set out in Declaration Regarding Common Areas, Stormwater Drainage and Detention Pond Easements recorded under Document No. 16034481 of the Official Public Records of Hays County, Texas. (ALL TRACTS)
- aa. The rights of Plum Creek Conservation District to levy taxes and issue bonds.
- bb. The rights of Plum Creek Ground Water District to levy taxes and issue bonds.
- cc. The subject property has frontage or abuts Interstate Highway 35, which is a controlled access highway.
- dd. Any and all easements and building setbacks shown or stated on Plat(s) recorded under Document No. 18006127 of the Official Public Records of Hays County, Texas. (TRACT 4)

- ee. The terms, conditions and stipulations of that certain Declaration of Reciprocal Access Easement dated February 27, 2018, recorded under Document No. 18008960 of the Official Public Records of Hays County, Texas. (TRACT 4, Lot 6B)
- ff. Water line easement granted to Monarch Utilities I, L.P., by instrument dated February 26, 2018, recorded under Document No. 18009906 of the Official Public Records of Hays County, Texas. (TRACT 3)
- gg. Water line easement granted to Monarch Utilities I, L.P., by instrument dated February 26, 2018, recorded under Document No. 18009907 of the Official Public Records of Hays County, Texas. (TRACT 4, Lot 7)
- hh. The terms, conditions and stipulations of that certain Option Agreement dated March 1, 2018, as evidenced by Memorandum of Option Agreement recorded under Document No. 18008984 of the Official Public Records of Hays County, Texas. (TRACT 4, Lot 6B)

**EXHIBIT C
TO
DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT**

Lots

Phase 5:
ELGIN, TEXAS 78821
312-261-3344

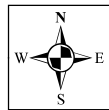
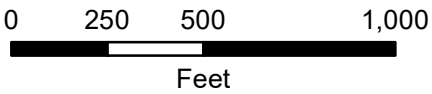
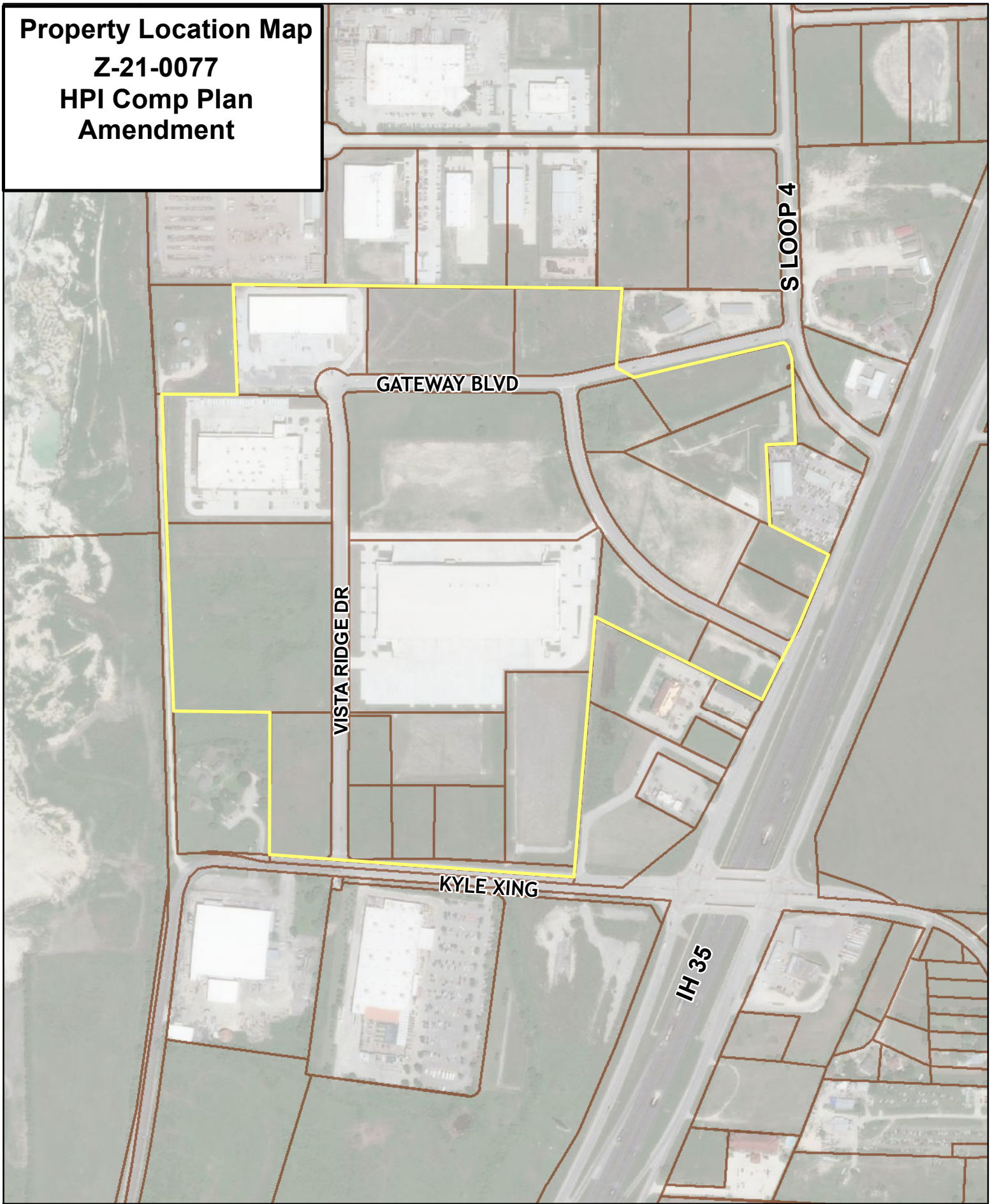


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Deed of Trust
RR HPI, LP (9002)
4345478.3

Property Location Map

Z-21-0077
HPI Comp Plan
Amendment



 Property Location

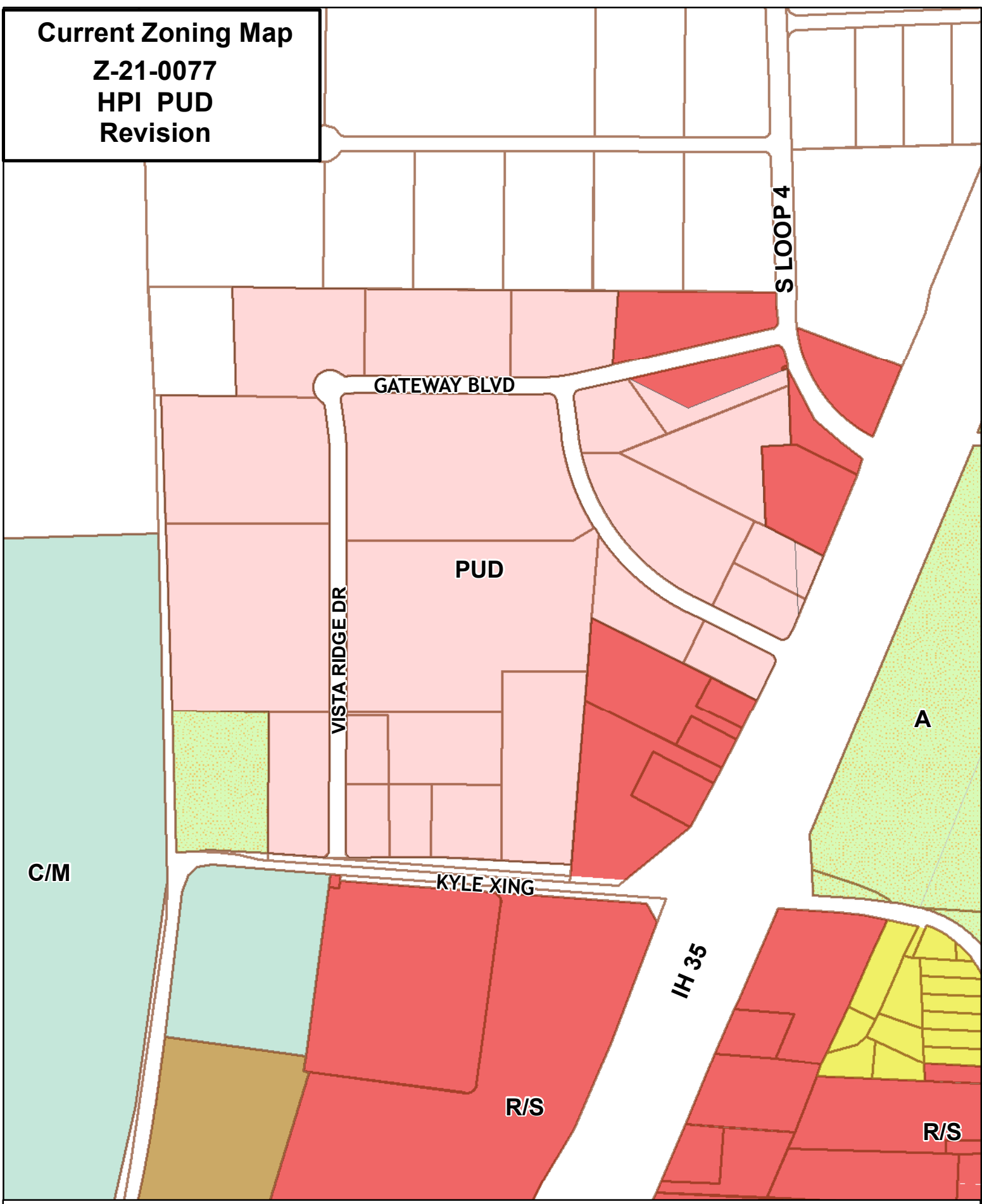
 Parcel Lines

Current Zoning Map

Z-21-0077

HPI PUD

Revision



C/M

GATEWAY BLVD

PUD

VISTA RIDGE DR

SLOOP 4

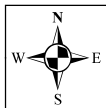
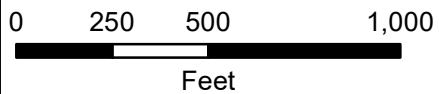
A

KYLE XING

IH 35

R/S

R/S

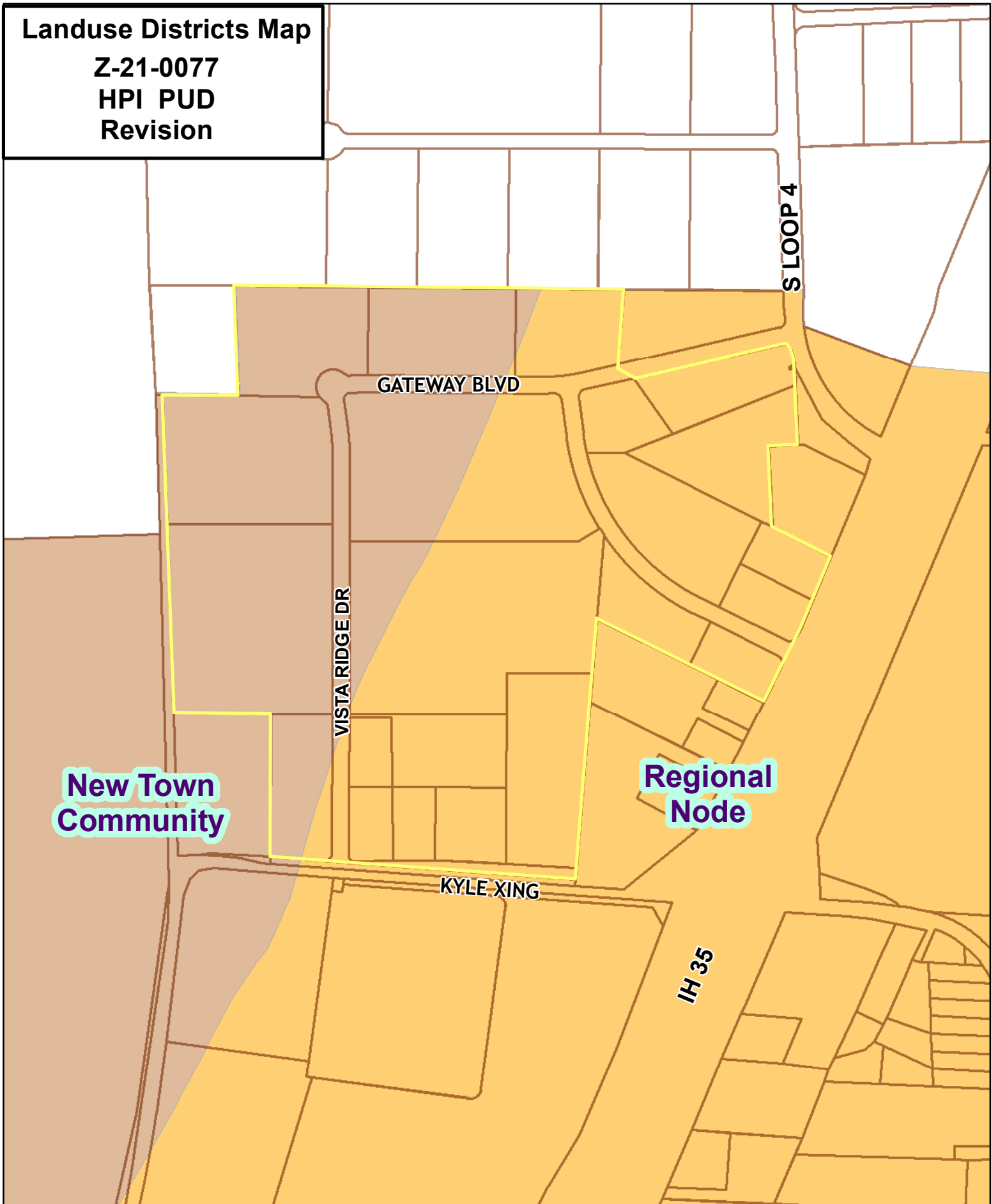


 Property Location

 Parcel Lines

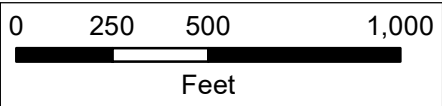
Landuse Districts Map

Z-21-0077
HPI PUD
Revision



New Town
Community

Regional
Node



Property Location

Parcel Lines

EXHIBIT B
DEVELOPMENT PLAN
RECOVERY HP BUSINESS PARK
PLANNED UNIT DEVELOPMENT
FIRST AMENDMENT

THE STATE OF TEXAS
COUNTY OF HAYS

THIS DEVELOPMENT PLAN (this “Plan”) is adopted and approved by the CITY OF KYLE, TEXAS (hereinafter referred to as the “City”).

SECTION 1. GENERAL PROVISIONS

1. CONFORMITY WITH DEVELOPMENT STANDARDS

That all uses and development within the Property shall conform to the Development Standards included in Section II herein.

2. CHANGES AND MODIFICATIONS

No changes or modifications will be made to the Plan unless all provisions pertaining to changes or modifications as stated in Section II.13 below are followed.

3. ZONING VIOLATION

Any person, firm, corporation or other entity violating any conditions or terms of the Plan shall be subject to any and all penalties for the violation of any zoning ordinance provisions as stated in Chapter 53, Article IX Administration, Section 53-1203 and Section 53-1204, Code of Ordinances, City of Kyle, Texas, as amended.

4. MISCELLANEOUS PROVISIONS

4.1 Severability

In case one or more provisions contained in this Plan are deemed invalid, illegal or unenforceable in a respect such invalidity, illegality, or unenforceability shall not affect any other provisions of this Plan and in such event, this Plan shall be construed as if such invalid, illegal or unenforceable provision had never been contained in the Plan.

4.2 Venue

All obligations of the Plan are performable in Hays County, Texas, and venue for any action shall be in Hays County.

4.3 Effective Date

This Plan shall be effective from and after the date of approval by the City Council.

SECTION II. DEVELOPMENT STANDARDS

1. DEFINITIONS

Words and terms used herein shall have their usual force and meaning, or as defined in the Code of Ordinances of the City of Kyle, Texas, as amended, hereinafter referred to as "the Code".

2. PROPERTY

This Plan covers approximately 107.247 acres of land, located within the city limits of Kyle, Texas, and more particularly described in **EXHIBIT "A"**.

3. PURPOSE

The purpose of the Plan is to ensure a PUD that 1) is equal to, superior than and/or more consistent than that which would occur under the standards ordinance requirements, 2) is in harmony with the Comprehensive Plan, as amended, 3) does not have an undue adverse effect upon adjacent property, the character of the neighborhood, traffic conditions, parking, utilities or any other matters affecting the public health, safety and welfare, 4) is adequately provisioned by essential public facilities and services, and 5) will be developed and maintained so as not to dominate, by scale or massing of structures, the immediate neighboring properties or interfere with their development or use.

4. APPLICABILITY OF CITY ORDINANCES

4.1 Zoning and Subdivision Ordinances

forward 2/9

The Property shall be regulated for the purpose of development and occupancy by the Plan, this ordinance, and applicable provisions of the Zoning Ordinance. All aspects not specifically covered by this Plan shall be regulated by the **CM Construction Manufacturing and W Warehouse Zoning Districts** and other sections of the Zoning Ordinance and the Code, as applicable and as amended. If there is a conflict between this Plan and the Zoning Ordinance or the Code, the Plan shall supersede conflicting provisions of the Code.

4.2 Other Ordinances

All other Ordinances within the Code shall apply to the Property, except as clearly modified by this Plan. In the event of a conflict, the Plan shall control.

5. COMPATIBILITY WITH THE COMPREHENSIVE PLAN

The majority of this property is located within the New Town Community District which specifies the Retail Services District as a recommended use and the Construction Manufacturing District and Warehouse District as conditional uses.

The frontage along IH-35 is located within a Regional Node which specifies the Retail Services District as a conditional use. The Construction Manufacturing District and Warehouse District are not listed as recommended or conditional uses within a Regional Node. Therefore, the portion of property that is located within the Regional Node will only be allowed to have uses that are specifically listed in the Retail Services District, so that the PUD is consistent with the Comprehensive Plan.

6. PERMITTED AND PROHIBITED USES

6.1 Permitted Uses

The following principal uses are permitted on the Property:

All uses permitted in the RS Retail Services Zoning District except prohibited uses listed in this Plan;

All uses permitted in the W Warehouse Zoning District except prohibited uses listed in this Plan; and

All uses permitted in the CM Construction Manufacturing Zoning District except prohibited uses listed in this Plan.

6.2 Prohibited Uses

The following uses are prohibited on the Property: mini-warehouses, sexually oriented businesses, portable buildings sales, amusement parks or carnivals, wholesale nurseries, recreational vehicle parks, recreational vehicle sales, new and used car sales, outdoor shooting ranges, pawn shops, heavy equipment sales, kennels (not prohibiting veterinary clinics with overnight facilities), auto body shops and paint shops, truck stops, flea markets, R.V. or boat sales, wrecking yards, tattoo parlors, concrete ready mix plant, explosives manufacturer, industrial gases manufacturer, lime manufacturer, limestone mining, lumber mill, manufactured homes manufacturer, mobile homes manufacturer, mulch and reconstituted wood manufacturer, precast concrete manufacturer, sawmill, steel and pipe manufacturer, trailer hitch and trailer manufacturer, used and salvaged auto part sales, construction sand and gravel sales, heavy equipment rentals, garage collection service, oil and well drilling service, scrap and metals recycling, septic tank cleaning, portable toilet rentals and sales, petroleum bulk terminals, and uses not otherwise authorized in the RS, W, and CM Districts.

7. LOT STANDARDS

7.1 Height

The maximum height of buildings on the Property shall be sixty (60) feet.

7.2 Building Setbacks

Minimum front yard setbacks shall be twenty five (25) feet.

Minimum front yard setback along IH-35 frontage road and Kyle Crossing shall be twenty five (25) feet and shall be designated on the Final Plat and Site Development Plans as a Pedestrian and Landscape Easement. No parking or structures are allowed within the Pedestrian and Landscape Easement. The IH-35 frontage road and Kyle Crossing shall both be considered as the front of the property.

Minimum side yard setbacks shall be twenty (20) feet from all side lot lines and any internal streets.

Minimum rear yard setbacks shall be twenty (20) feet from all rear lot lines and any internal streets.

8. LANDSCAPE STANDARDS

8.1 Landscape Area

At least 20 percent of street yard must be landscaped.

8.2 Determining Street Yard

The exact configuration of a street yard (or street yards) on a site will depend on how a number of factors interrelate on that site. Among these factors are:

- Type and location of building walls.
- Number of streets that border the site.
- Number, size, and orientation of buildings on the site.
- Whether there is a building on the site or just a parking lot.

The street yard area is calculated by finding the total lot square footage which lies between the street right-of-way line and the front wall of a building or buildings on a site. This street yard boundary extends from the outward-most corners of the front wall, parallel to the street until it intersects with the side property lines, or another building on site, then to the side property lines.

The building wall line shall include irregular shapes or indentions of the building wall, but exclude unenclosed porches, canopies and exterior columns.

On a site or portion of a site used only for parking purposes or as a commercial or private parking lot, the street yard shall consist of the area between the street right-of-way line and the midpoint of the lot.

8.3 Drip Line Credit

In order to encourage the preservation and continued growth of smaller trees, the following credit toward landscape area is possible. Each square foot of landscape area which is permeable and within the area encompassed by the drip line of a surveyed tree at least two (2) inches in trunk diameter measured at four (4) feet above the ground, shall count as one and one-quarter (1.25) square feet of landscape area.

The forgoing credit shall be subject to the following limitations:

- Overlapping drip line area cannot be counted twice.
- No credit will be given if more than twenty percent (20%) of the drip line is impervious.

- No credit will be given where damaging grade changes within the drip line (of a tree) has occurred.
- In no case can the actual landscape area in the street yard of a lot be less than one-third (1/3) the required twenty percent (20%).

8.4 Street Yard Trees

Within the area described as street yard, a minimum amount of trees are required to be planted or preserved with at least sixty percent (60%) of the trees planted from a list approved by the City of Kyle and attached hereto. No tree shall be planted within five feet of a water or a wastewater line which is in a city-maintained easement. Heat-absorbing surfaces such as courtyards and the west-facing walls of buildings are encouraged to be shaded. A minimum of fifty percent (50%) of the trees required in the landscape yard area, which is not utilized for parking, are to be large shade-providing trees.

In all cases automatic irrigation systems shall be utilized.

<u>Total Street Yard Area</u>	<u>Required Trees</u>
1,000 to 10,000 Sq. ft.	1 tree/1,000 sq. ft.
10,000 to 110,000 sq. ft.	10 trees for first 10,000 sq. ft. plus 1 tree/2,500 sq. ft. over 10,000 sq. ft.
Over 110,000 sq. ft.	50 trees for first 110,000 sq. ft. plus 1 tree/5,000 sq. ft. over 110,000 sq. ft.

8.5 Existing Tree Credit

All existing surveyed trees over two (2) inches in trunk diameter or tree clusters of at least four (4) one-inch diameter trees preserved within the street yard boundaries may satisfy these requirements one for one. All trees measuring six (6) inches or more in trunk diameter measured at four (4) feet above the ground shall count double toward satisfying these requirements.

8.6 Landscape in Parking Lots

Ninety (90) square feet of landscaped area is required for each fifteen (15) parking spaces within a parking lot located in the street yard. Sixty (60) square feet for each fifteen (15) parking spaces is required for all non-street yard parking lots.

This landscape area should occur entirely within the parking lot boundaries as landscaped medians, landscaped islands or as landscaped peninsulas.

8.7 Landscape Islands, Medians or Peninsulas

A landscape island, median or peninsula should be located within 90 feet of each entire parking space on a lot. This distance should be measured from the curb line of the landscape island, median or peninsula and should encompass the entire parking space.

No more than fifty percent (50%) of the plants from the same species may be planted on anyone island, median or peninsula.

To provide significant space for the growth of trees planted within these areas, the minimum width for landscaped islands, medians or peninsulas which contain new trees is six (6) feet measured from the inside of the curb.

8.8 Trees in Parking Lots

One tree must be located within ninety (90) feet of each parking space. A minimum of sixty percent (60%) of the trees required for parking lot areas are to be from the List approved by the City of Kyle and attached hereto. No tree shall be planted within five (5) feet of a water or a wastewater line which is in a city-maintained easement. In areas where utility lines are present or proposed, only trees that are Utility Compatible shall be planted within:

- Ten (10) lateral feet from any overhead distribution conductor;
- Thirty (30) to Forty (40) lateral feet from any overhead transmission conductor, unless a more restrictive dedicated right-of-way has been established;
- Ten (10) lateral feet from any underground electric facility. Any plantings near transmission facilities must also allow for required access to the facilities. Variations to these planting distances and species may be made only with the explicit written approval of the City of Kyle, Texas, or the affected utility owner. Approved utility compatible trees are attached herewith.

8.9 Special Provisions for Large Parking Lots

The above paragraphs 8.2 and 8.3, do not apply if this Section 8.9 is required. For parking lots with more than three (3) parking modules, a ten (10) foot minimum-width median (measured from inside of curb) will be required for every second parking module. Trees within the median must be located so that one (1) tree shall be located within fifty (50) feet of each parking space adjacent to the median. No additional islands shall be required except for end islands for each parking module. All landscape islands and peninsulas must be six (6) foot minimum width measured from inside of curb.

9. ARCHITECTURAL STANDARDS

9.1 Permitted Building Materials

The exterior finish of all buildings (walls) shall be masonry, except for doors, windows and trim. Masonry shall mean stone, simulated stone, brick, stucco, concrete masonry units, tile, hardiplank, tilt wall or such other suitable material as may be approved by the Planning Director and the Building Official.

9.2 Prohibited Building Materials

The follow building materials are prohibited for use on the exterior of all buildings:

Sheet and corrugated metal, and unfinished aluminum

Galvanized Steel

Mirrored Glass

E.I.F.S (Exterior Insulation Finish System), except for decorative trim purposes

9.3 Service and Loading Areas

No dock high loading area is permitted along the IH-35 frontage road or Kyle Crossing unless such area is visually screened from public view from public streets. Services areas shall be screened from adjacent tracts and all public rights-of-way.

Methods of screening include walled entrances, evergreen landscaping, and depressed service areas. Screening walls must be constructed of the same building materials as the main building.

9.4 Loading Areas

All loading and service docks must be clearly signed. Loading docks must be clearly denoted on the pavement and designed so as not to prohibit on-site vehicular circulation when occupied. Loading docks must be designed to accommodate backing and maneuvering on-site, not from a public street.

9.5 Trash Storage

Refuse storage enclosures are required for all buildings. Enclosures must be of sufficient height to completely screen all refuse containers and must be provided with gates, so as to provide screening from view from adjacent lots and public rights-of-way. All enclosures must be constructed using a permitted building material as listed in Section 9.1.

9.6 Street Level Mechanical Equipment

All ground-mounted service equipment (e.g. air conditioners and transformers) related to each building shall be consolidated in one or more service area. Landscaping shall be used to soften the visual appearance of each service area.

9.7 Roof Mounted Mechanical Equipment

All roof mounted mechanical elements shall be screened from view from the public right-of-way along IH-35 frontage road and Kyle Crossing. Screening must be compatible with the building design.

9.8 Screening Outdoor Storage

All outdoor storage areas must be the following criteria:

Outdoor storage must be located in the rear yard or side yard of the buildings.

Solid, continuous fencing up to eight (8) feet in height, but not less than six (6) feet in height; and/or solid landscaping of at least four (4) feet in width and at least six (6) feet in height.

The finished side of all fences built to comply with this section shall face away from the screened property.

10. RIGHT-OF-WAY DEDICATION

The required right-of-way for the proposed extension of RR 967/Loop 4 shall be dedicated or cause to be dedicated to the City, free of all monetary liens, with the final plat. The right-of-way to be dedicated shall be in accordance with the Transportation Plan.

Further, Owner shall construct, or cause to be constructed, the right-of-way described above in accordance with applicable City standards and approved construction plans.

11. SIGNAGE

All signage shall be in accordance with the Code.

12. UNDERGROUD UTILITY SERVICE

All electrical, telephone and cablevision distribution and service lines, shall be placed underground, except for existing lines and the addition of one new overhead electric line that will extend through the property and service the lots from the rear. All electric service line drops shall be underground.

13. BUILDING CODES

All structures shall comply with the City's adopted building codes with the following exception:

All buildings shall be supplied with an approved fire suppression system.

14. DEVELOPMENT PROCESS

As required by City Code, the property owner shall be required to complete the remaining steps in the City's development process, including but not limited to subdivision platting and site development plan approval. No site development plan approval on the Property shall be granted until the Final Plat is recorded. No building permit on the Property shall be issued until the site development plan is approved.

15. CHANGES TO DEVELOPMENT PLAN

15.1 Minor Changes

Minor changes to this plan which do not substantially or adversely change this Plan may be approved administratively, if approved in writing, by the City Engineer, the Director of Planning, and the City Manager.

Such minor changes may include but not be limited to small site alterations such as realignment of streets and relocation of utility lines due to engineering necessity. The developer shall request such amendment in writing, clearly setting forth the reasons for such changes. If approved, the Plan shall be so amended prior to submission of any preliminary plan-site plan application involving or affecting such amendment. Appeal from the decision of the City Engineer, the Director of Planning and the City Manager may be taken to the City Council.

15.2 Major Changes

All changes not permitted under section 15.1 above shall be resubmitted following the same procedure required by the original PUD Application.

Such major changes shall include, but not be limited to, increased density, land use, location of use, condition(s) of planning and zoning commission approval and street pattern.

16. IMPERVIOUS COVER

For the purposes of impervious cover calculations, two or more lots within this PUD may be combined and considered as a whole, such that the average impervious cover across the lots remains in accordance with City of Kyle limits by district type:

W Warehouse – 75%

CM Construction / Manufacturing – 75%

RS Retail Services – 80%

This applies to remaining lots:

Hays Commerce Phase 2A, Block A, Lot 2

Hays Commerce Phase 2A, Block A, Lot 1

Hays Commerce Phase 1, Block C, Lot 1

Hays Commerce Phase 3, Block C, Lot 2

Hays Commerce Phase 3, Block C, Lot 4

Hays Commerce Phase 3, Block C, Lot 5

Hays Commerce Phase 3, Block D, Lot 1

Hays Commerce Phase 3, Block D, Lot 2

Hays Commerce Phase 3, Block D, Lot 3

Hays Commerce Phase 3, Block D, Lot 4

Hays Commerce Phase 3, Block D, Lot 7

Hays Commerce Phase 3, Block D, Lot 8

Hays Commerce Phase 3, Block D, Lot 9

For clarification purposes, the impervious cover lot combination is not a platting action, but only to be used for calculating impervious cover limits.





CITY OF KYLE, TEXAS

Pie Capital of Texas Support Resolution

Meeting Date: 4/20/2021
Date time: 7:00 PM

Subject/Recommendation: A Resolution of the City of Kyle, Texas, Demonstrating Support and Enthusiasm for the Texas Legislature's Bills HCR 12 and SCR 22, Which if Passed, Would Designate the City of Kyle as the Official Pie Capital of Texas. ~ *Samantha Armbruster, Director of Communications*

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- Pie Capital Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF KYLE, TEXAS, DEMONSTRATING SUPPORT AND ENTHUSIASM FOR THE TEXAS LEGISLATURE'S BILLS HCR 12 AND SCR 22, WHICH IF PASSED, WOULD DESIGNATE THE CITY OF KYLE AS THE OFFICIAL PIE CAPITAL OF TEXAS.

WHEREAS, National Pie Day is celebrated annually on January 23rd; and

WHEREAS, the tradition of celebrating dates, achievements, anniversaries, holidays, and many other accomplishments are commemorated, at least in part, with the baking, presentation and consumption of a pie or pies; and

WHEREAS, pies can come in all shapes and sizes, and be made of any combination of fruit, vegetables and meat, making the pie a standard for all tastes and personal preferences; and

WHEREAS, the City of Kyle has embraced the majesty of all pies, both tasty and mathematical, round pies and pi's that R squared, and pies that are filled with fruit, custard, meat and/or cream; and

WHEREAS, the reasons for pie and the almost infinite types of pie are also representative of the diversity and uniqueness found within the City of Kyle's residents, visitors and businesses; and

WHEREAS, just the inclusion of the word "pie" brings forward warm and pleasant thoughts like "cutie pie," "honey pie," "cow pie," "electriPIEd," and "vamPIEers?"; and

WHEREAS, the city of Kyle has furthered the cause of pie by "CertiPIEing dozens of businesses in Kyle, hosting the annual Pie in the Sky Hot Air Balloon Festival, launching the Kyle Store where anyone can purchase Pie Capital branded products, and most recently launching the Kyle Uber \$3.14 transportation program for Kyle residents and visitors; and

WHEREAS, on December 11, 2018, the City of Kyle received the official trademark through the US Patent and Trademark office as the Pie Capital of Texas to promote tourism to Kyle; and

WHEREAS, you just can't go wrong with pie; and

WHEREAS, the City of Kyle has made the commitment to become, *and has become*, the Pie Capital of Texas and is becoming the center of all things pie in Texas.

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

Section 1. The City of Kyle City Council offers this resolution in support of the Texas Legislature's bills HCR 12 and SCR 22 designating the City of Kyle as the Office Pie Capital of the great State of Texas.

Section 2. Open Meetings. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

Section 3. Effective Date. This resolution will become effective immediately upon its passage by the Kyle City Council.

PASSED AND ADOPTED this _____ day of _____, 2021.

THE CITY OF KYLE, TEXAS

Travis Mitchell, Mayor

ATTEST:

Jennifer Holm, City Secretary



CITY OF KYLE, TEXAS

Balcones Trails Multifamily Housing

Meeting Date: 4/20/2021
Date time:7:00 PM

Subject/Recommendation: A Resolution of the City Council of the City of Kyle, Texas Providing no Objection to the Submission of an Application for Low Income Housing Tax Credits to the Texas Department of Housing and Community Affairs for the Proposed Balcones Trails Multifamily Housing Project Located at 601 Philomena Drive; Approving Findings Related to the Application; Imposing Conditions for Such Non-Objection and Declaring an Effective Date. ~ *James R. Earp, Assistant City Manager*

- Public Hearing

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

- Resolution of No Objection_Balcones Trails

CERTIFICATE FOR RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS PROVIDING NO OBJECTION TO THE SUBMISSION OF AN APPLICATION FOR LOW INCOME HOUSING TAX CREDITS TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE PROPOSED BALCONES TRAILS MULTIFAMILY HOUSING PROJECT LOCATED AT 601 PHILOMENA DRIVE; APPROVING FINDINGS RELATED TO THE APPLICATION; IMPOSING CONDITIONS FOR SUCH NON-OBJECTION AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. LDG Development (the “Applicant”) has proposed a multifamily development presently known as “Balcones Trails” for affordable rental housing at 601 Philomena Drive in the City of Kyle which will include approximately 276 units (the “Project”).
2. The Applicant has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for Low Income Housing Tax Credits for the Project.
3. In accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §11.204(4):
 - a. notice has been provided to the City of Kyle, Texas;
 - b. the City of Kyle, Texas has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the Project; and
 - c. the City of Kyle, Texas has held a hearing at which public comment may be made on the Project.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS:

PART 1. The Kyle City Council finds the Recitals to be true and correct and adopts them as the findings of the City Council and incorporates them as part of this resolution.

PART 2. After due consideration of the findings of the City Council as stated in the Recitals, the information provided by the Applicant and any public comment, the City of Kyle, Texas has no objection to the proposed application for the Project to the TDHCA.

PART 3. To the extent applicable, the City Council hereby approves the application of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code (the “Act”), to the property on which the development will be constructed and grants its approval for the use of proceeds of bonds issued by a housing finance corporation pursuant to the Act to finance construction of the development.

PART 4. The Mayor or the City Manager, are each authorized to execute any and all documents as necessary for the Applicant to complete its application for the Project to the TDHCA.

PART 5. For and on behalf of the City Council, the Mayor or the City Secretary are each authorized to certify one or more copies of this resolution for submission to TDHCA.

PART 6. This resolution shall be in full force and effect immediately from and after its passage.

PASSED, ADOPTED AND APPROVED on this the 20th day of April, 2021.

CITY OF KYLE, TEXAS

Travis Mitchell, Mayor

ATTEST:

City Secretary

(CITY SEAL)

APPROVED AS TO LEGALITY:

Paige Saenz, City Attorney



CITY OF KYLE, TEXAS

Child Safety Zones Ordinance

Meeting Date: 4/20/2021

Date time: 7:00 PM

Subject/Recommendation: *(First Reading)* An Ordinance of the City of Kyle, Texas Regulating Sex Offender Residency within the City and Establishing Child Safety Zones; Amending Chapter 23 of the Code of Ordinances Entitled “Miscellaneous Offenses” by adding Article XI to be Entitled “Child Safety Zones;” Making it Unlawful for Certain Sex Offenders to Reside within 1500 feet of Premises where Children Commonly Gather; Providing Exceptions to the Ordinance; Prohibiting Property Owners from Renting Real Property to Certain Sex Offenders; Providing Penalties for Violations of the Ordinance; Repealing Ordinances or Parts of Ordinances in Conflict Therewith; Providing a Severability Clause, Findings of Fact and Providing for Open Meetings. ~ *Jeff Barnett, Chief of Police*

Other Information:

Legal Notes:

Budget Information:

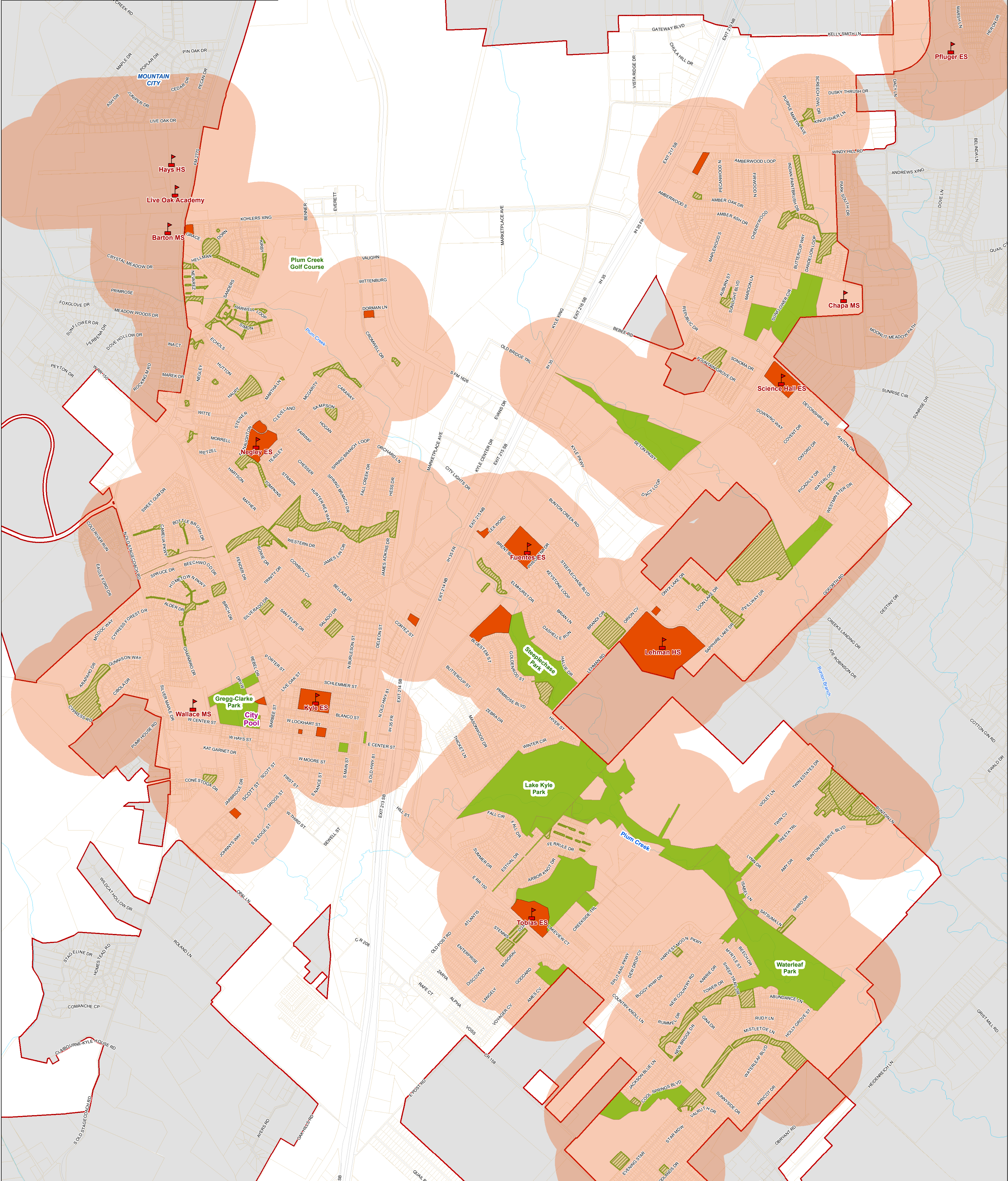
ATTACHMENTS:

Description

- Child Safety Zones 1500 Ft
- Child Safety Zones 2000 Ft
- Memorandum on Regulation of Sex Offender Residency Establishing Child Safety Zones and Background Information
- Memorandum on Regulation of Sex Offender Residency Establishing Child Safety Zones Maps and Affected Percentage 11Feb21 (Dago Pates)
- Recidivism for Sex Offenders Report OJP
- Regulation Of Sex Offender Residency Establishing Child Safety Zones Ordinance Final Draft
- Sex Offender Recidivism Report BJA
- SO Allowed Residences 500' blue
- SO Allowed Residences 1000ft with blue

Child Safety Zones

City of Kyle

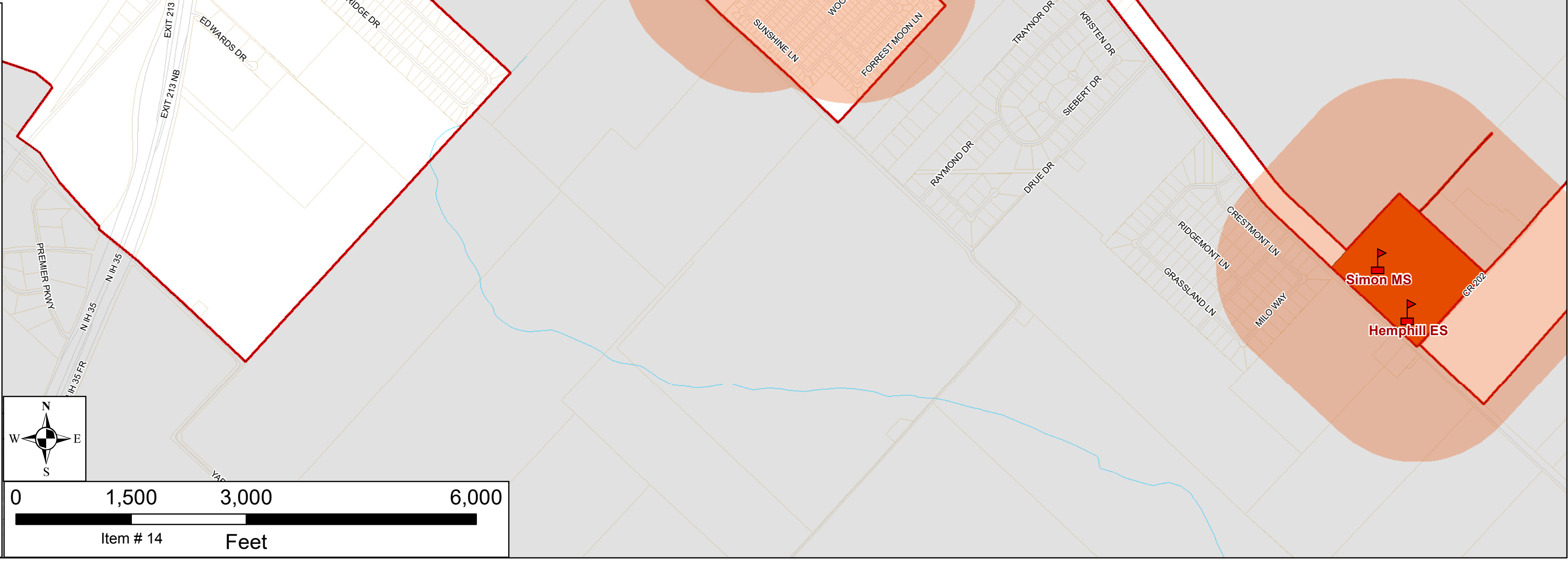


May 22, 2019

Legend

- School
- Daycare Location
- City/Public Park
- HOA/Private Park
- 1500 Ft Buffer
- Kyle City Limits

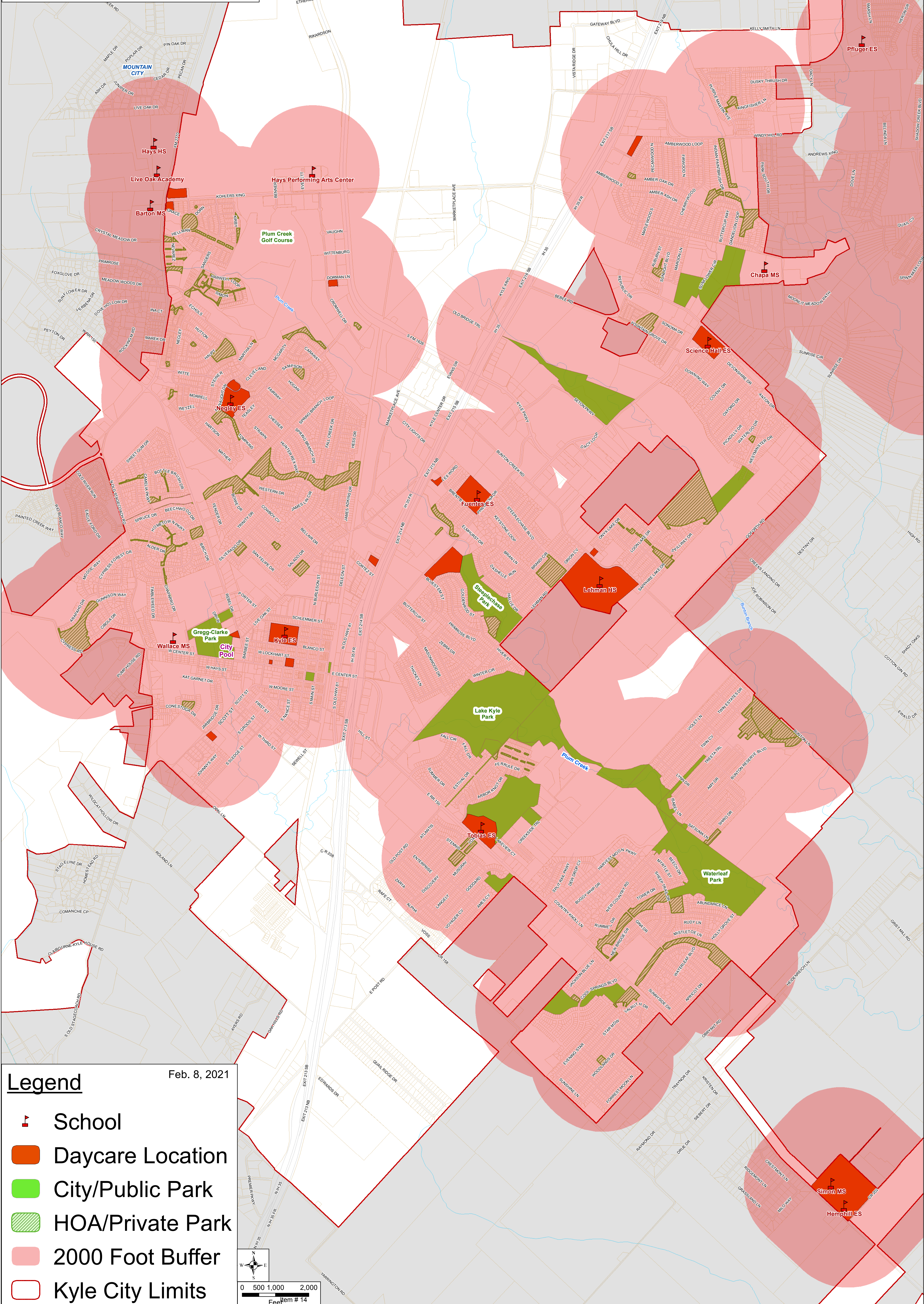
0 1,500 3,000 6,000
Item # 14 Feet



Child Safety Zones

2000 Feet

from Schools, Daycares, and Parks





Date: January 14, 2020
To: Jeff Barnett, Chief of Police
From: Dago Pates, Officer

Re: Regulation of Sex Offender Residency Establishing Child Safety Zones Ordinance and Background Information

Drafting this ordinance for the city of Kyle began with researching ordinances in place with other cities within central Texas. After eight similar ordinances were reviewed, a draft was created mirroring Cedar Park’s ordinance and the portions in red were added from Pflugerville’s Ordinance (Section 1).

Section 2 shows current statistics of local cities, showing population, registered sex offenders, if they have a related ordinance and if so, how many feet. The distance of Child Safety Zones ranged from 1,000-2,000 ft. The median of 1,500 ft was selected for the Kyle ordinance draft.

Section 3 is a variety of information that was gathered or located while researching Child Safety Zones.

Section 1:

ARTICLE CHILD SAFETY ZONES

Finding and Intent **(This portion is for the online format of the ordinance, that does not have the “where as” portion listed)**

(1) The city council finds that repeat sexual offenders, sexual offenders who use physical violence and sexual offenders who prey on children are sexual predators who present an extreme threat to the health, safety and welfare of children. Sexual offenders are extremely likely to use physical violence and to repeat their offense and most sexual offenders commit many offenses, have many more victims than are ever reported, and are prosecuted for only a fraction of their crimes. This makes the cost of sexual offender victimization to society at large, while incalculable, clearly exorbitant.

(2) It is the intent of this section to serve the city's compelling interest to promote, protect and improve the health, safety and welfare of the citizens of the city by creating areas around locations where children regularly congregate in concentrated numbers wherein certain sexual offenders and sexual predators are prohibited from establishing temporary or permanent residences.

Definitions

Child sex offender. A person who is required to register on the Texas Department of Public Safety's Sex Offender Database (the "database") because of a conviction(s) involving a minor.

Day-care center. A facility providing care, training, education, custody, treatment, or supervision for 13 or more children for less than 24 hours a day.

Minor. A person under the age of 17.

Park. A parcel of land, community park, neighborhood park, playground, swimming pool, indoor facility, outdoor facility, recreation center, field, athletic field, hike and bike trails, greenbelt areas and any other area in the City-owned, leased and/or used by the City, and devoted to active or passive recreation, including any related facilities, parking lots and/or amenities, save and except any of the foregoing that has a stadium, arena and/or permanent seating and primarily used for sporting events, special events and/or other entertainment any of which is not managed by the City.

Permanent residence. A place where a person abides, lodges, or resides for 14 or more consecutive days.

Premises where children commonly gather. Areas including all improved and unimproved lots where the following are located or planned to be located: a public park, private or public school (excluding in-home schools), day-care center, or private recreational facility, including a park, pool, playground, skate park, or youth athletic field owned by a residential property owners association, or for which an entrance, admission, or rental fee is charged.

Recurring visitor. A person who on at least three (3) occasions during any month spends more than 48 consecutive hours in the city.

Temporary residence. A place where a person abides, lodges, or resides for a period of 14 or more days in the aggregate during any calendar year and which is not the person's permanent address, or a place where a person routinely abides, resides, or lodges for a period of four or more consecutive or nonconsecutive days in any month and which is not the person's permanent residence.

Residency requirements

(a) It shall be unlawful for a child sex offender to establish a permanent residence, establish a temporary residence **or to be a recurring visitor at a residence, located** within 1,500 feet of any premises where children commonly gather.

(b) It shall be unlawful to let or rent any place, structure or part thereof, manufactured home, trailer, or other conveyance, with the knowledge that it will be used as a permanent residence, temporary residence by any person prohibited from establishing such permanent residence or temporary residence pursuant to the terms of this article, if such place, structure or part thereof, manufactured home, trailer, or other conveyance, is located within 1,500 feet of any premises where children commonly gather.

Halloween

A child sex offender shall not on each October 31st leave an exterior porch light on or otherwise invite trick-or-treaters to the premises.

Solicitation Permit

A child sex offender shall not solicit or be permitted to receive a permit for soliciting in the City of Kyle

Evidentiary matters; measurement

(a) For the purpose of determining the minimum distance of separation under this article, the distance shall be measured by following a straight line from the outer property line of the permanent or temporary residence to the nearest property line of the premises where children commonly gather, as described hereinabove, or, in the case of multiple residences on one property, measuring from the nearest property line of the premises to the nearest property line of the premises where children commonly gather, as described herein.

(b) A map depicting the prohibited areas shall be maintained by the City, and it shall be reviewed and updated not less than annually for changes. Said map will be available to the public on the City's website at the Kyle Police Department.

(c) Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined in this article.

Affirmative defenses

The following shall be affirmative defenses to prosecution under this article that any of the following conditions apply:

(1) It shall be an affirmative defense under [section 8.09.002](#) if the person required to register on the database established the permanent or temporary residence and has complied with all of the child sex offender registration laws of the State, prior to the date of the adoption of this article, provided, however that if the person required to register on the database established the permanent or temporary residence through a lease or other rental arrangement in effect on the effective date of this article, this affirmative defense shall not apply upon termination of the lease/rental arrangement that is in effect on the effective date of this article.

(2) It shall be an affirmative defense under [section 8.09.002](#) if the premises where children commonly gather was designated, declared and/or determined after the child sex offender established the permanent or temporary residence and complied with all child sex offender registration laws of the State provided, however, that if the person required to register on the database established the permanent or temporary residence through a lease or other rental arrangement in effect on the effective date of this article, this affirmative defense shall not apply upon termination of the lease/rental arrangement that is in effect on the effective date of this article.

 512-268-3232  512-268-2330

111 North Front Street, Kyle, TX 78640

(3) It shall be an affirmative defense under [sections 8.09.002](#) and [8.09.003](#) if the information on the database is incorrect, and, if corrected, this article would not apply to the person who was erroneously listed on the database.

Penalty provision

Any person who violates the provisions of this article shall be charged with a class C misdemeanor; and upon conviction shall be fined as provided for in [section 1.01.009](#) of this Code for each day that a violation exists, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

****code sections would have to be updated to reflect where it falls in city code.**

Section 2:

Comparisons:

Town	Ordinance	*Population	Reg. Sex Off.	Res. To S.O.	Distance
Leander	Yes	65,000	33	1,970:1	1,000 ft
Seguin	None	30,000	53*	566:1	N/A
New Braunfels	None	88,000	106	830:1	N/A
Kyle	None	56,500	68	830:1	N/A
San Marcos	None	64,000	57	1,122:1	N/A
Pflugerville	Yes	64,000	20	3,200:1	2,000 ft
West Lake Hills	Yes	4,000	1	4,000:1	1,000 ft
Cedar Park	Yes	77,000	23	3,347:1	1,500 ft
Cibolo	Yes	31,066	10	3,106:1	2,000 ft
League City	Yes	106,244	41	2,591:1	2,000 ft
Giddings	Yes	5,200	6	866:1	1,000 ft
Fate	Yes	18,500	1	18,500:1	2,000 ft

*approximate current numbers

Section 3:

Ofc. Pates asked a handful of recent sex offenders how they ended up in Kyle, one was from here, one said housing is cheaper here then up north, others said their family lives here and some said because we don't have a city ordinance.

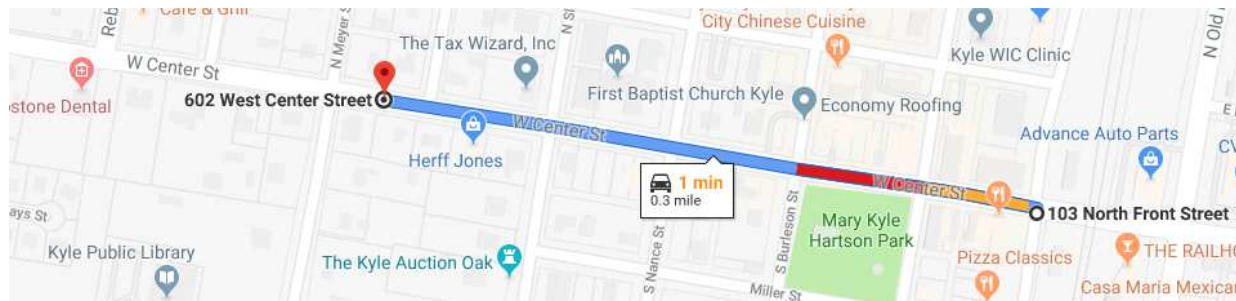
60 of Kyle's current 65 sex offenders would be "child offenders" as worded in the draft.

Of the 68 registered sex offenders in Kyle, the victims are grouped as follows: 57 - Female victims, 11 - Male victims, 11 - Adult victims, 4 - Possession of Child pornography (some offenders have multiple charges so this add up to more then 65).

Distance:

Comparisons range from 1000-2000 ft. Examples of this distance using Center Street:

- Front Street to just past Burleson Street is about 1000ft
- Front Street to just past Sledge St is about 1500 ft



Online Research:

From DPS website: https://www.dps.texas.gov/administration/crime_records/pages/faq.htm#a1

Question: Are registered sex offenders allowed to live or go near places frequented by children such as schools and playgrounds?

Answer: The Texas Sex Offender Registration Program itself does not prohibit registered sex offenders from living or going near places frequented by children. However, Texas community supervision and parole laws, as well as city ordinances, may require the imposition of a "child safety zone." A "child safety zone" prohibits certain individuals from going in, on, or within a specified distance of a premise where children commonly gather (i.e. schools, day care facilities, or playgrounds). A violation of the "child safety zone" can result in the revocation of the offender's probation or parole, or a citation.

Question: Are there any state laws that provide guidance or limitations on local city ordinances regarding registered sex offenders?

Answer: Section 341.906, Subchapter Z, Chapter 341, Local Government Code, allows for the governing body of a general-law municipality by ordinance to restrict a registered sex offender from going in, on or within a specified distance of a child safety zone in the municipality. In addition it limits the distance requirement an ordinance may have and requires procedures for an exemption from the ordinance. Questions regarding any local city ordinance should be directed to the local law enforcement registrar's office at the Police Department or the city attorney's office in the jurisdiction of the ordinance.

Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART)
https://smart.gov/SOMAPI/sec1/ch5_recidivism.html

☎ 512-268-3232 📠 512-268-2330

111 North Front Street, Kyle, TX 78640

Recidivism Rates for Child Molesters:

*Study showed sex offenders released from state prisons in 1994 that were studied in 2003 had a large sample of child molesters. The study shows 5.1% were rearrested within three years for a new sex crime. 14.1% were arrested for a violent crime and 39.4% were rearrested for a crime of any kind. Child Molesters with more than one prior arrest had an overall recidivism rate of 44.3% compared to 23.3% to that of a child molester with only 1 prior arrest. **Study shows specifically Child Molesters are more likely than any other type of offender to be arrested for a sex crime against a child following release from prison.** (from: <https://www.smart.gov/pdfs/RecidivismofAdultSexualOffenders.pdf>)*



512-268-3232



512-268-2330

111 North Front Street, Kyle, TX 78640



Date: April 1, 2021
To: Jeff Barnett, Chief of Police
From: Dago Pates, Officer

Re: Regulation of Sex Offender Residency Establishing Child Safety Zones Ordinance Map Comparisons and Affected Percentage

Today, there are 65 registered sex offenders in Kyle. The proposed ordinance would not apply to homeowners or those with a current rental/lease.

Attached you will find four Child Safety Zone maps for comparison:

- 500 ft
- 1,000 ft
- 1,500 ft
- 2,000 ft

The original proposed map has a 1,500 ft buffer zone which is the average of the central Texas cities with similar ordinances, which range from 1,000-2,000 ft.

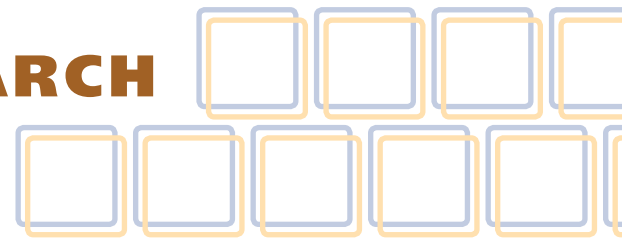




SOMAPI RESEARCH BRIEF

SEX OFFENDER MANAGEMENT ASSESSMENT AND PLANNING INITIATIVE

Luis C.deBaca, Director • July 2015



Recidivism of Adult Sexual Offenders

by Roger Przybylski

Introduction

Recidivism has long been a concern of criminal justice practitioners and policymakers, but has received renewed attention in recent years due to the record number of convicted offenders living in our communities.¹ Research has demonstrated that repeat offenders account for a disproportionate amount of crime, and there is widespread recognition today that recidivism reduction should be a key goal of the criminal justice system.

This Research Brief reviews the scientific literature concerning the recidivism of adult sex offenders. It presents findings about recidivism generally and sexual recidivism specifically because many sex offenders engage in both sexual and nonsexual crime. It also addresses the recidivism rates of different types of sex offenders.

Summary of Research Findings

The recidivism of sex offenders is difficult to measure. The surreptitious nature of sex crimes, the fact that few sexual offenses are reported to authorities, and the variation in the ways researchers calculate recidivism rates all contribute to the problem.

Research has clearly shown that many sex offenses are never reported to authorities, and several studies have shown that the likelihood that a sexual assault will be reported to law enforcement decreases with the victim's age.² In addition, only a subset of sex offenses that are reported to law enforcement result in the arrest of the perpetrator. Given these dynamics, there is widespread recognition that the officially recorded recidivism rates of sexual offenders are a diluted measure of reoffending.

About SOMAPI

In 2011, the SMART Office began work on the Sex Offender Management Assessment and Planning Initiative (SOMAPI), a project designed to assess the state of research and practice in sex offender management. As part of the effort, the SMART Office contracted with the National Criminal Justice Association (NCJA) and a team of subject-matter experts to review the literature on sexual offending and sex offender management and develop summaries of the research for dissemination to the field. These summaries are available online at <http://smart.gov/SOMAPI/index.html>.

A national inventory of sex offender management professionals also was conducted in 2011 to gain insight about promising practices and pressing needs in the field. Finally, a Discussion Forum involving national experts was held in 2012 for the purpose of reviewing the research summaries and inventory results and refining what is currently known about sex offender management.

Based on the work carried out under SOMAPI, the SMART Office has published a series of Research Briefs, each focusing on a topic covered in the sexual offending and sex offender management literature review. Each brief is designed to get key findings from the literature review into the hands of policymakers and practitioners. Overall, the briefs are intended to advance the ongoing dialogue related to effective interventions for sexual offenders and provide policymakers and practitioners with trustworthy, up-to-date information they can use to identify what works to combat sexual offending and prevent sexual victimization.



It is also important to recognize that recidivism rates are often measured differently from one study to the next. Different ways of measuring recidivism rates can produce substantially different results, and comparing rates that were derived in different ways can lead to inaccurate conclusions. Some of the most common ways in which measurement variation occurs in recidivism research are—

- Variation in the way researchers operationally define recidivism.
- Variation in the length of the followup period.
- Differences in the populations being studied.

Recidivism Rates for All Sex Offenders

Perhaps the largest single study of sex offender recidivism to date was carried out by Langan, Schmitt, and Durose (2003). The study examined the recidivism patterns of 9,691 male sex offenders released from prisons in 15 states in 1994.³ The researchers found a sexual recidivism rate of 5.3 percent for the entire sample of sex offenders, based on an arrest during the 3-year followup period. The violent and overall arrest recidivism rates for the entire sample were much higher: 17.1 percent and 43 percent, respectively. Nearly 4 out of every 10 (38.6 percent) sex offenders in the study were returned to prison within 3 years of their release due to the commission of a new crime or a technical violation of their release conditions.

As part of their study, Langan, Schmitt, and Durose (2003) conducted a comparative analysis of sex-offender and non-sex-offender recidivism. They found that the sex offenders in the study had a lower *overall* rearrest rate than non-sex offenders (43 percent compared to 68 percent), but their *sex crime* rearrest rate was four times higher than the rate for non-sex offenders (5.3 percent compared to 1.3 percent).

Another important recidivism study was conducted by Sample and Bray (2003). The researchers examined the arrest recidivism of 146,918 offenders who were originally arrested in Illinois in 1990. Arrestees categorized as sex offenders (based on their most serious charge in 1990 being a sex offense) had 1-year, 3-year, and 5-year rearrest rates for a new sexual offense of 2.2 percent, 4.8 percent, and 6.5 percent, respectively.⁴ Sex offenders in the study had 1-year, 3-year, and 5-year rearrest rates for any new offense of 21.3 percent, 37.4 percent, and 45.1 percent, respectively.

In a meta-analysis involving 10 different studies, Harris and Hanson (2004) generated recidivism estimates based on new charges or convictions for sexual offenses, using 5-, 10-, and 15-year followup periods for several categories of sex offenders.⁵ The sexual recidivism estimates for all sex offenders in the study were 14 percent at 5 years, 20 percent at 10 years, and 24 percent at 15 years. An important finding that emerged from the analysis was that the 15-year sexual recidivism rate for offenders who already had a prior conviction for a sexual offense was nearly twice that for first-time sex offenders (37 percent compared to 19 percent). Another important finding was that the rate of reoffending decreased the longer offenders had been offense-free. Whereas 14 percent of the offenders in the analysis were sexual recidivists after 5 years of followup, only 7 percent of the offenders who were offense-free at that time sexually recidivated during the next 5 years of followup.

Recidivism Rates for Rapists

Researchers studying the recidivism of sex offenders are increasingly reporting recidivism rates specifically for rapists. Langan, Schmitt, and Durose (2003), for example, found that 5 percent of the 3,115 rapists⁶ in their study were arrested for a new sex offense during the 3-year followup period, 18.7 percent were arrested for a violent crime, and 46 percent were arrested for any crime. Rapists in the study with more than one prior arrest were rearrested at a rate nearly double (49.6 percent compared to 28.3 percent) that of rapists with just one prior arrest. Harris and Hanson (2004) reported sexual recidivism estimates for rapists (based on new charges or convictions) of 14 percent at 5-year followup, 21 percent at 10 years, and 24 percent at 15 years.⁷ Another study, noteworthy because of its 25-year followup period, was conducted by Prentky and colleagues (1997). Generalizing some of the study's findings to offenders who engage in rape behavior today is problematic because the study period began in 1959 and ended in 1985, and sex offender treatment and management practices were far different then than they are today. In addition, the study sample was small (136 rapists), and it consisted of individuals who were determined to be sexually dangerous and who were civilly committed. Nevertheless, it is worth noting that Prentky and colleagues found that some rapists remained at risk to reoffend long after their discharge. Based on the 25-year followup period, the researchers



found a sexual recidivism rate of 39 percent and a recidivism rate for any charge of 74 percent.

Recidivism Rates for Child Molesters

A relatively large body of research exists on the recidivism rates of child molesters. The study of sex offenders released from state prisons in 1994, by Langan and colleagues (2003), included a large sample (N = 4,295) of child molesters. The researchers reported that 5.1 percent of the child molesters in the study were rearrested for a new sex crime within 3 years of their release, 14.1 percent were rearrested for a violent crime, and 39.4 percent were rearrested for a crime of any kind. Similar to the pattern for rapists, child molesters with more than one prior arrest had an overall recidivism rate nearly double (44.3 percent compared to 23.3 percent) that of child molesters with only one prior arrest. As might be expected, child molesters were more likely than any other type of offender—sexual or nonsexual—to be arrested for a sex a *crime against a child* following release from prison.

Harris and Hanson (2004) documented differential rates of recidivism for different types of child molesters. Table 1 presents the study’s recidivism estimates (based on new charges or convictions) for 5-year, 10-year, and 15-year followup periods for boy-victim child molesters, girl-victim child molesters, and incest offenders.

Prentky and his colleagues (1997) also examined the recidivism of child molesters. Based on a 25-year followup period, the researchers found a sexual recidivism rate of 52 percent (defined as those charged with a subsequent sexual offense) using a sample of 115 child molesters who were discharged from civil commitment in Massachusetts between 1960 and 1984. While the difference between the 52 percent sexual recidivism rate found by Prentky and colleagues (1997) using a 25-year followup period and the 23 percent rate

found by Harris and Hanson (2004) using a 15-year follow period is striking, it can be interpreted in different ways. One interpretation is that first-time recidivism may occur for some child molesters 20 or more years after criminal justice intervention, and that recidivism estimates based on shorter followup periods are likely to underestimate the lifetime risk of child molester reoffending (Doren, 1998). An alternative interpretation is that the difference is primarily an artifact of sampling, as Harris and Hanson’s findings are based on a larger, more diverse sample of child molesters, including some serving community sentences, and the lifetime prevalence of sexual recidivism for child molesters is lower than the 52 percent suggested by Doren and is based, at least in part, on the Prentky et al. (1997) findings.

Recidivism Rates for Exhibitionists

A limited body of research exists on the recidivism rates of exhibitionists. The findings and characteristics of three relevant studies are reported in table 2 on page 4.

Comparative Recidivism Rates of Female and Male Sex Offenders

Research demonstrates that female sex offenders reoffend at significantly lower rates than male sex offenders. Based on a study of 380 female sex offenders, Cortoni and Hanson (2005) found average sexual, violent, and overall recidivisms rates for female sex offenders of 1 percent, 6.3 percent, and 20.2 percent respectively, after an average follow-up period of 5 years.⁸ More recently, a meta-analysis of 10 studies involving a combined sample of 2,490 female sex offenders found an average sexual recidivism rate of about 3 percent for female sex offenders, based on an average followup period of 6.5 years⁹ (Cortoni, Hanson, & Coache, 2010).¹⁰

TABLE 1. SEXUAL RECIDIVISM RATES (BASED ON NEW CHARGES OR CONVICTIONS) AT 5-YEAR, 10-YEAR, AND 15-YEAR FOLLOWUP FOR BOY-VICTIM CHILD MOLESTERS, GIRL-VICTIM CHILD MOLESTERS, AND INCEST OFFENDERS

	5 years		10 years		15 years	
	N	Percent	N	Percent	N	Percent
Any type (one or more)	315	23.0	105	27.8	95	35.4
Sexual assault	766	9.2	218	13.1	208	16.3
Sexual coercion	416	6.4	73	9.4	69	13.2

Source: Harris and Hanson (2004).



TABLE 2. RECIDIVISM RATES FOR EXHIBITIONISTS

Study	Sample	Followup Period	Recidivism Findings		
Sugarman et al. (1994)	210 exhibitionists	17 years	32% based on conviction for a contact sexual offense	75% based on conviction for any type of crime other than exposing	
Rabinowitz-Greenberg et al. (2002)	221 exhibitionists, assessed 1983–1996	6.8 years (average)	11.7% based on new sexual charge or conviction	16.8% based on new violent charge or conviction	32.7% based on any new charge or conviction
Firestone et al. (2006)	221 exhibitionists, assessed 1983–1996	13.2 years	23.6% based on new sexual charge or conviction	31.3% based on new violent charge or conviction	8.9% based on any new charge or conviction

Research Limitations and Future Needs

A sound foundation of knowledge on the extent of sex offender recidivism has been produced in recent years, but significant knowledge gaps remain. Variations across studies in the operational definition of recidivism, the length of the followup period employed, and other measurement factors continue to make it difficult to make cross-study comparisons of observed recidivism rates. Studies that produce more readily comparable findings are greatly needed, as are those that employ followup periods longer than 5 years. Analyses are also needed that standardize the time at risk for all offenders in a given study using survival analysis. Future research should also attempt to build a stronger evidence base on the differential recidivism patterns of different types of sex offenders, particularly the recidivism patterns of crossover offenders.

Conclusions and Policy Implications

Studies clearly demonstrate that the actual reoffending rates of sexual offenders are poorly reflected in official records. The magnitude of the difference between observed and actual reoffending needs to be better understood, and there is universal agreement in the scientific community that the observed recidivism rates of sex offenders are underestimates of actual reoffending.

The observed sexual recidivism rates of sex offenders range from about 5 percent after 3 years to about 24 percent after 15 years. Relatively low rates of recidivism

particularly sexual recidivism—are reported in studies using followup periods shorter than 5 years. Langan and colleagues (2003), for example, found a sexual recidivism rate of 5.3 percent, using a 3-year followup period for a large sample of sex offenders released from prison in 1994. Studies employing longer followup periods consistently report higher rates of recidivism. Harris and Hanson (2004), for example, reported a sexual recidivism rate of 24 percent for a sample of sex offenders, based on a 15-year followup period. Although observed recidivism rates will naturally increase as the length of the followup period increases, it is important to recognize that recidivism rates derived from followup periods of 5 years or less may mislabel a considerable proportion of repeat offenders as nonrecidivists.

Sex offenders—regardless of type—have higher rates of general recidivism than sexual recidivism. Although this basic reoffending pattern would naturally be expected to occur, the magnitude of the difference found in research is somewhat striking. It suggests that sex offenders are far more likely to reoffend for a nonsexual crime than a sexual crime and, as Hanson and Morton-Bourgon (2004, p. 4) have aptly stated, “policies aimed at public protection should also be concerned with the likelihood of any form of serious recidivism, not just sexual recidivism.”

Sex offenders have lower rates of general recidivism but higher rates of sexual recidivism than non-sex offenders. Research comparing the recidivism rates of sex offenders with those of non-sex offenders consistently finds that sex offenders have lower overall recidivism rates than non-sex offenders. Child molesters, rapists, and sex offenders overall, however, are far more likely than non-sex offenders to recidivate sexually.



Different types of sex offenders have markedly different rates of recidivism. The empirical evidence clearly demonstrates that different types of sex offenders have a different propensity to reoffend. Research that examines the recidivism of rapists and child molesters indicates that the highest observed recidivism rates are found among child molesters who offend against boys. Comparatively lower recidivism rates are found for rapists, child molesters who victimize girls, and incest offenders. This suggests that different recidivism-reduction policies and practices are needed for different types of sex offenders.

Female sex offenders have lower rates of recidivism than male sex offenders. Five- to six-year rates of sexual recidivism for female sex offenders may be as low as 1 to 3 percent. The differential recidivism rates of female and male sex offenders suggests that intervention and management practices need to differentiate between female and male sex offenders, and that procedures for assessing risk that were developed for male sex offenders are unlikely to be accurate when applied to female sex offenders (Cortoni, Hanson, & Coache, 2010).¹¹

Notes

1. This includes offenders returning to the community upon release from incarceration as well as offenders who are serving or who have been discharged from community-based sentences.
2. See, for example, Kilpatrick, Saunders, and Smith (2003) and Sorenson and Snow (1991). See Pipe et al. (2007) for more information about childhood disclosure of sexual abuse.
3. These offenders accounted for about two-thirds of all male sex offenders released from state prisons in the United States that year.
4. Sample and Bray (2003) did not report the number of 1990 arrestees who were categorized as sex offenders.
5. All of the sex offenders in the analysis were released from correctional institutions, except for 202 Canadian sex offenders who were placed on probation and 287 sex offenders in Washington state who received community-based sentences.
6. The study conducted by Langan and colleagues (2003) separated “violent sex crimes” into two categories: “rape” and “other sexual assault.” The term “rapist” was used to refer to a released sex offender

whose imprisonment offense was defined by state law as forcible intercourse with a female or male. The “rape” category excluded statutory rape or any other nonforcible sexual act with a minor or with someone unable to give legal or factual consent. Sex offenders whose imprisonment offense was a violent sex crime that could not be positively identified as “rape” were placed in the “sexual assault” category. The 3-year recidivism rates reported for the 6,576 sex offenders categorized as sexual assaulters were as follows: 5.5 percent were rearrested for a new sex crime, 16.4 percent were rearrested for a violent crime, and 41.5 percent were rearrested for a crime of any kind.

7. The 5-year recidivism rate estimate is based on 514 offenders, the 10-year estimate is based on 261 offenders, and the 15-year estimate is based on 157 offenders.

8. The definition of recidivism varied widely, ranging from arrests to convictions to reports provided by probation officers.

9. As a comparison, the researchers reported a sexual recidivism rate of 13.7 percent for male sex offenders, based on an average followup period of 5.5 years. The average sexual recidivism rate reported for male sex offenders was derived from a previous meta-analysis (Hanson & Morton-Bourgon, 2004) of 84 studies involving 20,440 sex offenders, the majority of whom were males. Hanson and Morton-Bourgon (2004) reported that 1 of the 84 studies in the meta-analysis focused on female sex offenders. Based on the sample size reported in that study of female offenders, fewer than 100 of the 20,440 sex offenders in the Hanson and Morton-Bourgon (2004) meta-analysis were female.

10. Recidivism was defined as an arrest, charge, conviction, or incarceration for a new offense.

11. Cortoni and Hanson (2005). *Recidivism Rates of Female Sexual Offenders*. Research Summary, Vol. 11, No. 3. Ottawa, Ontario, Canada: Public Safety Canada. Retrieved from <http://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/rcvdsfm-fmlfndrs/index-eng.aspx>.

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ABOUT SMART

The Adam Walsh Child Protection and Safety Act of 2006 authorized the establishment of the Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) Office within OJP. SMART is responsible for assisting with implementation of the Sex Offender Registration and Notification Act (SORNA), and also for providing assistance to criminal justice professionals across the entire spectrum of sex offender management activities needed to ensure public safety.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KYLE, TEXAS REGULATING SEX OFFENDER RESIDENCY WITHIN THE CITY AND ESTABLISHING CHILD SAFETY ZONES; AMENDING CHAPTER 23 OF THE CODE OF ORDINANCES ENTITLED “MISCELLANEOUS OFFENSES” BY ADDING ARTICLE XI TO BE ENTITLED “CHILD SAFETY ZONES;” MAKING IT UNLAWFUL FOR CERTAIN SEX OFFENDERS TO RESIDE WITHIN 1500 FEET OF PREMISES WHERE CHILDREN COMMONLY GATHER; PROVIDING EXCEPTIONS TO THE ORDINANCE; PROHIBITING PROPERTY OWNERS FROM RENTING REAL PROPERTY TO CERTAIN SEX OFFENDERS; PROVIDING PENALTIES FOR VIOLATIONS OF THE ORDINANCE; REPEALING ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SEVERABILITY CLAUSE, FINDINGS OF FACT AND PROVIDING FOR OPEN MEETINGS.

WHEREAS, the City of Kyle, Texas (herein the “City”) is a home rule city having authority to utilize police power regulation for the health, safety and general welfare of the citizens of the City; and

WHEREAS, the City Council of the City is deeply concerned about the numerous and recent occurrences in our state and elsewhere whereby sex offenders convicted of sexual offenses involving children have been released from custody and repeat the unlawful acts for which they had been originally convicted; and

WHEREAS, the City Council finds from evidence and statistical reports reveal that the recidivism rate for released sex offenders alarmingly high, especially for those who commit their crimes against children; and

WHEREAS, the City is becoming an increasingly attractive place for families with young children; and

WHEREAS, the City Council finds that regulating sex offender residency within the City and establishing child safety zones provide better protection for children gathering in the City and is necessary to protect the health, safety and general welfare of children; and

WHEREAS, the laws of the State of Texas, including those found in Chapter 51 of the Texas Local Government Code and the City Charter, provide the City authority to adopt ordinances for the good government, peace, order and welfare of the City;

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

SECTION 1. FINDINGS OF FACT. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

SECTION 2. AMENDMENT OF CHAPTER 23. Chapter 23 of the Code of Ordinances of the City is hereby amended by adding Article XI. - Child Safety Zones to read as follows:

ARTICLE XI. - CHILD SAFETY ZONES

Sec. 23-290. - Definitions.

“*Child sex offender*” means a person who is required to register on the Texas Department of Public Safety's Sex Offender Database (the “database”) because of a conviction(s) involving a minor. “*Day-care center*” is a facility providing care, training, education, custody, treatment, or supervision for 13 or more children for less than 24 hours a day.

“*Minor*” is a person under the age of 17.

“*Park*” is a parcel of land, community park, neighborhood park, playground, swimming pool, indoor facility, outdoor facility, recreation center, field, athletic field, hike and bike trails, greenbelt areas and any other area in the City-owned, leased and/or used by the City, and devoted to active or passive recreation, including any related facilities, parking lots and/or amenities, save and except any of the foregoing that has a stadium, arena and/or permanent seating and primarily used for sporting events, special events and/or other entertainment any of which is not managed by the City.

“*Permanent residence*” is a place where a person abides, lodges, or resides for 14 or more consecutive days.

“*Premises where children commonly gather*” means areas including all improved and unimproved lots where the following are located or planned to be located: a public park, private or public school (excluding in-home schools), day-care center, or private recreational facility, including a park, water park, pool, playground, skate park, arcade or youth athletic field owned by a residential property owners association, or for which an entrance, admission, or rental fee is charged.

“*Recurring visitor*” is a person who on at least three (3) occasions during any month spends more than 48 consecutive hours in the city.

“*Temporary residence*” is a place where a person abides, lodges, or resides for a period of 14 or more days in the aggregate during any calendar year and which is not the person's permanent address, or a place where a person routinely abides, resides, or lodges for a period of four or more consecutive or nonconsecutive days in any month and which is not the person's permanent residence.

Sec. 23.291. - Residency requirements.

(a) It shall be unlawful for a child sex offender to establish a permanent residence, establish a temporary residence or to be a recurring visitor at a residence, located within 1,500 feet of any premises where children commonly gather.

(b) It shall be unlawful to let or rent any place, structure or part thereof, manufactured home, trailer, or other conveyance, with the knowledge that it will be used as a permanent residence,

temporary residence by any person prohibited from establishing such permanent residence or temporary residence pursuant to the terms of this article, if such place, structure or part thereof, manufactured home, trailer, or other conveyance, is located within 1,500 feet of any premises where children commonly gather.

Sec. 23.292. – Halloween.

A child sex offender shall not on each October 31st leave decorations or an exterior porch light on or otherwise invite trick-or-treaters to the premises.

Sec. 23.293. - Evidentiary matters; measurement.

(a) For the purpose of determining the minimum distance of separation under this article, the distance shall be measured by following a straight line from the outer property line of the permanent or temporary residence to the nearest property line of the premises where children commonly gather, as described hereinabove, or, in the case of multiple residences on one property, measuring from the nearest property line of the premises to the nearest property line of the premises where children commonly gather, as described herein.

(b) A map depicting the prohibited areas shall be maintained by the City, and it shall be reviewed and updated not less than annually for changes. Said map will be available to the public on the City's website at the Kyle Police Department.

(c) Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined in this article.

Sec. 23.294. - Affirmative defenses.

The following shall be affirmative defenses to prosecution under this article that any of the following conditions apply:

(a) It shall be an affirmative defense under Sec. 23.291(a) if the person required to register on the database established the permanent or temporary residence and has complied with all of the child sex offender registration laws of the State, prior to the date of the adoption of this article, provided, however that if the person required to register on the database established the permanent or temporary residence through a lease or other rental arrangement in effect on the effective date of this article, this affirmative defense shall not apply upon termination of the lease/rental arrangement that is in effect on the effective date of this article.

(b) It shall be an affirmative defense under Sec. 23.291(a) if the person required to register on the database lives in a medical facility for care where services are designed to meet a person's health or personal care needs during a short or long period of time. Medical facilities are defined as hospitals or inpatient facilities.

(c) It shall be an affirmative defense under Sec. 23.291(a) if the premises where children commonly gather was designated, declared and/or determined after the child sex offender established the permanent or temporary residence and complied with all child sex offender registration laws of the State provided, however, that if the person required to register on the database established the permanent or temporary residence through a lease or other rental arrangement in effect on the effective date of this article, this affirmative defense shall not apply upon termination of the lease/rental arrangement that is in effect on the effective date of this article.

(d) It shall be an affirmative defense under Sec. 23.291 if the information on the database is incorrect, and, if corrected, this article would not apply to the person who was erroneously listed on the database.

(e) The person required to register as a sex offender was a minor when he/she committed the offense requiring such registration and was not convicted as an adult.

(f) The person was within a child safety zone performing community service ruled by a magistrate.

SECTION 3. PENALTY PROVISION. Any person who violates the provisions of this article shall be charged with a class C misdemeanor; and upon conviction shall be fined as provided for in Sec 1-14(a) of this Code for each day that a violation exists, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

SECTION 4. SAVINGS CLAUSE. All rights and remedies of the City are expressly saved as to any and all violations of the provisions of any ordinances affecting sex offender regulations and child safety zones that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 5. AMENDMENT OF ORDINANCES. The City Code of Ordinances, Chapter 23, is hereby amended to the extent of any conflict or inconsistency herewith only and all ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this Ordinance and any other code or ordinance of the city, the terms and provisions of this Ordinance shall govern.

SECTION 6. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clause or phrases be declared void.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect immediately from and after publication in accordance with the provisions of the City Charter and the Local Government Code.

SECTION 8. OPEN MEETINGS. It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED on First Reading this ___ day of _____, 2021.

FINALLY PASSED AND APPROVED on this the _____ day of _____, 2021.

THE CITY OF KYLE, TEXAS

Travis Mitchell, Mayor

ATTEST:

Jennifer Holm, City Secretary



Recidivism of Sex Offenders Released from State Prison: A 9-Year Follow-Up (2005-14)

Marier Alper, Ph.D., and Matthew R. Durose, *BJS Statisticians*

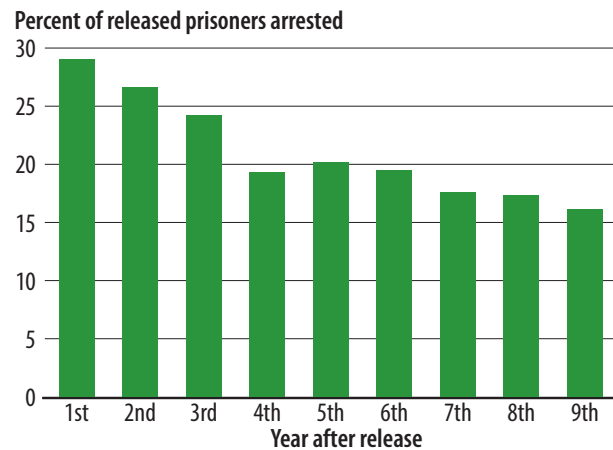
Among persons released from state prisons in 2005 across 30 states after serving a sentence for rape or sexual assault, 8% were arrested for rape or sexual assault during the 9 years after their release. Overall, 67% of sex offenders released in 2005 were arrested at least once for any type of crime during the 9-year follow-up period.¹

About 3 in 10 (29%) sex offenders released in 2005 were arrested during their first year after release (figure 1). About 1 in 5 (20%) were arrested during their fifth year after release, and nearly 1 in 6 (16%) were arrested during their ninth year.

The Bureau of Justice Statistics (BJS) used criminal-history data and prisoner records to analyze the post-release offending patterns of former prisoners both within and outside of the state where they were imprisoned. This is BJS's first recidivism study on sex offenders with a 9-year follow-up period.

¹For this report, "sex offenders" refers to released prisoners whose most serious commitment offense was rape or sexual assault.

FIGURE 1
Annual arrest percentage of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault



Note: The denominator is the 20,195 prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault. See table 7 for estimates and appendix table 9 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

HIGHLIGHTS

Within 9 years of their release from prison in 2005—

- Rape and sexual assault offenders were less likely than other released prisoners to be arrested, but they were more likely than other released prisoners to be arrested for rape or sexual assault.
- Released sex offenders were more than three times as likely as other released prisoners to be arrested for rape or sexual assault (7.7% versus 2.3%).
- About two-thirds (67%) of released sex offenders were arrested for any crime, compared to about five-sixths (84%) of other released prisoners.
- Half of released sex offenders had a subsequent arrest that led to a conviction.
- Released sex offenders accounted for 5% of releases in 2005 and 16% of arrests for rape or sexual assault during the 9-year follow-up period.
- Less than half of released sex offenders were arrested for any crime within the first 3 years, while more than two-thirds were arrested within 9 years.
- Eleven percent of released sex offenders were arrested at least once for any crime outside the state of release.
- Among released prisoners who had a prior arrest for a sex offense but were serving time for an offense other than a sex offense, 6.7% were subsequently arrested for rape or sexual assault.

This study compares released prisoners whose most serious commitment offense was rape or sexual assault to all other released prisoners, in terms of their characteristics and recidivism patterns. It also compares the characteristics and recidivism patterns of released sex offenders to those of released prisoners whose most serious commitment offense was assault.

Prisoners whose most serious commitment offense was a violent crime of rape, sexual assault, or assault (whether aggravated or simple) were involved in a generally nonfatal attack upon a person, whereas homicide involves a fatality, and robbery involves an attack with the aim of taking property. So, in addition to comparisons with other released prisoners as a whole, this report examines how the recidivism patterns of sex offenders compare to the recidivism patterns of prisoners released after serving time for a non-sexual assault. (See Methodology for offense definitions.)

Separate recidivism rates for prisoners released after serving time for rape or sexual assault against a child were unavailable because a large number of prison records did not distinguish between crimes against children and crimes against adults. Prisoners released after serving time for rape or sexual assault against a child are included with all other rape and sexual assault offenders. Released prisoners whose most serious commitment offense was a non-violent sex offense, such as prostitution or pornography, are included with public-order offenders.

This study was based on a sample of 67,966 released prisoners who were randomly sampled to represent the 401,288 state prisoners released in 30 states in 2005. These 30 states were responsible for 77% of all persons released from state prisons nationwide. (See map on page 15.) A total of 358,398 male prisoners and 42,890 female prisoners were released in the study's 30 states in 2005. These persons may have been serving time for more than one offense and were categorized by the offense with the longest maximum sentence. For instance, prisoners released after serving time for homicide and rape or sexual assault were categorized as homicide offenders if the sentence length for the homicide was longer.

Males accounted for 19,871 (98%) of the 20,195 prisoners released after serving time for rape or sexual assault in 2005 in the study's 30 states (table 1). This report examines the recidivism rates of male and female sex offenders separately in tables 10 to 13.

TABLE 1
Characteristics of prisoners released in 30 states in 2005, by most serious commitment offense

Characteristic	All prisoners	Most serious commitment offense		
		Rape/sexual assault	Assault	Offense other than rape/sexual assault
Sex				
Male	89.3%	98.4%	93.0%	88.8%
Female	10.7	1.6	7.0	11.2
Race/Hispanic origin				
White ^a	39.7%	52.1%	36.1%	39.1%
Black/African American ^a	40.1	27.2	38.0	40.8
Hispanic/Latino	17.7	17.2	22.5	17.7
Other ^{a,b}	2.4	3.5	3.4	2.4
Age at release				
24 or younger	17.7%	12.3%	19.4%	18.0%
25–29	19.4	15.9	21.3	19.6
30–34	16.0	14.1	17.1	16.1
35–39	15.7	14.0	14.9	15.8
40 or older	31.2	43.8	27.3	30.6
Median	34 yrs.	38 yrs.	32 yrs.	34 yrs.
Mean	35.0	38.8	34.0	34.8
Type of prison release				
Conditional	74.1%	67.9%	75.3%	74.4%
Unconditional	25.9	32.1	24.7	25.6
Maximum sentence length^c				
1–<2 years	19.2%	10.5%	12.9%	19.6%
2–<5 years	44.7	34.2	56.3	45.3
5–<10 years	22.1	28.0	20.4	21.8
10 years or more	14.0	27.3	10.4	13.3
Median	36 mos.	60 mos.	36 mos.	36 mos.
Number of prior arrests per released prisoner^d				
4 or fewer	24.8%	52.4%	25.0%	23.4%
5–9	30.3	26.6	30.2	30.5
10 or more	44.9	21.0	44.8	46.2
Median	9 arsts.	4 arsts.	9 arsts.	9 arsts.
Mean	11.0	6.3	10.8	11.3
At least one prior arrest for—				
Drug offense	70.7%	30.5%	57.9%	72.8%
Property offense	81.3	55.8	78.0	82.6
Number of released prisoners				
	401,288	20,195	38,468	381,093

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Percentages exclude missing data. Data on prisoners' age at release were reported for 100% of cases; race/Hispanic origin, for 99.86%; type of prison release, for 98.19%; and maximum sentence length, for 99.72%. See appendix table 3 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

^cBased on the released prisoners' total maximum sentence length for all commitment offenses. Study excludes prisoners sentenced to less than one year.

^dIncludes arrests for any type of crime prior to the prisoners' date of release in 2005.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Sex offenders were more likely than other released prisoners to receive longer sentences and to be granted unconditional releases

Rape or sexual assault was the most serious commitment offense for 5% of the 401,288 prisoners released in 30 states in 2005. (See appendix table 1.) In comparison, assault was the most serious commitment offense of 10% (38,468) of released prisoners.

The median sentence length among prisoners released in 30 states in 2005 after serving time for rape or sexual assault (60 months) was longer than the median sentence length among all prisoners (36 months) or prisoners released after serving time for assault (36 months). Twenty-seven percent of prisoners released after serving time for rape or sexual assault were serving a maximum sentence length of 10 years or more, compared to 10% of prisoners released after serving time for assault.

Sex offenders were more likely to be given unconditional releases than other offenders. About 1 in 3 (32%) sex offenders were granted an unconditional release and not placed on parole, probation, or some other form of community supervision, compared to about 1 in 4 (26%) offenders overall and 1 in 4 (25%) assault offenders. Among prisoners who were granted an unconditional release, 96% were released for an expiration of sentence, and the remaining 4% were commutations or other types of unconditional releases (not shown in tables).

The median age at release for sex offenders was 38

The demographic composition of prisoners released after serving time for rape or sexual assault differed from those released after serving time for other offenses. About half (52%) of sex offenders were white, compared to 36% of assault offenders and 40% of all offenders.

Criminal-history data were used to measure recidivism outcomes of former prisoners

This study uses several measures to examine the post-release offending patterns of former state prisoners, including new arrests and returns to prison. The recidivism patterns were examined in terms of post-release arrests for any type of offense and for the same type of offense for which the former prisoner had been serving time. These estimates do not include crimes that were not reported to the police or that did not result in an arrest.

Prisoners released in 2005 may not have been able to commit certain types of crimes for a portion of the 9-year period following their release because they were re-incarcerated. Data on the amount of time that the prisoners released in 30 states in 2005 spent in prison or jail during the 9-year follow-up period were not available for this study. The recidivism estimates include offenses that the released prisoners were charged with while incarcerated during the follow-up period.

The **cumulative arrest percentage** is the percentage of former prisoners who were arrested at least once during the follow-up period. For example, the cumulative arrest percentage for year-3 is the percentage of prisoners who had at least one arrest during the first, second, or third years following their release. This report also examines the cumulative percentage of prisoners who had a subsequent arrest that led to a court conviction and the cumulative percentage who returned to prison following release. Because not all arrests result in a conviction or reimprisonment, recidivism rates based on these measures are lower than those based on an arrest.

The **annual arrest percentage** is the percentage of released prisoners who were arrested at least once during a particular year within the follow-up period. The denominator for each percentage from years 1 through 9 is the total number of prisoners released in the 30 states during 2005. The numerator is the number of former prisoners arrested during the particular year, regardless of whether they had been arrested during a prior year.

The **annual percentage of first arrests** is the percentage of prisoners who had their first arrest following release during a specific year during the follow-up period. The denominator for each annual first-arrest percentage from years 1 through 9 is the total number of prisoners released in the 30 states in 2005. The numerator is the number of former prisoners arrested for the first time during each of those years (i.e., they had not been arrested during a prior year during the follow-up period). The sum of the annual first-arrest percentages during a follow-up period equals the cumulative arrest percentage for the same period.

The **volume of arrest offenses** is the total number of arrest offenses among the released prisoners during the follow-up period. A former prisoner may have had multiple arrests during the follow-up period, and a single arrest may have involved charges for more than one crime.

The median age at the time of release was older for sex offenders (age 38) than for all released prisoners (age 34) and for assault offenders (age 34). Forty-four percent of sex offenders were age 40 or older at release, compared to 27% of assault offenders and 31% of all offenders.

About half of sex offenders had 5 or more prior arrests and about a third had at least 1 prior drug arrest

About half (52%) of prisoners released after serving a sentence for rape or sexual assault had four or fewer arrests for any type of crime in their criminal history prior to their release in 2005, and about half (48%) had five or more prior arrests. On average, sex offenders had fewer prior arrests in their criminal history than assault offenders. The median number of prior arrests among sex offenders was four, compared to nine for assault offenders. Prior to their release, 31% of sex offenders had been arrested at least once for a drug offense and 56% for a property offense.

Sex offenders were less likely than other released prisoners to be arrested during the 9 years following release

An estimated 83% of the 401,288 prisoners released in 30 states in 2005 were arrested for a new crime within 9 years of release (table 2). The percentage of released prisoners arrested within 9 years for any type of crime after serving time for rape or sexual assault was 67%. That was higher than for prisoners released after serving time for homicide (60%) and lower than for prisoners released after serving time for robbery (84%) or assault (83%). Sex offenders (67%) were also less likely to be arrested following release than prisoners released after serving time for property (88%), drug (84%), or public-order (82%) offenses. Among released prisoners who were arrested during the 9-year follow-up period, 96% of sex offenders and 99% of all offenders were arrested for an offense other than a probation or parole violation (not shown in tables).

Among all 401,288 prisoners released in 30 states in 2005, 381,093 (95%) were serving time for offenses other than rape or sexual assault (i.e., their most serious commitment offense was not a violent sex offense). An estimated 84% of prisoners released after serving time for an offense other than rape or sexual assault were arrested for any type of offense during the 9-year follow-up period.

TABLE 2
Percent of prisoners released in 30 states in 2005 who were arrested within 9 years following release, by most serious commitment offense and types of post-release arrest charges

Most serious commitment offense	Post-release arrest offense								
	Any offense	Violent				Property	Drug	Public order	
		Total violent ^a	Homicide	Rape/sexual assault	Robbery				Assault
All prisoners	83.3%	39.1%	1.2%	2.6%	7.8%	31.3%	48.0%	48.0%	68.4%
Violent^a	78.1%	43.4%	1.4%	4.0%	9.2%	34.1%	39.6%	36.7%	65.0%
Homicide	60.0	29.5	2.7	1.9	4.3	23.1	24.4	26.1	45.8
Rape/sexual assault	66.9	28.1	0.2	7.7	3.8	18.7	24.2	18.5	58.9
Robbery	84.1	47.2	1.5	3.4	16.8	34.3	47.7	45.3	67.1
Assault	82.9	50.7	1.4	2.8	7.7	44.2	44.3	43.2	69.6
Property	87.8%	40.3%	1.0%	2.5%	9.1%	31.9%	63.5%	48.4%	72.4%
Drug	83.7%	34.0%	1.1%	1.6%	5.8%	28.0%	42.4%	60.4%	66.9%
Public order	81.8%	39.8%	1.3%	2.4%	6.7%	32.5%	42.5%	38.8%	70.1%
Rape/sexual assault*	66.9%	28.1%	0.2%	7.7%	3.8%	18.7%	24.2%	18.5%	58.9%
Offense other than rape/sexual assault^b	84.1% †	39.6% †	1.2% †	2.3% †	8.0% †	31.9% †	49.2% †	49.6% †	68.9% †

Note: The numerator for each percentage is the number of persons arrested for that offense during the 9-year follow-up period, and the denominator is the number released after serving time for each type of commitment offense. Persons could have been in prison for more than one offense, the most serious of which is reported. Details may not sum to totals because a person may be arrested more than once for different types of offenses and each arrest may involve more than one offense. See appendix table 4 for standard errors.

*Comparison group.

†Difference with comparison group (rape/sexual assault) is significant at the 95% confidence level.

^aIncludes other miscellaneous violent offenses that are not shown separately.

^bIncludes the 381,093 prisoners whose most serious commitment offense was an offense other than rape or sexual assault.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Sex offenders were three times as likely as other offenders to be arrested for rape or sexual assault during the 9 years following release

Among all prisoners released across 30 states in 2005, 2.6% were arrested for rape or sexual assault during the 9-year follow-up period. Among prisoners released after serving time for rape or sexual assault, 7.7% were arrested for rape or sexual assault within 9 years of release. Prisoners released after serving time for rape or sexual assault (7.7%) were more than twice as likely to be arrested for rape or sexual assault during the 9-year follow-up period than prisoners released after serving time for robbery (3.4%), assault (2.8%), or homicide (1.9%). Overall, prisoners released after serving time for rape or sexual assault (7.7%) were more than three times as likely as other released prisoners (2.3%) to be arrested for rape or sexual assault during the 9 years following release.

Sex offenders were more likely to be arrested for an assault or a drug, property, or public-order offense than for rape or sexual assault during the 9 years after release. During the 9-year follow-up period, approximately 1 in 5 (19%) sex offenders were arrested at least once for assault, 1 in 4 (24%) were arrested for a property offense, and 1 in 5 (18%) were arrested for a drug offense, while 1 in 13 (7.7%) were arrested for a rape or sexual assault. The majority (59%) of prisoners released after serving time for rape or sexual assault were arrested for a public-order offense within 9 years.

In addition to the 20,195 prisoners released in 30 states in 2005 after serving time for rape or sexual assault, other prisoners released that year had prior arrests for rape or sexual assault in their criminal-history records.

Of the 381,093 prisoners released in 2005 after serving time for offenses other than rape or sexual assault, 25,948 (6.5%) had been arrested at least once for rape or sexual assault in their criminal history prior to being released in 2005 (not shown in tables).

Among the 25,948 prisoners released in 2005 whose most serious commitment offense was not rape or sexual assault but who had at least one prior arrest for rape or sexual assault, 6.7% were arrested for rape or sexual assault during the 9 years following release (not shown in tables). Of those prisoners released after serving time for offenses other than rape or sexual assault who had no prior arrests for rape or sexual assault, 2.0% were arrested for rape or sexual assault during the 9-year follow-up period.

Overall, a combined total of 46,144 prisoners released in 2005 either had been serving time for rape or sexual assault (20,195) or had been serving time for another type offense but had previously been arrested for rape or sexual assault (25,948). Of these 46,144 released prisoners, 7.2% were arrested for rape or sexual assault during the 9 years following release.

18% of sex offenders were arrested for the first time during years 4 through 9 after release

The cumulative arrest percentage among released sex offenders increased 18 percentage points when the follow-up period was extended from 3 to 9 years. About half (49%) of prisoners released after serving time for rape or sexual assault were arrested within 3 years, while 62% were arrested within 6 years (table 3). By the end of the 9-year follow-up period, the percentage

TABLE 3
Cumulative percent of prisoners released in 30 states in 2005 who were arrested following release, by year following release and most serious commitment offense

Year after release	Most serious commitment offense							
	All prisoners		Rape/sexual assault		Assault		Offense other than rape/sexual assault	
	Year of first arrest	Cumulative arrest percentage	Year of first arrest	Cumulative arrest percentage	Year of first arrest	Cumulative arrest percentage	Year of first arrest	Cumulative arrest percentage
1	43.8%	43.8%	29.0%	29.0%	43.2%	43.2%	44.5%	44.5%
2	16.2	60.0	12.9	41.9	16.2	59.4	16.4	60.9
3	8.3	68.3	7.0	48.9	8.5	67.9	8.4	69.3
4	5.1	73.4	4.9	53.8	5.6	73.5	5.2	74.4
5	3.5	76.9	4.4	58.2	4.1	77.5	3.5	77.9
6	2.3	79.3	3.6	61.8	2.1	79.6	2.3	80.2
7	1.7	80.9	2.0	63.8	1.5	81.2	1.7	81.8
8	1.3	82.3	1.9	65.7	1.1	82.3	1.3	83.1
9	1.0	83.3	1.2	66.9	0.7	82.9	1.0	84.1

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 5 for standard errors. Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

of sex offenders arrested after release had increased to 67%. Released sex offenders were less likely (49%) than other released prisoners (69%) to be arrested within 3 years but more likely to be arrested for the first time in years 4 through 9 (18% versus 15%).

Among prisoners released after serving time for rape or sexual assault who were arrested during the 9-year follow-up period, 63% were arrested for the first time during the first 2 years. Among prisoners released after serving time for an offense other than rape or sexual assault who were arrested during the 9-year follow-up period, 72% were arrested for the first time during the first 2 years (not shown in tables).

Sex offenders had a lower cumulative arrest percentage than assault offenders. During year-1, 29% of sex offenders were arrested, compared to 43% of assault offenders. By the end of year-9, 67% of sex offenders had been arrested, compared to 83% of assault offenders.

As with released prisoners as a whole, the longer sex offenders went without being arrested after release, the less likely they were to be arrested during the 9-year follow-up period. While 13% of sex offenders were arrested following release for the first time in year-2, that constituted 18% of the 71% who were not arrested in year-1 (not shown in tables). For those not arrested by the end of year-2, 12% were arrested by the end of year-3. Nine percent of those not arrested in years 1 through 5 were arrested in year-6. In year-9, 4% of the released sex offenders who went 8 years without an arrest were arrested.

Half of prisoners released after serving time for rape or sexual assault had an arrest within 9 years that led to a conviction

This study also examines the percentage of prisoners who had an arrest during the 9 years following release that resulted in a conviction. This measure was based on prisoners released from the 29 states in the study (all but Louisiana) that had the necessary data. (See *Methodology*.)

Sex offenders were less likely than all prisoners released in 2005 to have had a new arrest that resulted in a conviction after release. During the first 3 years after release, 28% of prisoners released after serving time for rape or sexual assault had a new arrest that led to a conviction, compared to 49% of all prisoners (table 4). At the end of the 9-year follow-up period, 50% of prisoners released after serving time for rape or sexual assault had a new arrest that led to a conviction, compared to 69% of all prisoners.

The percentage of sex offenders who had an arrest that led to a conviction within 9 years of release (50%) was about three-quarters of the percentage of sex offenders who were arrested within 9 years of release (67%).

TABLE 4
Cumulative arrest percentage of prisoners released in 29 states in 2005 after serving a sentence for rape/sexual assault or assault who had an arrest that led to a conviction after release

Year after release	All prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	25.4%	12.8%	22.4%
2	39.6	22.3	37.7
3	49.0	28.4	46.4
4	55.3	34.2	53.5
5	59.8	38.5	58.3
6	63.1	42.2	62.1
7	65.7	45.2	65.1
8	67.8	48.1	67.7
9	69.2	49.6	68.8

Note: Estimates based on time from release to first arrest that led to a conviction among prisoners released in 29 of the study's 30 states (all but Louisiana). Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 6 for standard errors.

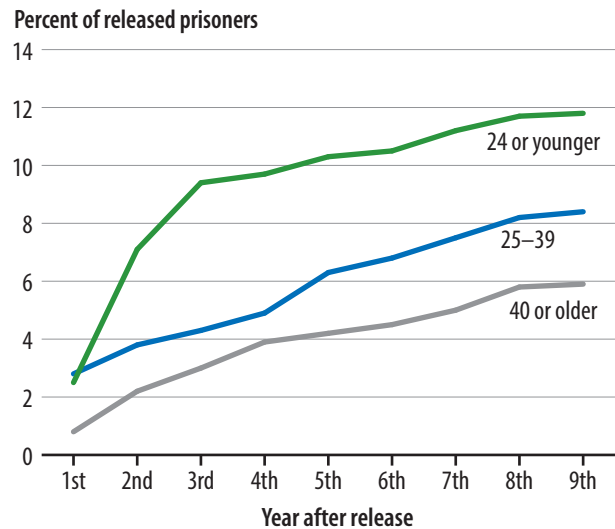
Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Younger sex offenders were more likely than older sex offenders to be arrested for another sex offense post-release

Overall, 4.4% of sex offenders were arrested for another sex offense within 3 years following release (table 5). After 9 years following release, the percentage rose to 7.7%. Younger sex offenders (those age 24 or younger at the time of release) were more likely to be arrested for rape or sexual assault following release than older sex offenders (age 40 or older at the time of release).

Nearly 10% (9.4%) of sex offenders age 24 or younger at the time of their release were arrested for rape or sexual assault within 3 years of release, compared to 3.0% of those age 40 or older (figure 2). About half of those age 24 or younger who were arrested within 3 years of release for rape or sexual assault were arrested in year-2 alone (4.6%). Overall, within 9 years of release, sex offenders age 24 or younger were twice as likely to be arrested for rape or sexual assault (11.8%) as sex offenders age 40 or older (5.9%).

FIGURE 2
Cumulative percent of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault who were arrested for rape/sexual assault after release, by age and year after release



Note: Age groups are based on prisoners' age at time of release after serving a sentence for rape or sexual assault. See table 5 for estimates and appendix table 7 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

TABLE 5
Cumulative percent of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault who were arrested for rape/sexual assault after release, by age and year after release

Most serious commitment offense	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All prisoners	0.5%	0.9%	1.2%	1.5%	1.8%	2.0%	2.2%	2.4%	2.6%
Prisoners released after serving a sentence for rape/sexual assault	1.9	3.5	4.4	5.1	5.9	6.3	6.9	7.6	7.7%
Age at release									
24 or younger	2.5	7.1	9.4	9.7	10.3	10.5	11.2	11.7	11.8
25–39	2.8	3.8	4.3	4.9	6.3	6.8	7.5	8.2	8.4
40 or older	0.8	2.2	3.0	3.9	4.2	4.5	5.0	5.8	5.9
Race/Hispanic origin									
White ^a	1.6	2.6	3.2	3.9	4.6	5.1	5.5	5.8	6.2
Black/African American ^a	1.7	4.4	4.6	6.0	6.5	6.8	7.7	9.7	9.7
Hispanic/Latino	3.3	4.9	7.5	7.5	8.1	8.1	8.6	8.6	8.6
Other ^{a,b}	1.0	2.6	3.8	4.1	4.5	4.7	6.7	6.7	6.9

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Data on prisoners' sex and age at release were known for 100% of cases, and race/Hispanic origin was known for 99.86%. See appendix table 7 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Measuring recidivism as a return to prison

In addition to arrests, returns to prison are another measure that can be used when studying prisoner recidivism. The Bureau of Justice Statistics (BJS) relies on a combination of criminal-history records from the Federal Bureau of Investigation and state repositories, along with prisoner records obtained from state departments of corrections through the National Corrections Reporting Program (NCRP), to estimate the percentage of released state prisoners who returned to prison.

BJS published a report in 2014 on state prisoners released in 2005 that used a 5-year follow-up period to examine offending patterns based on other recidivating events, including a conviction and return to prison.² The return-to-prison analysis for that report was based on prisoners released from the 23 states that could provide the necessary data. (See *Methodology*.) BJS used the annual 2005-10 NCRP files to supplement the criminal-history records with information on released prisoners who returned to prison for a probation or parole violation or a sentence for a new crime.

When BJS extended the follow-up period from 5 to 9 years, only 17 states could provide the

prison-admission data needed to identify returns to prison for the entire time frame. As a result, this report provides return-to-prison rates for only the first 5 years following release for the prisoners released in the 23 states with the necessary data. The 5-year return-to-prison rates of released sex offenders were not included in prior reports on prisoners released in 2005.

Prisoners released after serving time for rape or sexual assault had a lower 5-year return-to-prison rate than released prisoners overall. Among prisoners serving time for rape or sexual assault who were released in 2005 in the 23 states with available data on returns to prison, 35% had a parole or probation violation or an arrest for a new offense that led to imprisonment within 3 years, while 40% had one within 5 years. In comparison, 55% of all prisoners released in 2005 had a parole or probation violation or an arrest for a new offense that led to imprisonment within 5 years.

Due to limitations with the prison-admission data used for this study, it is not possible to distinguish between returns to prison for parole or probation violations and returns to prison for sentences for new crimes. It is also not possible to determine how many of the returns to prison were for rape or sexual assault (or other types of crimes).

²*Recidivism of Prisoners Released in 30 States in 2005: Patterns from 2005 to 2010*, NCJ 244205, BJS web, April 2014.

Within 3 years of release, sex offenders with 10 or more prior arrests for any crime (5.7%) were not statistically significantly more likely to be arrested for rape or sexual assault than those with 5 to 9 prior arrests (4.5%) and those with 4 or fewer prior arrests (3.7%) (not shown in tables). Within 9 years of release, sex offenders with 10 or more prior arrests for any crime (10.4%) were not statistically significantly more likely to be arrested for rape or sexual assault than those with 5 to 9 prior arrests (8.3%) and those with 4 or fewer prior arrests (6.4%) (not shown in tables).

11% of prisoners released after serving time for rape or sexual assault were arrested at least once outside the state that released them

Five percent of prisoners released after serving time for rape or sexual assault were arrested outside of the state that released them, for any type of crime, during the first 3 years after release (table 6). During years 4 through 9, the out-of-state cumulative arrest rate increased to 11%. Among prisoners released after serving time for assault, 8% were arrested in another state within 3 years and 17% were arrested within 9 years. Fewer than 1% of sex offenders were arrested in another state for rape or sexual assault during the

9 years following release (not shown in tables). Of the released sex offenders arrested for a new crime during the 9-year follow-up period, 17% had been arrested out-of-state and 83% had been arrested only within the state that released them (not shown in tables).

TABLE 6
Cumulative percent of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested outside the state of release, by year after release

Year after release	All prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	3.3%	2.1%	3.6%
2	5.7	3.4	6.4
3	7.7	5.2	8.4
4	9.3	6.7	10.2
5	10.8	8.2	11.9
6	12.1	9.4	13.1
7	13.3	10.1	14.4
8	14.4	10.6	15.6
9	15.4	11.4	16.7

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 8 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Annual arrest percentages among sex offenders declined during the 9 years following their release

Overall, 84% of sex offenders who were age 24 or younger at release were arrested for any type of crime within 9 years after release, compared to 72% of those ages 25 to 39 and 57% of those age 40 or older (table 7). Twenty-nine percent of all sex offenders were arrested during their first year after release, compared to 16% during their ninth year. Among sex offenders who were age 24 or younger at release, the annual arrest percentage declined from 43% in year-1 to 19%

in year-9. Roughly a third (33%) of sex offenders ages 25 to 39 were arrested during their first year after release, compared to about a sixth (17.5%) during their ninth year.

Thirty-five percent of sex offenders who were Hispanic were arrested in year-1, while the annual arrest rate declined by more than two-thirds to 11% in year-9. This decrease was larger than the decrease between years 1 and 9 for sex offenders who were white (from 24% to 13%) or who were black (from 35% to 26%).

TABLE 7
Annual arrest percentage of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by prisoner characteristics

Characteristic	Number of released prisoners	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All prisoners	401,288	83.3%	43.8%	37.6%	34.2%	31.9%	30.0%	27.9%	27.2%	25.9%	24.0%
Prisoners released after serving a sentence for rape/sexual assault	20,195	66.9%	29.0%	26.6%	24.2%	19.3%	20.2%	19.5%	17.6%	17.3%	16.1%
Age at release											
24 or younger	2,486	83.8	42.9	37.5	29.7	21.2	26.9	21.9	25.5	27.5	18.7
25–39	8,867	72.0	32.7	30.4	27.5	21.7	23.1	22.5	19.3	17.5	17.5
40 or older	8,842	57.1	21.3	19.7	19.2	16.3	15.3	15.7	13.7	14.3	14.0
Race/Hispanic origin											
White ^a	10,499	61.3	23.8	22.0	20.1	16.7	16.4	17.2	14.0	15.9	12.8
Black/African American ^a	5,482	78.6	35.0	34.1	30.1	24.8	27.4	21.6	26.0	25.3	25.7
Hispanic/Latino	3,459	64.9	34.9	26.6	27.1	16.4	20.9	22.4	15.1	9.2	11.2
Other ^{a,b}	713	66.9	25.4	31.7	19.7	24.3	11.6	17.2	13.6	11.5	9.8
Prisoners released after serving a sentence for assault	38,468	82.9%	43.2%	38.1%	34.0%	32.4%	31.3%	29.0%	29.0%	28.4%	24.8%
Age at release											
24 or younger	7,468	87.3	50.9	43.5	35.4	31.0	35.5	29.1	25.8	29.1	27.4
25–39	20,511	85.2	44.1	39.1	36.1	33.8	32.2	30.0	32.1	30.8	26.7
40 or older	10,489	75.4	35.9	32.4	28.9	30.7	26.5	27.1	25.3	23.4	19.2
Race/Hispanic origin											
White ^a	13,841	80.3	38.8	34.5	32.5	29.7	30.9	29.7	27.5	26.6	23.1
Black/African American ^a	14,562	86.4	45.2	41.4	35.7	35.0	31.2	30.3	29.9	28.9	25.6
Hispanic/Latino	8,629	80.6	46.0	37.5	32.8	33.0	31.7	24.9	28.8	28.7	25.4
Other ^{a,b}	1,312	85.0	47.0	44.6	34.6	29.5	34.0	32.6	33.1	37.6	24.8

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Percentages exclude missing data. Data on prisoners' age at release were reported for 100% of cases, and race/Hispanic origin was known for 99.86%. See appendix table 9 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

During the first year following release, 7% of sex offenders were arrested for a violent offense, 6% for a property offense, 4% for a drug offense, and 23% for a public-order offense (table 8). During the ninth year, these percentages fell to 3% each for a violent, property, or drug offense, and 13% for a public-order offense. During the 9 years after release, 28% of prisoners released after serving time for rape or sexual

assault were arrested for a violent crime at least once, compared to 59% arrested for a public-order crime, 24% for a property crime, and 18% for a drug crime. Sex offenders were arrested for a violent offense less often than assault offenders during each year after release. This pattern was also observed for arrests for property, drug, and public-order offenses.

TABLE 8

Annual arrest percentage of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by types of post-release arrest offenses

Most serious commitment offense and type of post-release arrest offense	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Commitment offense: Rape or sexual assault										
Post-release arrest offense										
Violent	28.1%	6.6%	6.4%	5.3%	5.4%	5.3%	3.7%	4.1%	3.0%	2.6%
Property	24.2	5.7	5.7	4.7	4.0	4.7	3.8	4.2	4.5	3.1
Drug	18.5	4.2	4.5	3.8	1.9	3.3	3.0	3.1	3.1	3.3
Public order	58.9	23.4	20.9	19.5	15.3	14.7	14.7	13.9	13.4	13.0
Commitment offense: Assault										
Post-release arrest offense										
Violent	50.7%	12.9%	13.1%	10.4%	11.1%	11.6%	8.1%	8.6%	8.6%	7.5%
Property	44.3	12.5	10.7	11.1	8.8	7.9	8.0	8.7	8.9	8.3
Drug	43.2	11.5	12.1	7.8	9.2	8.7	8.1	8.7	9.0	8.0
Public order	69.6	30.9	25.1	23.2	22.4	20.0	19.3	19.2	19.6	16.3

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 10 for standard errors.
Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Prisoners released after serving time for rape or sexual assault accounted for 16% of arrests for rape or sexual assault during the follow-up period

Prisoners released in 30 states in 2005 were arrested an estimated 2 million times during the 9 years after release. An arrest may involve charges for more than one offense. For instance, one arrest could include charges for a violent crime and a drug crime. These arrests included an estimated 2.9 million different types of offenses (table 9).

The majority of arrests for a specific type of crime did not involve those who had been in prison for the same type of offense. During the 9-year follow-up period, prisoners released after serving time for rape or sexual assault made up 16% of the approximately 12,000

arrests for rape or sexual assault that occurred among all prisoners released in 2005 in the study's 30 states. Prisoners released after serving time for other offenses accounted for the remaining 84% of the arrests for rape or sexual assault during the 9-year follow-up period. Although sex offenders accounted for 16% of the post-release arrests for rape or sexual assault, they represented 5% of all those released from prison in 30 states in 2005. (See appendix table 1.)

During the 9 years after release, prisoners released after serving time for assault made up 15% of the 232,000 arrests for assault, and prisoners released after serving time for other offenses accounted for the remaining 85% of the assault arrests. Prisoners released after serving time for assault accounted for 10% of all released prisoners.

TABLE 9
Types of offenses for which prisoners were arrested within 9 years following release in 30 states in 2005, by most serious commitment offense

Post-release arrest offense	Number of post-release arrest offenses	Most serious commitment offense								
		Total	Violent					Property	Drug	Public order
			Homicide	Rape/sexual assault	Robbery	Assault	Other violent			
Any offense	2,900,000	100%	0.9%	2.8%	6.6%	9.8%	1.9%	35.1%	31.8%	11.2%
Violent										
Total*	347,000	100%	1.3%	3.3%	8.8%	14.2%	2.8%	30.0%	26.5%	13.2%
Homicide	5,000	100%	4.5	1.2	8.2	10.6	5.4	27.6	28.1	14.5
Rape/sexual assault	12,000	100%	1.4	15.6	10.4	10.1	3.0	27.7	19.9	11.9
Robbery	40,000	100%	1.0	2.2	16.3	9.4	1.8	35.1	23.8	10.4
Assault	232,000	100%	1.3	2.7	7.5	15.5	2.6	29.9	27.1	13.6
Property	688,000	100%	0.7%	1.8%	7.0%	7.4%	1.5%	47.0%	24.6%	10.0%
Drug	673,000	100%	0.8%	1.5%	5.7%	7.7%	1.1%	29.4%	44.6%	9.2%
Public order	1,193,000	100%	1.0%	3.9%	6.1%	11.1%	2.3%	33.0%	30.3%	12.3%
Percent of all released prisoners		100%	1.9%	5.0%	7.2%	9.6%	2.1%	29.7%	31.9%	12.7%

Note: An arrest may involve charges for more than one type of offense. Each unique offense category included in an arrest is counted once. There were an estimated 1,990,000 post-release arrests of the 401,288 prisoners released in 30 states in 2005, and these included approximately 2,900,000 different offenses. Persons could have been in prison for more than one offense, the most serious of which is reported. Number of post-release arrest offenses for each sub-category was rounded to the nearest 1,000. See appendix table 11 for standard errors.

*Includes other miscellaneous violent offenses, not shown separately.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Almost 6% of male prisoners released in 30 states in 2005 were serving time for rape or sexual assault

Rape or sexual assault was the most serious commitment offense for 5.5% (19,871) of the 358,398 male prisoners released in 30 states in 2005 (table 10). The median age at the time of release in 2005 was older for male sex offenders (age 38) than for all male prisoners released in the 30 states (age 34) and male assault offenders (age 32). Forty-four percent of male sex offenders were age 40 or older at release, compared to 27% of male assault offenders and 31% of all male offenders.

TABLE 10
Characteristics of male prisoners released in 30 states in 2005, by most serious commitment offense

Characteristic	All male prisoners	Most serious commitment offense		Offense other than rape/sexual assault
		Rape/sexual assault	Assault	
Total	100%	100%	100%	100%
Race/Hispanic origin				
White ^a	38.4%	51.7%	36.1%	37.6%
Black/African American ^a	40.9	27.4	37.2	41.7
Hispanic/Latino	18.4	17.3	23.2	18.4
Other ^{a,b}	2.4	3.6	3.4	2.3
Age at release				
24 or younger	18.3%	12.3%	19.6%	18.7%
25–29	19.7	15.9	21.7	20.0
30–34	15.9	14.0	17.1	16.0
35–39	15.2	13.9	14.7	15.3
40 or older	30.8	44.0	26.9	30.1
Median	34 yrs.	38 yrs.	32 yrs.	34 yrs.
Mean	34.9	38.9	34.0	34.6
Type of prison release				
Conditional	74.3%	68.0%	76.0%	74.7%
Unconditional	25.7	32.0	24.0	25.3
Maximum sentence length^c				
1–<2 years	18.1%	10.4%	12.4%	18.6%
2–<5 years	44.6	34.4	56.4	45.2
5–<10 years	22.5	27.8	20.5	22.2
10 years or more	14.7	27.4	10.7	14.0
Median	39 mos.	60 mos.	36 mos.	36 mos.
Number of prior arrests per released prisoner^d				
4 or fewer	24.5%	52.0%	24.2%	22.8%
5–9	30.4	26.8	30.2	30.6
10 or more	45.2	21.2	45.6	46.6
Median	9 arsts.	4 arsts.	9 arsts.	9 arsts.
Mean	11.0	6.4	10.9	11.3
At least one prior arrest for—				
Drug offense	70.5%	30.6%	58.5%	72.9%
Property offense	81.2	56.1	78.6	82.7
Number of released prisoners	358,398	19,871	35,771	338,527

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Percentages exclude missing data. Data on male prisoners' age at release were reported for 100% of cases; race/Hispanic origin, for 99.85%; type of prison release, for 98.21%; and maximum sentence length, for 99.72%. See appendix table 12 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

^cBased on the released prisoners' total maximum sentence length for all commitment offenses. Study excludes prisoners sentenced to less than one year.

^dIncludes arrests for any type of crime prior to the prisoners' date of release in 2005.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Fewer than 1% of female prisoners released in 30 states in 2005 were serving time for rape or sexual assault

Fewer than 1% (324) of the 42,890 female prisoners released in 30 states in 2005 were serving time for rape or sexual assault (table 11). The median age at release for female sex offenders was 34, four years younger than the median age for male sex offenders. The median maximum sentence length for female sex offenders was 5 years, the same as for male sex offenders. Seventy-six percent of female sex offenders were white, compared to 52% of male sex offenders.

On average, female sex offenders had fewer prior arrests in their criminal history than male sex offenders. The median number of prior arrests among male sex offenders was four, compared to two for female sex offenders.

Nearly 8 in 10 (79%) female sex offenders had fewer than five arrests for any type of crime prior to their release in 2005, compared to about half (52%) of male sex offenders.

TABLE 11
Characteristics of female prisoners released in 30 states in 2005, by most serious commitment offense

Characteristic	All female prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
Total	100%	100%	100%
Race/Hispanic origin			
White ^a	51.0%	75.9%	35.5%
Black/African American ^a	33.9	14.3	47.9
Hispanic/Latino	12.3	8.6	13.0
Other ^{a,b}	2.9	1.2	3.6
Age at release			
24 or younger	12.0%	15.0%	17.2%
25–29	16.6	15.9	16.0
30–34	17.1	20.1	17.4
35–39	19.7	16.1	17.6
40 or older	34.6	32.8	31.8
Median	36 yrs.	34 yrs.	35 yrs.
Mean	36.0	35.7	34.8
Type of prison release			
Conditional	71.9%	62.7%	66.8%
Unconditional	28.1	37.3	33.2
Maximum sentence length^c			
1–<2 years	27.8%	17.8%	19.8%
2–<5 years	45.8	21.6	55.2
5–<10 years	18.3	36.6	18.3
10 years or more	8.1	24.0	6.7
Median	36 mos.	60 mos.	36 mos.
Number of prior arrests per released prisoner^d			
4 or fewer	28.0%	78.9%	35.5%
5–9	29.3	12.6	30.7
10 or more	42.7	8.5	33.8
Median	8 arsts.	2 arsts.	6 arsts.
Mean	10.8	3.8	9.0
At least one prior arrest for—			
Drug offense	72.0%	27.4%	49.8%
Property offense	81.8	36.4	69.8
Number of released prisoners	42,890	324	2,697

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Percentages exclude missing data. Data on female prisoners' age at release were reported for 100% of cases; race/Hispanic origin, for 99.97%; and maximum sentence length, for 99.68%. See appendix table 13 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

^cBased on the released prisoners' total maximum sentence length for all commitment offenses. Study excludes prisoners sentenced to less than one year.

^dIncludes arrests for any type of crime prior to the prisoners' date of release in 2005.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

67% of male prisoners released after serving time for rape or sexual assault were arrested within 9 years

About half (49%) of male prisoners released after serving time for rape or sexual assault were arrested for any type of crime within 3 years, while 62% were arrested within 6 years (table 12). By the end of the 9-year follow-up period, the percentage of male sex offenders arrested after release had increased to 67%. At the end of the 9-year follow-up period, male sex offenders had a lower cumulative arrest percentage than all male prisoners (84%).

Four percent of male prisoners released after serving time for rape or sexual assault were arrested for rape or sexual assault within 3 years, while 8% were arrested for rape or sexual assault within 9 years (appendix table 18). Additional recidivism statistics on male sex offenders are available in appendix tables 16 to 22.

Among the 324 females released from state prisons after serving time for rape or sexual assault in 30 states in 2005, an estimated 29% were arrested for any type of crime at least once during the first year after release (table 13). Forty percent were arrested within 3 years of their release, while 50% were arrested within 6 years. By the end of the 9-year follow-up period, 54% of female sex offenders had been arrested after release. Female sex offenders had a lower 9-year cumulative arrest percentage than all female prisoners (77%). The sample of female sex offenders in this study included too few cases to provide reliable estimates on the percentage arrested for rape or sexual assault following release.

TABLE 12
Cumulative arrest percentage of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested after release, by year after release

Year after release	All male prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	44.8%	29.0%	44.1%
2	61.1	42.0	60.3
3	69.4	49.1	68.9
4	74.4	53.9	74.5
5	77.9	58.4	78.5
6	80.2	62.0	80.6
7	81.8	64.0	82.1
8	83.1	65.9	83.1
9	84.0	67.1	83.8

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 14 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

TABLE 13
Cumulative arrest percentage of female prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested after release, by year after release

Year after release	All female prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	35.1%	28.8%	31.5%
2	50.8	38.1	47.0
3	59.2	40.2	54.9
4	64.7	44.6	60.3
5	68.9	47.0	64.4
6	71.4	50.0	67.1
7	73.6	53.8	69.0
8	75.3	53.8	70.9
9	76.7	54.4	71.7

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 15 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

Methodology

Sampling

This study estimates the recidivism patterns of persons released in 2005 from state prisons in 30 states. States were included in this study if the state departments of corrections (DOCs) could provide the prisoner records and the Federal Bureau of Investigation (FBI) or state identification numbers on persons released from prison during 2005, through the National Corrections Reporting Program (NCRP), which is administered by the Bureau of Justice Statistics (BJS).

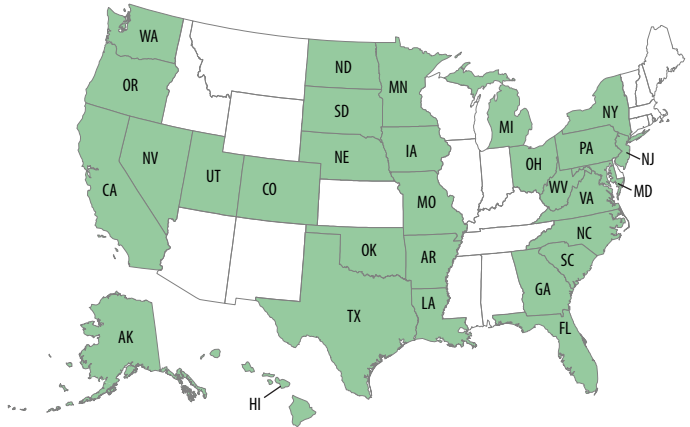
The fingerprint-based identification numbers were required to obtain the criminal-history records on released prisoners. Prisoner records also included each prisoner's sex, race, Hispanic origin, date of birth, confinement offenses, sentence length, type of prison release, and date of release. The 30 states with DOCs that submitted the NCRP data on prisoners released in 2005 were Alaska, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Iowa, Louisiana, Maryland, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Virginia, Washington, and West Virginia (map 1).

Across the 30 states in 2005, a total of 412,731 prisoners were released and were eligible for this study. That number excludes 131,997 prisoners (for a total of 544,728) who were sentenced to less than one year, were transferred to the custody of another authority, died in prison, were released on bond, were released to seek or participate in an appeal of a case, or escaped from prison or were absent without official leave. When a prisoner was released multiple times during the year, the first release during 2005 was used.

From the universe of prisoners released in 30 states in 2005 in this study, all males and females who were in prison for homicide were selected with certainty into the study. Analyses were completed to determine the number of prisoners released after serving time for non-homicide offenses that would be needed from each state's universe of released prisoners to yield a statistically sound estimate of that state's recidivism rates.

MAP 1

States included in the BJS recidivism study of prisoners released in 2005



Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

As a result, states contributed different numbers of records to the final sample. To achieve the desired state-level samples, lists of all males and females imprisoned for a non-homicide offense were sorted separately by race, Hispanic origin, age, most serious commitment offense, and the country in which the sentence was imposed. The within-state sampling rate for female prisoners was double that of males to improve the precision of female recidivism estimates. The combined number of persons in the 30 state samples totaled 70,878 individuals. (This number dropped to 67,966 after accounting for those who died during the subsequent 9 years, lacked criminal-history records, or had invalid release records.) Each prisoner in the sample was assigned a weight based on the probability of selection within the state.

Collecting and processing criminal-history data for recidivism research

BJS used the state and FBI identification numbers to collect the criminal-history records on the released prisoners through the FBI's Interstate Identification Index (III) via the International Justice and Public Safety Network (Nlets). These records contained arrests, from state and federal criminal-justice agencies across the 50 states and the District of Columbia, prior to and following prison releases in 2005. Nlets parsed

fields from individual criminal-history records into a relational database with a uniform record layout consisting of state- and federal-specific numeric codes and text descriptions (e.g., criminal statutes and case-outcome information).

NORC at the University of Chicago helped BJS standardize the content of the relational database into a uniform coding structure to support the national-level recidivism research. With the exception of vehicular manslaughter, driving under the influence or driving while intoxicated (DUI/DWI), and hit-and-run offenses, BJS excluded traffic violations from the study due to the variation in coverage of these events in state criminal-history records.

This study used the death information from the FBI's III and the Social Security Administration's public Death Master File to identify individuals who died during the 9-year follow-up period. BJS documented that 2,173 of the 70,878 sampled prisoners died during the 9-year follow-up period and removed these cases from the recidivism analysis along with four additional cases that were determined to be invalid release records.

Missing criminal-history records

Among the 68,701 sampled prisoners not identified as deceased during the follow-up period, BJS did not receive criminal-history records on a total of 735 prisoners (involving 27 of the study's 30 states) because either the state DOCs were unable to provide the prisoners' FBI or state identification number or the prisoner had an identification number that did not link to a criminal-history record either in the FBI or a state record repository. To account for the missing criminal-history records and to ensure the recidivism statistics were representative of all 68,701 prisoners in the analysis, BJS developed weighting-class adjustments to account for those prisoners without criminal-history information to reduce non-response bias.

To create the statistical adjustments, the 68,701 sampled prisoners were stratified into groups by crossing two categories of sex (male or female), five categories of age at release (24 or younger, 25 to 29, 30 to 34, 35 to 39, or 40 or older), four categories of race and Hispanic origin (non-Hispanic white, non-Hispanic black, Hispanic, or other race), and four categories of the most serious commitment offense (violent, property,

drug, or public order). Within each subgroup, statistical weights were applied to the data of the 67,966 prisoners with criminal-history information to allow their data to represent the 735 prisoners without criminal-history information.

Conducting tests of statistical significance

This study was based on a sample, not a complete enumeration, so the estimates are subject to sampling error. One measure of the sampling error associated with an estimate is the standard error. The standard error can vary from one estimate to the next. In general, an estimate with a smaller standard error provides a more accurate approximation of the true value than an estimate with a larger standard error. Estimates with relatively large standard errors should be interpreted with caution. BJS conducted tests to determine whether differences in the estimates were statistically significant once the sampling error was taken into account.

All differences discussed in this report are statistically significant at the 95% confidence level unless otherwise stated. Standard errors were generated using Stata, a statistical software package that calculates sampling errors for data from complex sample surveys.

Other measures of recidivism

In addition to new arrests, this study examined the recidivism patterns of former prisoners based on arrests within 9 years of exiting prison in 2005 that resulted in a subsequent court conviction. This measure is based on the time from release to the first date of arrest that led to a conviction, not the date of the conviction. The arrests that occurred within the follow-up period were tracked for 6 more months after year-9 to determine whether the case outcomes led to a subsequent conviction. This measure included prisoners released in 29 of the study's 30 states. Prisoners released in Louisiana were excluded because the disposition information from that state was generally not linked to the associated arrest.

The return-to-prison rates were based on prisoners released from 23 of the 30 states. The criminal-history data provided information on arrests that resulted in imprisonment during the follow-up period either within or outside of the state that released the prisoner, while the NCRP data provided

information on returns to prison for probation or parole violations or sentences for new crimes within the state that released them. Prisoners released in Maryland, Nebraska, Nevada, Ohio, Pennsylvania, and Virginia were excluded from the return-to-prison analysis because the complete prison-admission data needed to locate returns to prison during the first 5 years following release were unavailable. Prisoners released in Louisiana were also excluded from the return-to-prison analysis because the sentencing information in the criminal-history records was generally not linked to the associated arrest.

Comparing recidivism rates in this report to those from prior BJS studies

Given the increases in the number of states in the study and the length of the follow-up period, as well as improvements to the nation's criminal-history records over time, direct comparisons of the recidivism estimates from this study should not be made to those from BJS recidivism studies of previously released cohorts of prisoners.

Direct comparisons of the 9-year recidivism rates from this study on prisoners released in 30 states in 2005 to the 3-year rates from the previous BJS recidivism study on prisoners released in 15 states in 1994 should not be made due to differences in the two samples of prisoners. To control for the differences in the number of states in the studies and follow-up period lengths, BJS conducted analyses that limited the comparison to the 3-year cumulative arrest percentages among the prisoners released in the 11 states that provided the data for both studies (California, Florida, Michigan, Minnesota, New Jersey, New York, North Carolina, Ohio, Oregon, Texas, and Virginia).

Among the prisoners released in these 11 states in 1994 after serving time for rape or sexual assault, 5% of the prisoners were arrested for rape or sexual assault within 3 years. Of those released in these 11 states in 2005 after serving time for rape or sexual assault, 4% of the prisoners were arrested for rape or sexual assault within 3 years. The difference between these percentages was not statistically significant.

Due to efforts by the FBI and individual states to improve their criminal-history record systems, national criminal-history data may now capture more information on offenders' criminal activities than in the past. However, the potential effects of these improvements of the nation's criminal-history records on the observed recidivism rates are difficult to quantify.

For the 2005 study, BJS first used the prisoner records and criminal-history data to analyze the 5-year recidivism patterns. BJS extended the original 5-year follow-up period to 9 years to assess how recidivism patterns change with longer follow-up periods. Findings from this study were published in *2018 Update on Prisoner Recidivism: A 9-Year Follow-up Period (2005-2014)* (NCJ 250975, BJS web, May 2018). Recidivism estimates in this report may differ slightly from previously published estimates on prisoners released in 2005 based on updates to the data used for the study.

Offense definitions

Violent offenses include homicide, rape or sexual assault, robbery, assault, and other miscellaneous or unspecified violent offenses.

Homicide includes murder, non-negligent and negligent manslaughter, and unspecified homicide offenses.

Rape or sexual assault includes (1) forcible intercourse (vaginal, anal, or oral) with a female or male; (2) forcible sodomy or penetration with a foreign object (sometimes called "deviate sexual assault"); (3) forcible or violent sexual acts not involving intercourse; (4) non-forcible sexual acts with a minor (such as statutory rape or incest with a minor); and (5) non-forcible sexual acts with someone unable to give legal or factual consent due to mental or physical defect or intoxication.

Robbery is the unlawful taking of property that is in the immediate possession of another, by force or the threat of force. Includes forcible purse-snatching but excludes non-forcible purse-snatching.

Assault includes aggravated, simple, and unspecified assault. Aggravated assault includes (1) intentionally and without legal justification causing serious bodily injury, with or without a deadly weapon; or (2) using a deadly or dangerous weapon to threaten, attempt, or cause bodily injury, regardless of the degree of injury, if any. It also includes attempted murder, aggravated battery, felonious assault, and assault with a deadly weapon. Simple assault includes intentionally and without legal justification causing less-than-serious bodily injury without a deadly or dangerous weapon, or attempting or threatening bodily injury without a dangerous or deadly weapon.

Property offenses include burglary, fraud or forgery, larceny, motor vehicle theft, and other miscellaneous or unspecified property offenses.

Drug offenses include possession, trafficking, and other miscellaneous or unspecified drug offenses.

Public-order offenses include violations of the peace or order of the community or threats to the public health or safety through unacceptable conduct, interference with a governmental authority, or the violation of civil rights or liberties. This category includes weapons offenses, DUI/DWI, probation and parole violations, obstruction of justice, commercialized vice, disorderly conduct, and other miscellaneous or unspecified offenses.

Arrests for probation and parole violations

In this report, arrests for probation and parole violations were included as public-order offenses. Excluding arrests for probation and parole violations from the analysis would have had only a small impact on the recidivism rates. Excluding arrests for probation and parole violations, 64.2% of state prisoners released in 2005 in 30 states after serving time for rape or sexual assault were arrested at least once within 9 years. By comparison, 66.9% of such released offenders were arrested within 9 years when including these arrests. In other words, 96% of the released sex offenders who were arrested during the 9-year follow-up period were arrested for an offense other than a probation or parole violation.

APPENDIX TABLE 1**Most serious commitment offense of prisoners released in 30 states in 2005, by sex of offender**

Most serious commitment offense	All prisoners		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	401,288	100%	358,398	100%	42,890	100%
Violent	103,197	25.7%	96,879	27.0%	6,317	14.7%
Homicide	7,569	1.9	6,869	1.9	700	1.6
Rape/sexual assault	20,195	5.0	19,871	5.5	324	0.8
Robbery	28,717	7.2	27,046	7.5	1,671	3.9
Assault	38,468	9.6	35,771	10.0	2,697	6.3
Other violent	8,247	2.1	7,323	2.0	924	2.2
Property	119,323	29.7%	103,013	28.7%	16,310	38.0%
Drug	127,890	31.9%	111,565	31.1%	16,325	38.1%
Public order	50,879	12.7%	46,940	13.1%	3,939	9.2%

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 2 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 2**Standard errors for appendix table 1: Most serious commitment offense of prisoners released in 30 states in 2005, by sex of offender**

Most serious commitment offense	All prisoners		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	44	~	42	~	13	~
Violent	1,053	0.26%	1,043	0.29%	149	0.35%
Homicide	1	--	3	--	3	0.01
Rape/sexual assault	535	0.13	534	0.15	36	0.08
Robbery	592	0.15	587	0.16	81	0.19
Assault	781	0.19	773	0.22	109	0.25
Other violent	361	0.09	354	0.10	68	0.16
Property	1,108	0.28%	1,086	0.30%	215	0.50%
Drug	1,116	0.28%	1,096	0.31%	214	0.50%
Public order	740	0.18%	732	0.20%	107	0.25%

--Less than 0.005%.

~Not applicable.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 3

Standard errors for table 1: Characteristics of prisoners released in 30 states in 2005, by most serious commitment offense

Characteristic	Most serious commitment offense			
	All prisoners	Rape/sexual assault	Assault	Offense other than rape/sexual assault
Sex				
Male	0.003%	0.18%	0.30%	0.02%
Female	0.003	0.18	0.30	0.02
Race/Hispanic origin				
White	0.28%	1.37%	1.02%	0.29%
Black/African American	0.27	1.17	0.99	0.28
Hispanic/Latino	0.27	1.28	1.07	0.27
Other	0.09	0.52	0.41	0.09
Age at release				
24 or younger	0.22%	0.83%	0.84%	0.23%
25–29	0.24	0.98	0.90	0.24
30–34	0.22	0.93	0.83	0.23
35–39	0.22	0.95	0.78	0.23
40 or older	0.28	1.37	0.96	0.28
Mean	0.06 yrs.	0.32 yrs.	0.20 yrs.	0.06 yrs.
Type of prison release				
Conditional	0.17%	1.11%	0.74%	0.17%
Unconditional	0.17	1.11	0.74	0.17
Maximum sentence length				
1–<2 years	0.23%	0.86%	0.61%	0.24%
2–<5 years	0.29	1.38	1.02	0.29
5–<10 years	0.22	1.21	0.80	0.23
10 years or more	0.14	1.06	0.45	0.13
Number of prior arrests per released prisoner				
4 or fewer	0.20%	1.37%	0.80%	0.20%
5–9	0.26	1.23	0.97	0.27
10 or more	0.28	1.31	1.10	0.28
Mean	0.06 arsts.	0.22 arsts.	0.21 arsts.	0.06 arsts.
At least one prior arrest for—				
Drug offense	0.25%	1.36%	1.04%	0.25%
Property offense	0.20	1.34	0.80	0.20
Number of released prisoners	44	535	781	537

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 4

Standard errors for table 2: Percent of prisoners released in 30 states in 2005 who were arrested within 9 years following release, by most serious commitment offense and types of post-release arrest charges

Most serious commitment offense	Post-release arrest offense								
	Any offense	Violent				Property	Drug	Public order	
		Total violent	Homicide	Rape/sexual assault	Robbery				Assault
All prisoners	0.20%	0.29%	0.07%	0.10%	0.18%	0.28%	0.30%	0.30%	0.24%
Violent	0.45%	0.59%	0.13%	0.24%	0.36%	0.57%	0.59%	0.59%	0.52%
Homicide	0.06	0.06	0.02	0.02	0.02	0.05	0.05	0.05	0.06
Rape/sexual assault	1.24	1.25	0.06	0.72	0.61	1.07	1.21	1.12	1.30
Robbery	0.74	1.07	0.18	0.44	0.80	1.01	1.07	1.08	0.93
Assault	0.76	1.09	0.25	0.36	0.62	1.08	1.09	1.09	0.91
Property	0.33%	0.56%	0.12%	0.18%	0.36%	0.53%	0.54%	0.56%	0.45%
Drug	0.35%	0.51%	0.12%	0.14%	0.28%	0.48%	0.53%	0.51%	0.45%
Public order	0.56%	0.76%	0.20%	0.19%	0.46%	0.72%	0.77%	0.77%	0.66%
Rape/sexual assault	1.24%	1.25%	0.06%	0.72%	0.61%	1.07%	1.21%	1.12%	1.30%
Offense other than rape/sexual assault	0.20%	0.30%	0.07%	0.09%	0.18%	0.29%	0.31%	0.30%	0.24%

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 5

Standard errors for table 3: Cumulative percent of prisoners released in 30 states in 2005 who were arrested following release, by year following release and most serious commitment offense

Year after release	Most serious commitment offense							
	All prisoners		Rape/sexual assault		Assault		Offense other than rape/sexual assault	
	Year of first arrest	Cumulative arrest percentage	Year of first arrest	Cumulative arrest percentage	Year of first arrest	Cumulative arrest percentage	Year of first arrest	Cumulative arrest percentage
1	0.29%	0.29%	1.36%	1.36%	1.10%	1.10%	0.29%	0.29%
2	0.21	0.27	0.90	1.38	0.78	1.02	0.22	0.27
3	0.15	0.25	0.64	1.37	0.57	0.95	0.15	0.25
4	0.11	0.23	0.47	1.35	0.45	0.88	0.12	0.23
5	0.09	0.22	0.57	1.31	0.38	0.82	0.09	0.22
6	0.07	0.21	0.49	1.28	0.24	0.80	0.07	0.21
7	0.06	0.21	0.32	1.26	0.17	0.78	0.06	0.21
8	0.05	0.20	0.26	1.25	0.17	0.77	0.06	0.20
9	0.05	0.20	0.28	1.24	0.12	0.76	0.05	0.20

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 6

Standard errors for table 4: Cumulative arrest percentage of prisoners released in 29 states in 2005 after serving a sentence for rape/sexual assault or assault who had an arrest that led to a conviction after release

Year after release	All prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	0.28%	1.00%	0.94%
2	0.30	1.18	1.08
3	0.31	1.25	1.09
4	0.30	1.32	1.08
5	0.29	1.34	1.05
6	0.29	1.36	1.03
7	0.28	1.36	1.00
8	0.28	1.36	0.97
9	0.27	1.36	0.96

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 8

Standard errors for table 6: Cumulative percent of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested outside the state of release, by year after release

Year after release	All prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	0.09%	0.27%	0.38%
2	0.11	0.37	0.49
3	0.13	0.54	0.56
4	0.15	0.62	0.62
5	0.16	0.69	0.67
6	0.17	0.74	0.70
7	0.18	0.75	0.73
8	0.19	0.76	0.76
9	0.19	0.79	0.79

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 7

Standard errors for table 5 and figure 2: Cumulative percent of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault who were arrested for rape/sexual assault after release, by age and year after release

Most serious commitment offense	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All prisoners	0.04%	0.06%	0.07%	0.07%	0.08%	0.09%	0.09%	0.09%	0.10%
Prisoners released after serving a sentence for rape/sexual assault	0.37%	0.47%	0.56%	0.63%	0.67%	0.67%	0.69%	0.72%	0.72%
Age at release									
24 or younger	0.75	1.92	2.44	2.45	2.46	2.46	2.46	2.50	2.50
25–39	0.77	0.82	0.85	0.87	1.01	1.02	1.04	1.06	1.07
40 or older	0.27	0.43	0.64	0.90	0.90	0.91	0.93	1.04	1.04
Race/Hispanic origin									
White	0.46	0.52	0.56	0.68	0.71	0.72	0.74	0.75	0.76
Black/African American	0.48	0.78	0.80	1.11	1.13	1.14	1.19	1.41	1.41
Hispanic/Latino	1.47	1.87	2.44	2.44	2.46	2.46	2.48	2.48	2.48
Other	0.39	0.95	1.16	1.19	1.25	1.28	1.67	1.67	1.69

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 9

Standard errors for table 7: Annual arrest percentage of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by prisoner characteristics

Characteristic	Number of released prisoners	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All prisoners	44	0.20%	0.29%	0.29%	0.29%	0.29%	0.28%	0.28%	0.28%	0.27%	0.27%
Prisoners released after serving a sentence for rape/sexual assault	535	1.24%	1.36%	1.31%	1.30%	1.12%	1.14%	1.17%	1.12%	1.09%	1.10%
Age at release											
24 or younger	176	2.25	3.61	3.55	3.34	2.71	3.41	2.92	3.41	3.31	2.67
25–39	355	1.75	2.08	2.05	1.99	1.70	1.78	1.78	1.71	1.62	1.71
40 or older	374	2.07	2.01	1.88	1.98	1.77	1.59	1.80	1.62	1.62	1.67
Race/Hispanic origin											
White	356	1.63	1.68	1.56	1.57	1.38	1.32	1.45	1.30	1.35	1.26
Black/African American	267	1.79	2.48	2.46	2.46	2.16	2.31	2.05	2.34	2.37	2.45
Hispanic/Latino	295	4.01	4.24	4.13	4.08	3.26	3.55	3.78	3.35	2.63	2.85
Other	106	7.03	6.97	7.81	5.53	7.05	2.67	5.46	2.70	2.32	1.85
Prisoners released after serving a sentence for assault	781	0.76%	1.10%	1.09%	1.06%	1.05%	1.05%	1.03%	1.04%	1.04%	1.01%
Age at release											
24 or younger	351	1.49	2.37	2.40	2.31	2.20	2.35	2.18	2.06	2.22	2.23
25–39	599	1.01	1.53	1.51	1.50	1.48	1.46	1.45	1.49	1.49	1.43
40 or older	425	1.66	2.10	2.04	1.95	2.02	1.96	1.98	1.94	1.90	1.78
Race/Hispanic origin											
White	465	1.27	1.75	1.69	1.67	1.67	1.67	1.69	1.63	1.64	1.56
Black/African American	435	0.89	1.55	1.55	1.52	1.51	1.49	1.47	1.51	1.50	1.45
Hispanic/Latino	483	2.16	2.89	2.85	2.76	2.75	2.73	2.58	2.67	2.72	2.66
Other	159	4.28	6.07	6.17	5.80	5.15	5.80	5.79	5.79	6.01	5.01

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 10

Standard errors for table 8: Annual arrest percentage of prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by types of post-release arrest offenses

Most serious commitment offense and type of post-release arrest offense	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Commitment offense: Rape or sexual assault										
Post-release arrest offense										
Violent	1.25%	0.76%	0.69%	0.67%	0.71%	0.65%	0.46%	0.53%	0.42%	0.41%
Property	1.21	0.72	0.65	0.65	0.59	0.66	0.56	0.62	0.65	0.47
Drug	1.12	0.67	0.66	0.59	0.30	0.49	0.53	0.56	0.54	0.55
Public order	1.30	1.31	1.26	1.25	1.06	1.02	1.08	1.08	1.00	1.06
Commitment offense: Assault										
Post-release arrest offense										
Violent	1.09%	0.74%	0.76%	0.66%	0.70%	0.73%	0.57%	0.61%	0.64%	0.60%
Property	1.09	0.75	0.69	0.71	0.62	0.57	0.61	0.66	0.68	0.66
Drug	1.09	0.77	0.78	0.58	0.68	0.68	0.65	0.71	0.72	0.71
Public order	0.91	1.09	1.03	1.00	0.99	0.96	0.95	0.95	0.97	0.90

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 11

Standard errors for table 9: Types of offenses for which prisoners were arrested within 9 years following release in 30 states in 2005, by most serious commitment offense

Post-release arrest offense	Number of post-release arrest offenses	Most serious commitment offense							
		Homicide	Rape/sexual assault	Robbery	Assault	Other violent	Property	Drug	Public order
Any offense	24,074	0.01%	0.17%	0.25%	0.39%	0.16%	0.57%	0.55%	0.34%
Violent									
Total	4,212	0.02%	0.24%	0.34%	0.57%	0.28%	0.65%	0.60%	0.44%
Homicide	335	0.29	0.32	1.08	1.87	2.04	3.25	2.75	2.28
Rape/sexual assault	504	0.06	1.53	1.38	1.20	0.66	1.86	1.80	1.25
Robbery	1,086	0.03	0.37	0.91	0.86	0.30	1.38	1.27	0.81
Assault	3,082	0.02	0.21	0.32	0.64	0.34	0.68	0.63	0.47
Property	7,651	0.01%	0.18%	0.30%	0.34%	0.15%	0.65%	0.55%	0.33%
Drug	8,728	0.01%	0.16%	0.30%	0.42%	0.13%	0.73%	0.77%	0.45%
Public order	12,873	0.01%	0.26%	0.30%	0.54%	0.22%	0.68%	0.68%	0.44%
Percent of all released prisoners		--	0.13	0.15	0.19	0.09	0.28	0.28	0.18

--Less than 0.005%.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 12**Standard errors for table 10: Characteristics of male prisoners released in 30 states in 2005, by most serious commitment offense**

Characteristic	All male prisoners	Most serious commitment offense		Offense other than rape/sexual assault
		Rape/sexual assault	Assault	
Race/Hispanic origin				
White	0.31%	1.39%	1.09%	0.32%
Black/African American	0.30	1.18	1.06	0.31
Hispanic/Latino	0.29	1.30	1.14	0.30
Other	0.10	0.52	0.43	0.10
Age at release				
24 or younger	0.25%	0.84%	0.89%	0.26%
25–29	0.26	1.00	0.96	0.27
30–34	0.24	0.94	0.89	0.25
35–39	0.24	0.96	0.83	0.25
40 or older	0.31	1.38	1.02	0.31
Mean	0.07 yrs.	0.33 yrs.	0.21 yrs.	0.07 yrs.
Type of prison release				
Conditional	0.18%	1.12%	0.78%	0.19%
Unconditional	0.18	1.12	0.78	0.19
Maximum sentence length				
1–<2 years	0.25%	0.88%	0.64%	0.26%
2–<5 years	0.32	1.40	1.09	0.32
5–<10 years	0.25	1.23	0.86	0.25
10 years or more	0.15	1.07	0.48	0.15
Number of prior arrests per prisoner				
4 or fewer	0.23%	1.39%	0.84%	0.22%
5–9	0.29	1.25	1.03	0.30
10 or more	0.31	1.33	1.17	0.31
Mean	0.07 arsts.	0.23 arsts.	0.23 arsts.	0.07 arsts.
At least one prior arrest for—				
Drug offense	0.28%	1.38%	1.11%	0.28%
Property offense	0.23	1.35	0.85	0.22
Number of released prisoners	42	534	773	536

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 13

Standard errors for table 11: Characteristics of female prisoners released in 30 states in 2005, by most serious commitment offense

Characteristic	All female prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
Race/Hispanic origin			
White	0.50%	4.64%	1.95%
Black/African American	0.47	3.29	2.07
Hispanic/Latino	0.41	3.77	1.78
Other	0.15	0.36	0.69
Age at release			
24 or younger	0.32%	4.17%	1.46%
25–29	0.38	3.25	1.56
30–34	0.38	4.28	1.62
35–39	0.41	4.24	1.61
40 or older	0.49	5.40	1.95
Mean	0.09 yrs.	1.04 yrs.	0.36 yrs.
Type of prison release			
Conditional	0.30%	5.29%	1.79%
Unconditional	0.30	5.29	1.79
Maximum sentence length			
1–<2 years	0.46%	4.14%	1.44%
2–<5 years	0.50	3.80	2.00
5–<10 years	0.34	5.70	1.48
10 years or more	0.17	4.56	0.73
Number of prior arrests per released prisoner			
4 or fewer	0.35%	4.96%	1.85%
5–9	0.45	3.87	1.94
10 or more	0.47	3.73	2.09
Mean	0.11 arsts.	0.50 arsts.	0.38 arsts.
At least one prior arrest for—			
Drug offense	0.40%	5.96%	2.08%
Property offense	0.34	5.19	1.78
Number of released prisoners			
	13	36	109

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 14

Standard errors for table 12: Cumulative arrest percentage of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested after release, by year after release

Year after release	All male prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	0.32%	1.37%	1.17%
2	0.29	1.40	1.09
3	0.27	1.38	1.00
4	0.26	1.36	0.93
5	0.24	1.33	0.87
6	0.23	1.30	0.84
7	0.23	1.28	0.83
8	0.22	1.27	0.81
9	0.22	1.25	0.81

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 15

Standard errors for table 13: Cumulative arrest percentage of female prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested after release, by year after release

Year after release	All female prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	0.49%	5.64%	2.04%
2	0.49	5.68	2.09
3	0.47	5.66	2.04
4	0.45	5.62	1.98
5	0.43	5.58	1.92
6	0.42	5.53	1.87
7	0.41	5.49	1.83
8	0.40	5.49	1.79
9	0.39	5.48	1.78

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 16

Percent of male prisoners released in 30 states in 2005 who were arrested within 9 years following release, by most serious commitment offense and types of post-release arrest offenses

Most serious commitment offense	Post-release arrest offense										
	Any offense	Violent							Property	Drug	Public order
		Total violent ^a	Homicide	Rape/sexual assault	Robbery	Assault					
All male prisoners	84.0%	40.9%	1.3%	2.9%	8.3%	32.8%	48.0%	48.6%	69.6%		
Violent^a	78.8%	44.2%	1.4%	4.3%	9.5%	34.7%	39.6%	37.2%	65.8%		
Homicide	61.9	30.7	2.9	2.1	4.5	23.9	25.2	27.3	47.6		
Rape/sexual assault	67.1	28.4	0.2	7.9	3.9	18.8	24.4	18.7	59.0		
Robbery	84.5	48.1	1.5	3.6	17.1	34.8	47.4	45.6	67.6		
Assault	83.8	51.9	1.4	3.0	8.1	45.1	44.4	44.2	70.8		
Property	88.8%	43.1%	1.1%	2.9%	9.8%	34.2%	64.1%	49.5%	74.0%		
Drug	84.9%	36.1%	1.2%	1.8%	6.3%	29.8%	42.6%	61.5%	68.4%		
Public order	82.3%	41.0%	1.4%	2.6%	7.0%	33.3%	42.5%	39.1%	71.0%		
Rape/sexual assault*	67.1%	28.4%	0.2%	7.9%	3.9%	18.8%	24.4%	18.7%	59.0%		
Offense other than rape/sexual assault^b	85.0% †	41.7% †	1.3% †	2.6% †	8.5% †	33.6% †	49.3% †	50.3% †	70.2% †		

Note: The numerator for each percentage is the number of persons arrested for that offense during the 9-year follow-up period, and the denominator is the number released after serving time for each type of commitment offense. Persons could have been in prison for more than one offense, the most serious of which is reported. Details may not sum to totals because a person may be arrested more than once for different types of offenses and each arrest may involve more than one offense. See appendix table 1 for the number of released male prisoners by most serious commitment offense. See appendix table 23 for standard errors.

*Comparison group.

†Difference with comparison group (rape/sexual assault) is significant at the 95% confidence level.

^aIncludes other miscellaneous violent offenses, not shown separately.

^bIncludes the 338,527 male prisoners whose most serious commitment offense was an offense other than rape or sexual assault.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 17

Cumulative percent of male prisoners released in 29 states in 2005 after serving a sentence for rape/sexual assault or assault who had an arrest that led to a conviction after release

Year after release	All male prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	26.0%	12.9%	23.1%
2	40.3	22.4	38.7
3	49.9	28.7	47.5
4	56.2	34.5	54.7
5	60.8	38.9	59.4
6	64.1	42.5	63.4
7	66.7	45.3	66.4
8	68.7	48.3	69.1
9	70.1	49.7	70.0

Note: Estimates based on time from release to first arrest that led to a conviction among prisoners released in 29 of the study's 30 states (all but Louisiana). Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 24 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 18

Cumulative percent of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault who were arrested for rape/sexual assault after release, by age and year after release

Most serious commitment offense	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All male prisoners	0.6%	1.0%	1.4%	1.7%	1.9%	2.2%	2.5%	2.7%	2.9%
Male prisoners released after serving a sentence for rape/sexual assault	1.9%	3.5%	4.4%	5.1%	6.0%	6.4%	7.0%	7.7%	7.9%
Age at release									
24 or younger	2.5	7.2	9.5	9.9	10.4	10.6	11.4	11.9	12.0
25–39	2.9	3.9	4.4	5.0	6.4	7.0	7.6	8.3	8.6
40 or older	0.8	2.2	3.0	4.0	4.3	4.6	5.0	5.9	6.0
Race/Hispanic origin									
White ^a	1.6	2.7	3.3	4.0	4.7	5.2	5.6	6.0	6.3
Black/African American ^a	1.7	4.4	4.6	6.0	6.6	6.9	7.8	9.7	9.7
Hispanic/Latino	3.4	5.0	7.6	7.6	8.2	8.2	8.6	8.7	8.7
Other ^{a,b}	0.8	2.4	3.7	3.9	4.3	4.6	6.5	6.5	6.8

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Data on prisoners' sex and age at release were known for 100% of cases; and race/Hispanic origin, for 99.96%. See appendix table 25 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 19

Cumulative percent of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested outside the state of release, by year after release

Year after release	All male prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	3.4%	2.1%	3.8%
2	5.9	3.5	6.5
3	7.9	5.3	8.6
4	9.6	6.8	10.4
5	11.1	8.3	12.2
6	12.5	9.5	13.4
7	13.7	10.2	14.7
8	14.8	10.8	15.9
9	15.8	11.5	17.1

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 26 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 20

Annual arrest percentage of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by prisoner characteristics

Characteristic	Number of released prisoners	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All male prisoners	358,398	84.0%	44.8%	38.2%	34.7%	32.3%	30.4%	28.3%	27.6%	26.3%	24.3%
Male prisoners released after serving a sentence for rape/sexual assault	19,871	67.1%	29.0%	26.6%	24.3%	19.4%	20.4%	19.6%	17.7%	17.5%	16.3%
Age at release											
24 or younger	2,437	83.7	42.4	37.4	29.7	21.2	27.1	22.1	25.8	27.8	18.9
25–39	8,698	72.3	32.8	30.5	27.8	21.9	23.4	22.6	19.4	17.7	17.7
40 or older	8,736	57.3	21.5	19.7	19.3	16.4	15.4	15.9	13.8	14.4	14.1
Race/Hispanic origin											
White ^a	10,253	61.5	23.7	21.9	20.2	16.9	16.6	17.5	14.2	16.1	13.0
Black/African American ^a	5,435	78.9	35.2	34.1	30.3	24.9	27.6	21.6	26.0	25.5	25.8
Hispanic/Latino	3,431	65.1	34.8	26.7	27.3	16.2	21.0	22.4	15.1	9.2	11.3
Other ^{a,b}	709	66.7	25.2	31.7	19.7	24.1	11.3	17.1	13.5	11.4	9.7
Male prisoners released after serving a sentence for assault	35,771	83.8%	44.1%	38.7%	34.4%	32.8%	31.9%	29.7%	29.7%	29.0%	25.2%
Age at release											
24 or younger	7,005	88.2	52.2	45.2	36.3	31.0	36.1	29.8	25.9	29.9	28.0
25–39	19,134	85.9	44.7	39.3	36.3	34.3	32.8	30.5	32.8	31.1	27.1
40 or older	9,631	76.3	36.9	32.6	29.5	31.3	27.2	28.0	26.3	24.1	19.5
Race/Hispanic origin											
White ^a	12,884	81.1	39.5	34.7	32.9	29.8	31.5	30.3	27.9	26.9	23.3
Black/African American ^a	13,270	87.6	46.4	42.5	36.4	36.0	32.0	31.1	30.9	29.6	26.3
Hispanic/Latino	8,278	81.2	46.5	37.8	33.0	33.1	32.0	25.4	29.5	29.1	25.9
Other ^{a,b}	1,215	86.1	48.6	45.6	35.7	29.7	35.3	33.9	34.4	39.4	25.0

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. Percentages exclude missing data. Data on male prisoners' age at release were reported for 100% of cases; and race/Hispanic origin, for 99.85%. See appendix table 27 for standard errors.

^aExcludes persons of Hispanic/Latino origin (e.g., "white" refers to non-Hispanic whites and "black" refers to non-Hispanic blacks).

^bIncludes Asians, Native Hawaiians, and Other Pacific Islanders; American Indians and Alaska Natives; and persons of two or more races.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 21

Annual arrest percentage of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by types of post-release arrest offenses

Most serious commitment offense and type of post-release arrest offense	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Male prisoners released after serving a sentence for rape/sexual assault										
Violent	28.4%	6.7%	6.4%	5.4%	5.4%	5.3%	3.8%	4.1%	3.0%	2.6%
Property	24.4	5.7	5.7	4.7	4.0	4.7	3.9	4.3	4.5	3.1
Drug	18.7	4.3	4.6	3.9	1.9	3.3	3.0	3.1	3.2	3.3
Public order	59.0	23.4	20.9	19.6	15.3	14.8	14.8	14.0	13.5	13.1
Male prisoners released after serving a sentence for assault										
Violent	51.9%	13.3%	13.6%	10.7%	11.5%	12.1%	8.3%	8.9%	8.9%	7.5%
Property	44.4	12.6	10.7	11.1	8.9	7.8	7.9	8.7	8.8	8.5
Drug	44.2	11.9	12.3	7.9	9.4	9.0	8.3	8.9	9.2	8.2
Public order	70.8	31.6	25.6	23.6	22.7	20.4	19.9	19.8	20.2	16.7

Note: Persons could have been in prison for more than one offense, the most serious of which is reported. See appendix table 28 for standard errors.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 22

Types of offenses for which male prisoners were arrested within 9 years following release in 30 states in 2005, by most serious commitment offense

Most serious commitment offense	Arrest offense									
	Any offense	Total*	Violent						Drug	Public order
			Homicide	Rape/sexual assault	Robbery	Assault	Property			
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Violent	22.9%	30.9%	29.9%	40.7%	31.4%	29.9%	19.3%	17.7%	25.3%	
Homicide	0.9	1.3	4.4	1.4	1.1	1.3	0.7	0.8	1.0	
Rape/sexual assault	3.0	3.4	1.2	15.8	2.3	2.8	2.0	1.6	4.2	
Robbery	6.8	8.9	8.2	10.4	16.5	7.6	7.4	6.0	6.3	
Assault	10.2	14.4	10.6	10.1	9.7	15.6	7.7	8.2	11.5	
Other violent	1.9	2.8	5.5	3.0	1.8	2.6	1.5	1.1	2.3	
Property	34.5%	29.6%	27.5%	27.5%	34.5%	29.6%	46.2%	28.8%	32.5%	
Drug	31.2%	26.2%	28.0%	19.8%	23.5%	26.9%	24.1%	43.9%	29.6%	
Public order	11.5%	13.4%	14.7%	12.0%	10.6%	13.6%	10.4%	9.6%	12.6%	
Number of arrest offenses during the 9 years following release	2,644,000	329,000	5,000	12,000	38,000	219,000	613,000	606,000	1,096,000	

Note: An arrest may involve charges for more than one type of offense. Each unique offense category included in an arrest is counted once. There were an estimated 1,809,000 post-release arrests of male prisoners released in 30 states in 2005, and these included approximately 2,644,000 different offenses. Persons could have been in prison for more than one offense, the most serious of which is reported. Number of post-release arrest offenses was rounded to the nearest 1,000. See appendix table 29 for standard errors.

*Includes other miscellaneous violent offenses, not shown separately.

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 23

Standard errors for appendix table 16: Percent of male prisoners released in 30 states in 2005 who were arrested within 9 years following release, by most serious commitment offense and types of post-release arrest offenses

Most serious commitment offense	Post-release arrest offense								
	Any offense	Violent					Property	Drug	Public order
		Total violent	Homicide	Rape/sexual assault	Robbery	Assault			
All male prisoners	0.22%	0.32%	0.08%	0.11%	0.20%	0.31%	0.33%	0.33%	0.26%
Violent	0.47%	0.63%	0.14%	0.26%	0.38%	0.60%	0.62%	0.62%	0.55%
Homicide	0.19	0.18	0.06	0.06	0.08	0.17	0.17	0.17	0.19
Rape/sexual assault	1.25	1.27	0.06	0.74	0.62	1.09	1.22	1.14	1.32
Robbery	0.78	1.12	0.19	0.47	0.84	1.06	1.12	1.13	0.98
Assault	0.81	1.16	0.26	0.39	0.66	1.15	1.16	1.16	0.97
Property	0.37%	0.63%	0.14%	0.21%	0.41%	0.60%	0.61%	0.63%	0.50%
Drug	0.39%	0.57%	0.14%	0.16%	0.32%	0.54%	0.60%	0.57%	0.50%
Public order	0.59%	0.82%	0.22%	0.20%	0.50%	0.78%	0.83%	0.82%	0.70%
Rape/sexual assault	1.25%	1.27%	0.06%	0.74%	0.62%	1.09%	1.22%	1.14%	1.32%
Offense other than rape/sexual assault	0.22%	0.33%	0.08%	0.11%	0.20%	0.32%	0.34%	0.33%	0.27%

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 24

Standard errors for appendix table 17: Cumulative percent of male prisoners released in 29 states in 2005 after serving a sentence for rape/sexual assault or assault who had an arrest that led to a conviction after release

Year after release	All male prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	0.31%	1.03%	1.01%
2	0.33	1.21	1.16
3	0.34	1.29	1.17
4	0.33	1.36	1.15
5	0.32	1.38	1.13
6	0.32	1.40	1.10
7	0.31	1.40	1.07
8	0.30	1.41	1.04
9	0.30	1.40	1.03

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 26

Standard errors for appendix table 19: Cumulative percent of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault who were arrested outside the state of release, by year after release

Year after release	All male prisoners	Most serious commitment offense	
		Rape/sexual assault	Assault
1	0.10%	0.27%	0.41%
2	0.13	0.38	0.52
3	0.15	0.55	0.60
4	0.16	0.63	0.66
5	0.18	0.70	0.71
6	0.19	0.75	0.75
7	0.20	0.76	0.78
8	0.20	0.77	0.81
9	0.21	0.80	0.85

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 25

Standard errors for appendix table 18: Cumulative percent of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault who were arrested for rape/sexual assault after release, by age and year after release

Most serious commitment offense	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All male prisoners	0.05%	0.06%	0.07%	0.08%	0.09%	0.10%	0.10%	0.10%	0.11%
Male prisoners released after serving a sentence for rape/sexual assault	0.38%	0.48%	0.57%	0.64%	0.68%	0.68%	0.70%	0.73%	0.74%
Age at release									
24 or younger	0.76	1.95	2.49	2.50	2.50	2.51	2.51	2.55	2.55
25–39	0.78	0.83	0.86	0.89	1.03	1.04	1.06	1.08	1.09
40 or older	0.28	0.44	0.64	0.91	0.92	0.92	0.94	1.05	1.05
Race/Hispanic origin									
White	0.47	0.54	0.57	0.70	0.72	0.74	0.76	0.77	0.78
Black/African American	0.49	0.79	0.80	1.12	1.14	1.15	1.20	1.42	1.42
Hispanic/Latino	1.48	1.88	2.46	2.46	2.48	2.48	2.50	2.50	2.50
Other	0.37	0.94	1.16	1.18	1.24	1.27	1.66	1.66	1.69

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 27

Standard errors for appendix table 20: Annual arrest percentage of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by prisoner characteristics

Characteristic	Number of released prisoners	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
All male prisoners	42	0.22%	0.32%	0.32%	0.32%	0.32%	0.31%	0.31%	0.31%	0.30%	0.30%
Male prisoners released after serving a sentence for rape/sexual assault	534	1.25%	1.37%	1.33%	1.32%	1.14%	1.16%	1.18%	1.14%	1.11%	1.11%
Age at release											
24 or younger	176	2.29	3.68	3.61	3.40	2.76	3.48	2.97	3.47	3.37	2.72
25–39	354	1.78	2.11	2.09	2.02	1.73	1.82	1.82	1.74	1.65	1.74
40 or older	373	2.09	2.03	1.90	2.00	1.79	1.61	1.82	1.64	1.64	1.69
Race/Hispanic origin											
White	354	1.66	1.71	1.59	1.60	1.41	1.35	1.48	1.33	1.38	1.29
Black/African American	267	1.80	2.50	2.48	2.48	2.17	2.33	2.07	2.36	2.38	2.47
Hispanic/Latino	295	4.04	4.27	4.16	4.11	3.29	3.58	3.81	3.37	2.66	2.87
Other	106	7.07	7.01	7.85	5.56	7.10	2.66	5.49	2.70	2.32	1.85
Male prisoners released after serving a sentence for assault	773	0.81%	1.17%	1.16%	1.13%	1.12%	1.12%	1.10%	1.11%	1.11%	1.07%
Age at release											
24 or younger	348	1.57	2.50	2.53	2.45	2.33	2.48	2.32	2.18	2.35	2.37
25–39	593	1.07	1.62	1.61	1.59	1.57	1.55	1.54	1.58	1.59	1.52
40 or older	420	1.78	2.26	2.19	2.10	2.18	2.11	2.13	2.09	2.05	1.92
Race/Hispanic origin											
White	461	1.34	1.85	1.79	1.77	1.78	1.78	1.80	1.73	1.75	1.66
Black/African American	429	0.95	1.66	1.68	1.64	1.63	1.61	1.59	1.64	1.62	1.57
Hispanic/Latino	480	2.24	2.99	2.95	2.86	2.85	2.83	2.68	2.77	2.82	2.76
Other	157	4.54	6.50	6.59	6.23	5.51	6.23	6.22	6.22	6.44	5.38

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 28

Standard errors for appendix table 21: Annual arrest percentage of male prisoners released in 30 states in 2005 after serving a sentence for rape/sexual assault or assault, by types of post-release arrest offenses

Most serious commitment offense and type of post-release arrest offense	Total arrested within 9 years	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Male prisoners released after serving a sentence for rape/sexual assault										
Violent	1.27%	0.78%	0.70%	0.68%	0.72%	0.66%	0.47%	0.54%	0.43%	0.42%
Property	1.22	0.73	0.66	0.66	0.60	0.67	0.57	0.63	0.66	0.48
Drug	1.14	0.68	0.67	0.60	0.30	0.50	0.54	0.57	0.55	0.55
Public order	1.32	1.33	1.28	1.27	1.08	1.03	1.10	1.09	1.01	1.08
Male prisoners released after serving a sentence for assault										
Violent	1.16%	0.79%	0.81%	0.71%	0.75%	0.79%	0.61%	0.66%	0.69%	0.64%
Property	1.16	0.80	0.74	0.75	0.66	0.61	0.64	0.70	0.72	0.71
Drug	1.16	0.83	0.83	0.62	0.73	0.73	0.70	0.76	0.76	0.75
Public order	0.97	1.16	1.10	1.07	1.05	1.02	1.01	1.01	1.04	0.96

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.

APPENDIX TABLE 29

Standard errors for appendix table 22: Types of offenses for which male prisoners were arrested within 9 years following release in 30 states in 2005, by most serious commitment offense

Most serious commitment offense	Arrest offense								
	Any offense	Total	Homicide	Violent Rape/sexual assault	Robbery	Assault	Property	Drug	Public order
Violent	0.52%	0.70%	2.82%	2.07%	1.29%	0.75%	0.53%	0.59%	0.69%
Homicide	0.01	0.02	0.31	0.07	0.04	0.02	0.01	0.01	0.01
Rape/sexual assault	0.19	0.25	0.33	1.55	0.39	0.23	0.21	0.18	0.28
Robbery	0.27	0.35	1.10	1.39	0.95	0.34	0.33	0.33	0.33
Assault	0.42	0.60	1.91	1.21	0.90	0.67	0.37	0.46	0.58
Other violent	0.17	0.30	2.09	0.67	0.31	0.35	0.17	0.14	0.23
Property	0.61%	0.68%	3.34%	1.88%	1.44%	0.72%	0.72%	0.79%	0.73%
Drug	0.60%	0.63%	2.82%	1.82%	1.32%	0.66%	0.60%	0.84%	0.74%
Public order	0.38%	0.46%	2.34%	1.26%	0.85%	0.50%	0.37%	0.49%	0.47%
Number of arrest offenses during the 9 years following release	23,699	4,181	334	504	1,075	3,053	7,501	8,551	12,707

Source: Bureau of Justice Statistics, Recidivism of State Prisoners Released in 2005 data collection, 2005–2014.



The Bureau of Justice Statistics of the U.S. Department of Justice is the principal federal agency responsible for measuring crime, criminal victimization, criminal offenders, victims of crime, correlates of crime, and the operation of criminal and civil justice systems at the federal, state, tribal, and local levels. BJS collects, analyzes, and disseminates reliable statistics on crime and justice systems in the United States, supports improvements to state and local criminal justice information systems, and participates with national and international organizations to develop and recommend national standards for justice statistics. Jeffrey H. Anderson is the director.

This report was written by Mariel Alper and Matthew R. Durose. Joshua Markman, a former BJS statistician, assisted with developing this study. Stephanie Mueller verified the report.

Caitlin Scoville and Jill Thomas edited the report. Tina Dorsey produced the report.

May 2019, NCJ 251773

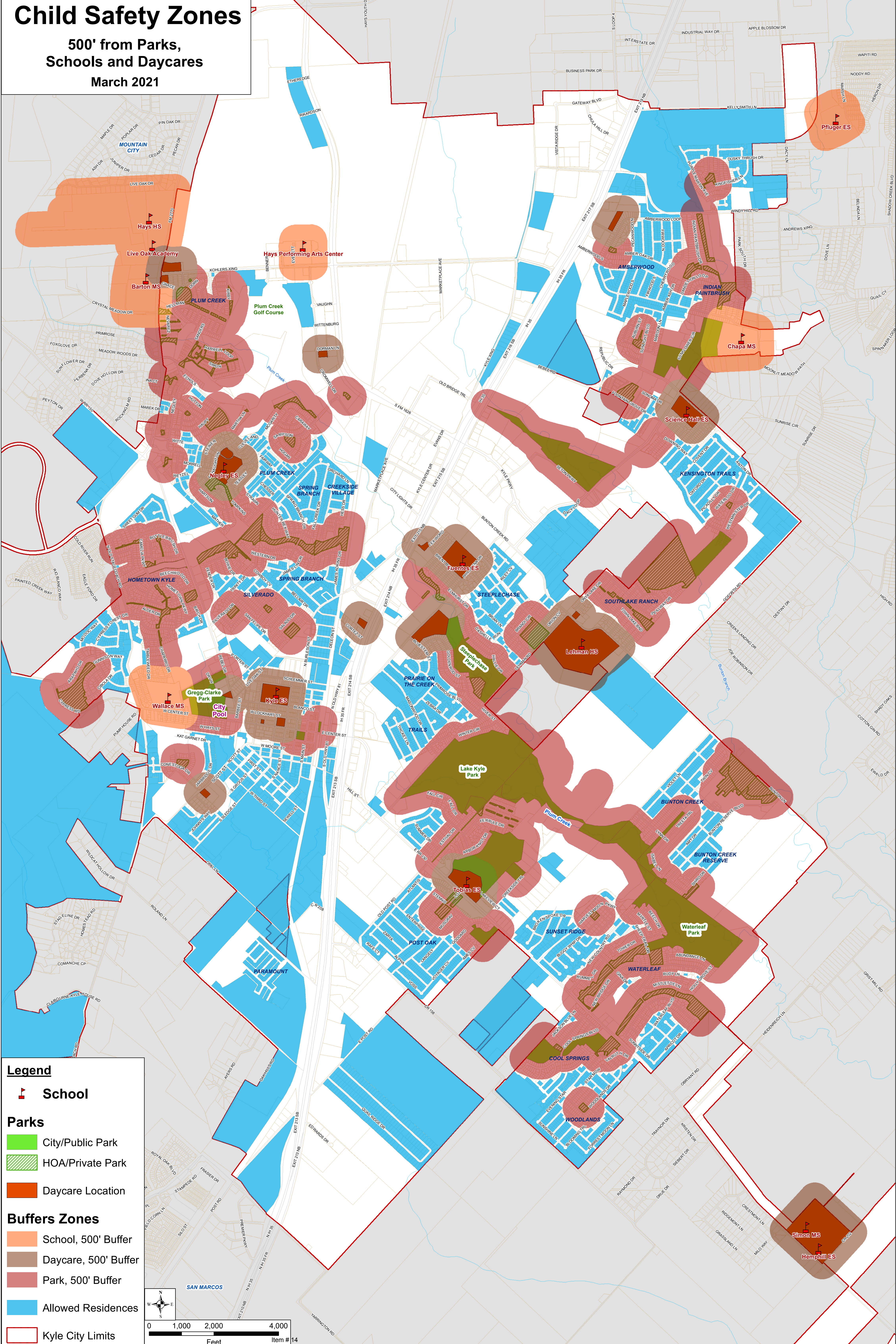


NCJ251773

Office of Justice Programs
Building Solutions • Supporting Communities • Advancing Justice
www.ojp.gov

Child Safety Zones

500' from Parks,
Schools and Daycares
March 2021



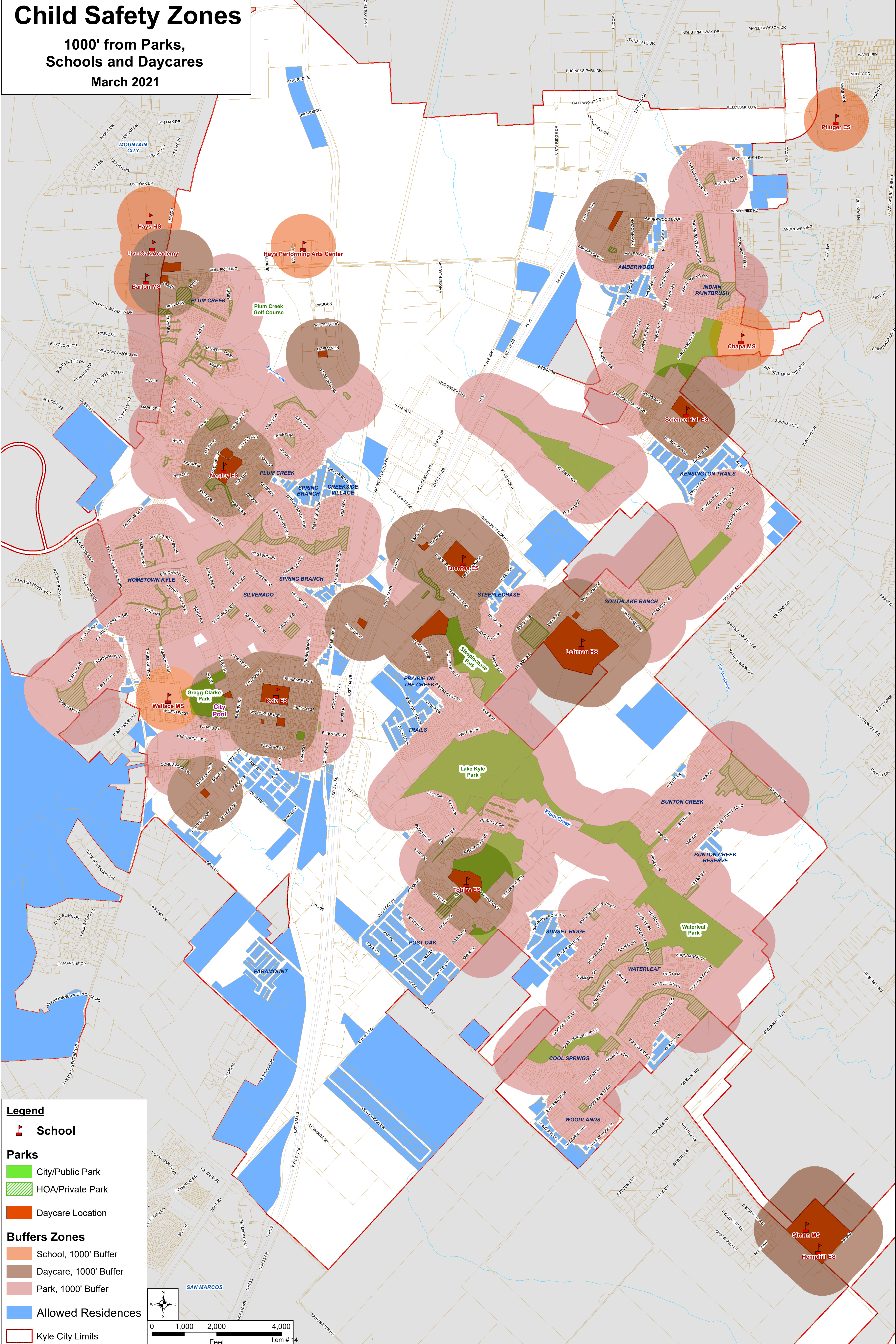
Legend

- School
- Parks**
 - City/Public Park
 - HOA/Private Park
- Daycare Location
- Buffers Zones**
 - School, 500' Buffer
 - Daycare, 500' Buffer
 - Park, 500' Buffer
 - Allowed Residences
 - Kyle City Limits

0 1,000 2,000 4,000
Feet
Item #14

Child Safety Zones

1000' from Parks,
Schools and Daycares
March 2021



Legend

- School
- Parks**
 - City/Public Park
 - HOA/Private Park
- Daycare Location
- Buffers Zones**
 - School, 1000' Buffer
 - Daycare, 1000' Buffer
 - Park, 1000' Buffer
- Allowed Residences
- Kyle City Limits

0 1,000 2,000 4,000
Feet Item # 14



CITY OF KYLE, TEXAS

City Manager's Report

Meeting Date: 4/20/2021

Date time:7:00 PM

Subject/Recommendation: Update on various capital improvement projects, road projects, building program, and/or general operational activities where no action is required. ~ *J. Scott Sellers, City Manager*

- Mass Food Distribution events
- Annual Community Survey summary
- Parks and Recreation events and programming
- Upcoming FY22 Budget dates
- May 9-15th - Economic Development Week programming
- COVID Testing and Vaccine

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

No Attachments Available



CITY OF KYLE, TEXAS

Executive Session - Convene

Meeting Date: 4/20/2021

Date time: 7:00 PM

Subject/Recommendation: Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.

1. Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071.
 - o City Lights and Kyle Marketplace Subdivision/Development
 - o Changeable Electronic Variable Message Sign
 - o Downtown Utilities
 - o Prairie Lakes MUD
2. Possible purchase, exchange, lease, or value of real estate pursuant to Section 551.072.
3. Personnel matters pursuant to Section 551.074.
4. Convene into executive session pursuant to Section 551.087, Texas Government Code, to deliberate regarding the offer of economic incentives to one or more business prospects that the City seeks to have locate, stay, or expand in or near the City.
 - o Project Eburnean
 - o Project Pacific Blue
 - o Project Mulberry
 - o Project Apricot

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

No Attachments Available



CITY OF KYLE, TEXAS

Reconvene

Meeting Date: 4/20/2021
Date time:7:00 PM

Subject/Recommendation: Take action on items discussed in Executive Session.

Other Information:

Legal Notes:

Budget Information:

ATTACHMENTS:

Description

No Attachments Available