

**CITY COUNCIL MEETING  
MAY 26, 2026  
5:30 P.M.  
COUNCIL CHAMBERS, 110 NORTH 8TH STREET,  
GATESVILLE, TEXAS 76528**

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1. **CALL TO ORDER** THE REGULAR CITY COUNCIL MEETING AT **5:30 P.M.** THIS **26<sup>TH</sup> DAY OF MAY 2026.**
2. **QUORUM CHECK/COUNCIL PRESENT:** Mayor Gary Chumley, Mayor Pro-Tem Greg Casey, Councilmembers Joe Patterson, Jon Salter, Aaron Smith, and Travis VanBibber.

**CITY STAFF PRESENT:** City Manager Brad Hunt, City Secretary Holly Owens, Deputy City Manager/Finance Director Mike Halsema, Chad Newman, Seth Phillips, and Shea Harp.

**OTHERS:** Biana Daniels, Ashton Daniels, Leo Corona, Allyson Hinkle, Thomas Valle, Duane Barrett, Amanda Ashby, Brandon Ashby, Tina Zimmerman, Sonia Blanchard.

3. **INVOCATION:** Mayor Gary Chumley and **PLEDGE OF ALLEGIANCE:** Led by Mayor Gary Chumley.

CITIZENS/PUBLIC COMMENTS FORUM: INDIVIDUALS WISHING TO ADDRESS THE GATESVILLE CITY COUNCIL MAY DO SO DURING THIS SEGMENT. IF YOU INTEND TO COMMENT ON A SPECIFIC AGENDA ITEM, PLEASE INDICATE THE ITEM(S) ON THE SIGN IN SHEET BEFORE THE MEETING. EACH SPEAKER IS ALLOTTED A MAXIMUM OF 3 MINUTES FOR THEIR REMARKS, AND SPEAKERS ARE EXPECTED TO CONDUCT THEMSELVES IN A RESPECTFUL MANNER. IN ACCORDANCE WITH THE TEXAS OPEN MEETINGS ACT, THE CITY OF GATESVILLE CITY COUNCIL CANNOT DELIBERATE OR ACT ON ITEMS NOT LISTED ON THE MEETING AGENDA.

No Citizen Comments.

**EXECUTIVE SESSION:**

4. Recess Regular Meeting and Call for an Executive Session – Closed Meeting.

Council entered Executive Session at 5:32 PM.

*The City Council of the City of Gatesville will convene into a closed Executive Session pursuant to **Texas Government Code section 551.071** (Consultation with Attorney).*

*The City Council of the City of Gatesville will convene into a closed Executive Session pursuant to **Texas Government Code section 551.087** (Deliberation Regarding Economic Development Negotiations)*

5. End Executive Session and Reconvene the Open Meeting.

Council reconvened Regular Meeting at 5:52 PM.

6. Discussion and possible action regarding items discussed in the Executive Session and giving direction to the City Manager.

No action was taken as a result of Executive Session.

## **CONSENT**

7. All consent agenda items are considered routine by the City Council and will be enacted by a single motion. There will be no separate discussion of these items unless a Councilmember requests an item to be removed and considered separately.

- a. **Resolution 2026-062:** Discussion and possible action regarding approval of minutes from Regular City Council Meeting held on **May 12<sup>th</sup>, 2026.** (Holly Owens)

**CONSENT AGENDA:** Motion by Travis VanBibber, seconded by Jon Salter to **APPROVE** the **CONSENT AGENDA** as presented. All five voting “Aye”, motion passed, 5-0-0. (Westbrook absent)

## **OTHER BUSINESS:**

8. Discussion on the Preliminary Property Tax Value. (Mike Halsema)

No action was taken. This was discussion only.

9. Public Hearing regarding Ordinance 2026-07, Amending Chapter 32, Article IX.

### **OPEN PUBLIC HEARING – 5:55 PM**

Hear comments regarding the amendment to Chapter 32, Article IX, Coin-Operated Machines and Indoor Amusement Facilities.

### **CLOSE PUBLIC HEARING – 5:59 PM**

10. **Ordinance 2026-07:** Discussion and possible action amending Chapter 32, Article IX. – Coin—Operated Machines and Indoor Amusement Facilities. *2nd Reading* (Holly Owens)

**ORDINANCE 2026-07:** Motion by Aaron Smith, seconded by Travis VanBibber to **PASS ORDINANCE 2026-07**, amending Chapter 32, Article IX. – Coin Operated Machines and Indoor Amusement Facilities to the next meeting, second reading. All five voting “Aye”, motion passed, 5-0-0. (Westbrook absent)

11. Public Hearing regarding Annexation of property located at 301 Cedar Ridge Road.

**OPEN PUBLIC HEARING – 6:00 PM**

Hear comments regarding the annexation of property located at 301 Cedar Ridge Road; R B Irvine Survey; Coryell County and being on 54.25 acres.

**CLOSE PUBLIC HEARING – 6:02 PM**

12. **Ordinance 2026-08:** Discussion and possible action regarding a Cedar Ridge and Old Osage Annexation *2nd Reading* (Holly Owens)

**ORDINANCE 2026-08:** Motion by Jon Salter, seconded by Greg Casey to **PASS ORDINANCE 2026-08**, approving the annexation of the property located in the R B Irvine Survey and approximately 54.25 acres, second reading. All five voting “Aye”, motion passed, 5-0-0. (Westbrook absent)

13. Public Hearing regarding Zoning Ordinance 2026-06.

**OPEN PUBLIC HEARING – 6:03 PM**

Hear comments regarding the Zoning Ordinance, Articles I – X.

Mayor Chumley requested to remove high-pressure sodium lights as an option. Ms. Owens stated she would remove this option.

Councilman Patterson asked about the landscaping requirements. Ms. Owens briefly spoke about the requirements for both commercial and residential.

Leo Corona, 409 State School Rd., came forward. Mr. Corona requested agenda items be more specific to be more transparent. This item was vague. Councilman Patterson stated that this specific item is too large to be more specific.

**CLOSE PUBLIC HEARING – 6:15 PM**

14. **Ordinance 2026-06:** Discussion and possible action regarding zoning ordinance articles I-X *2nd Reading* (Holly Owens)

**ORDINANCE 2026-06:** Motion by Greg Casey, seconded by Jon Salter to **PASS ORDINANCE 2026-06** creating Chapter 49, Articles I-X Zoning Ordinance and removing “high-pressure sodium lights” as an option under Article IX – Lighting to the next meeting, second reading. All five voting “Aye”, motion passed, 5-0-0. (Westbrook absent)

Councilman Patterson left the meeting at 6:16 PM and a quorum was maintained.

**15. Ordinance 2026-09:** Discussion and possible action to amend Chapter 18 “Fees”. *First Reading* (Holly Owens)

**ORDINANCE 2026-09:** Motion by Aaron Smith, seconded by Travis VanBibber to **PASS ORDINANCE 2026-09**, approving the amendment to Chapter 18 “Fee Schedule” of the Gatesville Code of Ordinances to the next meeting, first reading. All five voting “Aye”, motion passed, 4-0-0. (Westbrook and Patterson absent)

**16. Ordinance 2026-10:** Discussion and possible action regarding an ordinance regulating Vape Shops and Cannabis-Related Shops. *First Reading* (Holly Owens)

Amanda Ashby, 1907 E Main St., came forward to speak regarding this ordinance. Ms. Ashby expressed her concern regarding the sale of 7-OH products in vape shops and requested that these items be prohibited. Ms. Ashby also stated that the state license she and her husband hold requires a background check through the State and is also concerned about the restrictions regarding outdoor signage and outdoor sales.

Mayor Chumley asked Ms. Ashby to expand on the product 7-OH substance. Ms. Ashby explained what 7-OH was.

Brandon Ashby, 1907 E Main St., came forward. Mr. Ashby reiterated what his wife explained.

Ms. Owens stated she would do the appropriate research on 7-OH for Council and present the information at the next council meeting along with more specific language regarding signage and the “annual permit”.

**ORDINANCE 2026-10:** Motion by Travis VanBibber, seconded by Jon Salter to **PASS ORDINANCE 2026-10** with language specific to 7-OH, to the next meeting setting regulations for Vape Shops and Cannabis-Related Shops, first reading. All five voting “Aye”, motion passed, 4-0-0. (Westbrook and Patterson absent)

**17. City Manager Monthly Report** (Brad Hunt)

No action was taken.

**18. City Council adjourned at 7:15 P.M.**

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Mayor, Gary Chumley

ATTEST:

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City Secretary, Holly Owens

**SPECIAL CITY COUNCIL MEETING**  
**MAY 30, 2026**  
**5:30 P.M.**  
**COUNCIL CHAMBERS, 110 NORTH 8TH STREET,**  
**GATESVILLE, TEXAS 76528**

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

- 1. CALL TO ORDER** THE REGULAR CITY COUNCIL MEETING AT **2:00 P.M.** THIS **30<sup>TH</sup> DAY OF MAY 2026.**
- 2. QUORUM CHECK/COUNCIL PRESENT:** Mayor Gary Chumley, Mayor Pro-Tem Greg Casey, Councilmembers Kalinda Westbrook, Jon Salter, Aaron Smith, and Travis VanBibber.

**CITY STAFF PRESENT:** City Manager Brad Hunt, City Secretary Holly Owens, Deputy City Manager/Finance Director Mike Halsema, Chad Newman, Seth Phillips, Lori McLaughlin, and Robert Featherston, Zeb Veazey, Jeff Clark, Taylor Donaldson, and Shea Harp.

**OTHERS:** Leo Corona.

**3. BUDGET:**

Brad Hunt addressed Council with the “State of the City” followed by the challenges, successes and opportunities. Mr. Hunt continued with a summary of major projects along with an update on fiscal year 25-26 goals followed by the goals for fiscal year 26-27.

Mike Halsema came forward and explained the mid-year outlook for both the general fund and the water and sewer fund.

Departmental Budgets. Each department head came forward to discuss their department’s anticipated major O&M costs, fleet plan, and anticipated capital outlay requests along with their accomplishments for the fiscal year and next year’s goals.

Leo Corona, 409 State School Rd., came forward. Mr. Corona asked if developers are informed about drainage. Mayor Chumley stated developers are required to do their own study and how their impact will affect neighboring properties.

Mr. Corona asked about utilities being moved underground. Mayor Chumley stated that it is an expensive process and would need to be done by the utility companies.

- 4. City Council adjourned at 4:45 P.M.**

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Mayor, Gary Chumley

ATTEST:

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City Secretary, Holly Owens

Date: 6/9/2026  
Agenda Item: 7c  
Resolution: 2026-065



# FY 2025-2026 Monthly Financial Report APRIL 2026

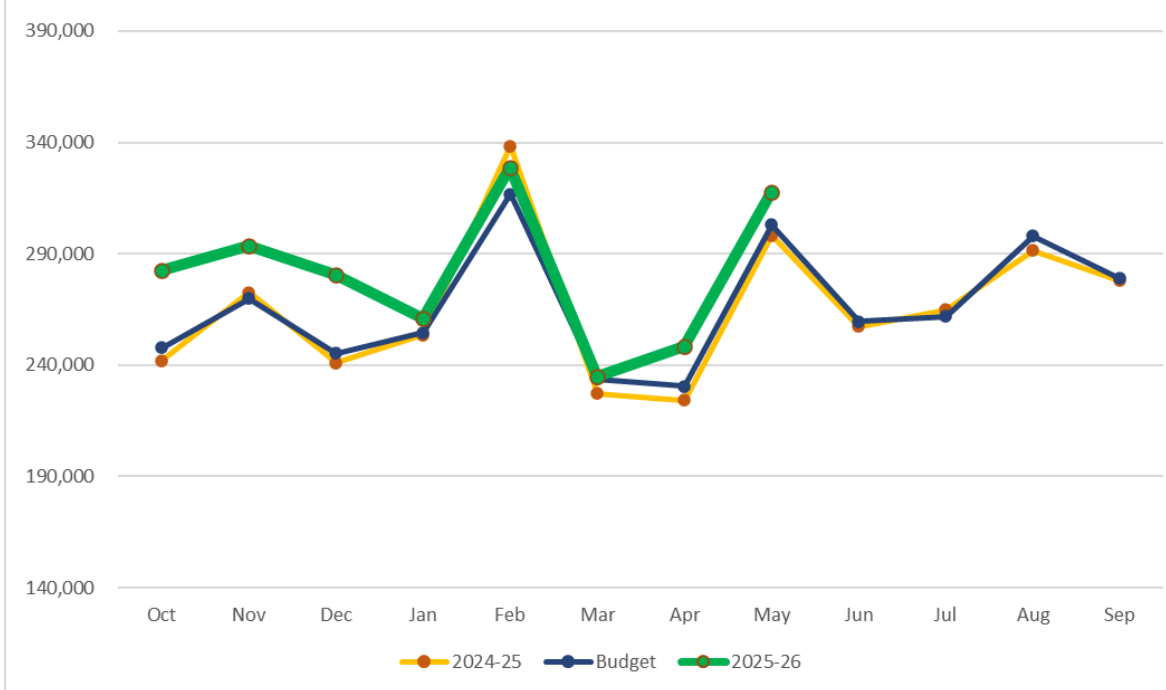


# General Fund

Revenues	APRIL	2025-26 Budget	2025-26 YTD	% YTD
AV Taxes	60,795	3,207,455	3,224,214	100.5%
Sales Tax	248,593	3,200,000	1,929,613	60.3%
Franchise Fees	43,531	822,000	539,187	65.6%
Fines & Fees	16,112	152,000	94,950	62.5%
Other taxes	829	15,000	7,129	47.5%
Licenses & Permits	8,932	183,100	103,479	56.5%
Rental Income	5,485	52,000	34,415	66.2%
Parks & Rec	22,708	460,000	243,993	53.0%
Misc. Revenues	20,157	161,500	92,501	57.3%
Intergovernmental	31,868	403,879	223,073	55.2%
Inter fund Transfers	47,817	599,526	333,840	55.7%
<b>TOTAL REVENUES</b>	<b>506,828</b>	<b>9,256,460</b>	<b>6,826,394</b>	<b>73.7%</b>

Expenditures	JUNE	2025-26 Budget	2025-26 YTD	% YTD
LIBRARY	30,505	342,872	192,933	56.3%
ADMINISTRATION	157,909	1,491,849	932,453	62.5%
PLANNING	35,456	379,948	254,774	67.1%
POLICE	320,213	3,126,649	1,842,029	58.9%
COURT	15,595	165,292	95,637	57.9%
FIRE	10,681	370,678	173,052	46.7%
STREET	82,090	1,338,501	747,821	55.9%
FLEET SERVICES	14,528	158,589	97,392	61.4%
PARKS & RECREATION	81,306	824,137	456,192	55.4%
FT HOOD REC MGMT	30,805	371,459	147,457	39.7%
FITNESS CENTER	31,756	345,283	193,679	56.1%
SWIMMING POOL	6,882	123,848	22,081	17.8%
CIVIC CENTER	10,789	114,352	68,276	59.7%
TRANSFER EXPENSE	0	102,003	0	0.0%
<b>TOTAL EXPENDITURES</b>	<b>828,515</b>	<b>9,255,460</b>	<b>5,223,775</b>	<b>56.4%</b>
<b>Gain (Loss)</b>		<b>1,000</b>	<b>1,602,618</b>	

### FY 26 Monthly Sales Tax



<b>Expenditures</b>	<b>Budget</b>	<b>YTD</b>	
Salaries	\$4,694,734	\$2,571,890	54.8%
Benefits	\$1,383,553	\$651,327	47.1%
Professional Services & Training	\$693,736	\$433,805	62.5%
Utilities	\$288,620	\$229,718	79.6%
Materials & Supplies	\$403,595	\$229,685	56.9%
Maintenance & Operations	\$1,357,905	\$841,735	62.0%
Lease & Rental	\$165,996	\$132,059	79.6%
Miscellaneous	\$49,062	\$16,618	33.9%
Grant Expenses	\$0	\$0	0.0%
Debt Service	\$68,112	\$10,090	14.8%
Transfers	\$102,003	\$0	0.0%
Capital Outlay	\$48,144	\$106,848	221.9%
<b>Total Expenditures:</b>	<b>\$9,255,460</b>	<b>\$5,223,775</b>	<b>56.4%</b>

- Sales tax collections YTD are meeting budget, and slightly higher than prior year.
- Property tax collections are above budget for YTD.
- License and Permits revenues are elevated due increased development activity.
- Personnel services are elevated for April due to 3 pay periods
- Utilities are above budget due to one time Police communication equipment.
- Capital outlay is increased due to unplanned drainage culvert replacement, and budgeted expenditures.

# Water & Sewer Fund

	APRIL	2025-26 Budget	2025-26 YTD	% YTD
<b>Water</b>				
<b>Revenues</b>				
<b>Water Sales</b>				
Residential	194,094	2,728,209	1,297,824	47.6%
Commercial And Institutional	281,294	3,685,563	1,574,101	42.7%
Wholesale	125,753	1,404,183	582,534	41.5%
<b>Connections &amp; Installs</b>	6,383	31,300	22,196	70.9%
<b>Misc.</b>	8,926	71,000	46,095	64.9%
Subtotal	616,450	7,920,255	3,522,748	44.5%
<b>Expense</b>				
<b>Distribution &amp; Collections</b>				
Personnel	84,098	783,874	453,374	57.8%
O&M	35,172	516,924	325,839	63.0%
Debt Service	-	221,225	194,450	
Capital Outlay	-	1,659,852	970	0.1%
<b>Production</b>				
Personnel	72,055	609,216	348,605	57.2%
O&M	194,739	1,892,096	810,128	42.8%
Debt Service	20,564	936,977	168,952	
Capital Outlay	-	1,178,660	199,450	16.9%
Subtotal	406,629	7,798,824	2,501,770	32.1%
<b>Sewer</b>				
<b>Revenues</b>				
<b>Sewer Fees</b>				
Residential	165,507	1,949,999	971,427	49.8%
Commercial And Institutional	319,058	2,874,730	1,484,014	51.6%
<b>Connections &amp; Installs</b>	-	9,300	35,744	384.3%
<b>Misc.</b>	3,658	29,000	13,722	47.3%
Subtotal	488,223	4,863,029	2,504,907	51.5%
<b>Expense</b>				
Personnel	86,382	656,198	423,016	64.5%
O&M	124,549	1,237,321	673,373	54.4%
Debt Service	-	945,366	42,248	
Capital Outlay	694,950	10,546,705	2,576,590	24.4%
Subtotal	905,882	13,385,590	3,715,227	27.8%
<b>Sanitation</b>				
<b>Revenues</b>	76,353	905,868	533,932	58.9%
<b>Expense</b>	74,465	879,000	528,694	60.1%
<b>Non Departmental</b>				
<b>Revenues</b>				
<b>Grants &amp; reimbursements</b>	-	9,842,551	2,161,795	22.0%
<b>Interest</b>	21,859	153,600	163,936	106.7%
Subtotal	21,859	9,996,151	2,325,732	23.3%
<b>Expense</b>				
<b>Transfers and Franchise fees</b>	81,456	982,363	577,688	58.8%
<b>Grand Total</b>				
<b>Revenues</b>	<b>1,202,884</b>	<b>23,685,303</b>	<b>8,887,319</b>	37.5%
<b>Expense</b>	<b>1,468,432</b>	<b>23,045,777</b>	<b>7,323,378</b>	31.8%
<b>Gain (Loss)</b>	<b>(265,549)</b>	<b>639,526</b>	<b>1,563,941</b>	

-Water and Sewer revenues are increasing due to rate increases taking effect.

-Water expenditures are as expected, with some annual payments due at the beginning of the year.

-Installation's elevated due to duplex tap and meters.

-Major capital expenses continue to be Stillhouse rehab Phase 1.

# Airport Fund

		<b>FY26</b>	<b>YTD</b>	<b>% of</b>
<b>AIRPORT REVENUE</b>		<b>Budget</b>	<b>APRIL</b>	<b>Budget</b>
060-4-101-4203	RECEIPTS OF GAS/OIL SAL	23,000	9,466	41.2%
060-4-011-4302	RECEIPTS OF HANGAR RENT	28,500	24,200	84.9%
060-4-101-4303	RECEIPT OF BUILDING LEASES	-	-	
060-4-101-4550	MISCELLANEOUS	-	204	
060-4-011-4600	GRANT REIMBURSEMENTS	5,000	90,373	1807.5%
060-4-011-4400	INTEREST	-	3,246	
<b>TOTAL REVENUE</b>		<b>\$ 56,500</b>	<b>\$ 127,489</b>	<b>225.64%</b>

<b>EXPENDITURES</b>				
060-5-150-10080	CONTRACT SERVICES	7,200	701	9.7%
060-5-150-20010	UTILITIES	6,000	2,967	49.5%
060-5-150-20020	MAT., SUP., & PRINTING	1,000	1,174	117.4%
060-5-150-20045	PROP, LIAB, WC INSURAN	3,700	4,013	108.5%
060-5-150-20090	EQUIPMENT PURCHASE	-	-	
060-5-150-20170	CREDIT CARD SERV FEE	450	228	50.6%
060-5-150-30010	GAS & OIL	-	-	
060-5-150-30015	FUEL FOR RESALE	20,000	9,700	48.5%
060-5-150-30020	MISCELLANEOUS	600	-	0.0%
060-5-150-30070	SOFTWARE MAINT. AGREEMENT	1,195	-	0.0%
060-5-150-40010	CAPITAL OUTLAY	100,000	-	0.0%
060-5-150-50010	REPAIRS & MAINTENANCE	15,550	4,372	28.1%
060-5-150-61415	GRANT EXPENDITURES	-	-	
<b>TOTAL EXPENSES</b>		<b>\$ 155,695</b>	<b>\$ 23,154</b>	<b>14.87%</b>

**Gain (Loss)**

**104,335**

Fuel tank, POS and pump system replacement completed in FY25, eligible for RAMP grant 90/10. Reimbursement request of \$90,373 received from TxDOT Aviation in October. New fueling system is online and performing well. TxDOT aviation grant pursued for master plan.

# Hotel Occupancy Tax (HOT) Fund

<b>HOT FUND REVENUE</b>		<b>FY26</b>	<b>YTD</b>	<b>% of</b>
		Budget	APRIL	Budget
040-4-008-4400	INTEREST	8,000	20,351	254.4%
040-4-008-4500	Prior Year Resources	-	-	
040-4-008-4950	HOTEL OCCUPANCY TAX	150,000	144,205	96.1%
<b>TOTAL REVENUE</b>		<b>\$ 158,000</b>	<b>\$ 164,556</b>	<b>104.15%</b>

<b>EXPENDITURES</b>				
040-5-138-60010	TRANSFER TO GENERAL FUND	\$ 28,000	-	0.0%
040-5-138-61000	CVB CENTER EXPENSES	\$ 96,000	7,592	7.9%
040-5-138-61010	ADVERTISING	\$ 18,500	21,740	117.5%
040-5-138-61020	PROMOTION OF THE ARTS	\$ 65,000	61,800	95.1%
040-5-138-61030	SIGNAGE & WAYFINDING	\$ -	-	
040-5-138-61040	PROMOTION OF SPORTING EVENTS	\$ 5,000	-	0.0%
040-5-138-61050	HISTORICAL PRESERVATION	\$ 45,650	-	0.0%
<b>TOTAL EXPENSES</b>		<b>\$ 258,150</b>	<b>\$ 91,132</b>	<b>35.30%</b>

\* Budget reflects amendments in progress

<b>Gain (Loss)</b>	<b>73,424</b>
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## Court Technology and Security Fund - 022

<b>REVENUE</b>		<b>FY26</b>	<b>YTD</b>	<b>% of</b>
		Budget	APRIL	Budget
022-4-001-4341	TECHNOLOGY FINES @COURT	5,200	-	0.0%
022-4-001-4342	COURT BLDG SECUR.FINES	5,000	-	0.0%
022-4-001-4344	TRUANCY PREVENT & DIVERSION	2,800	3,330	118.9%
022-4-001-4345	TIME PAYMENT FEES	-	1,799	
022-4-001-4346	COURT TECH/BLDG SECURITY	-	5,734	
022-4-001-4350	MUN JUROR REIMB OR SERVIC	50	64	127.0%
022-4-001-4400	INTEREST	350	2,032	580.5%
<b>TOTAL REVENUE</b>		<b>\$ 13,400</b>	<b>\$ 12,959</b>	<b>96.71%</b>

<b>EXPENDITURES</b>				
022-5-002-20185	COURTROOM SECURITY	7,715	100	1.3%
022-5-002-20186	COURT TECHNOLOGY EXP.	450	900	199.9%
022-5-002-20188	TRUANCY PREVENTION EXP	-	795	
022-5-002-20195	COURT JUROR REIMB EXP	200	-	0.0%
022-5-002-20197	COURT TECH/BLDG SECURITY	-	-	
<b>TOTAL EXPENSES</b>		<b>\$ 8,365</b>	<b>\$ 1,795</b>	<b>21.45%</b>

<b>Gain (Loss)</b>	<b>11,164</b>
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**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 et.seq.

APPROVED

\_\_\_\_\_  
Gary Chumley, Mayor

ATTEST:

\_\_\_\_\_  
Holly Owens, City Secretary



Date 6/9/2026

Agenda Item 8

Ordinance 2026-11

## CITY COUNCIL MEMORANDUM FOR ORDINANCE

**To: Mayor & Council**

**From: Mike Halsema, Deputy City Manager/CFO**

**Agenda Item: Discussion and possible action regarding consideration and approval of an Ordinance authorizing the issuance of “City of Gatesville, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026”; providing for the payment of said Certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said Certificates by a lien on and pledge of the pledged revenues of the System; and providing an effective date.**

**Information:**

As part of the FY2025-26 Water and Sewer budget, a rate study was conducted by NewGen Strategies & Solutions. The rate study was for Gatesville customers and wholesale Water Supply Corporations (WSC’s) that receive drinking water from the City’s production system. Water production system repairs and improvements were identified by Freese and Nichols Engineering (FNI). Staff worked with FNI and identified critically urgent repairs needed for the water production system. Rates were developed to cover a bond sale to fund these improvements. Council authorized the publication of a Notice of Intention (NOI) to issue Certificates of Obligation. The NOI established a \$25 million maximum for the issuance. The final issuance recommended by staff is \$20 Million. Though the issuance is backed by a pledge of property taxes, it is anticipated that the City’s Water system revenues will be utilized to repay debt service on the Certificates (“self-supporting”). Therefore, the City does not anticipate an impact to the property tax rate or general fund from the issuance of the Certificates. Section 1201.028 of the Texas Government Code trumps the City’s Charter and allows adoption via one reading.

**Staff Recommendation:**

The staff recommends that the City Council approve the Ordinance authorizing the issuance of “City of Gatesville, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026”.

**Motion:**

I move to adopt an ordinance authorizing the issuance of “City of Gatesville, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026”.

**Attachments:**

- City of Gatesville, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026 Ordinance

## CITY OF GATESVILLE ORDINANCE 2026-11

**An Ordinance authorizing the issuance of “City of Gatesville, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026”; providing for the payment of said Certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said Certificates by a lien on and pledge of the pledged revenues of the System; providing the terms and conditions of said Certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said Certificates, including the approval and distribution of an Official Statement pertaining thereto; authorizing the execution of a Paying Agent/Registrar Agreement and an Official Bid Form; complying with the requirements of the Letter of Representations previously executed with the Depository Trust Company; and providing an effective date**

WHEREAS, the City Council of the City of Gatesville, Texas (the *City*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$25,000,000 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s combined utility system, including improvements to the City’s water utility system; (2) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (3) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. This notice has been posted on the City’s website, if available, and duly published in a newspaper hereby found and determined to be of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation; and

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

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

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

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \_\_\_\_ AND NO/100 DOLLARS (\$ \_\_, \_\_, \_\_), to be designated and bear the title of “CITY OF GATESVILLE, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026” (the *Certificates*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s combined utility system, including improvements to the City’s water utility system; (2) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (3) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Chapter 1502, as amended, Texas Government Code, and the City’s Home Rule Charter.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates – Certificate Date. The Certificates are issuable in fully registered form only; shall be dated July 7, 2026 (the *Certificate Date*) and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity, and the Certificates shall become due and payable on September 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

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

Principal  
Amounts (\$)

Interest  
Rates (%)

The Certificates shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to occur on or about July 7, 2026), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on March 1 and September 1 in each year (each, an *Interest Payment Date*), commencing March 1, 2027, while the Certificates are Outstanding.

SECTION 3. Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (hereinafter defined) of the Certificates.

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

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution

to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

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

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

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

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

#### SECTION 4. Redemption.

A. Mandatory Redemption of Term Certificates. The Certificates stated to mature on September 1, 20\_\_ and September 1, 20\_\_ are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificates Fund for such purpose and shall be

redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on September 1 in each of the years as set forth below:

Term Certificate Stated to Mature on September 1, 20__		Term Certificate Stated to Mature on September 1, 20__	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>

\*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificate of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with money in the Certificate Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Certificates having Stated Maturities on and after September 1, 20\_\_ shall be subject to redemption prior to Stated Maturity, at the option of the City, on September 1, 20\_\_, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

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

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

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

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

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

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

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

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

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

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

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Certificates to the Holder requesting the exchange.

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

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

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

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

#### SECTION 8. Forms.

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

thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

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

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

B. Form of Definitive Certificate.

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

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

United States of America  
State of Texas  
County of Coryell  
CITY OF GATESVILLE, TEXAS  
COMBINATION TAX AND LIMITED PLEDGE REVENUE  
CERTIFICATES OF OBLIGATION, SERIES 2026

Certificate Date: Interest Rate: Stated Maturity: CUSIP No.  
July 7, 2026

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

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

The City of Gatesville, Texas (the *City*), a body corporate and municipal corporation in the County of Coryell, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about July 7, 2026), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2027.

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

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$ \_\_, \_\_, \_\_ (the *Certificates*) pursuant to an Ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) designing, constructing, acquiring, purchasing, renovating, enlarging, and improving the City’s combined utility system, including improvements to the City’s water utility system; (2) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (3) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, and the City’s Home Rule Charter.

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

	Term Certificate Stated to Mature on September 1, 20__		Term Certificate Stated to Mature on September 1, 20__
	Principal <u>Amount</u>		Principal <u>Amount</u>
<u>Year</u>	<u>(\$)</u>	<u>Year</u>	<u>(\$)</u>

\*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificate of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with money in the Certificate

Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As provided in the Ordinance, the Certificates having Stated Maturities on and after September 1, 20\_\_ shall be subject to redemption prior to Stated Maturity, at the option of the City, on September 1, 20\_\_, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written notice shall be sent to the Holders of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

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

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues (identified and defined in the Ordinance), being a limited amount of the Net Revenues derived from the operation of the City's combined utility system (the *System*), such lien on and pledge of the limited amount of Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of the currently outstanding Prior Lien Obligations and Surplus Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Surplus Lien Obligations hereafter issued by the City. The City has previously authorized the issuance of the currently outstanding Prior Lien Obligations (identified and defined in the Ordinance) that are payable, in part, from and secured by a first and prior lien on and pledge of the Net Revenues of the System in the manner and as described in the ordinance authorizing the issuance of the currently outstanding Prior Lien Obligations. The City has also previously authorized the issuance of the currently outstanding Surplus Lien Obligations (identified and defined in the Ordinance) that are payable, in part, from and secured by a lien on and pledge of the surplus Net Revenues of the System in the manner and as described in the ordinance authorizing

the issuance of the currently outstanding Surplus Lien Obligations. In the Ordinance, the City reserves and retains the right to issue Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Additional Surplus Lien Obligations, and Additional Limited Pledge Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

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

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

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

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order

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

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

CITY OF GATESVILLE, TEXAS

By \_\_\_\_\_  
Mayor

ATTEST:

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

(CITY SEAL)

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

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF §  
PUBLIC ACCOUNTS §  
THE STATE OF TEXAS § REGISTER NO. \_\_\_\_\_  
§

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

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

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

(SEAL)

\*NOTE TO PRINTER: Do Not Print on Definitive Certificates.

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date: BOKF, NA, Dallas, Texas, as Paying  
Agent/Registrar

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

\*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): \_\_\_\_\_

(Social Security or other identifying number): \_\_\_\_\_  
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

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

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

Signature guaranteed:

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

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

The City of Gatesville, Texas (the *City*), a body corporate and municipal corporation in the County of Coryell, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above stated to mature on the 1st day of September in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

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

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

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Closing Date (anticipated to occur on or about July 7,

2026), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2027.

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

[END OF FORMS]

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

[BOND INSURANCE]

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

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

the foregoing that are payable from and equally and ratably secured, in part, by a limited lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

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

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

D. The term *Authorized Officials* shall mean the Mayor, the Mayor Pro Tem, the City Manager, and/or Deputy City Manager CFO.

E. The term *Certificates* shall mean the \$ \_\_, \_\_, \_\_ “CITY OF GATESVILLE, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026” authorized by this Ordinance.

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

G. The term *City* shall mean the City of Gatesville, located in Coryell County, Texas and, where appropriate, the City Council of the City.

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

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

J. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the

principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

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

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

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

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

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

P. [The term *Insurance Policy* shall mean the municipal bond guaranty insurance policy issued by the Insurer insuring the payment when due of the principal of and interest on the Certificates as provided therein.

Q. The term *Insurance Premium* shall mean the premium paid by the Purchasers for the Insurance Policy.

R. The term *Insurer* shall mean \_\_\_\_\_ or “\_\_\_\_\_”, or any successor thereto or assignee thereof.]

S. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being March 1 and September 1 of each year, commencing March 1, 2027, while any of the Certificates remain Outstanding.

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

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

(1) “City of Gatesville, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020”, dated July 1, 2020, in the original principal amount of \$2,570,000;

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

V. The term *Maintenance and Operating Expenses* shall mean all current expenses of operating and maintaining the System not paid from the proceeds of the Certificates, including (1) the cost of all salaries, labor, materials, repairs, and extensions necessary to render efficient service, but only if, in the case of repairs and extensions, they are, in the judgment of the City Council (reasonably and fairly exercised), necessary to maintain operation of the System and render adequate service to the City and the inhabitants thereof, or are necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues, (2) payments to pension, retirement, health, hospitalization, and other employee benefit funds for employees of the City engaged in the operation or maintenance of the System, (3) payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods, or services for the System to the extent authorized by law and the provisions of such contract, (4) payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the City hereunder, and (5) any legal liability of the City arising out of the operation, maintenance, or condition of the System, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and

any interest on the Certificates or other bonds, notes, warrants, or similar obligations of the City payable from Net Revenues.

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

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

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

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

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

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

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

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

BB. The term *Prior Lien Obligations* shall mean (i) the outstanding and unpaid obligations of the City that are payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance:

(1) “City of Gatesville, Texas Utility System Revenue Bonds, Series 2019”, dated March 1, 2019, originally issued in the aggregate principal amount of \$10,000,000;

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

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

DD. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on September 1 of each year the Certificates are Outstanding as set forth in Section 2 of this Ordinance.

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

FF. The term *Surplus Lien Obligations* shall mean (i) the outstanding and unpaid obligations of the City that are payable, in part, from and secured by a lien on and pledge the surplus Net Revenues of the System and designated as follows:

“City of Gatesville, Texas Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2009”, dated March 1, 2009, originally issued in the aggregate principal amount of \$9,100,000;

(ii) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a surplus lien on and pledge of the Net Revenues of the System, such lien on and pledge thereof being inferior to and subject at all times to the prior and superior lien on and pledge of the Net Revenues securing the payment of the currently outstanding Prior Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the limited amount of the Net Revenues securing, in part, the payment of the Certificates and any Additional Limited Pledge Obligations hereafter issued by the City, all as further provided in Section 20 of this Ordinance; and (iii) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a lien on and pledge of the surplus Net Revenues of the System as determined by the City Council in accordance with any applicable law.

GG. The term *System* shall mean all properties, facilities and plants currently owned, operated, and maintained by the City for the supply, treatment, and transmission of treated potable water, for the collection and treatment of wastewater, together with all future extensions, improvements, replacements and additions thereto, whether situated within or without the limits of the City and the City expressly reserves the right at its sole discretion to include additional utility, telecommunications, technology, or similar enterprise services as components of the

System; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of *Special Facilities Bonds*, which are hereby defined as being special revenue obligations of the City which are not payable from Net Revenues but which are payable from and equally and ratably secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10. Certificate Fund – Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026, INTEREST AND SINKING FUND” (the *Certificate Fund*), which fund shall be kept and maintained at the Depository, and money deposited in the Certificate Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

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

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance may, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities, including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Small Business Administration, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such

deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

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

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

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

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

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

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

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the

sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

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

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

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

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

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

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

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

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

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

SECTION 16. Maintenance of System - Insurance. The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are held for the benefit of the holders of the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this

Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

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

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

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

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

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

SECTION 19. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the

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

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

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

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

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

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

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

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

Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Surplus Lien Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the holders of the Certificates) upon such terms and conditions as the City Council may determine. Additional Limited Pledge Obligations, if issued and payable, in whole or in part, from Pledged Revenues (defined in the same or similar terms as provided in Section 9 of this Ordinance), shall not in any event be construed to be payable from the Pledged Revenues authorized by this Ordinance authorizing the issuance of the Certificates to be budgeted and appropriated for the payment of the Certificates. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of the Certificates and any Additional Limited Pledge Obligations shall be subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of the currently outstanding Prior Lien Obligations and Surplus Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Surplus Lien Obligations hereafter issued by the City.

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

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

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

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

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

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

SECTION 22. Application of the Covenants and Agreements of any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Additional Surplus Lien Obligations, and Additional Limited Pledge Obligations. It is the intention of the City Council and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administration and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and Surplus Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Surplus Lien Obligations hereafter issued by the City, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and Surplus Lien Obligations and the Certificates, and any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Surplus Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of the currently outstanding Prior Lien Obligations and Surplus Lien Obligations and any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Surplus Lien Obligations hereafter issued by the City. It is expressly recognized that prior to the issuance of any Additional Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Additional Surplus Lien Obligations, or Additional Limited Pledge Obligations, the City must comply with each of the conditions precedent contained in the respective ordinances authorizing the issuance of the currently outstanding Prior Lien Obligations and Surplus Lien Obligations and the Certificates, as appropriate.

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

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

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

cancelled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 25. Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

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

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

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

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

SECTION 26. Sale of the Certificates at Competitive Sale – Approval of the Official Statement – Proceeds of Sale. The Certificates authorized by this Ordinance are hereby sold by the City to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as the of purchaser at a competitive sale (the *Purchasers*, having all of the rights, duties, benefits, and obligations of a Holder), in accordance with the provisions of an Official Bid Form (the *Official Bid Form*), dated June 9, 2026, attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, at the price of par, plus a [net] reoffering premium of \$ \_\_\_\_\_ (including the Purchasers' compensation of \$ \_\_\_\_\_ [and Insurance Premium of \$ \_\_\_\_\_]), plus accrued interest to the date of initial delivery of the Certificates to the Purchasers and is hereby approved and confirmed. The Initial Certificate shall be registered in the name of \_\_\_\_\_. It is hereby officially found, determined, and declared that the Purchasers are the highest bidder for the Certificates whose bid, received as a result of invitations for competitive bids in compliance with applicable law, produced the lowest true interest cost to the City. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the City. Any Authorized Official is hereby

authorized and directed to execute the Official Bid Form for and on behalf of the City and as the act and deed of this City Council, and in regard to the approval and execution of the Official Bid Form, the City Council hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Official Bid Form are true and correct in all material respects and shall be honored and performed by the City. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Official Bid Form.

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

(1) Accrued interest in the amount of \$ \_\_\_\_\_ received from the Purchasers shall be deposited into the Certificate Fund.

(2) The City received a [net] reoffering premium from the sale of the Certificates of \$ \_\_\_\_\_ which is hereby allocated by the City in the following manner: (i) \$ \_\_\_\_\_ to pay the Purchasers' compensation, (ii) [\$ \_\_\_\_\_ to pay the Insurance Premium,] (iii) \$ \_\_\_\_\_ shall be deposited into the Construction Account established in paragraph (3) below, and (iii) \$ \_\_\_\_\_ to pay the remaining costs of issuance of the Certificates.

(3) The balance of the proceeds (being the principal amount of the Certificates in the amount of \$ \_\_, \_\_, \_\_.00 and a portion of the premium in the amount of \$ \_\_\_\_\_) derived from the sale of the Certificates (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates and used to pay costs of such projects. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

(4) Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Official Bid Form (together with such changes approved by any Authorized Official, or any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated June 9, 2026, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed

by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

SECTION 27. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

“*Yield*” of

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

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

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

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

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

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

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

E. Not to Invest at Higher Yield. Except to the extent it will not cause the Certificates to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the

Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

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

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

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

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

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

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

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

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

J. Certificates Not Hedge Bonds.

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

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

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

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

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

SECTION 29. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on

the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

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

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

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased

Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 44. Continuing Disclosure Undertaking.

A. Definitions.

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

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

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

*MSRB* means the Municipal Securities Rulemaking Board.

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

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

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

B. Annual Reports.

The City shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2026, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 26 of this Ordinance, being the information described in Exhibit C, Paragraph 2, hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, within twelve months after the end of each fiscal year. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the City must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the City Secretary within 180 days after the last day of the City's fiscal year. Additionally, upon

the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

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

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

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

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

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

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

**D. Limitations, Disclaimers, and Amendments.**

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

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

**UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT**

ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

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

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

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

E. Information Format – Incorporation by Reference.

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

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document

(including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

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

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

SECTION 45. Book-Entry Only System.

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

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

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

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

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

SECTION 46. Municipal Bond Insurance. The payment of the debt service requirements on the Certificates is insured by the Insurer pursuant to the Insurance Policy.]

SECTION 47. Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Official Bid Form, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance and as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer

before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 48. Contract with Financial Advisor. The City Council authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with PFM Financial Advisors LLC, as the financial advisor to the City (the *Financial Advisor*). The City understands that under applicable federal securities laws and regulations that the City must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates.

SECTION 49. City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, Bond Counsel to the City, and/or Financial Advisor to the City to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

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

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

PASSED, APPROVED, AND ADOPTED on the 9th day of June, 2026.

CITY OF GATESVILLE, TEXAS

\_\_\_\_\_  
Mayor

ATTEST:

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

(CITY SEAL)

APPROVED AS TO LEGALITY:

\_\_\_\_\_  
City Attorney

## INDEX TO EXHIBITS

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

**EXHIBIT A**

**PAYING AGENT/REGISTRAR AGREEMENT**

See Tab No. \_\_

**EXHIBIT B**

**OFFICIAL BID FORM**

See Tab No. \_\_

## **EXHIBIT C**

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

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

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

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

(1) The City’s audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the City appended to the Official Statement as [Appendix D], but for the most recently concluded fiscal year.

(2) The financial information and operating data of the general type included in the body of the Official Statement under “Investment Authority and Investment Practices of the Issuer – Current Investments” and in [Tables 1 through 13, 15, and 19 of Appendix A] to the Official Statement.

#### **Accounting Principles**

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

**EXHIBIT D**

**DTC LETTER OF REPRESENTATIONS**

See Tab No. \_\_

## EXHIBIT E

### GENERAL POLICIES AND PROCEDURES CONCERNING COMPLIANCE WITH THE RULE

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

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

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

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

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

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

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



Date 6/9/2026

Agenda Item 9

Resolution 2026-066

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

**To: Mayor & Council**

**From: Seth Phillips, Parks & Recreation Director**

**Agenda Item: Discussion and possible action approving a resolution supporting the use of Hotel Occupancy Tax (HOT) funds for the enhancement and upgrading of existing sports facilities and athletic fields within the City of Gatesville.**

### Information:

The Gatesville Sports Complex is the city's top tourist attraction, hosting over 20 select, district, and state tournaments every year. These events bring thousands of visitors to Gatesville, generating significant local economic impact through hotel stays, dining, and retail shopping.

The City of Gatesville is currently unable to utilize Hotel Occupancy Tax (HOT) funds for improvements to existing sports facilities and athletic fields under the current Texas Tax Code. After consultation with our State Representative's office, the City was advised to adopt a formal Resolution expressing the City Council's support for the use of HOT funds for the enhancement, improvement, and upgrading of existing sports-related facilities and fields that promote tourism and overnight visitation.

Approval of this Resolution would formally demonstrate the City Council's support for pursuing legislative changes that would allow HOT funding to be utilized for qualifying sports facility improvements that support tourism, tournaments, and economic development within the community.

<https://statutes.capitol.texas.gov/?tab=1&code=TX&chapter=TX.351&artSec=>

### Financial Impact:

No financial impact

### Staff Recommendation:

Staff recommends supporting the use of Hotel Occupancy Tax funds to enhance and upgrade existing sports facilities and athletic fields within the City of Gatesville.

### Motion:

Motion to approve a resolution supporting the use of Hotel Occupancy Tax funds for the enhancement and upgrading of existing sports facilities and athletic fields within the City of Gatesville.

### Attachments:

The Hotel Tax "Two-Step"

Hotel Occupancy Tax Guidelines

Date 6/9/2026

Agenda Item 9

Resolution 2026-066

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

\_\_\_\_\_  
Gary Chumley, Mayor

\_\_\_\_\_  
Greg Casey, City Council Member/Mayor Pro-Tem Ward 2, Place 5

\_\_\_\_\_  
Joe Patterson, City Council Member Ward 2, Place 4

\_\_\_\_\_  
Jon Salter, City Council Member Ward 1, Place 2

\_\_\_\_\_  
Aaron Smith City Council Member Ward 1, Place 1

\_\_\_\_\_  
Travis VanBibber City Council Member Ward 1, Place 3

\_\_\_\_\_  
Kalinda Westbrook City Council Member Ward 2, Place 6

ATTEST:

\_\_\_\_\_  
Holly Owens, City Secretary

# **What Cities Need to Know to Administer Municipal Hotel Occupancy Taxes**

**Abridged Version**

Texas Hotel & Lodging Association

**Table of Contents**

<b>EDITOR’S NOTE</b>	<b>3</b>
<b>AUTHORIZED ENTITIES</b>	<b>3</b>
<b>COLLECTING THE TAX</b>	<b>3</b>
<b>EXEMPTIONS FROM THE LOCAL TAX</b>	<b>5</b>
<b>PENALTIES FOR FAILURE TO REPORT OR COLLECT THE TAX</b>	<b>6</b>
<b>USE OF LOCAL HOTEL OCCUPANCY TAX REVENUES</b>	<b>7</b>
Criteria #1: First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.	7
Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues.	9
1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.	9
2) Paying the administrative costs for facilitating convention registration.	9
3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.	10
4) Expenditures that promote the arts.	10
5) Funding historical restoration or preservation programs.	11
6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.	11
7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.	12
8) Funding transportation systems for tourists	12
9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.	13
<b>ADMINISTERING HOTEL OCCUPANCY TAX REVENUE EXPENDITURES</b>	<b>14</b>
Duty of funded entities to provide a list of activities.	14
Delegating management of funded activities.	14
Use of hotel occupancy tax revenues to cover administrative expenses.	15
<b>SPECIAL RULES FOR SELECTED MUNICIPALITIES</b>	<b>16</b>
<b>ADDITIONAL INFORMATION</b>	<b>16</b>

## **Editor’s Note**

This is the abridged version of THLA’s *What Cities Need to Know to Administer Municipal Hotel Occupancy Taxes*. A full version of this article, with information including expanded information on hotel tax collection, tax exemptions, and city-specific rules, is available by contacting THLA at 512-474-2996 or emailing us at [news@texaslodging.com](mailto:news@texaslodging.com).

## **Authorized Entities**

All incorporated Texas municipalities, including general law and home rule cities, may enact a hotel occupancy tax within the city limits.<sup>1</sup> A city with a population of under 35,000 may also adopt the hotel occupancy tax within that city’s extraterritorial jurisdiction (ETJ).<sup>2</sup> Most cities are eligible to adopt a hotel occupancy tax at a rate of up to 7 percent of the price paid for the use of a hotel room.<sup>3</sup> Additionally, a city or county may not propose a hotel occupancy tax rate that would result in a combined hotel occupancy tax rate imposed from all sources that would exceed 17 percent of the price paid for the room.<sup>4</sup> If a city adopts the hotel occupancy tax within its ETJ, the combined state, county, and municipal hotel occupancy tax rate may not exceed 15 percent.<sup>5</sup> Texas has among the highest combined hotel occupancy tax rates of any major metropolitan areas in the nation, with El Paso at 17 ½ percent, Houston at 17 percent, and San Antonio at 16 ¾ percent.<sup>6</sup>

In addition to local hotel occupancy taxes, all lodging properties operating in Texas are subject to a six percent state hotel occupancy tax.<sup>7</sup> Governed under Chapter 156 of the Texas Tax Code, the state hotel occupancy tax is administered by the Texas Comptroller. Funds from the state six percent hotel occupancy tax flow directly to the Texas Comptroller’s office and are largely used for the general governmental operations of the State. A portion of the state hotel occupancy tax revenue also goes toward funding tourism promotion through Texas’s ad campaign. Most Texans know this successful ad campaign by its famous tagline, “Texas, it’s like a whole other country.”

## **Collecting the Tax**

Under the Texas Tax Code, the following businesses are considered “hotels” and are required to collect hotel occupancy taxes from their guests: “Any building or buildings in which members of the public obtain sleeping accommodations for consideration” for less than 30 days, including a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast facilities.<sup>8</sup> Additionally, a “short-term rental,” defined as the rental of all or part of a residential property to a person

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<sup>1</sup> Tex. Tax Code Ann. § 351.002(a) (Vernon 2017).

<sup>2</sup> § 351.0025(a).

<sup>3</sup> § 351.003(a).

<sup>4</sup> Tex. Loc. Gov’t Code § 334.254(d). Note that the 17 percent cap does not apply to a city that approved a higher hotel tax through a venue ballot proposition prior to September 1, 2013, such as El Paso.

<sup>5</sup> § 351.0025(b).

<sup>6</sup> Source: National Business Travel Association 2009 Survey.

<sup>7</sup> Tex. Tax Code § 156.051.

<sup>8</sup> Tex. Tax Code § 156.001(a); 34 Tex. Admin. Code Ann. § 3.161(a)(3) (Vernon 2017).

who is not a permanent resident, is subject to hotel occupancy taxes.<sup>9</sup> The Texas Administrative Code also includes “manufactured homes, skid mounted bunk houses, residency inns, condominiums, cabins, and cottages within the definition of a “hotel” if the facility is rented for periods of under 30 days.<sup>10</sup> Hospitals, sanitariums, nursing homes, dormitories or other non-hotel housing facilities owned by institutions of higher education, and oilfield portable units do not collect the tax.<sup>11</sup> Subject to various exemptions, the hotel tax is imposed on any “person” who pays for the use of a room in a hotel, including corporations, organizations, and other legal entities. The hotel room must cost \$2 or more per day for the local hotel tax to apply, and \$15 or more per day for the state hotel tax to apply.<sup>12</sup>

#### **Meeting rooms versus sleeping rooms:**

The rental of sleeping rooms in hotels is subject to both state and local hotel taxes. However, there is a difference in how state and local hotel taxes apply to the rental of hotel meeting rooms. While the rental of sleeping rooms in hotels are subject to both state and local hotel taxes, meeting room rentals are not subject to local hotel occupancy taxes.<sup>13</sup> The rental of a meeting room or meeting space in a hotel is subject to the state 6 percent hotel occupancy tax, provided the room or space is physically located in a structure that also contains sleeping rooms.<sup>14</sup> For meeting rooms and banquet halls located in a structure that is physically separated from a structure that contains sleeping rooms, neither state nor local hotel occupancy taxes apply to that rental of those meeting rooms or banquet halls, provided rental costs or charges are separately stated from any lodging costs or charges on the guest’s invoice or receipt.<sup>15</sup>

However, it must be noted that sales tax may apply to the costs associated with the rental of meeting rooms or banquet halls located in a structure that is physically separated from a structure that contains sleeping rooms, if the lodging facility provides food or beverage service that is subject to sales tax.<sup>16</sup> Such sales tax would apply to the meeting room or banquet hall rental costs or charges regardless of whether the food or beverage charges are separately stated on the guest’s invoice or receipt.<sup>17</sup>

#### **Food and beverage and other hotel charges:**

Certain charges assessed by a hotel to a guest are subject to hotel occupancy taxes, while other added charges are subject to state and local sales tax. Common hotel charges usually subject to sales taxes (but generally not subject to hotel occupancy taxes) are banquet service fees, food and beverage fees, movie rentals, dry cleaning/laundry services, internet connection, parking, and portage or bellhop fees.

Hotel charges related to occupancy of a sleeping room or readying a sleeping room for occupancy are usually subject to hotel occupancy taxes only. Common hotel charges subject to hotel occupancy tax are rollaway bed charges, pet charges, smoking fees, room damage fees, room safe charges, and late or early checkout fees.<sup>18</sup> It is important to note that if a hotel offers services as part of a package rate included with lodging, and the price of a specific good or service is not separately stated on a guest’s invoice, bill, or folio, the entire package is subject to hotel occupancy taxes.<sup>19</sup>

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<sup>9</sup> Tex. Tax Code § 156.001(c).

<sup>10</sup> Tex. Tax Code § 156.001(a); 34 Tex. Admin. Code Ann. § 3.161(a)(3) (Vernon 2017).

<sup>11</sup> Tex. Tax Code § 156.001.

<sup>12</sup> Tex. Tax Code § 156.051(a); § 351.002(a).

<sup>13</sup> *Id.*

<sup>14</sup> Tex. Tax Code § 156.051(a); Tex. Comptroller Opinion Letter No. 200103106L, Mar. 9, 2001.

<sup>15</sup> *Id.*

<sup>16</sup> 34 Tex. Admin. Code Ann. § 3.161(a)(3) (Vernon 2017); Tex. Comptroller Opinion Letter No. 201010556L, Oct, 2010.

<sup>17</sup> *Id.*

<sup>18</sup> THLA maintains a list of most hotel charges and which tax, if any is assessed on a particular charge. This list is available upon request to THLA members.

<sup>19</sup> Tex. Comptroller Opinion Letter No. 200102031L, Feb. 7, 2001.

Additionally, a special rule applies to whether hotel occupancy taxes are imposed on a hotel room rental cancellation fee. A 1989 Texas Comptroller’s hearing concluded that hotel taxes are not due on charges to guests who 1) cancel more than 30 days before the scheduled stay begins, or 2) when the charge to the guest is less than the reserved room rate.<sup>20</sup> This rule applies both to individual reservations and also to group contracts.<sup>21</sup>

#### **Application of local hotel tax rate increases on pre-existing contracts**

If a municipality increases its hotel tax rate, the increased tax rate does not apply to a hotel room under a contract that was executed before the date the increased rate takes effect and if the contract provides for payment of the tax at the rate in effect when the contract was executed.<sup>22</sup> This statute does not apply if the contract’s terms state that the contract is subject to change or modification from a tax rate increase.<sup>23</sup>

## **Exemptions from the Local Tax**

Texas law provides certain hotel tax exemptions based on the length of a guest’s stay or the guest’s affiliation with an exempt organization. Texas law is more permissive for exemptions from the state 6% hotel occupancy tax than it is for local hotel tax exemptions. The state hotel occupancy tax allows for an exemption for the following entities: educational, charitable, and religious entities are often exempt from the state hotel occupancy tax. These entities are *not exempt* from local hotel occupancy taxes.<sup>24</sup>

Focusing specifically on the local hotel occupancy taxes, there are primarily four categories of exemptions permitted from municipal and county hotel occupancy taxes:

- 1) **Federal Employees:** Federal employees traveling on official business;
- 2) **Diplomats:** Foreign diplomats with a tax exempt card issued by the U.S. Department of State;
- 3) **High Ranking State Officials:** A very limited number of state officials with a hotel tax exemption card (e.g. heads of state agencies, state legislators and legislative staff, members of state boards and commissions, and state judges); and
- 4) **Permanent Resident/Over 30 Day Stay:** Persons or businesses who have agreed in advance to use a hotel room for more than 30 consecutive days (i.e. the “permanent resident” hotel tax exemption).<sup>25</sup>
- 5) A full version of this article with information including expanded information on tax exemptions is available by contacting THLA.

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<sup>20</sup> Texas Comptroller's Hearing Decision No. 24,654 (1989).

<sup>21</sup> *Id.*

<sup>22</sup> Tex. Tax Code § 351.007.

<sup>23</sup> *Id.*

<sup>24</sup> Tex. Tax Code § 156.102.

<sup>25</sup> Tex. Tax Code § 156.104.

## **Penalties for Failure to Report or Collect the Tax**

The local hotel occupancy tax statutes provide for specific penalties a city may assess against hotel operators who fail to file the hotel tax collections report, file late or without full payment, or produce false tax returns.<sup>26</sup>

A full version of this article with information including expanded information on hotel tax penalties is available by contacting THLA.

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<sup>26</sup> § 351.004.

## Use of Local Hotel Occupancy Tax Revenues

There is a two-part test for every expenditure of local hotel occupancy tax.<sup>27</sup>

**Criteria #1: First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.<sup>28</sup>**

Under the Tax Code, every event, program, or facility funded with hotel occupancy tax revenues must be likely to do two things: 1) directly promote tourism; and 2) directly promote the convention and hotel industry.<sup>29</sup> “Tourism” is defined under Texas law as guiding or managing individuals who are traveling to a different, city, county, state, or country.<sup>30</sup> A “direct” promotion of the convention and hotel industry has been consistently interpreted by the Texas Attorney General as a program, event, or facility likely to cause increased hotel or convention activity.<sup>31</sup> This activity may result from hotel or convention guests that are already in town and choose to attend the hotel tax funded facility or arts or historical event, or it may result from individuals who come from another city or county to stay in an area lodging property at least in part to attend the hotel tax funded event or facility.

If the funded event or facility is not reasonably likely to directly enhance tourism and the hotel and convention industry, local hotel occupancy tax revenues cannot legally fund it.<sup>32</sup> However, it is important to note that events and facilities that do not qualify for hotel occupancy tax funding are often still legally eligible for city funding from most of the other funding sources available to the city (general property tax revenues, general sales tax revenues, franchise fee revenues, etc.). State law is stricter in terms of how the local hotel occupancy tax revenues can be spent.

There is no statutory formula for determining the level of impact an event must have to satisfy the requirement to directly promote tourism and hotel and convention activity.<sup>33</sup> However, communities with successful tourism promotion programs generally award the amount of the hotel occupancy tax by the proportionate impact on tourism and hotel activity incident to the funding request. Entities applying for hotel occupancy tax revenue funding should indicate how they will market the event to attract tourists and hotel guests. If an entity does not adequately market its events to tourists and hotel guests, it is difficult to produce an event or facility that will effectively promote tourism and hotel activity.

A city or delegated entity should also consider whether a funded event will be held in a venue that will likely attract tourists and hotel guests. For example, if an event is held in a local school or community center, it may be less likely to attract tourists than if it is held at a local performing arts venue, museum or civic center. Each community will need to assess whether the facility hosting the function is likely to attract tourists and hotel guests. Similarly, if an event is a community picnic, local parade, educational class, or other similar type of event, it is often not likely to attract tourists and hotel guests, and would likely not be eligible for hotel occupancy tax funding.

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<sup>27</sup> §§ 351.101(a), (b).

<sup>28</sup> §§ 351.101(b).

<sup>29</sup> *Id.*

<sup>30</sup> § 351.001(6).

<sup>31</sup> See Op. Tex. Att’y Gen. Nos. GA-0124 (2003), JM-690 (1987).

<sup>32</sup> *Id.*

<sup>33</sup> See generally Tex. Tax Code §§ 351.101(a), (b).

Finally, it is a good practice to utilize a hotel tax application form. THLA has a sample hotel occupancy tax application form and a “post event” form that are already in use by many city governments throughout Texas. For a copy of these two forms, simply call THLA at (512) 474-2996, or email THLA at [news@texaslodging.com](mailto:news@texaslodging.com). These forms pose questions of funding applicants such as “Do you have a hotel room block for your events?,” and “What do you expect to be the number of room nights sold for this event?” Additionally, the application asks if the entity has negotiated a special hotel price for attendees of their funded event. If the entity does not find the need to reserve a hotel block or negotiate a special hotel rate, it is not likely that they anticipate their event/s will have a meaningful impact on hotel activity.

Funded entities can also visit with area hoteliers who, in many cases, can provide feedback on whether any of their hotel guests expressed an interest in attending such events or facilities in the past. Hotel front desk and management staff usually know what local events and facilities were of interest to their guests by notes in their reservation systems, requests for directions, information and transportation to such venues by hotel patrons.

After an applicant’s event or program is offered for several years, the applicant should have a reasonable idea as to whether their event or program’s attendance includes a number of tourists and hotel guests. For example, some entities track whether guests are staying at local hotels via their guest registry. Other entities measure potential out-of-town attendance from their ticket sales records or other survey information.

It is important to note that Texas law also provides that the hotel occupancy tax may not be used for general revenue purposes or general governmental operations of a municipality.<sup>34</sup> It also may not be used to pay for governmental expenses that are not directly related to increasing tourism and hotel and convention activity.<sup>35</sup> For example, consider a request to use the hotel occupancy tax to pay for construction of additional lighting, restrooms, roads, sidewalks, or landscaping in a downtown area. These are expenditures for which the city would traditionally use its general revenues. Therefore, such an expenditure would violate the prohibition against using the hotel tax for “general governmental operations of a municipality.”<sup>36</sup> It is difficult to argue that such improvements to a non-tourism facility would “directly” promote tourism and hotel activity. At best, one could argue the improvements would “indirectly” enhance tourism and hotel activity—which is not sufficient under the clear language of the Tax Code to qualify for funding from the hotel occupancy tax.

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<sup>34</sup> Tex. Tax Code § 351.101(b); *see also* Op. Tex. Att’y Gen. Nos. JM-184 (1984), JM-965(1988).

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

**Criteria #2: Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues.<sup>37</sup>**

The nine categories for expenditure of the hotel occupancy tax are as follows:

**1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center.**

This category allows expenditures of the hotel tax for the creation, improvement, or upkeep of a convention center or a visitor information center.<sup>38</sup> The term “convention center” is defined to include civic centers, auditoriums, exhibition halls, and coliseums that are owned by the city or another governmental entity or that are managed in whole or in part by the city.<sup>39</sup> It also includes parking areas in the immediate vicinity of a convention center facility, and certain hotels that are owned by the city or another governmental entity, or that are managed in whole or in part by the city.<sup>40</sup> It does not include facilities that are not of the same general characteristics as the structures listed above.

Texas law specifies that for a facility to be funded as a convention center, it must be a facility primarily used to host conventions and meetings.<sup>41</sup> “Primarily used” in this context would arguably mean that more than 50 percent of the bookings for the facility are to host conventions or meetings that directly promote tourism and the hotel and convention industry.<sup>42</sup> In other words, holding local resident meetings in a facility would not count toward qualifying the facility as a convention center, but meetings of individuals from out-of-town who in part stay at hotels would qualify.

Simply naming a facility a convention center or visitor information center does not automatically qualify the facility as a “convention center.” The authority to use the hotel occupancy tax for facilities is limited and any such facility must meet the above noted “primary usage” test. For example, general civic buildings such as the city hall, local senior citizen centers or activity centers would not qualify as convention centers that could be funded by hotel tax.

**2) Paying the administrative costs for facilitating convention registration.**

This provision allows expenditures for administrative costs that are actually incurred for assisting in the registration of convention delegates or attendees.<sup>43</sup> This is generally an expenditure for larger cities that hold large conventions, and includes covering the personnel costs and costs of materials for the registration of convention delegates or attendees.

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<sup>37</sup> Tex. Tax Code § 351.101(a).

<sup>38</sup> § 351.101(a)(1).

<sup>39</sup> § 351.001(2).

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*; see generally Tex. Tax Code §§ 351.101(a), (b).

<sup>43</sup> Tex. Tax Code § 351.101(a)(2).

### **3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity.**

This provision allows expenditures for solicitations or promotional programs/advertising directly related to attracting tourists and convention delegates to the city or its vicinity.<sup>44</sup> Such expenditures are traditionally in the form of internet, newspaper, mail, television, or radio ads; or solicitations to promote an event or facility. The advertising or promotion must directly promote the hotel and convention industry.<sup>45</sup> For example, the Texas Attorney General ruled that the local hotel occupancy tax may not be used for advertising or other economic development initiatives or improvements to attract new businesses or permanent residents to a city.<sup>46</sup>

In certain cases, a city may be able to use the advertising and promotion category to justify covering the costs of advertising an event that will attract tourists and hotel guests, even though the administrative or facility costs for the underlying event would not qualify for hotel tax funding.<sup>47</sup>

### **4) Expenditures that promote the arts.**

This section authorizes the expenditure of local hotel occupancy tax for a variety of art-related programs that also promote tourism and local hotel and convention activity.<sup>48</sup> Specifically, it allows funding the encouragement, promotion, improvement, and application of the arts including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution and exhibition of these major art forms.<sup>49</sup> However, it is not enough that a facility or event promotes the arts; Texas law requires that the arts related expenditure also directly promote tourism and the hotel and convention industry.<sup>50</sup>

Section 351.101(a) of the Tax Code specifically states that “the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry.” The Texas Attorney General reaffirmed this standard when it held in Opinion GA-0124: “Under section 351.101 of the Tax Code, a municipality may expend its municipal hotel occupancy tax revenue only to promote tourism and the convention and hotel industry, and only for the specific uses listed in the statute.”

Additionally, the amount of funding a city allocates to the arts category may be limited by statute. See the “Special Rules” section of this guide

#### **Attorney General opinion on arts facilities**

In 2017, the Texas Attorney General issued opinion number KP-0131 regarding whether a city can expend hotel tax revenues for an arts-related facility under the arts category of the Tax Code. This opinion was requested by the City of Lakeway regarding funding the construction of a new performing arts center (referred to as "PAC"), to be owned by the City. The City of Lakeway requested an Attorney General

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<sup>44</sup> § 351.101(a)(3).

<sup>45</sup> § 351.101(b).

<sup>46</sup> Op. Tex. Att’y Gen. No. JM-690 (1987).

<sup>47</sup> See generally Tex. Tax Code § 351.101(a)(3).

<sup>48</sup> Tex. Tax Code § 351.101(a)(4).

<sup>49</sup> *Id.*

<sup>50</sup> § 351.101(b).

opinion on whether the City may legally use hotel occupancy tax revenue to pay for 1) a feasibility study for the PAC, and 2) the construction, operation, and maintenance of the PAC.

In Opinion KP-0131, the Attorney General took a strict position on using local hotel tax revenue for an arts facility. The opinion states that the phrase, "promotion of the arts," in the state statute does not expressly authorize the use of municipal hotel tax revenues for the construction of arts facilities. The opinion continues, "construction costs of theater facilities, considered alone, are not within the scope" of the arts category of hotel occupancy tax expenditures.<sup>51</sup> Based on this reasoning, it seems that the Texas Attorney General holds that funding of a physical structure with local hotel tax revenue must be coupled with some other authorized category of hotel tax expenditures aside from "promotion of the arts" alone.

### **5) Funding historical restoration or preservation programs.**

A city may spend a portion of its hotel occupancy tax revenues to enhance historical restoration and preservation projects or activities, or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums that are likely to attract tourists and hotel guests.<sup>52</sup> Texas law does not limit such funding to structures that are owned by a public or nonprofit entity, or to whether the project is listed on a historic registry, but the city may choose to impose such limitations.

It is not enough that a project or activity event merely be historical in nature; Texas law requires that the historical related expenditure also directly promote tourism and the hotel and convention industry.<sup>53</sup> Section 351.101(a) of the Tax Code specifically states that "the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry." The Attorney General in Opinion GA-0124 (2003) reaffirmed this standard when it held: "Under section 351.101 of the Tax Code, a municipality may expend its municipal hotel occupancy tax revenue "only to promote tourism and the convention and hotel industry" and only for the specific uses listed in the statute."

Additionally, the amount of funding a city allocates to the historical programs category may be limited by statute. See the "Special Rules" section of this guide, starting on page 24.

### **6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under 1 million.**

This section authorizes a municipality located in a county with a population of under 1 million to use local hotel occupancy tax revenue to fund certain expenses, including promotional expenses, directly related to a sporting event.<sup>54</sup> To qualify under this authorization, the sporting event must be one that would "substantially increase economic activity at hotels and motels within the city or its vicinity."<sup>55</sup> The statutory authorization also requires that a majority of the participants in the sporting event also be tourists to the area.<sup>56</sup>

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<sup>51</sup> Op. Tex. Att'y Gen. No. KP-0131 (2017).

<sup>52</sup> § 351.101(a)(5).

<sup>53</sup> § 351.101(b).

<sup>54</sup> § 351.101(a)(6).

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

This category is intended to allow communities to fund the event costs for sporting tournaments that result in substantial hotel activity. For example, if a city had to pay an application fee to seek a particular sporting event or tournament, it could use hotel tax for such an expenditure if the sporting event would substantially increase economic activity at hotels and the city was within a county of under one million population. The requirement that a majority of the participants must be “tourists” is included in the statutory authority to prohibit the use of local hotel tax for sporting related facilities or events that are purely local (e.g.; local recreation centers, local little league and parks events, intramural sports, etc.).

### **7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities.**

Certain statutorily bracketed cities may use local hotel occupancy tax to enhance and upgrade existing sports facilities owned by the municipality.<sup>57</sup> The municipality must own the sporting facility, and the municipality must meet applicable population requirements. A full version of this article, with information including which cities are eligible for this category, is available by contacting THLA.

Texas law further requires that before local hotel tax to be used for this purpose, the sports facilities and fields must have been used a combined total of more than 10 times for district, state, regional, or national sports tournaments in the preceding calendar year.<sup>58</sup>

If hotel tax revenues are spent on enhancing or upgrading a sports facility, the municipality must also determine the amount of “area hotel revenue” generated by hotel activity from sports events held at the hotel tax funded facility for five years after the upgrades to the sport facility are completed.<sup>59</sup> The area hotel revenues that were generated from sports events at the hotel tax funded facility over that five year period must at least equal the amount of hotel tax that was spent to upgrade the sports facility.<sup>60</sup> If the amount of hotel tax that was spent on the facility upgrades exceeds hotel revenue attributable to events held at that facility over that five year period, the municipality must reimburse the hotel occupancy tax revenue fund any such difference from the municipality’s general fund.<sup>61</sup>

For example, if a city spent \$400,000 on improvements to its soccer fields, it would have to show at least \$400,000 in area hotel revenue directly attributable to events held at that soccer field over the five year period after the soccer field improvements were completed. If the city could only show \$300,000 in hotel industry revenue due to events held at that soccer field, the city would have to reimburse the city hotel tax with the \$100,000 difference from the city’s general fund.

### **8) Funding transportation systems for tourists**

Often with conventions and large meetings, there is a need to transport the attendees to different tourism venues. In 2007, the Texas Legislature authorized the use of city hotel tax for any sized city to cover the costs for transporting tourists from hotels to and near the city to any of the following destinations:

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<sup>57</sup> § 351.101(a)(7).

<sup>58</sup> Tex. Tax Code §§ 351.101(a)(7), 351.1076.

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

- the commercial center of the city;
- a convention center in the city;
- other hotels in or near the city; and
- tourist attractions in or near the city.<sup>62</sup>

The reimbursed transportation system must be owned and operated by the city, or privately owned and operated but financed in part by the city.<sup>63</sup> For example, this authority could be used to cover the costs of a city to finance certain private shuttles to operate between the convention center and area hotels and attractions for a large city-wide convention. The law specifically prohibits the use of the local hotel tax to cover the costs for a transportation system that serves the general public.<sup>64</sup>

#### **9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.**

In 2009, the Texas Legislature added a statutory category that allows cities to use municipal hotel occupancy tax revenue to pay for signage directing tourists to sights and attractions frequently visited by hotel guests in the municipality.<sup>65</sup> Arguably, this type of expenditure was permissible as “advertising and promotion” prior to this 2009 legislation. However, the Legislature codified this understanding to officially include signage directing tourists to sights and attractions that are frequently visited by hotel guests.<sup>66</sup>

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<sup>62</sup> § 351.110(a).

<sup>63</sup> § 351.110(b).

<sup>64</sup> § 351.110(c).

<sup>65</sup> § 351.101(a)(9).

<sup>66</sup> *Id.*

## **Administering Hotel Occupancy Tax Revenue Expenditures**

### **City reporting of information to the Texas Comptroller**

In 2017, the Texas Legislature passed a statute to require Texas cities to annually report hotel tax rate and spending information the State Comptroller. Specifically, the statute requires the city to report: 1) its municipal hotel tax rate, 2) any applicable venue tax rate, 3) the amount of hotel tax revenue collected for the preceding fiscal year, and 4) the amount and percentage of funds spent on each major category under state law.

The Comptroller will adopt rules to administer this new statute in the second half of 2017. These new rules will include a form for cities to complete when providing the information to the State.

### **Duty of funded entities to provide a list of activities.**

All entities (including the city itself) that are directly or indirectly funded by the local hotel occupancy tax are annually required to provide a list of the scheduled activities, programs, or events that will directly enhance and promote tourism and the convention and hotel industry.<sup>67</sup> This list is to be provided annually to the city secretary or his/her designee prior to the expenditure of the hotel occupancy tax funding by the funded entity.<sup>68</sup> An entity may add items to this list at any time, and each city decides the format for providing this information. This documentation requirement does not apply if the entity already provides written information to the city indicating which scheduled activities or events that it offers that directly enhance and promote tourism and the convention and hotel industry. For example, cities that require quarterly or annual reports on the use of hotel tax by hotel tax funded entities would satisfy this requirement if their report addresses the extent to which their events directly promote tourism and hotel activity.<sup>69</sup>

It is important to remember that if an entity does not have any such events or programs reasonably expected to directly promote tourism and the hotel and convention industry, it is not eligible for local hotel occupancy tax funding.<sup>70</sup> If only a portion of an entity's programs fit these criteria, then only a proportionate amount of that entity's costs should be covered by the local hotel occupancy tax.<sup>71</sup>

### **Delegating management of funded activities.**

The governing body of a city may delegate the management or supervision of programs funded by the hotel occupancy tax by written contract.<sup>72</sup> This delegation may be made to a person, another governmental entity, or to a private organization.<sup>73</sup> This delegation is often made to a local arts council, a chamber of commerce, or to the convention and visitors bureau. The municipality shall approve the entity's annual budget prior to delegating the management or supervision of hotel tax funded programs.<sup>74</sup> Furthermore, the municipality shall require the delegated entity to make periodic reports, at least

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<sup>67</sup> § 351.108(b).

<sup>68</sup> *Id.*; § 351.108(d).

<sup>69</sup> § 351.108(g).

<sup>70</sup> § 351.101(b).

<sup>71</sup> § 351.101(e).

<sup>72</sup> § 351.101(c).

<sup>73</sup> *Id.*

<sup>74</sup> *Id.*

quarterly, listing the hotel occupancy tax expenditures made by the delegated entity.<sup>75</sup> Additionally, the Code requires that the contracted entity maintain complete and accurate financial records for every expenditure of hotel occupancy tax revenue, and upon the request of the municipality or another person, make the records available for inspection and review.<sup>76</sup>

An entity with delegated authority to manage hotel tax funded programs undertakes a fiduciary duty with respect to the use of the tax revenue.<sup>77</sup> Such entities are also required to maintain the city hotel occupancy tax revenue in a separate bank account that may not be commingled with any other account or funds.<sup>78</sup> The Tax Code does not contain similar prohibitions against commingling the funds for individual organizations, such as an arts or historical group that receives hotel tax funding for their individual program, but do not themselves oversee hotel tax funding to other entities.

### **Use of hotel occupancy tax revenues to cover administrative expenses.**

Texas law allows proceeds of the municipal hotel occupancy tax to be used to cover the portion of administrative costs that are directly attributable to work on activities that may be funded by the tax.<sup>79</sup> For example, entities that manage activities funded by the hotel occupancy tax may spend some of the tax for certain day-to-day operational expenses.<sup>80</sup> These expenses may include supplies, salaries, office rental, travel expenses, and other administrative costs.<sup>81</sup> However, these costs may be reimbursed only if the expenses are incurred in the promotion and servicing of expenditures authorized under the hotel occupancy tax laws.<sup>82</sup> The portion of the administrative costs that are covered should not exceed the percentage of the cost that is attributable to the activity funded by the hotel occupancy tax.<sup>83</sup> For example, administrators who spend 33 percent of their time overseeing hotel occupancy tax funded programs should seek funding for no more than 33 percent of their salary or 33 percent of other related overhead costs. Additionally, hotel occupancy tax revenues may be spent on travel that is directly related to the performance of the person's job in an efficient and professional manner.<sup>84</sup> This travel should facilitate the acquisition of skills and knowledge that will promote tourism and the convention and hotel industry.<sup>85</sup>

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<sup>75</sup> *Id.*

<sup>76</sup> § 351.101(d).

<sup>77</sup> § 351.101(c).

<sup>78</sup> *Id.*

<sup>79</sup> § 351.101(e).

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

<sup>84</sup> § 351.101(f).

<sup>85</sup> *Id.*

## **Special Rules for Selected Municipalities**

The Texas Tax Code provides additional rules for certain Texas cities based on the city's population bracket. The Texas Tax Code provides additional rules for certain Texas cities based on the city's population brackets. A full version of this article with information on city-specific rules is available by contacting THLA.

## **Additional Information**

If a city or funded entity has additional questions about the administration or use of the hotel occupancy tax, it is welcome to contact the Texas Hotel & Lodging Association for assistance by phone at (512) 474-2996 or by email at [news@texaslodging.com](mailto:news@texaslodging.com). THLA has sample documents available to assist in administering hotel taxes, such as funding grant application forms, post event forms, and tax collection guidelines.

Texas city officials can also make inquiries to the legal staff of the Texas Municipal League at (512) 231-7400.

# THE HOTEL TAX “TWO-STEP”

By **Bill Longley**, TML Legislative Counsel



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In the grand scheme of things, city hotel occupancy taxes account for just a small amount of city revenue. Property taxes and sales taxes are far more important to most cities. Why does it seem, then, that hotel taxes generate so much confusion and controversy?

The answer is this: Hotel taxes, unlike most other taxes, are levied on a specific category of businesses—hotels. As a result, these businesses tend to pay close attention to how cities expend these funds. Spend city sales taxes in a controversial way, and no particular category of business feels singled out enough to raise a fuss. Perceived misuses of hotel taxes, on the other hand, are a different story.

Fortunately, it's very easy for a city official to remember how to legally spend hotel taxes. A city simply needs to remind itself to always follow the "two-part test." The key element of a two-part test is – surprise – that it has two parts! Cities frequently remember to meet one element of the test, but then entirely forget the other part. This article will succinctly describe the two-part test, and then describe some common situations to which we can apply the test.

### Part 1: Heads in Beds

The first element of the two-part test is this: Every expenditure of hotel taxes must put "heads in beds." What this means is that every funded project must attract overnight tourists to the city's hotels and motels, thus promoting the city's hotel industry.

For example, how about a weekend-long arts and crafts show? There's a very good chance that out-of-town guests might come to visit such an event, so expenditure of hotel tax money on that event would likely qualify.

On the other hand, how about a quilting bee at a local nursing home? While a worthy cause, the quilting bee is unlikely to attract overnight tourists and, therefore, probably wouldn't qualify to receive hotel tax funds.

### Part 2: The Nine Categories

Once a project has cleared the first part of the test, it's time for – you guessed it – the second part of the test. Here it is: Every expenditure of hotel taxes must also fit into one of nine statutorily authorized categories. These are the nine categories: (1) convention and visitor centers; (2) convention registration; (3) advertising the city; (4) promotion of the arts; (5) historical restoration and preservation; (6) sporting events in a county under one million in population; (7) enhancing or upgrading existing sports facilities or sports fields (only in certain cities); (8) tourist transportation systems; and (9) signage directing the public to sights and attractions that

are visited frequently by hotel guests in the city.

Thus, even if an event puts heads in beds, it cannot receive hotel tax money unless it also fits into one of the nine categories. For instance, what about a livestock auction that will attract attendees from surrounding counties? While that event is likely to attract overnight tourists, it doesn't fit neatly into one of the nine categories. Therefore, it's likely not a valid recipient of hotel tax money.

It's not enough to meet one of the two prongs of the two-part test. A city must meet both! The following are some real-life examples that have been the focus of inquiries received by the Texas Municipal League (TML) Legal Department.

#### Fireworks, Anyone?

The prototype hotel tax controversy is an event like a fireworks show or a parade. Cities frequently ask if they can fund a fireworks show with hotel tax money.

Let's subject a fireworks show to the two-part test. Does a fireworks show put heads in beds? The answer is "probably not," unless it is a truly spectacular event. But let's give it the benefit of the doubt. Suppose the Town of Pyrotechnic, Texas, truly does put on a fireworks extravaganza that attracts tourists from around the state. So far, so good.

But what about the second part of the test – the nine categories? Do fireworks shows fit neatly into any of the nine? Not really. Some may argue that such shows "advertise" the city, but this is likely not what that category means. Advertising the city literally means some sort of print or other media that explicitly promote the city. Otherwise, a city could simply say that any popular event "advertises" the city that holds it. Direct funding of fireworks displays and the like are, usually, not a very good fit.

#### Signs of the Times?

Another frequent question concerns highway signs promoting the city. May a city fund a billboard touting the city's attractions, restaurants, and hotels? Let's put it to the two-part test. Heads in beds? Well, why not? If a billboard encourages motorists to stop in town, those motorists might stay the night, whereas without the sign they would have driven on to the next city. This is exactly what the statute intends. The nine categories? How about advertising? Prior to 2009, a convincing argument could be made that because a billboard literally advertises the city it refers to, that it would fit within the advertising category. All doubt was erased in 2009, when the Texas Legislature added the ninth category – signage directing the public to



sights and attractions. Travel signs are a perfect fit for hotel occupancy tax expenditures.

### Chambers of Commerce?

Cities frequently wonder if they can fund the local chamber of commerce using hotel tax money. Do chambers put heads in beds? Maybe, maybe not. Chambers of commerce are typically charged with promoting economic development, not tourism. Even assuming a chamber does promote tourism though, how about the nine categories? Funding a chamber doesn't, in itself, fall into any of the nine categories.

Fortunately, there is an easy solution. The laws governing hotel tax expenditures permit the city to delegate expenditure of hotel tax money to another entity, typically a chamber or convention and visitor bureau. As long as the chamber spends the money on projects that otherwise meet the two-part test mentioned above, it's fine to delegate some funds to them. There must be a written contract laying out the duties of the chamber, though. Also, the chamber must keep the hotel funds in an account separate from its general operating fund.

### Arts Organizations

City arts organizations are a common trouble area. It seems that every arts council in the state knows that promotion of the arts is one of the nine categories on which city hotel taxes may be expended. Cities know this because these

arts groups frequently come asking for the money.

The thing to remember about arts groups is this: Direct funding of the organization's operations does nothing in and of itself to put "heads in beds." Put another way, funding the operating budget of an arts council meets the second part of the test (promotion of the arts) but not necessarily the first.

The solution? The city should encourage the group to seek funding only for its festivals and shows that do, in fact, attract tourists to the city. By limiting the expenditure to such events, the city meets both parts of the test.

### Don't Forget to Report

Legislation passed in 2017 that requires cities to annually report hotel occupancy tax information to the comptroller, including information on how the funds are spent. Not later than February 20 of each year, a city that imposes a hotel occupancy tax must submit to the comptroller information that includes the city's hotel occupancy tax rate, the amount of revenue generated by the tax, and the amount and percentage of the revenue spent for each of the following purposes:

- Convention or information centers
- Convention delegates registration
- Advertising to attract tourists
- Arts promotion and improvement
- Historical restoration and preservation projects
- Signage directing the public to sights and attractions

Cities must comply with the annual reporting requirements by either submitting the report to the comptroller on a form prescribed by the comptroller, or alternatively providing the comptroller a direct link to, or a clear statement describing the location of, the information required to be reported that is posted on the city's website.

### What Else?

There are numerous other technical details about how to legally expend hotel tax funds. In truth, by simply learning and remembering the two-part test, city officials are 99 percent of the way toward full compliance with hotel tax laws. City officials with questions about the hotel occupancy tax should call the TML Legal Department at 512-231-7400. ★



Date 6/9/2026

Agenda Item 10

Resolution 2026-067

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

**To: Mayor & Council**

**From: Seth Phillips, Parks and Recreation**

**Agenda Item: Discussion and possible action regarding a resolution authorizing the City Manager or his designee to execute a contract with Musco Sports Lighting, LLC, and accept BuyBoard Quote Number: 779-25 for the purchase and installation of athletic field lighting equipment in the amount of \$274,850.00.**

### Information:

In January 2026, the City of Gatesville was awarded a matching grant through the Texas Parks and Wildlife Department (TPWD) to fund improvements at the Gatesville Sports Complex. The grant will reimburse 50% of the eligible costs associated with the purchase and installation of new athletic field lighting systems on the Jaycee and HEB baseball/softball fields.

Staff solicited pricing through the BuyBoard Cooperative Purchasing Program and received Quote No. 779-25 from Musco Sports Lighting, LLC, in the amount of \$274,850 for the purchase and installation of the lighting equipment. Approval of this resolution will authorize the City Manager or his designee to execute the necessary contract documents with Musco Sports Lighting, LLC, and proceed with the project in accordance with TPWD grant requirements.

### Financial Impact:

\$137,425.00

### Staff Recommendation:

Staff recommends authorizing the City Manager or his designee to execute a contract with Musco Sports Lighting, LLC, and accept BuyBoard Quote Number: 779-25 for the purchase and installation of athletic field lighting equipment in the amount of \$274,850.00.

### Motion:

Motion to approve authorizing the City Manager or his designee to execute a contract with Musco Sports Lighting, LLC, and accept BuyBoard Quote Number: 779-25 for the purchase and installation of athletic field lighting equipment in the amount of \$274,850.00.

### Attachments:

Musco BuyBoard Quote- Gatesville Sports Complex 2026

Musco Sports Lighting Contract

Resolutions: 2025-061, 2026-022, 2026-038

Date 6/9/2026

Agenda Item 10

Resolution 2026-067

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

\_\_\_\_\_  
Gary Chumley, Mayor

ATTEST:

\_\_\_\_\_  
Holly Owens, City Secretary

**Project: Gatesville Sports Complex Phase 2  
Gatesville, TX  
Musco Project Number: 233656  
Date: March 18, 2026  
Expiration date: June 16, 2026**

**BuyBoard  
Master Project: 218434, Contract Number: 779-25, Expiration: 09/30/2026  
Commodity: Parks and Sports Field Lighting Products and Installation Services**

**All purchase orders should note the following:  
BuyBoard Purchase – Contract Number: 779-25**

**Quotation Price – Materials Delivered to Job Site and Installation**

**Field Lighting - .....\$274,850.00  
HEB - 192'/195'/187' and Jaycee TeeBall 150'R**

*Quote is confidential. Pricing and lead times are effective for 30 days only.  
Prices are subject to change if the order is not released within 90 days from the date of the purchase.  
Sales tax is not included.*

**Light-Structure System™ with Total Light Control – TLC for LED™ technology**

**Guaranteed Lighting Performance**

- **(HEB Field)** Guaranteed light levels of 50 foot-candles infield and 30 foot-candles outfield. Guaranteed uniformities of 21 infield and 2.5:1 outfield.
- **(Jaycee Field)** Guaranteed light levels of 30 foot-candles infield and 20 foot-candles outfield. Guaranteed uniformities of 2.5:1 infield and 3:1 outfield.
- **BallTracker®** technology – targeted light, optimizing visibility of the ball in play with no glare in the players typical line-of-sight. *Not included for Jaycee Field.*

**System Description**

- 32 - Factory aimed and assembled luminaires, including BallTracker® luminaires
- 6 - Galvanized steel poles
- 6 - Pre-cast concrete bases with integrated lightning grounding
- Pole length factory assembled wire harnesses
- Factory wired and tested remote electrical component enclosures
- Disconnects
- UL listed assemblies
- Corrosion protection

**Control Systems and Services**

- **Control-Link®** control and monitoring system to provide remote on/off and dimming (high/medium/low) control and performance monitoring with 24/7 customer support

**Operation and Warranty Services**

- Product assurance and warranty program that covers materials and onsite labor, eliminating 100% of your maintenance costs for 25 years
- Warranty starts the date of shipment



### ***Musco Scope***

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- Provide design and layout for lighting system
- Test and final aim equipment

### ***Installation Services Provided***

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- See attached scope of work

### ***Responsibilities of Buyer***

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- Confirm pole or luminaire locations, supply voltage and phase required for lighting system prior to production
- Provide electrical design and materials for electrical distribution system
- Buyer is responsible for getting electrical power to the site, coordination with the utility, and any power company fees

### ***Payment Terms***

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Final payment terms are subject to approval by Musco credit department. Final payment shall not be withheld by Buyer on account of delays beyond the control of Musco.

Email a copy of the Purchase Order to Musco Sports Lighting, LLC:

Musco Sports Lighting, LLC  
 Attn: Musco Contracts  
 Email: [musco.contracts@musco.com](mailto:musco.contracts@musco.com)

**All Purchase orders should note the following:  
 BuyBoard Purchase – Contract Number: 779-25**

### ***Delivery Timing***

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8 - 10 weeks for delivery of materials to the job site from the time of order, submittal approval, and confirmation of order details including voltage, phase, and pole/luminaire locations.

### ***Notes***

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Quote is based on following conditions:

- Shipment of entire project together to one location.
- 480 Volt, 3phase electrical system requirement.
- 1 – Base mounted receptacle per pole
- Structural code and wind speed = 2021 IBC, 110 mi/h, Exposure C, Importance Factor 1.0.
- Due to the built-in custom light control per luminaire, pole or luminaire locations need to be confirmed prior to production. Changes to pole or luminaire locations after the product is sent to production could result in additional charges.
- **Standard soil conditions – rock, bottomless, wet, or unsuitable soil may require additional engineering, special installation methods and additional cost.**

Thank you for considering Musco for your lighting needs. Please contact me with any questions or if you need additional details.

Brant Troutman  
 Texas Sales Executive  
 Musco Sports Lighting, LLC  
 211 2<sup>nd</sup> Avenue West – PO Box 808  
 Oskaloosa, IA 52577, USA  
 Phone: 512-914-9500  
 E-mail: [Brant.Troutman@Musco.com](mailto:Brant.Troutman@Musco.com)

**Gatesville Sports Complex Phase 2  
Gatesville, TX  
Turnkey Scope of Work**

**Customer Responsibilities:**

1. Complete access to the site for construction utilizing standard 2-wheel drive rubber tire equipment.
2. Locate existing underground utilities not covered by your local utilities (i.e. water lines, electrical lines, irrigation systems, and sprinkler heads). Musco or Subcontractor will not be responsible for repairs to unmarked utilities.
3. Locate and mark field reference points per Musco supplied layout (i.e. home plate, center of FB field).
4. Pay for extra costs associated with foundation excavation in non-standard soils (rock, caliche, high water table, collapsing holes, etc.) or soils not defined in geo-technical report. Standard soils are defined as soils that can be excavated using standard earth auguring equipment.
5. Pay any power company fees and requirements.
6. Pay all permitting fees and obtain the required electrical permitting.
7. Provide area on site for disposal of spoils from foundation excavation.
8. Provide area on site for dumpsters.
9. Provide sealed Electrical Plans (if required).

**Musco Responsibilities:**

1. Provide required foundations, poles, electrical enclosures, luminaires, wire harnesses, and control cabinets.
2. Provide layout of pole locations and aiming diagram.
3. Provide Contract Management as required.
4. Provide stamped foundation designs based on soil parameters as outlined in the geotechnical report or a soils that meet or exceed those of a Class 5 material as defined by 2018 IBC Table 1806.2.
5. Assist our installing subcontractor and ensure our responsibilities are satisfied.

**Subcontractor Responsibilities****General:**

1. Obtain any required permitting.
2. Contact 811 for locating underground public utilities and then confirm they have been clearly marked.
3. Contact the facility owner/manager to confirm the existing private underground utilities and irrigation systems have been located and are clearly marked to avoid damage from construction equipment. Notify owner and repair damage to marked utilities. Notify owner and Musco regarding damage which occurred to unmarked utilities.
4. Provide labor, equipment, and materials to offload equipment at jobsite per scheduled delivery.
5. Provide storage containers for material (including electrical components enclosures), as needed.
6. Provide necessary waste disposal and daily cleanup.
7. Provide adequate security to protect Musco delivered products from theft, vandalism or damage during the installation.
8. Keep all heavy equipment off playing fields when possible. Repair damage to grounds which exceeds that which would be expected. Indentations caused by heavy equipment traveling over dry ground would be an example of expected damage. Ruts and sod damage caused by equipment traveling over wet grounds would be an example of damage requiring repair.
9. Provide startup and aiming as required to provide complete and operating sports lighting system.
10. Installation to commence upon delivery and proceed without interruption until complete. Notify Musco immediately of any breaks in schedule or delays.
11. Complete and submit Musco provided closeout checklist including required pictures.

**Demolition:**

1. Remove and dispose of the existing lighting poles, fixtures, and electrical enclosures. This will include the recycling of lamps, aluminum reflectors, ballast, and steel, as necessary.
2. Demolish existing foundations to 2 ft (0.6 m) below grade.
3. Leave existing power feed in place for connection to new pole locations.

**Foundations, Poles, and Luminaires:**

1. Mark and confirm pole locations per the aiming diagram provided. If there are any issues, immediately notify your Musco Project Manager.
2. Provide labor, materials, and equipment to install six (6) LSS foundations as specified on Layout and per the stamped foundation drawings, if applicable.
3. Remove spoils and dispose of off site.
4. Provide labor, materials, and equipment to assemble Musco TLC-LED luminaires, electrical component enclosures, poles, and pole harnesses.
5. Provide labor, equipment, and materials to erect six (6) dressed LSS Poles and aim utilizing the pole alignment beam.

**Electrical:**

1. Provide labor, materials, and equipment to reuse existing electrical service panels as required.
2. Provide labor, materials, and equipment to install all underground conduit, wiring, pull boxes etc. and terminate wiring as required.
3. Refeed scoreboards.
4. Complete electrical installation per Musco Control System Summary and Musco Best Practices: Supply Wiring Installation document. If there are any discrepancies between Musco documents and electrical plans (if present), notify your Musco contact.
5. Complete required insulation resistance tests on all current-carrying conductors per ANSI/NETA ATS-2021. Use the instructions and forms provided by Musco to provide test results to your Musco contact. Note conduits must be full of water prior to testing. Any new conductors with resistance values less than (<) 100 MOhms - phase to ground - must be repaired or replaced to meet the standard. Any existing conductors with resistance values less than (<) 100 MOhms - phase to ground - must be reported to your Project Manager or Sales Coordinator.
6. Underground splices are strongly discouraged. If underground splicing is required per the electrical plans, use only listed connector systems, rated for wet locations.
7. Provide as-built drawings upon completion of installation (if required).

**Control-Link® Control and Monitoring:**

1. Provide labor, equipment, and materials to install one (1) 24" x 48" Musco control and monitoring cabinet and terminate all necessary wiring.
2. Provide a dedicated 120 V 20 A controls circuit or a step-down transformer for 120 V control circuit if not available.
3. Check all zones to make sure they work in both auto and manual mode.
4. Commission Control-Link by contacting Control-Link Central™ at 877-347-3319.



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## BUYBOARD PROCUREMENT AND CONSTRUCTION-RELATED GOODS AND SERVICES ADVISORY FOR TEXAS MEMBERS

### Why make purchases using BuyBoard?

Purchasing through a cooperative or "interlocal contract" satisfies the Texas law requirement of local governments to seek competitive procurement for the purchase of goods or services.<sup>1</sup> Therefore, you may purchase goods and services from a vendor under Texas law through BuyBoard without having to conduct your own competitive procurement. If, however, you are procuring construction-related services through a BuyBoard contract, such as a Job Order Contract (JOC) or contract for the installation of equipment or materials (e.g., athletic fields and surfaces, kitchen equipment, HVAC, playground equipment, or modular buildings), you may, as explained in this Advisory, need to procure certain aspects of these services using a separate procurement process outside of the BuyBoard and should consult your procurement officer and/or legal advisor for specific advice.

### What is BuyBoard's Procurement Process?

The BuyBoard uses a competitive procurement process to award contracts to vendors for goods and services that the BuyBoard determines, based on an evaluation of multiple criteria, represents the best value for its members.

### How does BuyBoard award a contract to a vendor?

As a condition of being awarded a BuyBoard contract, a vendor is bound by and must agree to comply with all the terms of the BuyBoard's proposal invitation (or specifications), the vendor's proposal response, and any additional contract terms negotiated with the BuyBoard member. Among other things, the vendor must honor the pricing submitted in the vendor's proposal. **THE PRICE YOU PAY FOR THE GOODS AND SERVICES COVERED BY THE BUYBOARD CONTRACT MAY BE LESS THAN THE AWARDED PRICING, BUT CANNOT BE MORE.** Additionally, the vendor must comply with the BuyBoard contract's general terms and conditions, and any additional terms and conditions that apply to the specific BuyBoard contract, as set out in the proposal invitation.

### How does a BuyBoard member make purchases through the BuyBoard contract?

You utilize the awarded BuyBoard contract by issuing a signed purchase order through the BuyBoard online application to procure the selected goods or services. Although BuyBoard must receive a copy of the signed purchase order, BuyBoard does not review or approve the purchase order or other supplemental agreement that you obtain – this is a matter between you and the vendor. If construction-related services are procured through the BuyBoard, additional contracts with professionals and the contractor may be required, depending on the nature and scope of the services. As stated above, you should consult your procurement officer and/or legal advisor for specific advice.

### How do I know that my entity has made a purchase through the BuyBoard?

BuyBoard must have a copy of the purchase order in order for the purchase to be considered a BuyBoard procurement. To ensure that your entity has satisfied state law requirements for competitive procurement, make sure that the BuyBoard has your purchase order. Do not rely on the vendor to submit the purchase order on your behalf; it is your responsibility to make sure that the BuyBoard has the signed purchase order. You may log in to [buyboard.com](http://buyboard.com) using your member I.D. and password to view the Purchase Order Status Report to confirm that the purchase order is in the BuyBoard system.

### What should BuyBoard members consider when using BuyBoard for construction-related purchases?

While purchasing goods and services through BuyBoard satisfies your legal requirement to competitively procure a good or service, as a general matter you must keep in mind other legal requirements that may relate to the purchase, especially when using BuyBoard for construction-related procurement.



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When making construction-related purchases through a BuyBoard contract, BuyBoard members must consider the following:

- **Best value determination.** In compliance with Texas law and any local policy, your entity must first determine that purchasing through an interlocal contract or purchasing cooperative is the procurement method that will provide best value.<sup>11</sup> This is done by the governing body (e.g., board of trustees, council, commissioners' court, etc.) or may be delegated by the governing body to an individual or committee, with written notice.
- **Products or services not covered by the BuyBoard contract.** The BuyBoard contract covers only the specific goods and services awarded by the BuyBoard. If you want to purchase from a BuyBoard vendor goods or services from a BuyBoard vendor that are not covered by the vendor's BuyBoard contract, such as architectural, design, or engineering services, you must procure them separately in accordance with state law and local policy.
- **Architectural or Engineering and Independent Testing services.** If your procurement includes a construction component that requires architectural or engineering services, you must procure those services separately. **YOU MAY NOT PROCURE ARCHITECTURAL OR ENGINEERING SERVICES THROUGH A BUYBOARD CONTRACT.** Texas law requires architectural and engineering services to be obtained in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and prohibits them from being procured through a purchasing cooperative.<sup>12</sup>
  - **Architecture.** A new building owned by a political subdivision having construction costs exceeding \$100,000 or an alteration or addition to an existing building having construction costs exceeding \$50,000 must have architectural plans and specifications prepared by an architect.<sup>13</sup> (An "alteration" or "addition" for purposes of this requirement requires the removal, relocation, or addition of a wall or partition or the alteration or addition of an exit.)
  - **Engineering.** If the goods or services procured through the BuyBoard will involve engineering in which the public health, welfare, or safety is involved, the plans for structural, mechanical, electrical, electronic, fire suppression, geotechnical systems, foundation design, surface water drainage, plumbing and certain roof modifications and associated estimates must be prepared by an engineer, and the engineering construction must be performed under the direct supervision of an engineer.<sup>14</sup> The Engineering Practice Act provides two exceptions to this rule – no engineer is required if (1) the project involves mechanical or electrical engineering and will cost \$8,000 or less, or (2) the project does not require mechanical or electrical engineering and will cost \$20,000 or less.<sup>15</sup>
  - **Independent Testing.** If acceptance of a facility by a public entity involves independent testing of construction materials engineering and/or verification testing services, the testing services should be procured under the Professional Services Procurement Act, and may not be procured under a BuyBoard contract.
  - **Written Certification.** A local governmental entity purchasing construction-related goods and services through a cooperative in an amount that exceeds \$50,000 must designate a person to certify in writing that the project does not require the preparation of plans or specifications by an architect or engineer OR that an architect or engineer has prepared the plans or specifications.<sup>16</sup>



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- **Bonds.** You must also consider whether the vendor is required to provide a payment or performance bond. A payment bond is required for contracts that exceed \$25,000 to protect subcontractors who supply labor or materials for the project. A performance bond is required for a contract that exceeds \$100,000, to protect the local government if a contractor fails to complete the project. <sup>iii</sup> Without payment and performance bonds, if the contractor fails to pay its subcontractors or to complete the project, the public entity that entered the contract can be held responsible for payment claims or costs to complete.
- **Construction Contract.** Even though the procurement of construction or construction-related services may be through the BuyBoard, your construction contract is between your entity and the contractor. The BuyBoard contract's general terms and conditions, standing alone, are not sufficient to document your entity's specific transaction. THEREFORE, YOU SHOULD USE AN APPROPRIATE FORM OF CONSTRUCTION CONTRACT JUST AS YOU WOULD DO IF YOU PROCURED CONSTRUCTION SERVICES INDEPENDENTLY, USING COMPETITIVE SEALED PROPOSALS. The contract must contain provisions required by state law including: performance and payment bonds, requirements for payment of prevailing wages to all construction workers, workers' compensation coverage for all workers and, on projects where contractor employees may have direct contact with students, criminal history record checks. Other provisions which should be considered in the construction contract are retainage, contingency, liquidated damages and dispute resolution, among others. If federal funds are involved, additional requirements may apply. (See the Purchasing with Federal Funds BuyBoard Advisory available on the BuyBoard® website for additional information on purchases with federal funds.) By supplementing the BuyBoard contract with an appropriate form of construction contract, you ensure that your entity's unique interests are addressed and that your entity can enforce the contract directly.
- **Legal advice.** Because of the variety of laws that relate to construction-related purchasing and the potential risk of high exposure, you are well-advised to consult with your entity's legal counsel before procuring construction-related goods and services under any procurement method, including a purchasing cooperative.

This Advisory is provided for educational purposes only to facilitate a general understanding of the law. This Advisory is neither an exhaustive treatment on the subject nor is it intended to substitute for the advice of an attorney.

For more information about BuyBoard, contact us at 800-695-2919.

- 
- i. Tex. Gov't Code §791.025 and Tex. Local Gov't Code §271.102
  - ii. Tex. Ed. Code §44.031(a)(school districts); Tex. Local Gov't Code §252.043(a)(municipalities) and §262.022(5-a) and §262.027(counties)
  - iii. Tex. Gov't Code §2254.004 and §791.011(f)
  - iv. Tex. Occ. Code §1051.703
  - v. Tex. Occ. Code §1001.0031(c)
  - vi. Tex. Occ. Code §1001.053
  - vii. Tex. Gov't Code §791.011(j), effective September 1, 2013
  - viii. Tex. Gov't Code §2253.021(a)

Date: 6/3/26

Project Name: Gatesville Sports Complex Phase 2

Project: 233656

<p><b>1. SELLER NAME AND ADDRESS:</b>  Musco Sports Lighting, LLC ("Musco")  211 2<sup>nd</sup> Avenue West – PO Box 808  Oskaloosa, IA 52577  Attn: Denise Etzel  Email: <a href="mailto:denise.etzel@musco.com">denise.etzel@musco.com</a>  Telephone: 641-673-0411  800-825-6020 Ext 4104</p>	<p><b>2. BUYER NAME AND ADDRESS:</b>  City of Gatesville (the "Buyer")  803 Main St.  Gatesville, TX 76528  Attn: Seth Phillips  Email: <a href="mailto:sphillips@gatesvilletx.com">sphillips@gatesvilletx.com</a>  Telephone: 254-535-4794</p>
<p><b>3. OWNER NAME AND ADDRESS:</b>  City of Gatesville  803 Main St.  Gatesville, TX 76528  Attn: Seth Phillips  Email: <a href="mailto:sphillips@gatesvilletx.com">sphillips@gatesvilletx.com</a>  Telephone: 254-535-4794</p>	<p><b>4. SHIPPING NAME AND ADDRESS:</b>  Gatesville Sports Complex  3423 E. Main St.  Gatesville, TX 76528  Attn: Ricky Cooper  Email: <a href="mailto:rcooper@nema3electric.com">rcooper@nema3electric.com</a>  Telephone: 972-880-2990</p>
<p><b>5. WARRANTY CONTACT:</b>  City of Gatesville  803 Main St.  Gatesville, TX 76528  Attn: Seth Phillips  Email: <a href="mailto:sphillips@gatesvilletx.com">sphillips@gatesvilletx.com</a>  Telephone: 254-535-4794</p>	<p><b>6. FACILITY NAME AND ADDRESS:</b>  Gatesville Sports Complex  3423 E. Main St.  Gatesville, TX 76528</p>
<p><b>7. INVOICES:</b> Please remit invoices to:  City of Gatesville  803 Main St.  Gatesville, TX 76528  Attn: _____  Email: _____  Telephone: _____</p>	

Date: 6/3/26

Project Name: Gatesville Sports Complex Phase 2

Project: 233656

- 8. EQUIPMENT DESCRIPTION** – Musco shall sell, transfer, and deliver to Buyer, and Buyer will purchase, accept, and pay for the following goods (the "Equipment") in accordance with the "Total Price" paragraph of this Agreement:

**Light-Structure System™ Foundation-to-Poletop Lighting System**

- 4 – Total Light Control® TLC-BT-575 BallTracker® factory-aimed and assembled luminaires
- 8 – Total Light Control® TLC-LED-1200 factory-aimed and assembled luminaires
- 8 – Total Light Control® TLC-LED-1500 factory-aimed and assembled luminaires
- 6 – Total Light Control® TLC-LED-550 factory-aimed and assembled luminaires
- 6 – Total Light Control® TLC-LED-900 factory-aimed and assembled luminaires
- Pole length factory assembled wire harnesses
- Factory wired and tested remote electrical component enclosures
- 4 – 60 ft galvanized steel poles
- 2 - 70 ft galvanized steel poles
- 6 - Pre-cast concrete bases with integrated lighting grounding

**With Controls**

- Control-Link® control and monitoring system to provide remote on/off and dimming (high/medium/low) control and performance monitoring with 24/7 customer support.

**Built to the following specifications:**

- Driver input voltage: 480
- Phase to pole: 3 phase
- Structural integrity: based upon 2021 IBC – 110mph – Exposure C
- Light level(s):  
50 foot-candles infield and 30 foot-candles outfield – *HEB Field*  
30 foot-candles infield and 20 foot-candles outfield – *Jaycee Field*

- 9. RESPONSIBILITIES OF THE BUYER AND/OR THIRD PARTY** – Buyer/Third Party agrees to: Refer to responsibilities listed in the Installation Scope of Work in Exhibit A.

- 10. MUSCO CONTROL-LINK® CONTROL SYSTEM** – Musco agrees to provide design and layout for the control system.

Control-Link Central™ customer support services: commission the system; monitor and report system alarms; provide automated facility management reports; provide on-off schedules via Control-Link Central app or website, email, phone call or fax; and provide technical support 24 hours a day, seven days a week.

- 11. MUSCO SERVICES** – Musco agrees to provide, itself or through its subcontractors, design, layout, testing and commissioning for the Equipment and the following (collectively, the "Services"):

Installation – refer to the Installation Scope of Work in Exhibit A.

- 12. CONSTANT 25™ WARRANTY – CONTROL AND MONITORING PROGRAM (the "Warranty")** – Musco shall provide parts, labor, and services as outlined in the Musco Constant 25 Warranty Agreement to maintain operation of lighting equipment for a period of 25 years on the following terms:

- **Warranty service begins:** on the date of product shipment
- **Expiration date:** 25 years from date of shipment
- **Services:** control, monitoring, and maintenance
- **Light levels:** as specified in Musco design documents
- **Spill light control:** as specified in Musco design documents
- **Energy consumption:** as specified in Musco design documents

Date: 6/3/26

Project Name: Gatesville Sports Complex Phase 2

Project: 233656

**13. TOTAL PRICE** – Buyer will pay for the above-described Equipment and, if applicable, Services. The Total Price of \$274,850.00 plus applicable taxes is payable as follows.

- \$274,850.00 within 30 days from invoice date

A copy of the payment and performance bond (if applicable) is required prior to shipment.

Monthly progress invoicing and payments will apply.

Final payment shall not be withheld by Buyer on account of delays beyond the control of Musco.

Project is being purchased through the following cooperative purchasing agreement:

Buyboard (contract number 779-25)

Price includes delivery, unloading and installation to the address indicated in item #4 of this Agreement. Price does not include sales tax.

Payments not paid when due are subject to a carrying charge for each month past due or will be pro-rated for the portion of the month there is an unpaid balance. Carrying charges shall accrue in the amount of one- and one-half percent (1.5%) per month of any overdue unpaid balance, or the maximum rate permitted by law, whichever is less.

**Source of Funds:** Buyer agrees that Buyer's payment to Musco is not contingent upon Buyer getting paid by the Owner/End User.

Buyer may not hold back or set off any amounts owed to Musco in satisfaction of any claims asserted by Buyer against Musco. No partial payment by Buyer shall constitute satisfaction of the entire outstanding balance of any invoice of Musco, notwithstanding any notation or statement accompanying that payment.

The Total Price was calculated utilizing parameters outlined in the project specifications. In the event soil conditions vary from those relied upon, or if the soil cannot be readily excavated, Buyer shall be responsible for Musco's additional associated costs, including but not limited to the cost of design, alternate foundations, additional materials, and labor.

**14. TAXES** – Buyer shall pay all applicable state and local sales taxes, use or any similar tax invoiced appropriately by Musco.

Taxable       Non-Taxable      (Copy of resale or exemption certificate must be attached. Note: Just holding a sales tax permit does not, in and of itself, qualify for a non-taxable sale.)

Date: 6/3/26

Project Name: Gatesville Sports Complex Phase 2

Project: 233656

**15. PAYMENT/PERFORMANCE BONDING – Is there a bond on this project?**  Yes  No

Principal Bond Holder:	
Bonding Company Name:	
Bonding Company Address:	
Bonding Company Address	
Phone Number:	
Bond Number:	

**16. DELIVERY** – Normal delivery to the shipping address indicated above is 8 to 10 weeks after submittal approval or release of order, if later. If the Equipment is shipped in multiple lots, Musco shall prepare a separate invoice for the price of the Equipment shipped at the time of each shipment. Buyer shall pay the amount of each such invoice upon the same terms as set out in the “Total Price” paragraph of this Agreement.

All deliveries shall be made by means of a common carrier or some other reasonable means chosen by Musco. All risk of loss to Equipment sold shall pass to Buyer upon Musco’s substantial completion of the Services.

Delivery is subject to Buyer maintaining credit satisfactory to Musco. Musco may suspend or delay performance or delivery at any time pending receipt of assurances, including full or partial prepayment or payment of any outstanding amounts owed adequate to Musco in its discretion, of Buyer’s ability to pay. Failure to provide such assurances shall entitle Musco to cancel this contract without further liability or obligation to Buyer.

**17. NO RETAINAGE/WARRANTY** – Buyer acknowledges payment in full is required within the agreed terms. Warranty claims and back charges shall not be deducted from contract payments without prior approval of Musco’s Warranty Department (877-347-3319). Musco’s Equipment and its performance are sold subject to Musco’s written warranty. The Warranty provided by Musco shall be in lieu of all other representations, warranties and conditions of any kind, in respect of the Equipment or the Services and Musco disclaims any other representation, warranty or condition whatsoever, whether written or oral, express or implied, statutory or otherwise, including, but not limited to, the implied warranties and conditions of merchantability and fitness for a particular purpose.

Buyer acknowledges that any warranty and/or maintenance guarantee contained within payment/performance bonds issued on Musco's behalf pursuant to this Agreement and the corresponding liability on behalf of the issuing surety shall apply only to the first 12 months of any warranty and/or maintenance obligation of Musco specified in the written Warranty to be delivered to Buyer. The balance of any warranty and/or maintenance obligation greater than 12 months shall be the sole responsibility of Musco and shall not be guaranteed by a third party.

18. **EXCLUSION OF SPECIAL DAMAGES** – In no event shall Musco be liable for incidental, special or consequential damages, including without limitation lost revenues and profits, in respect of this Agreement or the Equipment and, if applicable, Services provided hereunder.
19. **LIMITATIONS PERIOD** – Unless otherwise specified in the Warranty to be delivered to Buyer, any action or proceeding against Musco arising out of or relating to the Equipment or Services will be forever barred unless commenced within the earlier of: (a) one (1) year after delivery of the Equipment or if applicable, completion of the Services; or (b) the period prescribed by the applicable statute of limitation or repose.
20. **SECURITY AGREEMENT** – In consideration of the promises contained herein, Buyer hereby grants and conveys to Musco, to secure payment and performance of all obligations in full, a purchase money security interest in the Equipment, including all repairs, replacements and accessions thereto and proceeds thereof (collectively referred to as the "Secured Property"). Buyer hereby irrevocably authorizes Musco at any time to register in any registration office in any province (including personal property registries and if applicable, land titles or real property registries) any initial financing statements, financing change statements, notices of security interest or other documents relating to this security interest or this transaction. Buyer further agrees to promptly furnish any information requested by Musco to effectuate the terms of this Agreement. Buyer further agrees to execute any document reasonably required by Musco to perfect the security interest granted herein and to assure the preservation, priority, and enforcement of such security interest. Buyer agrees that value has been given for this security interest and that the parties have not agreed to postpone the time for attachment of the security interest.
21. **DEFAULT** – Each of the following shall constitute a default ("Default") under this Agreement: a) failure to pay, in full, any payment when due hereunder; b) Buyer becomes the subject of a bankruptcy, receivership or insolvency proceeding; c) any warranty, representation or statement made or furnished to Musco by or on behalf of the Buyer proved to have been false in any material respect when made or furnished; d) loss, theft, damage, destruction or encumbrance to, or of, the Secured Property or the making of any levee, seizure or attachment thereof or thereon prior to payment in full; or e) the occurrence or non-occurrence of any event or events which causes Musco, in good faith, to deem itself insecure for any reason whatsoever.
22. **REMEDIES UPON DEFAULT** – In the event of Default, Musco may, at its option, and without notice or demand: a) declare the entire unpaid balance owing hereunder due and payable at once; b) proceed to recover judgment for the entire unpaid balance due; c) exercise all rights provided to Musco under this Agreement, any applicable personal property security act (or similar legislation), at law or in equity including but not limited to entering the Buyer's premises and taking possession of the Secured Property. All the remedies described herein are cumulative and may be exercised in any order by Musco. Buyer agrees to pay all costs (including reasonable attorney's fees and court costs) incurred by Musco in disposing of the Secured Property and collecting any amounts owing hereunder, and such costs shall be part of the obligations secured hereunder.
23. **FORCE MAJEURE** – Musco shall not be liable for delays or failure to perform in respect of the Equipment or the Services due, directly or indirectly, to (i) causes beyond Musco's reasonable control, or (ii) acts of God or nature, acts (including failure to act) of any governmental authority, wars (declared or undeclared), strikes or other labor disputes, fires, and natural calamities (such as floods, earthquakes, storms, epidemics).

Date: 6/3/26

Project Name: Gatesville Sports Complex Phase 2

Project: 233656

**24. EEO COMPLIANCE – When applicable, Musco and Subcontractor shall comply with the EEO Clause in Section 202 of Executive Order 11246, as amended, which is incorporated herein by specific reference.**

When applicable, Musco and Subcontractor shall abide by the requirements of 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals on the basis of disability and against qualified protected veterans and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities and qualified protected veterans.

**25. CONDITIONS OF AGREEMENT**

- a. **APPLICABLE LAW** – This Agreement shall be governed by the laws, including the Uniform Commercial Code, adopted in the State of Iowa as effective and in force on the date of this Agreement.
- b. **EXPENSES/REMEDIES** – Buyer shall pay to Musco the reasonable expenses, including court costs, legal and administrative expenses, and reasonable legal fees (on a solicitor and client basis), paid or incurred by Musco in endeavoring to collect amounts due from Buyer to Musco. It is further understood that if Buyer does not make a payment as due, Musco has the right to forward appropriate notices or claims on jobs with owners, bonding companies, general contractors, or the like, as deemed appropriate by Musco.
- c. **ENTIRE AGREEMENT** – This Agreement, the written Warranty to be delivered to Buyer, and any invoice issued by Musco pursuant to this Agreement constitute the entire agreement between the parties and supersede all prior statements of any kind made by the parties or their representatives. No representative or employee of Musco has any authority to bind Musco to any term, representation, or warranty other than those specifically included in this written Agreement or the written Warranty to be delivered to Buyer in connection with this Agreement. This Agreement may not be amended or supplemented except by written agreement executed by Musco and Buyer.
- d. **ACCEPTANCE** – This Agreement is subject to the approval of Musco's Credit Department and the written acceptance of this Order by Musco.

**CITY OF GATESVILLE**

**MUSCO SPORTS LIGHTING, LLC**

Acceptance

Acceptance

Date

Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

*Seth Phillips*

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Name and Title

**Please remember to return all pages of this agreement.**

**Exhibit A****Gatesville Sports Complex Phase 2 - Turnkey Scope of Work****Customer Responsibilities:**

1. Complete access to the site for construction utilizing standard 2-wheel drive rubber tire equipment.
2. Locate existing underground utilities not covered by your local utilities (i.e. water lines, electrical lines, irrigation systems, and sprinkler heads). Musco or Subcontractor will not be responsible for repairs to unmarked utilities.
3. Locate and mark field reference points per Musco supplied layout (i.e. home plate, center of FB field).
4. Pay for extra costs associated with foundation excavation in non-standard soils (rock, caliche, high water table, collapsing holes, etc.) or soils not defined in geo-technical report. Standard soils are defined as soils that can be excavated using standard earth auguring equipment.
5. Pay any power company fees and requirements.
6. Pay all permitting fees and obtain the required electrical permitting.
7. Provide area on site for disposal of spoils from foundation excavation.
8. Provide area on site for dumpsters.
9. Provide sealed Electrical Plans (if required).

**Musco Responsibilities:**

1. Provide required foundations, poles, electrical enclosures, luminaires, wire harnesses, and control cabinets.
2. Provide layout of pole locations and aiming diagram.
3. Provide Contract Management as required.
4. Provide stamped foundation designs based on soil parameters as outlined in the geotechnical report or a soils that meet or exceed those of a Class 5 material as defined by 2018 IBC Table 1806.2.
5. Assist our installing subcontractor and ensure our responsibilities are satisfied.

**Subcontractor Responsibilities:****General:**

1. Obtain any required permitting.
2. Contact 811 to locate underground public utilities and then confirm they have been clearly marked.
3. Contact the facility owner/manager to confirm the existing private underground utilities and irrigation systems have been located and are clearly marked to avoid damage from construction equipment. Notify owner and repair damage to marked utilities. Notify owner and Musco regarding damage which occurred to unmarked utilities.
4. Provide labor, equipment, and materials to offload equipment at jobsite per scheduled delivery.
5. Provide storage containers for material (including electrical components enclosures), as needed.
6. Provide necessary waste disposal and daily cleanup.
7. Provide adequate security to protect Musco delivered products from theft, vandalism or damage during the installation.
8. Keep all heavy equipment off playing fields when possible. Repair damage to grounds which exceeds that which would be expected. Indentations caused by heavy equipment traveling over dry ground would be an example of expected damage. Ruts and sod damage caused by equipment traveling over wet grounds would be an example of damage requiring repair.
9. Provide startup and aiming as required to provide complete and operating sports lighting system.
10. Installation to commence upon delivery and proceed without interruption until complete. Notify Musco immediately of any breaks in schedule or delays.
11. Complete and submit Musco provided closeout checklist including required pictures.

**Demolition:**

1. Remove and dispose of the existing lighting poles, fixtures, and electrical enclosures. This will include the recycling of lamps, aluminum reflectors, ballast, and steel, as necessary.
2. Demolish existing foundations to 2 ft (0.6 m) below grade.
3. Leave existing power feed in place for connection to new pole locations.

**Foundations, Poles, and Luminaires:**

1. Mark and confirm pole locations per the aiming diagram provided. If there are any issues, immediately notify your Musco Project Manager.
2. Provide labor, materials, and equipment to install six (6) LSS foundations as specified on Layout and per the stamped foundation drawings, if applicable.
3. Remove spoils and dispose of off site.
4. Provide labor, materials, and equipment to assemble Musco TLC-LED luminaires, electrical component enclosures, poles, and pole harnesses.
5. Provide labor, equipment, and materials to erect six (6) dressed LSS Poles and aim utilizing the pole alignment beam.

**Electrical:**

1. Provide labor, materials, and equipment to reuse existing electrical service panels as required.
2. Provide labor, materials, and equipment to install all underground conduit, wiring, pull boxes etc. and terminate wiring as required.
3. Refeed scoreboards.
4. Complete electrical installation per Musco Control System Summary and Musco Best Practices: Supply Wiring Installation document. If there are any discrepancies between Musco documents and electrical plans (if present), notify your Musco contact.
5. Complete required insulation resistance tests on all current-carrying conductors per ANSI/NETA ATS-2021. Use the instructions and forms provided by Musco to provide test results to your Musco contact. Note conduits must be full of water prior to testing. Any new conductors with resistance values less than (<) 100 MOhms - phase to ground - must be repaired or replaced to meet the standard. Any existing conductors with resistance values less than (<) 100 MOhms - phase to ground - must be reported to your Project Manager or Sales Coordinator.
6. Underground splices are strongly discouraged. If underground splicing is required per the electrical plans, use only listed connector systems, rated for wet locations.
7. Provide as-built drawings upon completion of installation (if required).

**Control-Link® Control and Monitoring:**

1. Provide labor, equipment, and materials to install one (1) 24" x 48" Musco control and monitoring cabinet and terminate all necessary wiring.
2. Provide a dedicated 120 V 20 A controls circuit or a step-down transformer for 120 V control circuit if not available.
3. Check all zones to make sure they work in both auto and manual mode
4. Commission Control-Link by contacting Control-Link Central™ at 877-347-3319.



Date 7/8/2025

Agenda Item 7

Resolution 2025-061

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

**To: Mayor & Council**

**From: Bradford Hunt, City Manager; Seth Phillips, Parks and Recreation Director**

**Agenda Item: Discussion and Possible Action Regarding a Resolution committing matching funds for the Texas Parks & Wildlife Local Park, Small Community Recreation Grant**

### **Information:**

In line with the recently-presented Parks Master Plan, City Manager Hunt and Parks & Recreation Director Phillips have concluded certain projects may be eligible for the Texas Parks & Wildlife Local Park, Small Community Recreation Grant. The Local Park Grant Program consists of 5 individual programs that assist local units of government with the acquisition and/or development of public recreation areas and facilities throughout the State of Texas. The Program provides 50% matching grants on a reimbursement basis to eligible applicants. Once funded, all grant assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public. The deadline for grant application is August 1, 2025.

We have specifically identified a project that would allow for use of Hotel Occupancy (HOT) funds to meet the 50% matching funds requirement. This project will be Phase 2 (final phase) of Musco Lighting upgrades. Council approved Phase 1 of upgrading all ballfield lights to LED "Musco" lighting on August 22, 2023. The project was broken into phases due to costs associated with full construction. The Phase 1 lights were installed as approved at three athletic fields - Bob Arnold, James Box, Chuck Hyles.

Staff now recommends utilizing TPWD grant funding to offset the cost of completing the Musco installation at the remainder of the athletic fields, for an estimated cost of \$299,000 (\$150,000 match). These lights would be installed at Jaycee & HEB Fields, thus removing the remainder of the inefficient lights, removing all remaining antiquated control boxes and above-ground wires, and completing the goal to reduce glare and lower utility costs at the entire sports complex.

**Financial Impact:** potentially \$149,500 in grant funding, with another \$149,500 from HOT funds to support the total estimated project cost of \$299,000.

**Staff Recommendation:** Staff recommends adopting this resolution support application for the TPWD Local Parks Grant, and committing matching funds of up to \$150,000.

Date 7/8/2025

Agenda Item 7

Resolution 2025-061

**Motion:** Motion to approve **Resolution 2025-061**, supporting application for the TPWD Local Parks Grant, and committing matching funds of up to \$150,000.

**Attachments:** The Musco Lighting estimate.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the 8 day of July, 2025, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED



Greg Casey, Mayor Pro-Tem

ATTEST:



Holly Owens, City Secretary





Date 2/24/2026  
Agenda Item 5  
Resolution 2026-022

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

**To: Mayor & Council**

**From: Seth Phillips, Parks and Recreation**

**Agenda Item: Discussion and possible action regarding a resolution designating the City Manager or his designee to apply for and participate in the Local Park Grant Program on behalf of the City of Gatesville.**

### Information:

The Local Park Grant Program provides matching grants to local governments to help create and improve outdoor recreational facilities. Funding categories within the program include:

- Outdoor Recreation Grants – For the development of new parkland or improvement of existing parks.
- Small Community Grants – Specifically for communities with populations under 20,000.
- Urban Outdoor Recreation Grants – Supporting large cities and urban counties to enhance heavily used park facilities.
- Regional Grants – For projects that serve multiple communities or regional populations.

Grant funds can be used for projects such as playgrounds, sports fields, picnic areas, trails, natural resource conservation, and parkland acquisition.

Eligible applicants must:

- Demonstrate a 50% local match (cash and/or in-kind contributions).
- Provide a comprehensive local parks, recreation, and open space master plan approved by TPWD.
- Ensure long-term maintenance and public access to the funded facilities.

Grant applications are typically accepted twice per year, depending on funding availability. All applications must be submitted through TPWD's online grant management system by the stated deadline.

Detailed application instructions, eligibility requirements, and scoring criteria are available on the Texas Parks and Wildlife Department's Local Park Grant Program webpage:

 <https://tpwd.texas.gov/business/grants/recreation-grants>

### Financial Impact:

No financial impact until the City is awarded the grant.

**Staff Recommendation:**

Staff recommends designating the City Manager or his designee to apply for and participate in the Local Park Grant Program.

**Motion:**

Motion to approve a resolution, designating the City Manager or his designee to apply for and participate in the Local Park Grant Program on behalf of the City of Gatesville.

**Attachments:**

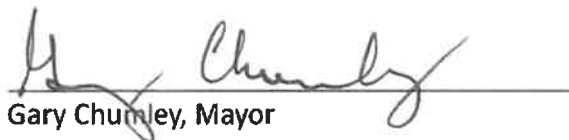
- Application
- Direct Deposit Form
- TIN Sheet Info
- Resolution

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the 24 day of February, 2026, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

  
Gary Chumley, Mayor

ATTEST:

  
Holly Owens, City Secretary





Date 4/14/2026

Agenda Item 8

Resolution 2026-038

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

**To: Mayor & Council**

**From: Mike Halsema, Deputy City Manager; Seth Phillips, Parks and Recreation Director**

**Agenda Item: Discussion and Possible Action Regarding a Resolution re-committing matching funds for the Texas Parks & Wildlife Local Park, Small Community Recreation Grant**

**Information:**

The Local Park Grant Program consists of 5 individual programs that assist local units of government with the acquisition and/or development of public recreation areas and facilities throughout the State of Texas. The Program provides 50% matching grants on a reimbursement basis to eligible applicants. Once funded, all grant assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public.

Council approved Phase 1 of upgrading all ballfield lights to LED “Musco” lighting on August 22, 2023. The project was broken into phases due to costs associated with full construction. The Phase 1 lights were installed as approved at three athletic fields - Bob Arnold, James Box, Chuck Hyles. Phase 2 was approved by Council to be funded through HOT funds on July 8, 2025, as part of a TPWD 50/50 Grant. Staff now recommends the matching funds come from the General Capital Improvement Fund instead of the HOT fund.

**Financial Impact:** potentially \$149,500 in grant funding, with another \$149,500 from Capital Improvement Fund funds to support the total estimated project cost of \$299,000.

**Staff Recommendation:** Staff recommends adopting this resolution for the TPWD Local Parks Grant, and recommitting matching funds of up to \$150,000.

**Motion:** Motion to approve **Resolution 2026-038**, supporting application for the TPWD Local Parks Grant, and re committing matching funds of up to \$150,000.

**Attachments:** N/A

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

Date 4/14/2026  
Agenda Item 8  
Resolution 2026-038

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the 14 day of April, 2026, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

  
Gary Chumley, Mayor

ATTEST:

  
Holly Owens, City Secretary





**CITY COUNCIL MEMORANDUM FOR RESOLUTION**

**To: Mayor & Council**

**From: Mike Halsema, Deputy City Manager**

**Agenda Item: Discussion and possible action regarding reallocating Water and Sewer CIP funding for a Highway 36 sewer project**

**Information:**

Staff applied for a grant through the EPA for a sewer line replacement and upgrade. The grant was awarded and is in progress. During the engineering phase it was determined that the line would need to be upgraded beyond the initial scope. The original scope cannot be altered and would exceed the funding amount for the grant. In order to replace the grant funded portion, a section downstream from it needs to be replaced first to ensure proper alignment and slope. The proposed replacement project would be completed in house by city crews. The total cost for materials to complete the project is estimated at \$185,700. Since the additional scope was not included as part of the FY26 Water and Sewer CIP, staff is recommending authorizing the additional funding for the project.

**Financial Impact:**

\$185,700 of revenue funded water and sewer funds

**Motion:**

I move to approve authorizing the Highway 36 additional sewer line replacement project.

**Attachments:**

Project map

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

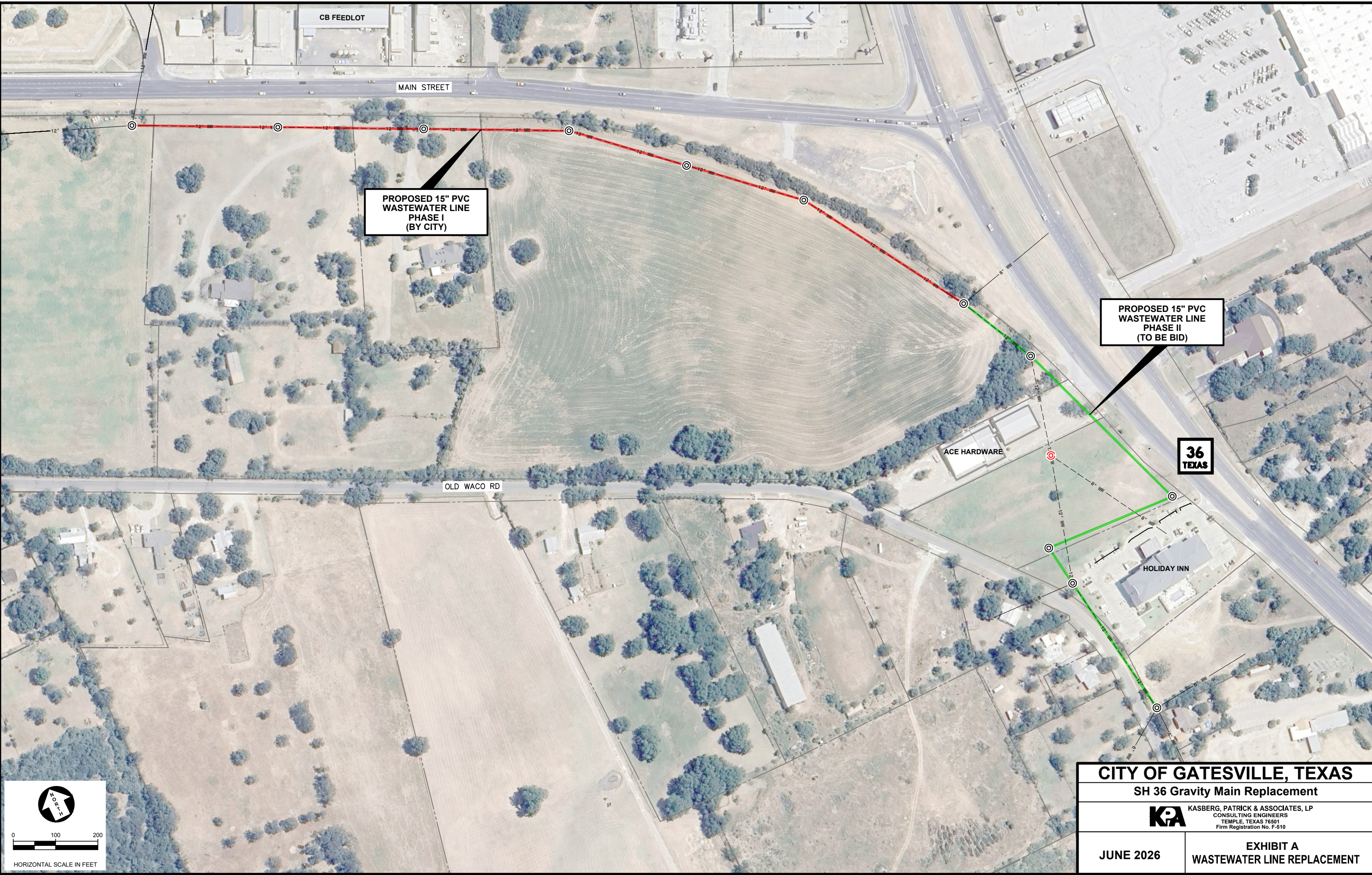
**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

ATTEST:

\_\_\_\_\_  
Gary Chumley, Mayor

\_\_\_\_\_  
Holly Owens, City Secretary



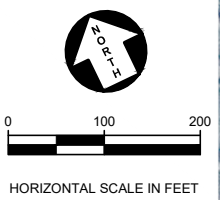
**PROPOSED 15" PVC  
WASTEWATER LINE  
PHASE I  
(BY CITY)**

**PROPOSED 15" PVC  
WASTEWATER LINE  
PHASE II  
(TO BE BID)**

**36  
TEXAS**

<b>CITY OF GATESVILLE, TEXAS</b>	
<b>SH 36 Gravity Main Replacement</b>	
 <b>KASBERG, PATRICK &amp; ASSOCIATES, LP</b> CONSULTING ENGINEERS TEMPLE, TEXAS 76701 Firm Registration No. F-510	
<b>JUNE 2026</b>	<b>EXHIBIT A WASTEWATER LINE REPLACEMENT</b>

P:\Gatesville\2026-101\CAD\02\_ Exhibit\Exhibit Phases combined.dwg - Exhibit A





Date 6/9/2026

Agenda Item 12

Resolution 2026-069

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

June 9, 2026

To: Mayor & Council

From: Bradford Hunt, City Manager

Agenda Item: Discussion and Possible Action Regarding Continuation of the Intergovernmental Support Agreement between the City of Gatesville and North Fort Hood re: Management of North Fort Hood Recreation Center.

**Information:**

Thomas Whittington, Mobilization Specialist and a designated Manager of Intergovernmental Support Agreements (IGSAs) for North Fort Hood, met with City Manager Brad Hunt on May 29, 2026, to discuss the continuation of the IGSA for Gatesville's management of the North Fort Hood Recreation Center. He expressed appreciation for Gatesville's efforts to manage this important project, and requested that we continue the terms of the IGSA into its second year of the 10-year term.

As a reminder, this is an agreement between the City and North Fort Hood, whereby the city is funded in advance to manage the recreation center. The original agreement was approved by Council on August 12, 2025. Operations commenced in November 2025, and the program has been a resounding success.

**Financial Impact:** As will be seen in the FY 26-27 Budget Presentation, we have accounted for the costs associated with the program and are prepared to re-sign the agreement to continue operations there.

**Staff Recommendation:** Staff recommends adopting this resolution authorizing City Manager Hunt to execute the second year of the IGSA.

**Motion:** I move to approve Resolution 2025-067, authorizing City Manager Hunt to execute the second-year terms of the IGSA on behalf of the City of Gatesville, with North Fort Hood (The United States, Mr. Carydaniel Cegledi, FHTX IGSA - Manager).

**Attachments:** Memorandum for Record

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

Date 6/9/2026

Agenda Item 12

Resolution 2026-069

APPROVED

\_\_\_\_\_  
Gary Chumley, Mayor

ATTEST:

\_\_\_\_\_  
Holly Owens, City Secretary

AMIM-HDA

MEMORANDUM FOR RECORD

SUBJECT: Exercising of Option Year 1 for the Intergovernmental Support Agreement (IGSA) between the United States and City of Gatesville, TX (IGSA-A60RF-24-MWR-007)

1. References:

a. IMCOM OPORD 20-005: IMCOM Intergovernmental Support Agreement (IGSA) Program.

b. IMCOM IGSA Handbook, Version 7, Oct 24

c. IGSA for North Fort Hood Recreation Center between the United States and the City of Gatesville, 29 Jun 22

2. Reference c, Term of Agreement states, the term of the IGSA is for one (1) year from the execution of the Agreement and renewable for successive one-year periods for up to nine (9) additional years. The United States shall continue to only be obligated for one year of performance under the Agreement at a time without Congressionally appropriated funds.

3. Both the United States and the City of Gatesville agree that the IGSA is continuing to meet the requirements and standards set forth in the Transaction Document and remains beneficial for both partners. The signatures below confirm the agreement to continue operating under the original IGSA and any approved amendments by both partners in exercising Option Year 1 (15 Sep 26 – 14 Sep 27).

4. Point of contact for this action is the Fort Hood IGSA-M, Mr. Carydaniel Cegledi, at 254-287-3519, [carydaniel.cegledi.civ@army.mil](mailto:carydaniel.cegledi.civ@army.mil) or Ms. Donna Tomsic at 254-287-0027, [donna.m.tomsic.civ@army.mil](mailto:donna.m.tomsic.civ@army.mil).

FOR THE UNITED STATES:

FOR THE CITY OF GATESVILLE:

CEGLEDI.CARYDA Digitally signed by  
CEGLEDI.CARYDANIEL.10794203  
NIEL.1079420383 83  
Date: 2026.05.21 16:16:03 -05'00'

CARYDANIEL CEGLEDI  
FHTX IGSA-Manager

BRADFORD HUNT  
City Manager, City of Gatesville  
Gatesville, Texas

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Date

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Date



Date 6/9/2026

Agenda Item 13

Ordinance 2026-07

## CITY COUNCIL MEMORANDUM FOR ORDINANCE

**To: Mayor & Council**

**From: Holly Owens, City Secretary**

**Agenda Item: Discussion and possible action amending Chapter 32, Article IX. – Coin—Operated Machines and Indoor Amusement Facilities.**

### **Information:**

The original ordinance was adopted in July 2025 creating guidelines to operate Indoor Amusement Facilities geared toward coin-operated machines. The first reading and second reading were held without any changes. This is the third and final reading. If approved, it will become effective immediately.

The proposed amendments reflected in red within Ordinance 2026-07 are intended to strengthen the City's ability to regulate indoor amusement facilities and address concerns related to gambling devices, sweepstakes operations, and online gaming establishments operating within the City of Gatesville. Below is a summary of the key revisions:

The ordinance adds and clarifies several definitions to better distinguish lawful amusement operations from prohibited gambling activity. New or revised definitions include:

- Online Gaming / Online Gaming Facility – Adds language addressing internet-based gaming platforms and facilities.
- Sweepstakes Device – Adds a detailed definition that identifies characteristics commonly associated with sweepstakes terminals and simulated gaming systems.
- Clarifies terminology for owners, operators, licensing officers, facility supervisors, and coin-operated machines.

These revisions are intended to close regulatory gaps and provide clearer enforcement standards.

The ordinance strengthens location requirements for indoor amusement facilities by:

- Prohibiting facilities from operating within 1,000 feet of schools, churches, or hospitals which was increased from 300 feet.
- Prohibiting facilities from being located within 1,000 feet of another licensed indoor amusement facility.
- Restricting businesses operating fewer than five machines as a secondary use from locating within the same building as similar operations.
- Preventing secondary-use machine operations from locating within 1,000 feet of a licensed indoor amusement facility.

These restrictions are intended to prevent clustering and reduce impacts on surrounding neighborhoods and community institutions.

**Application for Annual City Gameroom License:**

All applicants must pass a background check and submit a copy of their Comptroller registration or license, along with a valid sales tax certificate. The business where the machines are located must have a Certificate of Occupancy and display all required licenses, including the City License.

The background check changes were added by Chief Jeff Clark and are in Sec. 32-266 (5) adding “any felony offense” and “family violence assault with bodily injury.

**Financial Impact:**

An annual license application fee and an occupation tax will be added to the fee schedule to accommodate these regulations.

- ¼ of the State Occupation Tax per Texas Tax Code 2153.451(b) per machine is already in place but it only affects coin-operated machines. The maximum fee that can be assessed is \$15 per machine annually.
- Fees for sweepstakes and online games have been added to the fee schedule to account for these devices. The fee has been set for \$50 per machine annually.
- License fee for an annual license registering all machines as defined within the ordinance is already in place, but the fee has been increased. The fee was \$100 and has been increased to \$500 annually.

**Staff Recommendation:**

Staff recommends approving **Ordinance 2026-07**.

**Motion:**

Motion to approve **Ordinance 2026-07**, amending Chapter 32, Article IX. – Coin-Operated Machines and Indoor Amusement Facilities, third and final reading.

**Attachments:**

- Draft Ordinance

**CITY OF GATESVILLE, TEXAS  
ORDINANCE 2026-07**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS AMENDING THE CODE OF ORDINANCES, AS PREVIOUSLY AMENDED, BY ~~ADDING A NEW~~ AMENDING ARTICLE IX “COIN-OPERATED MACHINES, SWEEPSTAKES, ONLINE GAMES AND INDOOR AMUSEMENT FACILITIES;” PROVIDING A CONFLICTS RESOLUTION CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF \$500.00 FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City receives frequent complaints from citizens regarding lack of regulation of coin-operated machines, including but not limited to gambling devices within the City; and

**WHEREAS**, the City Council has determined that it serves the public health, safety and general welfare to adopt an ordinance prohibiting gambling devices and regulating coin-operated machines, sweepstakes, online games, and indoor amusement facilities where these machines or devices are the primary use within the City;

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

**SECTION 1.** The City of Gatesville Code of Ordinances is hereby amended by amending Chapter 32 “Licenses, Permits, and Miscellaneous Regulations” by adding a new Article IX “Coin-Operated Machines, Sweepstakes, Online Games and Indoor Amusement Facilities” to read in its entirety as follows:

**“CHAPTER 32 – LICENSES, PERMITS, AND MISCELLANEOUS REGULATIONS**

...

**ARTICLE IX. – COIN-OPERATED MACHINES, SWEEPSTAKES, ONLINE GAMES  
AND INDOOR AMUSEMENT FACILITIES**

**Sec. 32-260. Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Amusement Redemption Machine* means any electronic, electromechanical, or mechanical contrivance, including sweepstake machines, designed, made, and adapted solely for bona fide amusement purposes, and that by operation skill or a combination of skills affords the user, in addition to any right of replay, an opportunity to receive exclusively non cash merchandise prizes, toys, or novelties, or a representation of a value redeemable for those items that have a

wholesale value available from a single play of the game or device of not more than 10 times the amount charged to play the game or device once or \$5, whichever is less. Amusement Redemption Machine includes the following skill or pleasure machines:

1. A machine that awards the user noncash merchandise prizes, toys, or novelties solely and directly from the machine, including claw, crane, or similar machines; and

2. A machine from which the opportunity to receive noncash merchandise prizes, toys, or novelties, or a representation of value redeemable for those items, varies depending upon the user's ability to throw, roll, flip, toss, hit, or drop a ball or other physical objects into the machine or a part thereof, including basketball, golf, bowling, or similar machines. A representation of value means cash paid under authority of sweepstakes contestants as provided by the Texas Business and Commerce Code, Section 43, or a gift certificate or gift card that is presented to a merchant in exchange for merchandise.

*Building Official* means the representative of the City of Gatesville or other person designated by the city manager.

*Coin-operated machine* means any kind of machine or device operated by or with a coin or other United States currency, metal slug, token, electronic card, or check, including a music or skill or pleasure coin-operated machine.

*Facility supervisor* means a natural person who manages, controls or operates an indoor amusement facility on behalf of the owner or operator.

*Gambling device* means any electronic, electromechanical, or mechanical contrivance that for a consideration affords the player an opportunity to obtain anything of value, the award of which is determined solely or partially by chance, even though accompanied by some skill, whether or not the prize is automatically paid by the contrivance. The term includes, but is not limited to, gambling device versions of bingo, keno, slot machines, blackjack, lottery, roulette, video poker, or facsimiles thereof, that operate by chance or partially so, that as a result of the play or operation of the game award credits or free games, and that record the number of free games or credits so awarded and the cancellation or removal of the free games or credits.

*Indoor amusement facility* means an amusement enterprise wholly enclosed in a building offering entertainment or games to the general public, for a fee, including, but not limited to a bowling alley, billiard parlor/pool hall, and a facility with video games, computer games, skill or pleasure coin-operated machines, and/or amusement redemption machines. Indoor amusement facility does not include a business that exhibits less than five (5) video games, computer games, skill or pleasure coin-operated machines, or amusement redemption machines as a secondary use of the property, if the business does not otherwise fall into the definition of an indoor amusement facility.

*Licensing officer* means the Building Official.

*Music coin-operated machine* means any kind of coin-operated machine, including a phonograph, piano, or graphophone that dispenses music or is used to dispense music; is operated by inserting a coin, metal slug, token, or check; and is not an amusement machine designed exclusively for a child.

*Online Gaming is the practice of playing video games over the internet or a computer network, allowing players to connect, compete, or cooperate in virtual environments. These games*

range from simple web-based applications to complex, massive multi-player worlds (MMOGs) accessible via consoles, PCs and mobile devices.

Online Gaming Facility is a virtual platform, website, or application that enables users to engage in gambling or video gaming activities over the internet using connected devices. It functions as a digital equivalent to a traditional gaming venue, allowing users to place wagers, play games of chance or skill, and receive payouts.

*Operator* means a person who exhibits or displays, or permits to be displayed, a coin-operated machine in this city in a place of business that is not owned by the person.

*Owner* means any person owning any "coin-operated machine" or indoor amusement facility in this city.

*Person* includes an individual, association, trustee, receiver, partnership, corporation, company, organization, or other business entity or a manager, officer, owner, agent, servant, or employee of the same.

*Service coin-operated machines* means every pay toilet, pay telephone and all other machines or devices which dispense service only and not merchandise, music, skill or pleasure.

*Skill or pleasure coin-operated machine* means any kind of coin-operated machine that dispenses or is used or is capable of being used to dispense or afford, amusement, skill, or pleasure or is operated for any purpose, other than for dispensing merchandise, music, or service and that is not a gambling device. The term includes marble machines, marble table machines, marble shooting machines, miniature race track machines, miniature football machines, miniature golf machines, miniature bowling machines, billiard or pool games, or machines or devices that dispense merchandise or commodities or plays music in connection with or in addition to dispensing skill or pleasure; and does not include an amusement machine designed exclusively for a child.

Sweepstakes device a mechanical, video, digital, or electronic machine or device, including a computer whether or not connected to the internet, that is owned, leased, or otherwise possessed by any person conducting a sweepstakes, or by that person's partners, affiliates, subsidiaries, or contractors, that is intended to be used by a sweepstakes participant, and that is capable of displaying information on a screen or other mechanism. A device is a "sweepstakes terminal device" if any of the following apply:

(1) The device uses a simulated game terminal as a representation of the prizes associated with the results of the sweepstakes entries.

(2) The device utilizes software such that the simulated game influences or determines the winning of or value of the prize.

(3) The device selects prizes from a predetermined finite pool of entries.

(4) The device utilizes a mechanism that reveals the content of a predetermined sweepstakes entry.

(5) The device predetermines the prize results and stores those results for delivery at the time the sweepstakes entry results are revealed.

(6) The device utilizes software to create a game result.

(7) The device reveals the prize incrementally, even though the device does not influence the awarding of the prize or the value of any prize awarded.

(8) The device determines and associates the prize with an entry or entries at the time the sweepstakes is entered.

**Sec. 32-261. Prohibited locations.**

- (a) No indoor amusement facility shall be permitted within ~~three hundred one thousand~~ (3001,000) feet, measured from front door to front door, of any school building, church or hospital in this city.
- (b) No indoor amusement facility can be located within one thousand (1,000) feet of another indoor amusement facility which has been properly licensed in accordance with the City's Code of Ordinances.
- (c) A person, business or facility that exhibits less than five (5) skill or pleasure coin-operated machines, sweepstakes devices, online games, or amusement redemption machines as a secondary use of the property may not be located in the same building with another business or facility exhibiting less than five (5) skill or pleasure coin-operated machines, sweepstakes devices, online games, or amusement redemption machines as a secondary use of the property.
- (d) A person, business or facility that exhibits less than five (5) skill or pleasure coin-operated machines, sweepstakes devices, online games, or amusement redemption machines as a secondary use of the property may not be located within one thousand (1,000) feet of a licensed indoor amusement facility.

**Sec. 32-262. License required and exceptions.**

- (a) Ownership and/or operation of an indoor amusement facility within the City requires an annual indoor amusement facility license issued by the City in accordance with the provisions of article.
- (b) A person commits an offense if the person:
  - Recklessly or with criminal negligence owns or operates an indoor amusement facility without an indoor amusement facility license; or
  - Recklessly or with criminal negligence owns or operates a gambling device within the city limits of the City of Gatesville; or
  - Knowingly allows operation of a gambling device in a building or other facility in which the person holds an ownership interest; or
  - Knowingly allows operation of an indoor amusement facility without a valid indoor amusement facility license issued by the City.
- (b) Acquisition of a license under this article is a separate and distinct requirement from any other licensing requirement required by the state or any other entity. Possession of some other license shall not relieve a person of the requirement to obtain a license pursuant to this article.
- (c) It is a defense to prosecution under this section that the person:

- is operating an indoor amusement facility at a place owned by the federal, state, or local government;
- is a non-profit organization that operates the indoor amusement facility for the organization's exclusive use and to further the purposes of the organization; or
- is operating an indoor amusement facility at a place licensed by the Texas State Lottery Commission.

**Sec. 32-263. Injunction and prosecution.**

- (a) A person who owns or operates or causes to be operated an indoor amusement facility without the license required under this article is subject to civil penalty, suit for injunction, as well as prosecution for criminal violations.
- (b) A person who owns or operates or causes to be operated a Gambling device as defined in this article is subject to civil penalty, a suit for injunction, as well as prosecution for criminal violations.

**Sec. 32-264. License application.**

- (a) An annual application for a license to operate an indoor amusement facility must be made to the licensing officer on the form prescribed by that official. The application must be accompanied by a sketch or diagram showing the configuration of the premises as well as the location of all coin-operated machines, sweepstakes devices, online games, or amusement redemption machines~~pool tables~~, and exits. The sketch need not be professionally prepared but must clearly exhibit the configuration in a manner acceptable to the licensing officer.
- (b) If a person who wishes to operate an indoor amusement facility is an individual, he must sign the application for a license as the applicant. If the person who wishes to operate an indoor amusement facility is other than an individual, each individual who has a twenty (20%) per cent or greater interest in the proposed operator must sign the application for a license.
- (c) All applications must be accompanied by a non-refundable annual application fee in an amount determined as a part of the city's annual budget and published in the City's fee schedule, as may from time to time be amended or updated. An application shall not be considered to have been filed until the application fee is paid and all information required by the application form is submitted.
- (d) All applications must be accompanied by a statement signed by the person(s) identified in subsection (b) of this section and stating that the entertainment or games offered at the indoor amusement facility, including but not necessarily limited to all coin-operated machines and pool tables, will not be used as gambling devices and that all facts contained in the application are true and correct.

**Sec. 32-265. Application review.**

- (a) *Preliminary inspection.* The licensing officer shall forward a copy of all indoor amusement facility applications to the police department, planning department, inspection department and any other city department involved in the review process. Upon receipt of the copy of the application, each department shall make such inspection and/or investigation of the applicant,

premises, and equipment as is necessary for the enforcement of ordinances and laws for which the department has responsibility. Upon completion of the review, the reviewing department shall forward to the licensing officer its recommendation for approval or disapproval of the application. If the recommendation is for disapproval, the reviewing department shall clearly set forth its reason for the recommendation. If all departments recommend approval, then a final inspection shall be conducted.

- (b) *Final inspection.* The city shall make a final inspection of the facility after all equipment and furnishings are in place to ensure the facility complies with all applicable codes and ordinances. If after final inspection, the recommendation is for disapproval, the city shall clearly set forth its reason for the recommendation. If the recommendation is for approval, a license shall be issued in accordance with section 32-266.

**Sec. 32-266. License issuance or denial; term; time limitation for compliance with division.**

- (a) *Issuance.* Following successful final inspection and a recommendation for approval, the licensing officer shall issue an indoor amusement facility license, upon payment of the license fee, to an applicant within thirty (30) days, unless the licensing officer finds one (1) or more of the following is true:
- (1) An applicant is under eighteen (18) years of age;
  - (2) An applicant has falsely answered a question or request for information on the application form;
  - (3) The indoor amusement facility is not in compliance with applicable laws and ordinances;
  - (4) The applicant has been denied a license or the renewal of a license under this article within the preceding twelve (12) months or has had a license issued under this article revoked within the preceding twenty-four (24) months and the denial or revocation has not been successfully appealed; or
  - (5) An applicant has been convicted of a crime involving gambling, gambling promotion, keeping a gambling place, or possession of a gambling device, equipment or paraphernalia; any felony offense; the sale of an alcoholic beverage without a permit or license from the state; prostitution or promotion of prostitution; manifesting the purpose of engaging in prostitution; family violence assault with bodily injury; or unlawfully carrying a weapon, provided;
    - a. If the conviction was for a misdemeanor offense, ~~less than~~ two (2) years have elapsed since the date of the conviction or the date of release from confinement for the conviction, ~~whichever is the later date~~; or
    - b. If the conviction is for a felony offense, ~~less than~~ five (5) years have elapsed since the date of conviction or the date of release from confinement for the conviction, ~~whichever is the later date~~; or
    - c. If the conviction is for two (2) or more misdemeanor offenses or a combination of misdemeanor offenses occurring within any twenty-four (24) month period, ~~less than~~ five (5) years have elapsed since the date of the last conviction or the date of release from confinement for the last conviction.

- d. The fact that a conviction is being appealed shall have no effect on the disqualification of the applicant.
  - e. Transitional Compliance for Existing Facilities and Coin-Operated Machines. Any indoor amusement facility or business operating coin-operated machines, sweepstakes devices, online games, or amusement redemption machines within the City of Gatesville on the effective date of this ordinance that is in possession of a valid permit may continue to operate under the terms of that permit until its expiration. Upon expiration, no license or permit shall be renewed or reissued unless the facility or business is in full compliance with all provisions of the Gatesville Code of Ordinances, including but not limited to the prohibition of gambling devices as defined herein. This transitional period does not constitute an exemption or grandfathering. All facilities and businesses shall be required to meet the current regulatory standards upon permit renewal.
- (b) *Extension of review period.* If the applicant is in the process of correcting conditions on the premises so that the premises will comply with applicable ordinances and laws, the applicant may be granted thirty (30) days from date of notice to bring the premises into compliance, or a new application shall be required.
  - (c) *Term.* No license shall be effective until it has been issued. All licenses for indoor amusement facilities issued under the provisions of this article shall be valid for a period of one (1) year from the date of issuance. The date of issuance shall be stated on the license.

**Sec. 32-267. Contents; posting of license; notice of change in ownership.**

- (a) An indoor amusement facility license issued under this article shall state on its face to whom it is issued, the date of issuance, the date of expiration, the address and location of such indoor amusement facility and shall be signed by the licensing officer.
- (b) The license shall be posted by the licensee in a conspicuous place and in such a manner and position that it may be easily read at any time of day or night.
- (c) A replacement license may be issued for a lost, destroyed or mutilated license upon application. A replacement license shall have the word "REPLACEMENT" stamped across its face and shall bear the same number as the one it replaces.
- (d) A licensee shall notify the licensing officer within ten (10) days of a change or partial change of ownership or change of address or trade name.

**Sec. 32-268. License transfer.**

A licensee under this article shall not transfer his license to another, nor shall a licensee operate an indoor amusement facility under the authority of a license at any place other than the address designated on the license.

**Sec. 32-269. Suspension and revocation of license.**

- (a) The City of Gatesville, through an official designated by the City Manager, may suspend or revoke a license if it determines that:

- (1) The owner, operator, or facility supervisor has refused to allow an inspection of the premises, as authorized by this article;
  - (2) The owner, operator, or facility supervisor has demonstrated an inability to operate or manage an indoor amusement facility in a peaceful and law-abiding manner;
  - (3) A cause of suspension occurs, and the license has already been suspended within the preceding twelve (12) months;
  - (4) An owner or operator gave false or misleading information in the material included on or with his original application or a renewal application or in response to an inquiry by the city;
  - (5) An owner, operator, or facility supervisor has been convicted of a violation set forth in subsection 32-266(a)(5);
  - (6) The indoor amusement facility has been operated without a facility supervisor being physically present; or
  - (7) The indoor amusement facility is being operated in violation of the building codes or city ordinances, or state law including owning and operating gambling devices, as defined in this Code of Ordinance.
- (b) The fact that a conviction is being appealed shall have no effect on the suspension or revocation of the license.
- (c) Notice of suspension shall be served either in person or by certified mail to the owner or operator of the indoor amusement facility and the owner of the building in which the indoor amusement facility is located.

**Sec. 32-270. License renewal.**

- (a) A renewal application on the form prescribed by the licensing officer may be submitted no earlier than sixty (60) days before the expiration of the license. The renewal application must be accompanied by a renewal fee set by the city council as a part of the city's annual budget. When an application for renewal is submitted less than thirty (30) days before the expiration date of the license, the expiration date of the license will not be affected.
- (b) When the renewal application has been filed as required above, the licensing officer shall have seven (7) days to determine whether to issue a renewal license, or to reject the renewal application and require the applicant to file an original application and review the renewal request under the same standards as the original license application. If the licensing officer requires that the renewal be handled as though it were a new application, the review period set out in section 32-266 shall commence upon the filing of the completed original application form, not upon the filing of the renewal application form. The following shall constitute grounds for rejecting the renewal application and requiring the filing of an original application form:
  - (1) The receipt by any department of the city of confirmed complaints about the operation of the indoor amusement facility during the period that the license for which renewal is sought has been in force;

- (2) The discovery by any official of the city of a violation of any ordinance or law during the preceding year on the premises which was related to the operation of the indoor amusement facility; or
  - (3) An increase in police calls to the indoor amusement facility or the area immediately adjacent to the premises that are related to the operation of the indoor amusement facility.
- (c) If a license expires during an extension of the review period, provided for in section 32-266, the licensee may continue to operate the indoor amusement facility until a decision on the renewal is rendered. If the renewal is denied, the licensee must cease operation of the indoor amusement facility immediately upon notification. Notice of the denial shall be sufficient if personally given to the owner, operator, or facility supervisor provided for in section 32-273, or if delivered to the owner, operator, or facility supervisor at the address shown on the renewal application by mail, return receipt requested.
- (d) When an application for renewal is ultimately denied, the applicant shall not be issued a license for one (1) year from the date of the denial. If, subsequent to denial, the licensing officer finds that the basis for denial of the renewal license has been corrected or abated, the applicant may be granted a license if at least ninety (90) days has elapsed since the date the denial of the renewal application was final.
- (e) The rejection of a renewal application and requirement that the renewal be handled as though it were an original application may not be appealed; however, the final denial of a license renewal by the licensing officer may be appealed in accordance with section 32-271.

### **Sec. 32-271. Appeal.**

- (a) Appeal of denial, suspension or revocation of permit.

(1) The initial decision and notice by an inspector to suspend or revoke a permit may be appealed to the supervisor over the inspector by giving written notice to the supervisor no later than the fifth calendar day after receipt of the written notice of the decision. The supervisor may uphold, reverse, or modify the decision of the inspector. If an appeal is not filed as provided herein, the decision of the inspector is final, and no further appeal will be considered.

(2) The initial denial of a permit, or the decision of the supervisor over the inspector following a timely appeal of the inspector's decision to suspend or revoke a permit as provided in subsection (1) above, may be appealed to the city manager by filing a written notice of appeal with the director no later than the fifth day after receipt of written notice of the initial or appeal decision. The city manager may uphold, reverse, or modify the decision to deny, suspend or revoke the permit. If an appeal is not filed as provided herein, the initial or appeal decision is final, and no further appeal will be considered.

- (3) The decision of the city manager is final.

### **Sec. 32-272. License fees.**

Before any license for an indoor amusement facility shall be issued by the city, the person applying for the license shall pay to the city the fees that are established by the city council as part

of the city's annual budget. These fees may include an application fee to cover the costs associated with processing the application in addition to an annual license fee.

**Sec. 32-273. Operation of indoor amusement facilities.**

- (a) *Indoor amusement facility supervisor.* A person who owns or operates an indoor amusement facility must designate one (1) or more persons as facility supervisors. The names of the facility supervisors must be included in a license application or renewal application. Whenever a change in the facility supervisors occurs, notice of that change shall be given to the licensing officer. A facility supervisor must remain on the premises of the indoor amusement facility during operating hours.
- (b) *Authority to vacate premises.* The chief of police, fire marshal or building official or their designees shall have the power to cause an indoor amusement facility to be vacated whenever any provision of this article is being violated or when a situation that poses an immediate threat to safety exists. In addition, where a violation of any ordinance of the city or state law is discovered, the chief of police, fire marshal or building official may order that an indoor amusement facility be vacated and remain closed for up to twenty-four (24) hours after it is determined that the violation that resulted in the order to close has been corrected.
- (c) *Hours of operation.* The indoor amusement facility shall not be operated between 12:00 a.m. and 8:00 a.m.
- (d) *Layout.* All skill or pleasure coin-operated machines, pool tables, and bowling lanes shall be in full and open public view. No skill or pleasure coin-operated machine, pool table, or bowling lane shall be in a room that is closed off from the main area of the facility.

**Sec. 32-274. Criminal penalties.**

- (a) A violation of this article shall be a Class C misdemeanor and the penalty for violating this article shall be a fine of not more than five hundred dollars (\$500.00) and each day a violation exists shall be a separate offense. It is also a criminal violation of this article and a Class C misdemeanor punishable by a fine of not more than five hundred dollars (\$500.00) and not less than fifty dollars (\$50.00) to intentionally, knowingly, recklessly or with criminal negligence provide false answers or information to the City of Gatesville on or in connection with the application for or application for renewal of an indoor amusement facility license.
- (b) Possession and/or operation of Gambling device. Any person or persons in possession of a gambling device as defined shall be subject to criminal penalties provided in (a) above. Machines identified as being in violation of the provisions of this ordinance will be confiscated and any funds deposited in said machine(s) shall be subject to the forfeiture and seizure policy of the Gatesville Police Department.

**Secs. 32-275—32-280. Reserved.”**

**SECTION 2.** Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not

affect the validity of the remaining portions of said ordinance, or the Gatesville Code of Ordinances, as amended hereby, which shall remain in full force and effect.

**SECTION 3.** An offense committed before the effective date of this Ordinance is governed by prior law and the provisions of the Gatesville Code of Ordinances, as amended, in effect when the offense was committed, and the former law is continued in effect for this purpose.

**SECTION 4.** Any person, firm or corporation violating any of the provisions or terms of this Ordinance shall be subject to the same penalty as provided for in the Gatesville Code of Ordinances, as amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Hundred Dollars (\$200) for each offense, and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 5.** This ordinance shall take effect immediately after the third and final reading.

**Ordinance No. 2026-07** was read the first time and passed to the second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**Ordinance No. 2026-07** was read the second time and passed to the third reading this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**Ordinance No. 2026-07** was read the third time and duly approved, passed and adopted this the \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED:**

\_\_\_\_\_  
**Gary Chumley, Mayor**

**ATTEST**

\_\_\_\_\_  
**Holly Owens, City Secretary, T. R.M.C.**



Date 6/9/2026

Agenda Item 14 & 15

Ordinance 2026-08

## CITY COUNCIL MEMORANDUM FOR ORDINANCE

**To: Mayor & Council**

**From: Holly Owens**

**Agenda Item: Discussion and possible action regarding an Ordinance to Annex property located in the R B Irvine Survey and approximately 54.25 acres.**

### **Information:**

City Council approved the annexation application, Resolution 2026-059 for 301 Cedar Ridge Road on May 12, 2026, followed by the first reading of this ordinance. The second reading and first public hearing was held on May 26, 2026, with no changes or public comments. This is the third and final reading with the second and final public hearing.

The intent of the annexation is to facilitate the development of a Planned Unit Development (PUD) consisting of approximately 169 residential lots.

Water service for the development is proposed to be divided between providers, due to existing CCN lines. Mountain Water will serve approximately 42 lots on the eastern portion of the development, while City of Gatesville will serve the remaining approximately 127 lots. City will provide all other services to the entirety of the development, including solid waste services and sewer services.

Public Works has identified infrastructure requirements necessary to support the development, including the installation of a 6-inch water main to ensure adequate flow and the placement of fire hydrants at intervals of 600 feet to maintain proper fire protection coverage.

### **Staff Recommendation:**

Staff's Recommendation is to approve Ordinance 2026-08, approving the annexation of the property located in the R B Irvine Survey located on approximately 54.25 acres.

### **Motion:**

Motion to approve Ordinance 2026-08 granting the annexation of the property located in the R B Irvine Survey located on approximately 54.25 acres, third and final reading.

### **Attachments:**

- Exhibit A Metes and Bounds – field notes
- Exhibit B Draft Service Agreement
- Exhibit C Concept
- Draft Annexation Ordinance

**ORDINANCE NO 2026-08**

**AN ORDINANCE ANNEXING AN APPROXIMATELY 54.25 ACRE TRACT OF LAND LOCATED IN THE R B IRVINE SURVEY; SITUATED IN CORYELL COUNTY, TEXAS AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE SUCH PROPERTY WITHIN THE CITY'S CORPORATE LIMITS; GRANTING TO ALL THE INHABITANTS AND OWNERS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF SAID CITY; AND ADOPTING A SERVICE PLAN FOR SAID PROEPRTY; PROVIDING A CONFLICTS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, §43 of the Texas Local Government Code authorizes the City of Gatesville, Texas, an incorporated city, to engage in the annexation of territory, subject to the laws of this state, and;

**WHEREAS**, the City Council of the City of Gatesville has been presented with a petition requesting annexation of an approximately 54.25 acres located in the R B Irvine Survey; situated in Coryell County, in the City of Gatesville, Coryell County, Texas and being more particularly described and depicted in Exhibit "A" attached hereto and incorporated herein by this reference; and

**WHEREAS**, the notices and public hearings required by Chapter 43, Texas Local Government Code and other applicable law have been given and conducted; and

**WHEREAS**, the City Council has adopted a service plan as required by Section 43.056 of the Texas Local Government Code relating to the Property, the terms of which are attached hereto and incorporated herein by this reference as Exhibit "B" (the "Service Plan"); and

**WHEREAS**, the Property lies adjacent to the existing corporate limits of the City of Gatesville, Texas and is located within the exclusive extraterritorial jurisdiction of the city of Gatesville, Texas; and

**WHEREAS**, the requirements and procedures prescribed by the Texas Local Government Code and the Charter of the City of Gatesville, Texas, and the laws of this state for annexation of the Property have been duly followed; and

**WHEREAS**, the City Council of the City of Gatesville has concluded that the Property should be annexed to and made a part of the City of Gatesville, Texas;

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

**SECTION 1.** Based on the findings of fact set forth in the recitals above, which are found to be true and correct and are incorporated herein as if set forth in full, the Property is hereby annexed into the corporate limits of the City of Gatesville, Texas.

**SECTION 2.** The boundary limits of the City of Gatesville shall be and the same are hereby extended to include the Property within the City's corporate limits and the territory described herein shall be and is hereby included within the corporate limits, subject to all the acts, ordinances, resolutions, and regulations of the City. The inhabitants of the Property shall hereafter be entitled to all the rights and privileges of other citizens of the City of Gatesville and they shall be bound by the acts, ordinances, resolutions, and regulations of said City.

**SECTION 3.** The Service Plan, Exhibit "B," for the area is hereby adopted..

**SECTION 4.** To the extent of any irreconcilable conflict with the provisions of this Ordinance and other ordinances of the City of Gatesville governing the use and development of the Property and which are not expressly amended by this Ordinance, the provisions of this Ordinance shall be controlling.

**SECTION 5.** All provisions of the ordinances of the City of Gatesville, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 6.** Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Code of Ordinances as a whole.

**SECTION 7.** The City Secretary is hereby directed to file with the County Clerk of Coryell County Texas, a certified copy of this ordinance.

**SECTION 8.** This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provides.

The foregoing Ordinance No. 2026-08 was read the first time and passed to the second reading this 12<sup>th</sup> day of May 2026.

The foregoing Ordinance No. 2026-08 was read the second time and passed to the third reading this 26<sup>th</sup> day of May 2026.

The foregoing Ordinance No. 2026-08 was read the third time and was passed and adopted as an Ordinance to the City of Gatesville, Texas, this 9<sup>th</sup> day of June 2026.

BY: \_\_\_\_\_  
GARY M. CHUMLEY, MAYOR

ATTESTED:

\_\_\_\_\_  
HOLLY OWENS, T.R.M.C.  
CITY

DRAFT

**EXHIBIT A**  
**[Legal Description of the Property]**

BEING all that certain 54.25 acre tract of land situated in the R Boyd Irvine Survey, Abstract No. 546, Coryell County, Texas, being all of a called 54.25 acre tract of land described in a deed to JFH Legacy Holdings, LP, recorded in Instrument No.

389300, Official Public Records of Coryell County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found in the East line of Highway 36 North Bypass, at the Southwest corner of a called 22.85 acre tract described in a deed to CJS Concrete Construction, LLC, recorded in Instrument No. 379043, Official Public Records of Coryell County, Texas, for the Northwest corner of the herein described tract;

THENCE S 73° 22' 58" E, 695.93 feet (Deed S 73° 22' 58" E, 695.93 feet) along the South line of the said 22.85 acre tract, to a 3/8" iron rod found at the Southeast corner of the said 22.85 acres and in the West line of a called 5.013 acre tract of land described in a deed to Floyd Quinton Pearce and wife Shirley Joe Pearce, recorded in Instrument No. 355007, Official Public Records of Coryell County, Texas;

THENCE S 16° 44' 26" W, 196.95 feet (Deed S 16° 44' 26" W, 196.95 feet) along the West line of the said 5.013 acre tract to an 80d nail found at the Southwest corner of the said 5.013 acres, for an ell corner in the herein described tract;

THENCE S 73° 16' 27" E, 608.35 feet (Deed S 73° 16' 27" E, 608.35 feet) along the South line of the said 5.013 acre tract, to a 5/8" iron rod found, at the Southwest corner of "Tract Two" a called 1.000 acre tract of land described in a deed to Quinton Pearce and Wife, Shirley Pearce, recorded in Instrument No. 205944, Official Public Records of Coryell County, Texas;

THENCE along the South and East line of the said 1.000 acres for the following two courses and distances:

1. S 73° 16' 27" E, 112.94 feet (Deed S 73° 16' 27" E, 112.94 feet), to a 1/2" iron rod with a cap stamped "QE" found;
2. N 19° 22' 19" E, 367.55 feet (Deed N 19° 22' 19" E, 367.55 feet) to a 1/2" iron rod found, in the South line of Circle Vista, described in Instrument No. 087588, Official Public Records of Coryell County, Texas, and at the Northeast corner of the said 1.000 acres tract;

THENCE along the South line of Circle Vista for the following five courses and distances:

Financial Impact:

1. S 49° 47' 29" E, 72.02 feet (Deed S 49° 47' 29" E, 72.02 feet) to a 1/2" iron rod found, at the beginning of a curve to the left;
2. 167.92 feet along the arc of the said curve the left, having a radius of 157.90 feet, and a chord bearing and distance of S 74° 49' 42" E, 160.12 feet to a 1/2" iron rod with cap stamped "QE" found;
3. N 70° 05' 38" E, 161.25 feet (Deed N 70° 05' 38" E, 161.25 feet) to a 3/8" iron rod found, at the beginning of a curve to the right;
4. 32.41 feet along the arc of the said curve to the right, having a radius of 45.56, and a chord bearing and distance of S 83° 32' 53" E, 31.73 feet to a 3/8" iron rod found;
5. S 55° 28' 41" E, 50.96 feet (Deed S 55° 28' 41" E, 50.96 feet) to a 1/2" iron rod with a cap stamped "QE" found at the intersection of the South line of Circle Vista and the West line of Cedar Ridge Road, for the Northeast corner of the herein described tract;

THENCE along the West line of Cedar Ridge Road for the following nine courses and distances:

1. S 39° 35' 12" W, 346.54 feet, (Deed S 39° 35' 12" W, 346.54) to a 1/2" iron rod with a cap stamped "QE" found at the beginning of a curve to the left;
2. 144.62 feet along the arc of the said curve to the left, having a radius of 534.77 feet, and a chord bearing and distance of S 27° 26' 34" W, 144.18 feet, to a 1/2" iron rod with a cap stamped "QE" found;
3. S 16° 24' 28" W, 1,176.71 feet, (Deed S 16° 24' 28" W, 1,176.71 feet) to a 1/2" iron rod with a cap stamped "QE" found;
4. S 33° 12' 12" W, 158.53 feet, (Deed S 33° 12' 12" W, 158.53 feet) to a 1/2" iron rod with a cap stamped "QE" found;

5. S 29° 55' 38" W, 83.98 feet, (Deed S 29° 55' 38" W, 83.98 feet,) to a 1/2" iron rod with a cap stamped "QE" found;
6. S 13° 31' 55" W, 109.49 feet, (Deed S 13° 31' 55" W, 109.49 feet) to a 1/2" iron rod with a cap stamped "QE" found;
7. S 00° 59' 35" W, 206.54 feet, (Deed 00° 59' 35" W, 206.54 feet) to a 1/2" iron rod with a cap stamped "QE" found;
8. S 07° 26' 02" W, 142.39 feet, (Deed S 07° 26' 02" W, 142.39 feet) to a 3/8" iron rod with a red cap found;
9. S 17° 16' 00" W, 618.37 feet, (Deed S 17° 16' 00" W, 618.37 feet) to a cotton spindle found in the center line of Old Osage Road, for the Southeast corner of the herein described tract;  
THENCE N 72° 31' 28" W, 297.38 feet, (Deed N 72° 31' 28" W, 297.38 feet) along the centerline of Old Osage Road and the South line of the said 298.6 acre tract, to a cotton spindle found, at the Southeast corner of a called 4.000 acre tract of land described in a deed to Mr. W. Fireworks, LLC, recorded in Instrument No. 375606, Official Public Records of Coryell County, Texas, for the Southwest corner of the herein described tract;  
THENCE N 02° 21' 09" E, 481.39 feet (Deed N 02° 21' 09" E, 481.39 feet) along the East line of the said 4.000-acre tract, to a 1/2" iron rod with a cap stamped "1519" found, at the Northeast corner of the said 4.000-acre tract and at the Southeast corner of "Tract 3" a called 1.58 acre tract of land described in a deed to Martin Industrial Storage, Inc., recorded in Instrument No. 354541, Official Public Records of Coryell County, Texas;  
THENCE N 10° 07' 02" E, 165.07 feet (Deed N 10° 07' 02" E, 165.07 feet) along the East line of the said 1.58 acre tract, to a 3/8" iron rod with a cap stamped "SHOCKLEY" found at the Northeast corner of the said 1.58 acre tract and the Southeast corner of a called 2.00 acre tract of land described in a deed to Grant's Rental, LLC, recorded in Instrument No. 378992, Official Public Records of Coryell County, Texas;  
THENCE N 00° 35' 20" W, 225.17 feet (Deed N 00° 35' 20" W, 225.17 feet) along the East line of the said 2.00 acre tract, to a 1/2" iron rod with a cap stamped "1519" found, at the Northeast corner of the said 2.00 acre tract and at the Southeast corner of "Tract 2" a called 1.87 acre tract of land described in the said deed to Martin Industrial Storage, LLC;  
THENCE N 00° 31' 25" W, 241.33 feet (Deed N 00° 31' 25" W, 241.33 feet) along the East line of the said 1.87 acre tract, to a 1/2" iron rod with a cap stamped "1519" found, at the Northeast corner of the said 1.87 acre tract and in the South line of "Tract 1" a called 3.81 acre tract pf land described in the said deed to Martin Industrial Storage, LLC;  
THENCE along the common lines between the herein described tract and the said 3.81-acre tract, the following three courses and distances:
  1. N 89° 45' 10" E, 24.56 feet (Deed N 89° 45' 10" E, 24.56 feet) to 1/2" iron rod with a cap stamped "BOWMAN" found;
  2. N 00° 01' 22" E, 299.68 feet (Deed N 00° 01' 22" E, 299.68 feet) to a 1/2" iron rod with a cap stamped "1519" found;
  3. N 89° 34' 54" W, 465.36 feet (Deed N 89° 34' 54" W, 465.36 feet) to a 1/2" iron rod with a cap stamped "BOWMAN" found, in the East line of Highway 36 North Bypass and at the Northwest corner of the said 3.81-acre tract;  
THENCE N 04° 26' 16" W, 406.75 feet (Deed N 04° 26' 16" W, 406.75 feet) along the East line of Highway 36 North Bypass to a 1/2" iron rod with a cap stamped "STATE 28" found, at the Southwest corner of a called 1.50 acre tract described in a deed to Hines, Fambro and Bolfiging, LLC, recorded in Instrument No. 301374, Official Public Records of Coryell County, Texas;  
THENCE departing the East line of Highway 36 North Bypass and along the common lines between the herein described tract and the said 1.50-acre tract, the following three courses and distances:
    1. N 85° 47' 00" E, 408.44 feet (Deed N 85° 47' 00" E, 408.44 feet) to a 3/8" iron rod found;
    2. N 04° 14' 27" W, 159.61 feet (Deed N 04° 14' 27" W, 159.61 feet) to a 3/8" iron rod found;
    3. S 85° 50' 56" W, 408.52 feet (Deed S 85° 50' 56" W, 408.52 feet) to a 1/2" iron rod with a cap

stamped "STATE 28" found, in the East line of Highway 36 North Bypass and at the Northwest corner of the said 1.50-acre tract;

THENCE along the East line of Highway 36 North Bypass and the West line of the herein described tract, the following four courses and distances:

1. N 04° 18' 43" W, 294.28 feet (Deed N 04° 18' 43" W, 294.28 feet), to a mag nail in an 8" post found;
2. N 13° 46' 32" W, 273.89 feet (Deed N 13° 46' 32" W, 273.89 feet), to a TxDOT concrete monument found;
3. N 08° 16' 05" W, 276.67 feet (Deed N 08° 16' 05" W, 276.67 feet), to a 1/2" iron rod found;
4. N 08° 17' 54" W, 189.40 feet (Deed N 08° 17' 54" W, 189.40 feet), to the POINT OF BEGINNING and containing 54.25 acres of land, more or less.

DRAFT

**EXHIBIT B**  
**[Service Plan]**

DRAFT

## **EXHIBIT 'B'**

### **ANNEXATION SERVICE PLAN AGREEMENT**

For land described in Ordinance 2026-08 effective on the date of annexation, the following services are to be provided as set forth below:

#### **1. POLICE PROTECTION**

The City of Gatesville, Texas will provide police protection to the newly annexed tract at the same or similar level of service now being provided to other areas of the City of Gatesville, Texas, with similar topography, land use and population within the newly annexed area.

#### **2. FIRE PROTECTION AND AMBULANCE SERVICE**

The City of Gatesville, Texas will provide fire protection and ambulance service to the newly annexed tract at the same or similar level of service now being provided to other areas of the City of Gatesville, Texas, with similar topography, land use and population with the City of Gatesville.

#### **3. SOLID WASTE COLLECTION AND RECYCLING PROGRAM**

At the present time the City of Gatesville, Texas. is using a designated, specified contractor for collection of solid waste and refuse and a recycling program within the city limits of the City of Gatesville, Texas. Upon payment of any required deposits and the agreement to pay lawful service fees and charges, solid waste collection and recycling program will be provided to citizens in the newly annexed area to the extent that the City's contractor has access to the area to be serviced. Also, periodic community wide roll-off disposal of hazardous household waste will be available.

#### **4. MAINTENANCE OF WATER AND WASTEWATER FACILITIES**

Any and all water or wastewater facilities owned or maintained by the City of Gatesville, Texas, at the time of the proposed annexation shall continue to be maintained by the City of Gatesville, Texas. Any and all water or wastewater facilities which may be acquired subsequent to the annexation of the proposed area shall be maintained by the City of Gatesville, Texas, to the extent of its ownership.

#### **5. MAINTENANCE OF ROADS AND STREETS**

Any and all public roads, streets or alleyways which have been dedicated to the City of Gatesville, Texas, or which are owned by the City of Gatesville, Texas, shall be maintained to the same degree and extent that other roads, streets and alleyways are maintained in areas with similar topography, land use and population density. Any and all lighting of roads, streets and alleyways which may be positioned in a right-of-way, roadway or utility company easement shall be maintained by the applicable utility company servicing the City of Gatesville, Texas, pursuant to the rules, regulations and fees of such utility.

#### **6. MAINTENANCE OF PARKS, PLAYGROUNDS AND SWIMMING POOLS**

The City Council of the City of Gatesville, Texas, is not aware of the existence of any parks, playgrounds or swimming pools now located in the area proposed for annexation. In the event any such parks, playgrounds or swimming pools do exist and are public facilities, the City of Gatesville, Texas, will maintain such areas to the same extent and degree that it maintains parks, playgrounds and swimming pools and other similar areas of the City now incorporated in the City of Gatesville, Texas.

#### 7. MAINTENANCE OF MUNICIPALLY OWNED FACILITY, BUILDING OR MUNICIPAL SERVICE

The City Council of the City of Gatesville, Texas is not aware of the existence of any municipally owned facility, building or other municipal service now located in the area proposed for annexation. In the event any such municipally owned facility, building or municipal service does exist and are public facilities, the City of Gatesville, Texas, will maintain such areas to the same extent and degree that it maintains publicly owned facilities, buildings or municipal services of the City now incorporated in the City of Gatesville, Texas.

#### 8. CAPITAL IMPROVEMENTS

##### A. GENERAL

The City provides water and wastewater treatment facilities and major distribution and collection facilities to areas within the City for which the City is authorized to provide such services (this does not include areas for which a certificate of convenience and necessity has been issued to a special district or other water provider). The City does not extend water distribution or wastewater collection mains at its own cost to new developments as part of its municipal services; instead, property owners are expected to bear such costs. Water and wastewater mains will be extended only on an as needed basis when development applications or subdivision plats that require urban level supporting services are submitted to the City in accordance with the City's subdivision and development ordinances. Once such developments begin to occur, the City also may adopt capital improvements plans for additional treatment or major distribution or collection facilities to serve the area, while property owners must pay for the mains necessary to serve their land.

##### B. POLICE PROTECTION, FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

The City Council of the City of Gatesville, Texas finds and determines it to be unnecessary to acquire or construct any capital improvement for the purpose of providing police protection, fire protection, or emergency medical services. The City Council finds and determines that it has at the present time adequate facilities to provide the same type, kind and level of protection and service which is presently being administered to other areas already incorporated in the City of Gatesville, Texas, with the same or similar topography, land use and population density, without reducing by more than a negligible amount the level of fire, police and emergency services provided within the corporate limits of the City.

### C. WATER FACILITIES

The area to be annexed shall be annexed into the City of Gatesville Certificate of Convenience and Necessity (CCN) and water will be provided by the City. Capital improvements are not necessary to provide full municipal services for water.

- Exception: The 42 lots located on the south side of the property along Cedar Ridge Road as indicated on Exhibit C “Concept Plan with Water Service Lot Summary”. These lots belong to the Mountain WSC.

### D. WASTEWATER FACILITIES

The City Council of the City of Gatesville, Texas, has determined that given the current expected development in the next ten (10) years within the area to be annexed, if such development concerning the extension or expansion of wastewater facilities will be in accordance with the City's utility policies as generally set forth in section 8A of this Plan, in the City's development regulations and the service plan. Upon connection to existing mains, sewer will be provided at rates established by the City.

### E. ROADS AND STREETS

Within 2 ½ years the City of Gatesville, Texas, with a cooperative effort of the City's designated utility company, will undertake to provide the same degree of road and street lighting as is provided in areas of similar topography, land use and population density within the present corporate limits of the City of Gatesville, Texas. Maintenance of properly dedicated roads and streets will be consistent with the maintenance provided by the City to other roads and streets in areas of similar topography, land use and population density as the annexed property. The City has determined that there are no current or proposed developments within the area to be annexed that require construction of supporting collector or arterial streets. As development occurs in the future, developers will be required pursuant to the ordinances of the City of Gatesville, Texas to provide internal and peripheral streets and to construct those streets in accordance with the specifications required by the City of Gatesville, Texas, for street dedication and construction. City participation in capital expenditures will be in accordance with generally applicable city policies. Once urban level developments begin to occur, the City also may adopt road improvements plans to serve the area, and the service plan may be amended under such circumstances. The City may also plan road improvements that are necessary to serve the area being annexed into the City.

### SPECIFIC FINDINGS

The City Council of the City of Gatesville, Texas finds and determines that this proposed Service Plan will not provide any fewer services, and it will not provide a lower level of service in the area proposed to be annexed than were in existence in the proposed area at the time immediately preceding the annexation process.

The City Council of the City of Gatesville, Texas further finds that there are areas within city limits with similar characteristics of topography, land utilization and population density that have service levels similar to those proposed in this service plan. Because of the differing characteristics of topography, land utilization and population density, the service levels which may ultimately be provided in the newly annexed area may differ somewhat from services provided in other areas of the City of Gatesville, Texas. These differences are specifically dictated because of differing characteristics of the property and the City of Gatesville, Texas will undertake to perform consistently with this contract so as to provide the newly annexed area with the same type, kind and quality of service presently enjoyed by the citizens of the City of Gatesville, Texas who reside in areas of similar topography, land utilization and population.

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Travis Nolte

Owner: 301 Cedar Ridge Road, Gatesville, Tx 76528; R B Irvine Survey

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Brad Hunt

City Manager

ATTEST:

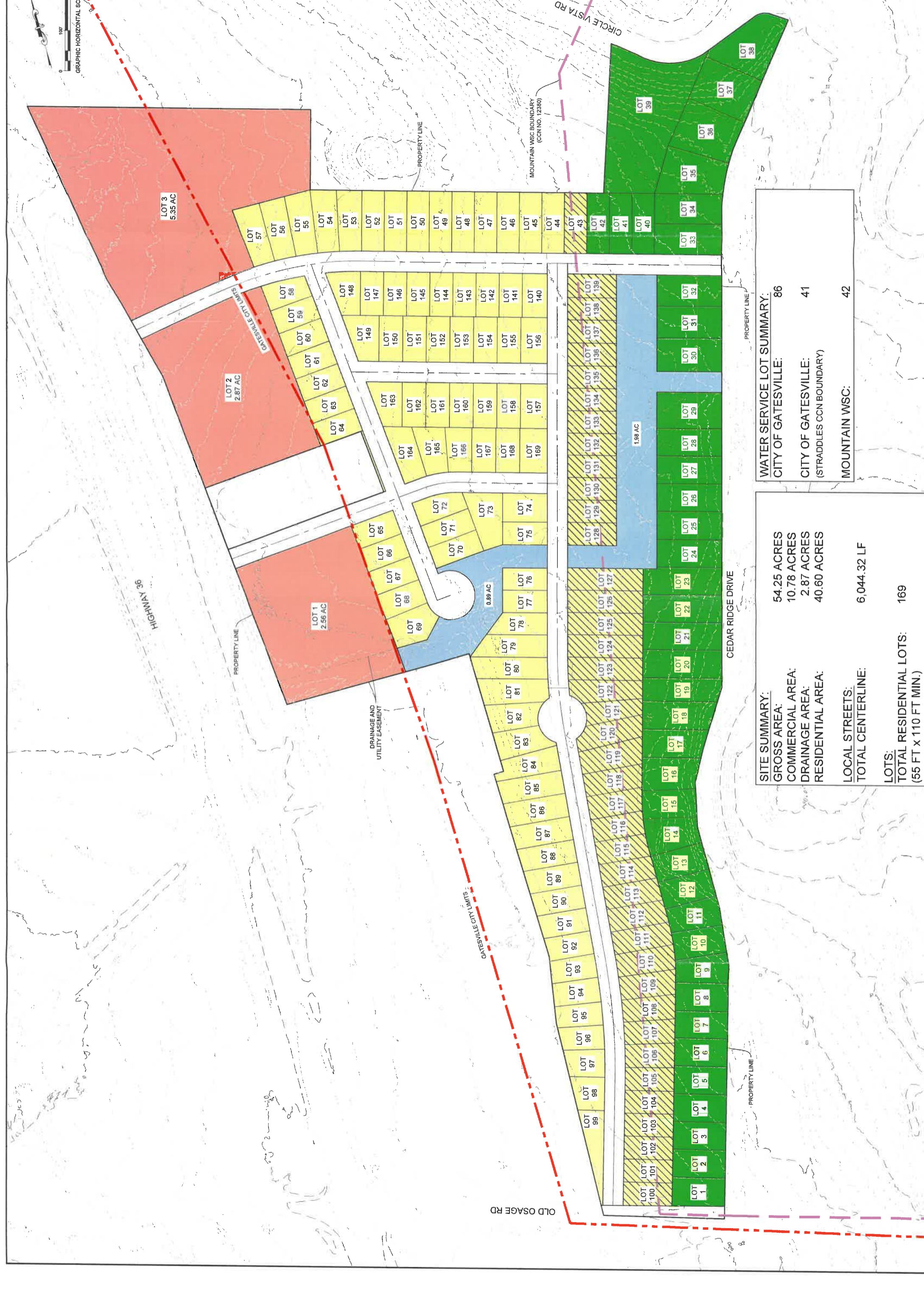
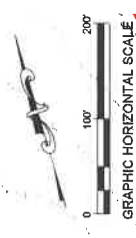
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Holly Owens

City Secretary

**EXHIBIT C**  
**[CCN Water]**

DRAFT



**WATER SERVICE LOT SUMMARY:**

CITY OF GATESVILLE:	86
CITY OF GATESVILLE: (STRADDLES CCN BOUNDARY)	41
MOUNTAIN WSC:	42

**SITE SUMMARY:**

GROSS AREA:	54.25 ACRES
COMMERCIAL AREA:	10.78 ACRES
DRAINAGE AREA:	2.87 ACRES
RESIDENTIAL AREA:	40.60 ACRES
LOCAL STREETS:	6,044.32 LF
TOTAL CENTERLINE:	
<b>LOTS:</b>	
TOTAL RESIDENTIAL LOTS: (55 FT x 110 FT MIN.)	169
TOTAL COMMERCIAL LOT:	3



## CITY COUNCIL MEMORANDUM FOR ORDINANCE

**To: Mayor & Council**

**From: Holly Owens**

**Agenda Item: Discussion and possible action regarding Ordinance 2026-06, Zoning Ordinance.**

The Planning & Zoning Commission recommended Ordinance 2026-06 to City Council on May 4, 2026. City Council conducted the first reading on May 12, 2026, with a request to add corrugated metal to the fencing requirements. Corrugated metal was added to the list of approved materials to specify and address concerns about aesthetics and durability. These changes are addressed starting on page 33 in blue font and will only be allowed in residential zoning (AG, R-SF, R 2-4, R-TH, R-MH). During the second reading, it was requested to remove "High-pressure sodium lights (the traditional yellow/orange streetlight type)" as an option. This is the third and final reading. If approved, it will become effective immediately.

### **Information:**

#### **Article I – Purpose and Intent**

This article outlines the legal foundation and policy goals of the zoning ordinance. The regulations are intended to:

- Promote public health, safety, and general welfare
- Reduce congestion and prevent overcrowding
- Ensure adequate infrastructure such as utilities, roads, and public services
- Align zoning decisions with the City's Comprehensive Plan

It also establishes:

- Repeal of prior conflicting ordinances
- Criteria for zoning changes, including compatibility, infrastructure capacity, and community impact
- Authority of the City Council amending zoning regulations following Planning and Zoning Commission recommendation and public hearings

#### **Article II – Scope**

Defines the applicability of the zoning ordinance, which governs:

- Land use and development
- Building size, height, and placement
- Lot coverage, density, and open space

It clarifies that:

- Specific regulations take precedence over general ones
- More restrictive standards apply when conflicts arise
- The ordinance is intended to benefit the public as a whole

#### **Article III – Administration and Enforcement**

Establishes the administrative structure and enforcement mechanisms, including:

- Appointment of an Administrative Official responsible for enforcement
- Procedures for reporting and investigating violations
- Authority to issue stop-work orders and require corrective action

It also outlines:

- Building permit requirements, including submission of site plans and project details
- Permit expiration timelines (6 months to start construction; 2 years to complete)
- Requirement for a Certificate of Occupancy prior to use or occupancy
- Fee structures for permits and services

#### **Article IV – Definitions**

Provides standardized definitions for key zoning terms to ensure consistent interpretation. This includes:

- Land use categories (e.g., residential types, commercial uses)
- Development terms (e.g., setbacks, lot types, floor area)
- Operational and structural definitions

This section ensures clarity and uniform application of the ordinance.

#### **Article V – Zoning Districts and Map**

Establishes the official zoning map and district classifications. Key provisions include:

- The zoning map is the authoritative source for district boundaries
- Rules for interpreting boundaries (e.g., along streets or property lines)
- Procedures for annexation, including default zoning of newly annexed land as **AG Suburban** unless otherwise designated

The City is divided into multiple zoning districts, including:

- Agricultural and residential categories
- Commercial and industrial districts
- Planned Unit Development (PUD) and overlay districts

#### **Article VI – Nonconforming Uses and Structures**

Addresses existing uses and structures that do not comply with current zoning regulations. Key provisions include:

- Legal nonconforming uses may continue but cannot expand
- Discontinuation of a nonconforming use for 6 months or more results in loss of that status
- Damaged structures:
  - Less than 50% damage may be restored as nonconforming
  - 50% or more damage requires full compliance with current regulations
- Nonconforming structures cannot be enlarged unless brought into compliance
- Illegal uses remain prohibited

The article also outlines enforcement actions and penalties for violations, including fines and legal remedies.

## Article VII – Districts

Establishes the zoning district framework for the City of Gatesville, including district purposes, permitted uses, development standards, and special requirements. The ordinance is based on a pyramid zoning structure, where more intensive districts allow uses from less intensive districts, while development standards are applied based on the specific use.

### Pyramid Zoning Concept

- The City utilizes a hierarchical zoning system where:
  - Lower (more intensive) districts (e.g., Industrial) allow a broader range of uses
  - Higher (less intensive) districts (e.g., Single-Family) are more restrictive
- Development standards are applied based on the actual use, not just the zoning classification



## Article VIII – Off-Street Parking and Off-Street Loading

Purpose (Sec. 8-1): Ensures adequate parking for all new, expanded, or altered uses to improve safety, circulation, and property value.

Location (Sec. 8-2): Parking must generally be on-site but may be located within 300 feet for non-residential or shared uses.

Parking Design (Sec. 8-3 & 8-4): Sets minimum dimensions for different parking types (standard, compact, ADA, etc.) and requires durable, all-weather surfaces.

Calculation Rules (Sec. 8-5): Parking must be increased when uses expand significantly; mixed-use developments must meet combined parking requirements.

Required Parking (Sec. 8-6): Provides detailed minimum parking ratios for a wide range of residential and non-residential uses, including housing, schools, retail, offices, restaurants, industrial, and entertainment uses.

ADA Compliance (Sec. 8-7): Requires accessible parking spaces in accordance with applicable codes, including the IBC.

Vehicle Storage (Sec. 8-8): Regulates storage of inoperable or unlicensed vehicles and allows parking in certain yard areas if properly surfaced.

Loading Requirements (Sec. 8-9): Requires off-street loading spaces for commercial and industrial uses based on building size, with specific standards for location, design, and use.

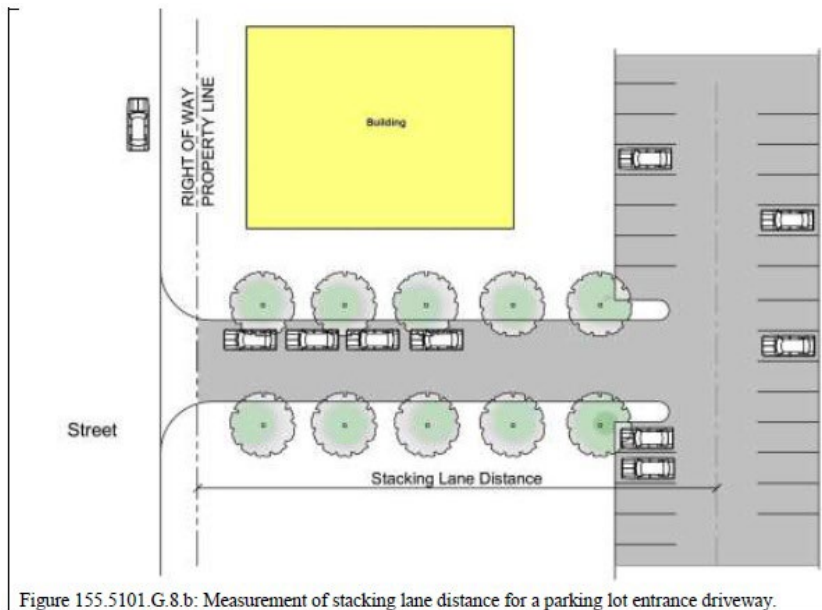


Figure 155.5101.G.8.b: Measurement of stacking lane distance for a parking lot entrance driveway.

### Article IX – Lighting

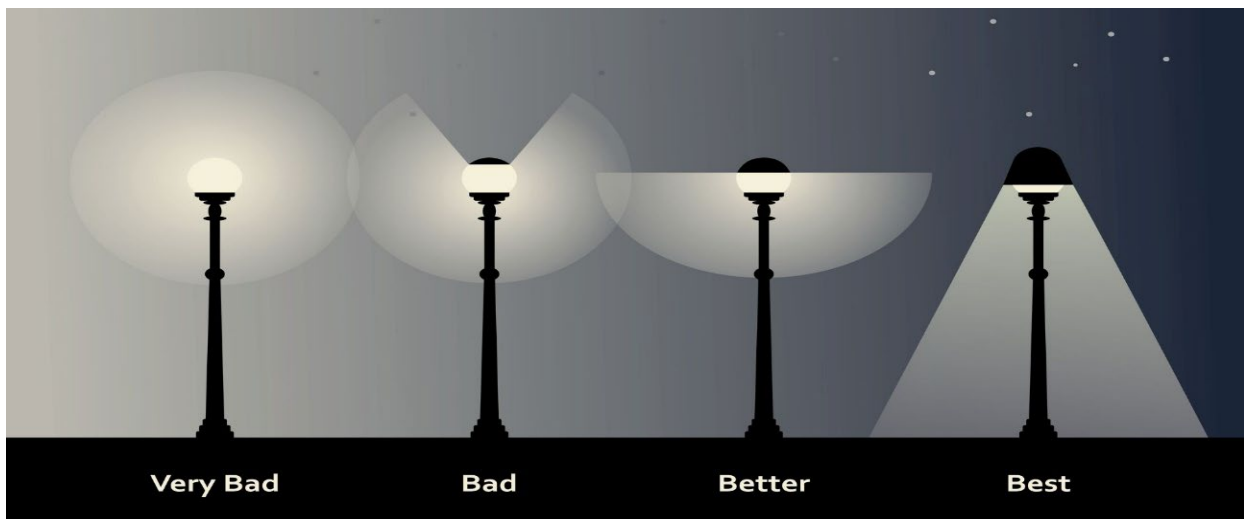
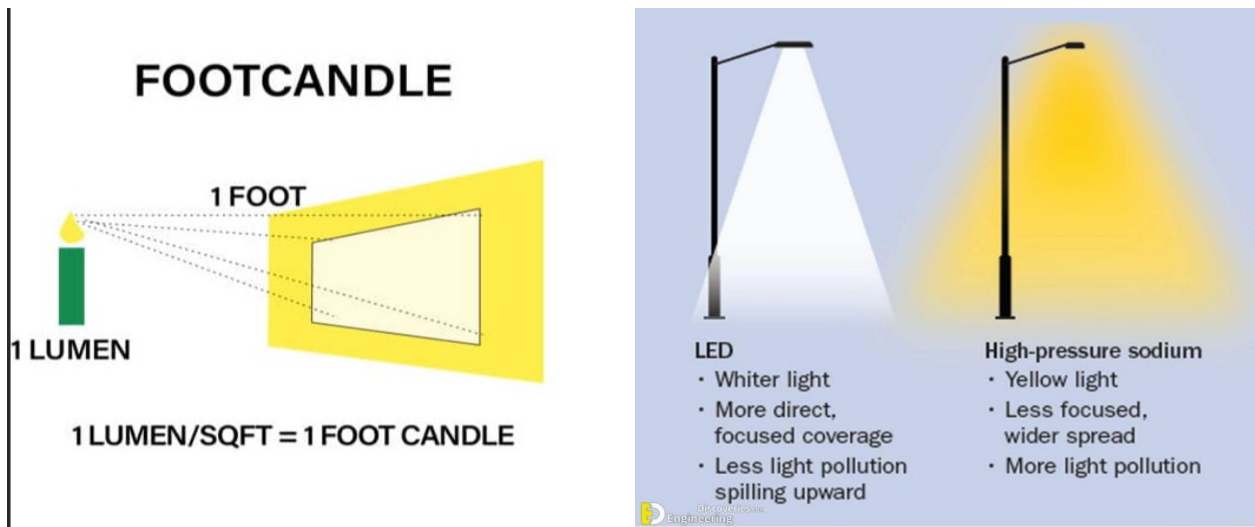
This article is designed to reduce glare impacting drivers and pedestrians, prevent nuisance lighting and light trespass onto adjacent properties, and minimize light pollution.

It also regulates appropriate fixture design and placement, limiting certain high-intensity lighting, and requires shielding or directional lighting. Maximum light levels are established based on the zoning classification of adjacent properties. Lower light levels are required near residential areas, while higher levels are permitted in commercial and industrial areas.

The article also establishes maximum allowable outdoor lighting intensity measured in footcandles. Applicants submitting concept plans, site plans, or building permits must provide:

- Exterior lighting layouts;
- Photometric data and illumination levels;
- Fixture specifications; and
- Additional visual impact studies when requested by the Building Official.

If lighting exceeds the allowable standards, corrective measures may be required by reducing fixture wattage, install shielding, or adding landscaping, berms, or barriers as shown in Article X. Landscaping.



### Article X – Landscaping

Purpose (Sec. 10-1): Promotes aesthetics, environmental benefits, and preservation of natural features. Applies primarily to multi-family, commercial, and industrial districts, with limited requirements for single-family and similar residential uses.

Applicability (Sec. 10-2): Landscaping compliance is triggered by new development, significant remodels, or expansions exceeding 25% of property improvement value.

General Requirements (Sec. 10-3): Typically requires 20% of the lot to be landscaped (may be reduced to 10% with credits). Emphasizes live plant materials, prohibits artificial turf, requires irrigation for nonresidential uses, and encourages drought-tolerant plants.

Location Standards (Sec. 10-4): At least 40% of required landscaping must be in the front yard, with some flexibility in industrial districts.

Credits (Sec. 10-5): Allows reduction in required landscape area through additional plantings (trees, shrubs, drought-tolerant areas), but not below 10% of the lot.

Installation & Maintenance (Sec. 10-6): Requires ongoing maintenance, irrigation access, and replacement of dead plants within specified timeframes.

Residential Requirements (Sec. 10-7): Simpler standards—generally one canopy tree in the front yard, with allowances for site constraints.

Parking Lot Landscaping (Sec. 10-8): Requires trees, landscape islands, perimeter buffers, and irrigation systems; includes standards for spacing, visibility, and credits for landscaped islands.

Nonconforming Sites (Sec. 10-9 & 10-10): Existing developments may remain but must meet minimum landscaping standards when improvements trigger compliance.

Modifications & Relief (Sec. 10-11 & 10-12): Allows administrative adjustments or formal relief through Planning & Zoning Commission and City Council due to site constraints.



Buffering (Sec. 10-12 – duplicate numbering): Requires buffers and additional landscaping when adjacent to residential districts.

Alternative Landscaping (Sec. 10-13): Permits xeriscape/“zero landscape” options (e.g., rock, gravel, mulch) with design, maintenance, and drainage standards, while limiting use of certain materials and preserving key landscaping functions.

**Ordinances that will be repealed with the approval of this ordinance.**

- Ordinance 2024-02 Amending Table IV Height & Area – Zoning
- Ordinance 2024-03 Amend Mobile, Manufactured, Modular Homes
- Ordinance 1998-04 Modular Home Definition
- Ordinance 1995-17 Zoning Ordinance

**Staff Recommendation:**

Staff’s recommendation is to approve Ordinance 2026-06.

Date 6/9/2026

Agenda Item 16

Ordinance 2026-06

**Motion:**

Motion to APPROVE Ordinance 2026-06, creating Chapter 49, Articles I-X Zoning Ordinance, third and final reading.

**Attachments:**

- Draft Ordinance 2026-06 Zoning Ordinance

**ORDINANCE NO. 2026-06**

**AN ORDINANCE OF THE CITY OF GATESVILLE, TEXAS, AMENDING THE GATESVILLE CODE OF ORDINANCES BY AMENDING THE ZONING ORDINANCE; CREATING CHAPTER 49, ARTICLES I-X; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Gatesville is a Home Rule Municipality operating under the laws of the State of Texas; and

**WHEREAS**, the City Council may establish zoning regulations within the corporate limits of the city; and

**WHEREAS**, the zoning ordinance was originally adopted in 1975, (Ordinance 1975-03) and amended in 1995, (Ordinance 1995-17); and

**WHEREAS**, this is an amendment to the Zoning Ordinance, creating Chapter 49; Articles I-X, expressing purpose and intent and setting regulations; and

**WHEREAS**, repealing Ordinance 1995-17, Ordinance 1998-04, Ordinance 2024-02, and Ordinance 2024-03; and

**WHEREAS**, the Planning and Zoning Commission and the governing body of the City of Gatesville, Texas, in compliance with the laws of the State of Texas and the Ordinances of the City of Gatesville, Texas, have given the requisite notices by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all persons interested and in the exercise of its legislative discretion, the City Council has concluded that the Code of Ordinances of the City of Gatesville, Texas, as previously amended, should be further amended as set forth below.

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

**SECTION 1.** The Code of Ordinances of the City of Gatesville is hereby amended by adding Chapter 49 – Zoning Regulations to read in its entirety as follows’

**CHAPTER 49 – ZONING REGULATIONS**

**ARTICLE I. – PURPOSE AND INTENT**

**SEC. 49-1. – Title**

This ordinance shall be known and may be cited as the "Zoning Ordinance of the City of Gatesville, Texas."

SEC. 49-2. Purpose

The zoning regulations published herein have been prepared for the following purposes:

- a. To promote the health, safety, comfort and general welfare of the citizens of the City of Gatesville by lessening congestion in the streets, providing a higher degree of safety from fire, panic, and other dangers, preventing overcrowding and undue concentration of populations, and to facilitate provision of transportation, schools, parks, and public utilities; and
- b. To promulgate fair and uniform guidelines for accomplishing the above; and
- c. To provide implementing instructions for applying and administering these guidelines.

SEC. 49-3. Compliance with Comprehensive Plan

The comprehensive plan provides guidance for future zoning. Zoning regulations adopted pursuant to the comprehensive plan shall be designed to:

- a. Lessen congestion in the streets.
- b. Secure safety from fire, panic, and other dangers.
- c. Promote health and general welfare.
- d. Provide adequate light and air.
- e. Prevent the undue overcrowding of land.
- f. Avoid undue concentration of population.
- g. Facilitate the adequate provision of transportation, water, sewers, schools, parks, and other public requirements.

SEC. 49-4. Repeal, Severability, and Suppression

49-4.1. Repeal

Ordinance 1995-17 original adoption of the Zoning Ordinance are hereby repealed.

49-4.2. Severability

All other ordinances or parts of ordinances in conflict are hereby repealed to the extent of said conflict.

49-4.3. Supersession

These rules supersede any conflicting Ordinances or regulations of the City.

SEC. 49-5. Declaration of Policy

The City declares the enactment of these regulations governing the use and development of land, buildings, and structures as a measure necessary to the orderly development of the community. Therefore, no change shall be made in these regulations or in the boundaries of the zoning districts except:

- a. To correct any errors in the regulations or map.
- b. To recognize changed or changing conditions or circumstances in a particular locality.
- c. To recognize changes in technology, the style of living, or manner of conducting business.
- d. To change the property to uses in accordance with the approved Comprehensive Plan.

#### 49-5.1 Review Criteria

In making a determination regarding a requested zoning change, the Planning and Zoning Commission and City Council should consider the following factors:

- a. Whether the uses permitted by the proposed change will be appropriate in the immediate area concerned and their relationship to the general area and the City as a whole.
- b. Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other utilities to the area, and shall note the findings.
- c. The recent rate at which land is being developed in the same zoning classification as the request, particularly in the vicinity of the proposed change.
- d. How other areas designated for similar development will be, or are unlikely to be, affected if the proposed amendment is approved.
- e. Any other factors which will substantially affect the public health, safety, or general welfare.

#### 49-5.3 Compliance with the Comprehensive Plan

If a zoning amendment is inconsistent with the Comprehensive Plan, the burden of proof is on the applicant requesting the zoning amendment to demonstrate that there has been a significant change in condition from the time the Comprehensive Zoning Plan was developed that would merit the amendment. If it has been established that there has been a significant change in condition and the change is deemed to not have a detrimental impact upon the surrounding area, the change in zoning should still be based upon guidelines found in the Comprehensive plan.

### SEC. 49-6. Authority to Amend this Ordinance

#### 49-6.1 General

The City Council may from time to time, after receiving a recommendation thereon by the Planning and Zoning Commission and after public hearings required by law, amend, supplement, or change the regulations herein provided or the boundaries of the zoning districts specified on the zoning map.

49-6.1.1 Any amendment to the zoning ordinance text or to zoning district boundaries may be ordered for consideration by the City Council, may be initiated by the Planning and Zoning Commission, or may be requested by the owner of real property (or his/her authorized representative).

#### 49-6.2 Application / Formal Submittal

##### 49-6.2.1 Zoning Changes (no exhibit required)

An application for a change of zoning classification by a property owner shall be submitted on forms prepared by the City and shall be accompanied by the following:

- a. An application form signed by the owner(s) of all property within the area of request and notary acknowledgment of all signatures.
- b. On unplatted properties, a boundary survey shall be provided with a metes and bounds description and with all improvements shown. This survey shall be performed by a public

surveyor registered in the State of Texas. Platted properties shall provide the lot, block, subdivision and phase description for each lot requesting a change in zoning.

- c. Any documents, such as studies, drawings, exhibits, or other ordinance requirements, in sufficient size and number, as set forth in the most current submittal policies and any reasonable information requested by the Administrative Official to assist the City in its review of the application.
- d. Any application submitted after a submittal deadline will be processed at the next applicable submittal deadline.
- e. An application will not be forwarded to the Planning and Zoning Commission and the City Council or advertised for any required public hearings until it meets the criteria of a formal submittal.

#### 49-6.2.2 Zoning Changes (requiring exhibits)

An application for a change in zoning classification by a property owner shall be accompanied by a concept plan, development plan, or site plan as required by this ordinance or any other ordinances of the City.

#### 49-6.2.3 Text Amendment

An owner, lessee, developer or option holder of real property within the City may file an application for an amendment to the text of this ordinance. The application shall be accompanied by any reasonable information requested by the Administrative Official to assist the City in its review of the application.

#### 49-6.2.4 Application Fee

Every application shall be accompanied by the appropriate submittal fee as established by the City, and under no condition shall said fee or any part thereof be refunded for failure of such amendments to be enacted into law.

### 49-6.2 Delinquent Debts and Obligations

No person who owes delinquent taxes, delinquent paving assessments, impact fees, or any other delinquent debts, liens, or obligations to the City and which are directly attributable to a piece of property requested for zoning shall be allowed to submit a zoning request until the taxes, assessments, debts, or obligations directly attributable to said property and owed by the owner or previous owner thereof have been first fully discharged by payment, or until an arrangement satisfactory to the City has been made for the payment of such debts or obligations. It shall be the applicant's responsibility to provide evidence or proof that the taxes have been paid.

### 49-6.3 Failure to Appear

Failure of the applicant or their authorized representative to appear before the Planning and Zoning Commission, or City Council for more than one hearing without an approved delay by the Code Official shall constitute sufficient grounds for the Planning and Zoning Commission or the City Council to table or deny the application unless the Code Official is notified in writing by the applicant at least seventy-two (72) hours prior to the hearing.

Secs. 49-7. — 49-10. - Reserved.

## ARTICLE II. – SCOPE

SEC. 49-11. Scope

The provisions of this code shall apply to the construction, addition, alteration, moving, repair, and use of any building, structure, parcel of land or sign within the City, except work located primarily in a public way, public utility towers and poles and public utilities, unless specifically mentioned in this code. This includes but is not limited to:

- a. The height, number of stories, bulk and size of buildings and other structures.
- b. The percentage of a lot that may be occupied.
- c. The size of yards, courts, and other open spaces.
- d. Population density.
- e. The location and use of buildings, other structures, and land for business, industrial, residential, or other purposes; and

49-11.1.

In the case of designated places and areas of historical, cultural, or architectural importance and significance, the City Council may regulate the construction, reconstruction, alteration, or raising of buildings and other structures.

49-11.2.

Where there is conflict between a general requirement and a specific requirement, the specific requirement shall be applicable. Where, in any specific case, different sections of this code specify different requirements, the more restrictive shall govern. If any portion of this code is held invalid for any reason, the remaining herein shall not be affected.

49-11.3.

In fulfilling these purposes, this ordinance is intended to benefit the public as a whole and not any specific person or class of persons. Although, through the implementation, administration and enforcement of this code, benefits and detriments will be enjoyed or suffered by specific individuals, such is merely a byproduct of the overall benefit to the whole community. Therefore, unintentional breaches of the obligations of administration and enforcement imposed on the City hereby shall not be enforceable in tort.

Secs. 49-12. — 49-15. - Reserved.

ARTICLE III. – ADMINISTRATION AND ENFORCEMENT; BUILDING PERMITS AND CERTIFICATE OF OCCUPANCY

SEC. 49.16. Administration and Enforcement

The Administrative Official appointed by the City Manager shall administer and enforce this ordinance. He shall be provided with the assistance of such other persons or consultants as the City Council may direct. If the Administrative Official shall find that any of the provisions of this ordinance are being violated, he shall notify in writing the landowner or person responsible for the violation indicating the nature of the violation and ordering the action necessary to correct it. He shall order discontinuance of any illegal use of land, buildings, or structures; removal of illegal buildings or structures or of illegal additions, alterations or structural changes; discontinuance of any illegal work being done; or shall take any other action authorized by this ordinance to ensure compliance with or to prevent violation of its provisions.

### SEC. 49-17. Complaints Regarding Violations

Whenever a violation of this ordinance occurs, or is alleged to have occurred, any person may file a written complaint with the Administrative Official, such complaint stating fully the causes and basis thereof. The Administrative Official shall properly record such complaint, investigate in a timely manner and take appropriate action thereon as provided by this ordinance. The Administrative Official, or his duly authorized representative, shall have the right to enter upon any premises in the City at reasonable times for the purpose of making inspections of buildings or premises necessary to carry out the enforcement of this ordinance.

### SEC. 49-18. Permits and Approvals

#### 49-18.1 General

Departments, officials, and employees which are charged with the duty or authority to issue permits or approvals shall issue no permit or approval for uses or purposes where the same would be in conflict with this code. Any permit or approval, if issued in conflict with this code, shall be considered null and void.

##### 49-18.1.1 Application for Building Permit

All applications for building permits shall be accompanied by plans in duplicate drawn to scale showing the actual dimensions and shape of the lot to be built upon, the exact sizes and locations on the lot of buildings already existing, if any, and the location and dimensions of the proposed building or alteration. The application shall include such other information as lawfully may be required by the Administrative Official, including existing or proposed buildings or alteration, existing or proposed uses of the building and land, the number of families, housekeeping units, or rental units the building is designed to accommodate, conditions existing on the lot, and such other matters as may be necessary to determine conformance with and provide for the enforcement of this ordinance.

The copy of the plan shall be returned to the applicant by the Administrative Official, after he shall have marked such copy either as approved or disapproved and attested to same by his signature on such copy. The original plan, similarly marked, shall be retained by the Administrative Official.

#### 49-18.2 Expiration or Cancellation

Each license, permit or approval for which the Planning and Zoning Commission and Building Standards Commission is responsible, the Code Official shall require that the development or use in question proceed only in accordance with the terms of such license, permit or approval, including any requirements or conditions established as a condition of issuance. Except as specifically provided for in this code and conditions for approval, the securing of one required review or approval shall not exempt the recipient from the necessity of securing any other required review or approval.

If actual construction of the work described in any building permit has not begun within six (6) calendar months from the date of issuance thereof, said permit shall expire; it shall be

cancelled by the Administrative Official; and written notice thereof shall be given to the original applicant at the address given in such application. Actual construction is hereby defined to include the placing of construction materials in permanent position and fastened in a permanent manner; except that where demolition or removal of an existing building has been substantially begun preparatory to rebuilding, such demolition or removal shall be deemed to be actual construction, provided that work shall be diligently carried on until completion of the building involved. If the work described in any building permit has not been completed within two years of the date of issuance or extension thereof, said permit shall expire and be cancelled by the Administrative Official, and written notice thereof shall be given to the persons affected, together with notice that further work as described in the cancelled permit shall not proceed unless and until a new building permit has been obtained.

#### 49-18.3 Certificate of Occupancy Required for New, Altered, and Changed Uses

It shall be unlawful to use or occupy or permit the use or occupancy of any premises or any building or structure, or any part thereof which is hereafter erected, reconstructed, altered, enlarged or moved onto any premises until a certificate of occupancy shall have been issued therefore by the Administrative Official stating that the proposed use of the building or land conforms to the requirements of this ordinance, as well as ordinances relating to the health laws, building codes, electrical and plumbing codes, and other development and health and safety ordinances of the city.

- a. A temporary certificate of occupancy may be issued by the Administrative Official for a period not exceeding six (6) months during the alteration or partial occupancy of a building pending its completion, provided that such temporary certificate includes such conditions and safeguards as will protect the safety of the occupants and the public.
- b. The Administrative Official shall maintain a record of all certificates of occupancy, and a copy shall be furnished upon request to any person.
- c. Failure to obtain a certificate of occupancy shall be a violation of this ordinance.

#### SEC. 49-19. Fees

##### 49-19.1 Fees

A fee for services shall be charged. Fees shall be set by the City and schedules shall be available at the office of the Code Official and located in Chapter 18 of the Code of Ordinances.

Secs. 49-20. — 49-25. - Reserved.

#### ARTICLE IV. – DEFINITIONS

##### SEC. 49-26. General Rules

For the purpose of this ordinance certain terms and words are defined in the following sections. Words used in the present tense include the future; words in the singular number include the plural, and words in the plural number include the singular. The words "shall" and "will" are used interchangeably throughout the code and are mandatory, and not directory. The word "should"

indicates an action that is required unless affirmatively proven unnecessary. The word “may” indicates a suggested, but not required, action. The word "structure", includes the word "building." The words "used" or "occupied" include the words "intended," "designed," or "arranged to be used or occupied." The word "lot" includes the words "plot," "parcel" or "tract" as used in their common meanings. Words not defined herein shall have the common meanings ascribed to them by usage unless other means are clear from their context of use.

**49-26.1 Terms defined in other codes**

Where terms are not defined in this code and are defined in other codes such as but not limited to all the International Code Council Books, such terms shall have the meanings ascribed to them as in those codes.

**49-26.2 Terms not defined**

Where terms are not defined through the methods authorized by this section, such terms have ordinarily accepted meanings such as the context implies.

**SEC. 49-27. Definitions**

**Accessory Building or Use** - A subordinate building having a customarily incidental use to the principal use of a property located on the same lot as the principal use, (i.e., detached garages, sheds, and home occupations) and not for habitable use.

**Alley** - A minor right-of-way, dedicated to public use more than ten (10) feet, but less than twenty (20) feet in width, which affords a secondary means of vehicular access to the back or side of properties otherwise abutting a street, and which may be used for public utility purposes.

**Alteration** - Any change, addition or modification in construction, occupancy, or use.

**Amusement Center** - Any building, room, place or establishment of any nature or kind and by whatever name called, where more than ten percent (10%) of the public floor area is devoted to or five (5) amusement devices operated for a profit, whether the same be operated in conjunction with any other business or not, including but not limited to such amusement devices as coin-operated pinball machines, video games, electronic games, shuffle boards, pool tables or other similar amusement devices. Provided, however, the term "amusement device", as used herein, shall not include musical devices, billiard tables which are not coin-operated machines designed exclusively for children and devices designed to train persons in athletic skills or golf, tennis, baseball, archery or other similar sports.

**Apartment Building** – See “Dwelling, Multiple Family” in General Definition.

**Apartment, Garage** - A dwelling unit designed or constructed as a part of a private garage.

**Apartment, Hotel** - An apartment house which is furnished for the use of its tenant’s service ordinarily furnished by hotels, but the privileges of which are not primarily available to the public.

**Art Gallery or Museum** - An institution for the collection, display and distribution of objects of art or science, and which is sponsored by a public or quasi-public agency and which facility is open to the general public.

**Artificial Plants** - a manufactured or assembled representation of live plant material constructed from man-made material for the purpose of closely resembling live plant material and to be used as a substitute to live plant material.

**Atmospheric Pollution** - The discharging of stacks, open storage, chimneys, exhaust, vents, ducts, openings, or open fires of such air contaminants as defined by the Texas Air Quality Act.

**Automobile and Trailer Sales Area** - An area other than a street, used for the display, sale, or rental of new or used automobiles, trucks or trailers, where no repair work is done, except minor reconditioning of motor vehicles or trailers to be displayed, sold or rented on the premises. Such area shall not include automobile wrecking or dismantling or the sale of salvage parts.

**Auto Wrecking** - See Wrecking or Auto Salvage Yard.

**Background Noise** - Noise from all sources other than that under specific consideration including traffic operating on public thoroughfares.

**Basement** - Any floor of a building which is partly or entirely below ground level.

**Billboard (Outdoor Advertising Sign)** - Any advertising structure, bearing a sign, which structure is erected upon the ground or on a building, or any sign attached or painted on a building, which sign is neither appurtenant to the use of the property or a product sold thereon, not to the sale or lease of the property on which displayed, and which does not fall within the definition of a Business Identification Sign.

**Boarding or Rooming House** - A dwelling, other than a hotel, where lodging and/or means for two (2) or more persons are provided for compensation, pursuant to previous arrangements for definite periods, but not to the public or transient.

**Bollard luminaire** - a luminaire on a pole not over 42 inches in height designed to project light below a horizontal plane running through the top of the fixture.

**Building** - Any structure used or intended for supporting or sheltering any use or occupancy.

**Building Code** - The International Building Code promulgated by the International Code Council, as adopted by the City.

**Building Ends** - Those sides of a building having the least dimension as compared to the front or rear of a building. As used herein for the building spacing regulations for multiple-family dwelling, a building end shall be interpreted as being the narrowest side of a building regardless of whether it fronts upon a street, faces the rear of the lot or is adjacent to the side lot line or another building.

**Building, Height of** - The vertical distance from the average line of the highest and lowest points of that portion of the lot covered by the building to the highest point of coping of a flat roof, or to the deck-line of a mansard roof or to the average height of the highest gable of a pitched or hipped roof.

Building Line - A line parallel or approximately parallel to the street line or lot line, beyond which buildings may not be erected.

**Building Main - A building in which the principal use of the site is conducted.**

Building Official - The inspector or administrative official, deputized by the Zoning Official, who is/are charged with the responsibility to enforce the zoning and building codes of the city. Such individuals shall be responsible for the approval of building/construction permits.

**Caliper - the diameter of the trunk of a tree measured 12 inches above the ground.**

**Candela – the unit of luminous intensity in a given direction. It is commonly called candlepower.**

**Canopy - A roofed structure constructed of fabric or other material supported by the building or by support extending to the ground directly under the canopy placed so as to extend outward from the building providing a protective shield for doors, windows and other openings.**

**Canopy tree - a perennial woody plant single or multiple trunks, contributing to the uppermost spreading branch layer of a forest and may be commonly referred to as a shade tree.**

**Cargo Container - An all-steel container with strength to withstand shipment, storage, and handling. Such containers include reusable steel boxes, freight containers and bulk shipping containers; originally a standardized reusable vessel that was designed for and used in the parking, shipping, movement, transportation or storage of freight, articles or goods or commodities; generally capable of being mounted or moved on a rail car, truck trailer or loaded on a ship.**

**Carport - A structure open on a minimum of two (2) sides designed or used to shelter not more than three (3) vehicles and not to exceed twenty-four (24') feet on its longest dimension. Also called "covered parking area."**

**Car Wash - A building designed to be used for cleaning vehicles, either automatic or manual. May be installed at other vehicle type service establishments such as service stations or oil change facility as an accessory use as long as the Industrial Waste Ordinance is complied with.**

**Certificate of Occupancy - An official certificate issued by the City through the Building Official which indicates conformance with the zoning regulations and building codes and authorizes legal use of the premises for which it is issued; may be referred to as an Occupancy Permit.**

**Charity/Philanthropy - Non-religious, non-profit institutions of charitable or philanthropic nature.**

**Clinic - A building in which a group of physicians, dentists, and allied professional assistants are associated with treating and diagnosing ill or injured out-patients. A clinic may include a dental or medical laboratory or a dispensing apothecary.**

**Club or Lodge - A building or portion thereof or premises owned or operated by a corporation, association, person or persons for a social, educational or recreational purpose, but not primarily for profit or to render a service which is customarily carried on as a business.**

Code Compliance Official - The person(s) deputized by the Code Official, who is/are charged with the responsibility to enforce the ordinances of city through the use of fines, liens, and other such enforcement measures that the City finds appropriate.

Commission - an official group or board created by a government or organization to perform a specific function, study an issue, or make decisions.

- a) Planning and Zoning Commission
- b) Building Standards Commission

Common Area - Private property owned in common by, and designated for the private use of, the owners or occupants of townhouses in a particular project or subdivision. Common area uses include, but are not limited to, recreation areas, parks and plazas, ornamental areas open to the general view within the project or subdivision, and building setbacks not otherwise required by ordinance. The common area does not include public streets, alleys, required building setbacks or utility easements.

Community Center - A building dedicated to social or recreational activities, serving the City or a neighborhood and owned and operated by the City, or by a non-profit organization dedicated to promoting the health, safety, morals or general welfare of the City.

Community Home - A community based residential home operated by either State, a non-profit corporation, a community center organized pursuant to State statute, or an entity which is certified by the State as a provider for a program for the mentally handicapped. A home that provides care for persons who have mental and/or physical impairments which substantially limit one or more major life activities.

Comprehensive Plan - as authorized by *Texas Local Government Code Chapter 213*, is a document composed of coordinated, long-range policies intended to guide the physical development of a municipality and its extraterritorial jurisdiction. The plan may include, but is not limited to, provisions on land use, transportation, public facilities, and other elements necessary to promote sound planning and orderly growth. Under Texas law, the comprehensive plan serves as a policy guide for future development and the adoption of zoning regulations “in accordance with” the plan, thereby supporting the public health, safety, and general welfare of the community.

Conditional Use - A privileged use or development of property which would not be appropriate generally or without restrictions, but which would become harmonious or compatible with neighboring uses through the application and maintenance of qualifying conditions provided that the development would promote the public health, safety, welfare, order, comfort, convenience, appearance, or prosperity of the community as a whole.

Condominium - The same as an apartment except that the tenant has the option of obtaining title of ownership of the dwelling space and physical interior of the dwelling space. The building's owner retains title to the building frame, the building physical exterior, and all physical service facilities and ways of the building which are not part of the physical interior described above, and the land on which the building is located. Restrictive covenants ensure that the functional and

environmental conditions of the interior of each dwelling unit are maintained to the extent that the value of all the other dwelling units in the same building is protected.

Convalescent Home - Any structure used for or occupied by persons recovering from illness or suffering from the infirmities of old age.

Correlated Color Temperatures are Color temperature identified in the unit of absolute temperature, the kelvin, having the unit symbol K:

- Color Temperatures over 4,301 K and above are called cool colors (blueish/white)
- Color Temperature at 3,000K to 4,300K are called neutral colors
- Color Temperatures at 2,999 are below are called warm colors (yellowish white through red).

Council - The City Council of the City of Gatesville, (Governing Body)

Court - An open, unoccupied space, bounded on more than two sides by the walls of a building. An inner court is a court entirely surrounded by the exterior walls of a building. An outer court is court having one side open to a street, alley, yard, or other permanent space.

Coverage - The percentage of a lot or tract covered by the roof or first floor of a building. Roof eaves to the extent of one (1) foot from the walls of a building shall be excluded from coverage computations.

Crushed Granite - Angular rock material produced by mechanically crushing granite into small, uniform pieces, typically used as a stable ground cover for landscaping. Crushed granite compacts well and provides a firm surface suitable for pedestrian areas and ground cover applications.

Customarily Incidental Use - A use of a building or premises, not involving the conduct of a business, which use is only secondary to the principal use and is necessary to the enjoyment of the premises for any of the principal uses permitted within a zoning district. A customarily incidental use may include a customary home occupation.

Day Care Center - An agency at which four or more children, under age sixteen and not related to the proprietor, are left for care a part of the twenty-four hours of the day.

Decomposed Granite - Naturally weathered granite that has broken down into smaller particles ranging from fine sand to small gravel. Decomposed granite may be stabilized or compacted to create a firm; permeable surface commonly used for pathways and landscape coverage.

Decorative Gravel or Stone - Loose, non-compacted aggregate materials of various sizes, colors, and textures used for aesthetic landscaping purposes, including but not limited to pea gravel, limestone, or other natural stone products.

Density - The number of dwellings units that are allowed on an area of land not to include dedicated streets contained within the development.

Development Controls - All or any part of those regulations that establish minimum yards, setbacks, or open space; limit height, or location of buildings or other structures; or regulate the placement or operation of facilities or equipment.

**Diffusing Luminaires** - a luminaire that scatters light substantially in all directions as contrasted with a directional luminaire which confines its light principally in an angle of less than 180 degrees.

**District** - A Zoning District; a section of the City for which the requirements governing the area, height, and use of buildings and land are uniform.

**Drive-In Restaurant** - Any eating establishment which either serves food to occupants of parked automobiles or offers facilities that would encourage patrons to eat in parked vehicles.

**Driveway** - A private access road, the use of which is limited to persons residing, employed, or otherwise using or visiting the parcel in which it is located.

**Dumpster Enclosure** - An outdoor structure that encloses a dumpster and provides organized and secure access for employees to safely dispose of their trash. It hides your dumpster from public view and ensures your property remains clean and aesthetically pleasing.

**Duplex** – A building containing two and only two dwelling units with an attached roof.

**Dwelling, Attached Single-Family** - An attached dwelling unit with kitchen and sleeping facilities, designed for occupancy by one family. See “Townhouse” in Use Definitions.

**Dwelling Detached** - A building containing a dwelling unit and not connected to any other building containing a dwelling unit.

**Dwelling, Doublewide Mobile Home** - A building completely assembled in two sections at the factory and designed to be transported and joined together at the building site, on a permanent foundation, with all utility connections that are available. Designed, built, and installed in accordance with all federal, state, and local laws, regulations, and ordinances.

**Dwelling, Mobile Home** – also known as a house trailer, park home trailer, or trailer home which is a prefabricated structure, built in a factory on a permanently attached chassis before being transported to site.

**Dwelling, Modular Home** - A building prefabricated at the factory and designed to be transported in room size sections, with all plumbing and electrical installed so that sections can be joined together at the building site to form a finished product and placed on a permanent foundation.

**Dwelling, Multiple Family** - A building or portion thereof designed for occupancy by three or more families living independently in which they may or may not share common entrances and/or other spaces. Individual dwellings units may be owned as condominiums or offered for rent.

**Dwelling, Two Family** - A structure designed or arranged with two attached dwelling units to be occupied by two families living independently. Also known as a “duplex”

**Dwelling Unit** - Any building or portion thereof designed or providing complete, independent living facilities for one or more persons, including permanent provision for living, sleeping, eating, cooking and sanitation.

Easement - That portion of land or property reserved for present or future use by a person or agency other than the legal owner(s) of the property. The easement shall be permitted to be for use under, on or above said lot or lots.

E-cigarettes/Vape Shop – a retail store that sells electronic cigarettes (e-cigarettes), also called vapes, and related products such as e-liquids, devices, batteries, and accessories.

Face of Building, Primary - The wall of a building fronting a street right-of-way, excluding and appurtenances such as projecting fins, columns, pilasters, canopies, marquees, showcases or decorations.

Family - One or more persons who are related by blood or marriage, living together, and occupying a single dwelling unit, or a group of not more than 5 persons living together by joint agreement and occupying a single dwelling unit.

Family Home - A home that provides care for persons who have mental and/or physical impairments which substantially limit one or more major life activities.

Flagstone - Flat stone, concrete units, brick, or similar materials installed to create walkways, patios, or ground cover surfaces that allow for water infiltration or drainage. Permeable hardscape systems are designed to reduce runoff by allowing water to pass through or between the materials.

Floodlight - a luminaire designed to project its light in a defined area. It is directional in character.

Floodlight beam - the angular spread of light between two orthogonal planes each of which equal ten percent of the maximum candlepower within the beam.

Flood Plain - An area of land subject to inundation by a 100-year frequency flood as determined using standard engineering practices and generally as shown on the FIRM (Flood Insurance Rate Map).

Floor Area, Gross - The sum of the horizontal areas of floors of a building measures from the exterior face of exterior walls or, if appropriate, from the center line of dividing walls, this includes areas covered by a roof such as courts, decks, or porches.

Floor Area, Net - The gross floor area exclusive of vents, shafts, courts, elevators, stairways, exterior walls, and similar facilities.

Floor Area, Ratio (FAR) - The ratio between the total square feet of floor area in a structure and the total square feet of land within the lot or tract on which the structure is located.

Footcandle - the amount of illumination provided by one lumen uniformly distributed on one square foot of surface.

Footlambert - the luminance of a surface uniformly emitting, transmitting, or reflecting one lumen per square foot of surface.

Franchised Private Utility - A private utility requiring a franchise to operate in the City.

Frontage, Block - All the property on one side of a street between two intersecting streets (crossing or terminating), measured along the line of the street, or if the street is dead ended, then all of the property abutting on one side between an intersecting street and the dead end of the street.

Garage, Private - An accessory building for private storage of motor vehicles.

Garage, Public - A building or portion thereof designed or used for the storage, sale, hiring, care or repair of motor vehicles, which is operated for commercial purposes.

Glare - light emitting from a luminaire with an intensity great enough to reduce a viewer's ability to see.

Grade - (Adjacent Ground Elevation). The lowest point of elevation of the existing surfaces of the ground, within the area between the building and a line 5 feet from the building.

Grasses - thin and broad-bladed surface material typically planted from seed, sprigs, or plugs with the intention of providing a uniform and aesthetic groundcover very close to the surface of the ground.

Green House - A building or portion thereof designed or used for the sale of plant material, and the incidental sale of material and products intended chiefly for use with home gardening activities.

Groundcover - consists of low-growing, dense-spreading plants typically planted from containers.

Gym – Private Owned - A building designated to be used for athletic body conditioning or specialized training for athletic, self-defense or similar type events. Either associated with a private club or open to the public.

Habitable Space (Room) - Space in a dwelling unit for living, sleeping, eating, or cooking. Bathrooms, toilet compartments, closets, halls, storage or utility space, garages, and similar areas are not considered habitable space.

Hemp Shop – retail store that legally sells products derived from the hemp plant, which are legally distinct from products containing high levels of THC from marijuana.

Home Occupation - Any occupation or activity which is clearly incidental and secondary to the use of premises for dwelling purposes, is carried on wholly within the dwelling, and is not detrimental or injurious to the economic or aesthetic value of adjoining properties to the neighborhood as a whole. Customary home occupations shall not include barber shops, beauty shops, carpenters, electricians, or plumbers' shops, radio shops, tin-painting, furniture repairing, sign painting, or any form of merchandising activity.

Hotel - A building in which lodging or boarding is provided and offered to the public for compensation and in which ingress and egress to and from all rooms is made through an inside lobby or office supervised by a person in charge at all hours. As such, it is open to the public in contrast to a boardinghouse, a lodging-house, or an apartment.

Hydromulch - a planting process by which seed, water, fertilizer, fiber mulch, and sometimes

lime are blended together in a tank and applied onto a prepared lawn area. This process is also known as hydraulic mulch seed, hydromulching, and hydroseeding.

Illumination - the density of the luminous flux (lumens) incident on the surface. It is the quotient of the luminous flux divided by the area of the surface, expressed in foot candles.

Infrastructure - For the purpose of these regulations, infrastructure shall refer to the basic installations and facilities on which the continuance and growth of the community depends such as streets, roads, transportation systems, communications systems and basic utilities such as water, sewer, gas and power.

Interpretation - A determination of the meaning of zoning controls or their application, or a determination of the location of zoning district boundaries, expressed as a Planning and Zoning ruling which becomes a permanent guide in the enforcement of the Zoning Ordinance.

Irrigation system - a method of conveyance and application of water to live plant material for the purpose of maintaining said plant material in a live and healthy condition.

Landscaping - The finishing and adornment of unpaved yard areas. Materials and treatment generally include naturally growing elements such as grass, trees, shrubs and flowers. This treatment shall be permitted to include the use of ornamental logs, rocks, fountains, water features and contouring of the earth.

Landscape area - consists of an area included in and around a development site that has been planned to complement the development site with natural grass, groundcover, trees, or other natural plant materials.

Kennel - Any lot or premises on which four or more dogs, cats, or other domestic animals, at least four months of age, are housed or accepted for boarding, trimming, grooming, or bathing for which remunerations are received.

Kitchen - Any habitable space (room) or portion thereof within a building designed and intended to be used for the cooking or preparation of food.

Light source - a device (such as a lamp) which produces visible energy as distinguished from devices or bodies that reflect or transmit light, such as a luminaire.

Light Emitting Diode (LED) are diodes (electronic components that let electricity pass in only one direction) that emit visible light when electricity is applied, much like a light bulb.

Loading Space - A space within the main building or on the same lot there-with, providing for the standing, loading or unloading of vehicles.

Lot - A parcel of land occupied or intended for occupancy by a use permitted in this ordinance, and having its principal frontage upon a street or upon an officially approved place.

Lot Coverage - The percentage of the total area of the lot, excluding streets, alleys and dedicated drainage ways, covered by all buildings located thereon.

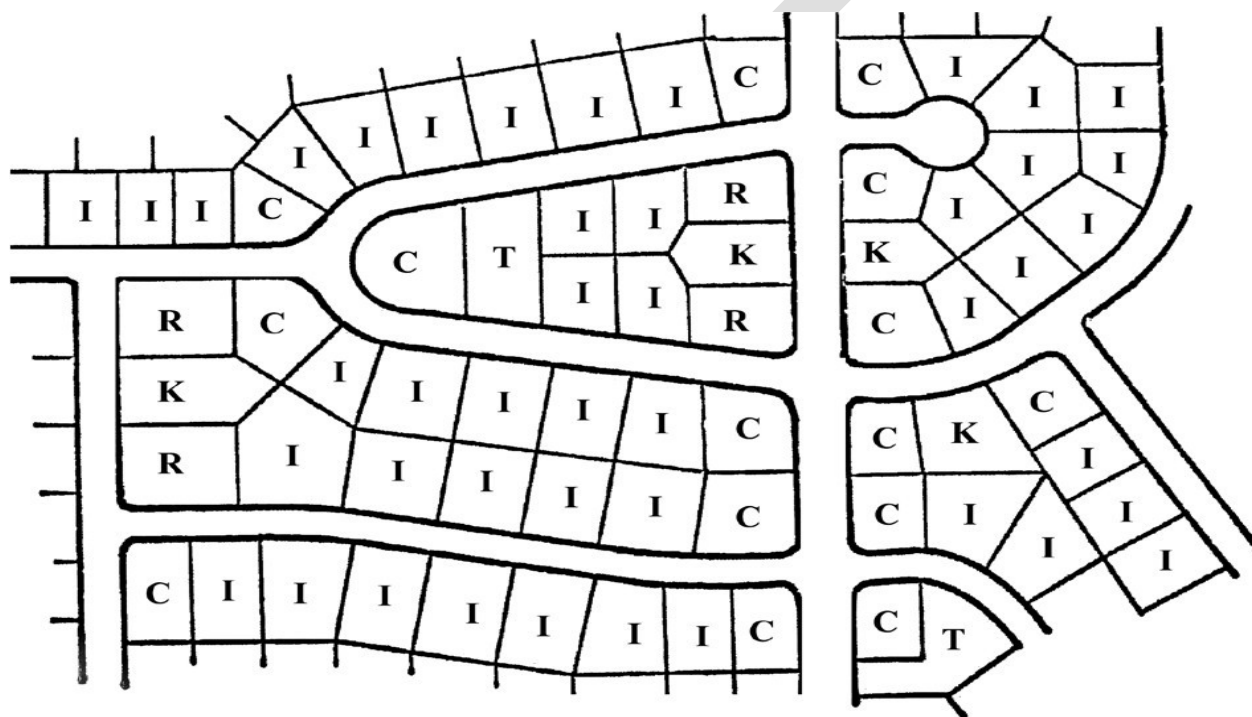
Lot Depth - The mean distance of a lot between the front and rear property lines.

Lot Frontage - The width of a lot or parcel abutting a public right-of-way measured at the front property line.

Lot of Record - A lot which is part of a subdivision recorded in the office of the County Clerk, or a lot or parcel described by metes and bounds, the description of which has been so recorded.

Lot Types - The designation of lots according to the diagram in Figure 1 illustrating corner lots, interior lots, reversed frontage lots and through lots.

Figure 1



C – Corner Lot - A lot located at the intersection of two or more streets. A lot abutting on a curved street or streets shall be considered a corner lot if straight lines drawn from the foremost points of the side lot lines to the foremost point of the lot meet at an interior angle of less than 135 degrees.

I – Interior Lot - A lot other than a corner lot having only one frontage on a street.

K – Key Lot - An interior lot so situated that it fronts onto the side street of an adjoining corner lot and so that the sideline of the key lot is the rear line of the corner lot which abuts the same street.

R – Reverse Frontage Lot - A corner lot in which its frontage is on a street whose alignment is generally parallel to the side lines of the lots that constitute the predominant lot pattern in the block.

T – Through Lot - An interior lot with frontage on more than one street; a through lot fronting on two generally parallel streets may be referred to as a “double frontage” lot.

Lot Width - The mean distance of a lot between the side property lines.

Lumen - the quantity of luminous flux intercepted by a surface of one square foot, all points of which are one foot from a uniform source of one candela. A one-candela source provides 12.57 lumens.

Luminaire - a device or fixture containing a light source and means for directing and controlling the distribution of light from the source.

Luminance - the luminous intensity per unit projected area of a given surface viewed from a given direction for purposes of this Ordinance expressed in candelas divided by distance squared.

Manufactured Home – is a type of factory-built housing constructed after June 15, 1976, under HUD’s updated standards and commonly known as a mobile home. It is largely assembled in factories on a permanently attached chassis before being transported to site.

Manufactured Home Space - A plot of ground within a manufactured home park designed for the leasing and accommodation of one manufactured home.

Mini-Warehouse - A building with individual units not to exceed 576 square feet per unit, for rent to the general public for storage of personal possessions.

Mobile Home – (also known as a house trailer, park home, trailer, or trailer home) is a prefabricated structure, built in a factory on a permanently attached chassis before being transported to site.

Mobile Home Park - Any plot of ground which two or more MOBILE homes, occupied for dwelling or sleeping purposes, are located, regardless of whether or not a charge is made for such accommodation.

Mobile Home Space - A plot of ground within a mobile home park designed for the accommodation of one mobile home.

Modular Building - Manufactured, room size, structures completely wired, plumbed, and finished at the factory designed to be moved to a permanent location and fitted together to become a complete unit on a permanent foundation.

Mulch (Organic or Inorganic) - A protective layer of material applied to the surface of soil to retain moisture, suppress weeds, and improve appearance.

- **Organic mulch** includes natural materials such as wood chips, bark, or compost that decompose over time.
- **Inorganic mulch** includes non-decomposing materials such as rubber mulch or similar manufactured products.

Non-Conforming Lot - A parcel, site or tract of land which does not meet the minimum lot requirements as described by the bulk regulations for the district in which it is located, which lot was legally created prior to the effective date of the applicable zoning ordinance.

**Non-Conforming Structure** - A building or structure or portion thereof lawfully existing at the time this code became effective, which was designed, erected or structurally altered for a use that does not conform to the zoning regulations for the district in which it is located.

**Off-Street Parking** - Off-street parking spaces provided in accordance with the requirements specified by this Ordinance and located on the lot or tract occupied by the main use and located within the same zoning district as the main use or in an adjacent parking district.

**Open Space** - Land areas that are not occupied by buildings, structures, parking areas, streets, alleys, or required yards. Open space shall be permitted to be devoted to landscaping, preservation of natural features, patios, and recreational areas and facilities.

**Parking Lot** - An open area, other than a street, used for the parking of automobiles.

**Parking Space, Automobile** - A space within a building or private or public parking lot, exclusive of driveways, ramps, columns, office and work areas, for the parking of an automobile.

**Parking Space, Off-Street** - An area adequate for parking an automobile with room for opening doors on both sides, together with maneuvering room and with properly related access to a public street or alley.

**Pavers** - Flat stone, concrete units, brick, or similar materials installed to create walkways, patios, or ground cover surfaces that allow for water infiltration or drainage. Permeable hardscape systems are designed to reduce runoff by allowing water to pass through or between the materials.

**Permeable Hardscape** - Flat stone, concrete units, brick, or similar materials installed to create walkways, patios, or ground cover surfaces that allow for water infiltration or drainage. Permeable hardscape systems are designed to reduce runoff by allowing water to pass through or between the materials.

**Person** - An individual, heirs, executors, administrators or assigns, and includes a firm, partnership, or corporation, it's or their successors or assigns, or the agent of any of the aforesaid.

**Planned Unit Development (PUD)** - A residential or commercial development guided by a total design plan in which one or more of the zoning or subdivision regulations, other than use regulations, shall be permitted to be waived, or varied to allow flexibility and creativity in site and building design and location, in accordance with general guidelines.

**Plot Plan** - A plot of a lot, drawn to scale, showing the actual measurements, the size and location of any existing buildings or buildings to be erected, the location of the lot in relation to abutting streets, and other such information.

**Portable Building** - Any prefabricated structure assembled off site and delivered to the site as a complete unit or a building purchased in kit form and assembled onsite, which can be moved without disassembly to another location.

**Portable Building Sales** - An establishment which displays and sells structures capable of being carried and transported to another location but not including mobile homes.

Private Club or Lodge - An association of persons meeting regularly for their mutual benefit or for the promotion of some common purpose, supported jointly through payment of membership dues, all members having the right to vote on policies and business.

Public Improvement - Any drainage ditch, storm sewer or drainage facility, sanitary sewer, water main, roadway, parkway, sidewalk, pedestrian way, tree, lawn, off street parking area, lot improvement, or other facility for which the local government may ultimately assume the responsibility for maintenance and operation, or for which the local government responsibility is established.

Public View - Public view means areas that can be seen from the closest public street.

Quasi-Public - Essentially public use, although under private ownership or control.

Recreation Area - An area devoted to facilities and equipment for recreational purposes including but not limited to swimming pools, tennis courts, playgrounds, community clubhouses, and other similar uses.

Recreational Vehicle (RV) - A portable or mobile vehicular type unit primarily used as temporary living quarters for the purposes of recreational camping or travel-use that has either its own motive power or is mounted on or towed by another vehicle. Examples include but are not limited to travel trailers, camping trailers, truck campers, and motor homes. Herein referred to as a "RV."

Renovation - Interior or exterior remodeling of a structure, other than ordinary repair.

Residential Structure - Any structure containing one or more dwelling units and their accessories.

Riding Track - A track specifically for pleasure riding horses or mules, private or for hire, but expressly not meant for commercial racing of these animals.

Right-of-Way (ROW) - Any street, alley or other parcel of land open to the outside air, that has been deeded, dedicated or otherwise permanently appropriated to the public for public use and has a clear width and height of not less than 10 feet (3,048 mm).

River Rock - Smooth, rounded stones naturally shaped by water erosion, typically larger than gravel, and used as a decorative ground cover or drainage element in landscaping applications.

Roof Overhangs - Portion of a roof structure that extends beyond the exterior wall of a building. It provides protection from the elements by directing rainwater away from the walls and foundation, offers shade to windows and doors, and can contribute to the building's aesthetic design. Roof overhangs include eaves, rakes, and soffits as applicable.

Sale - The word sale, as used herein, shall mean sales at both wholesale and retail unless specifically stated otherwise.

Screening Device - A structure such as a fence or wall not less than six (6) feet high or greater than eight (8) feet high which serves as a visual screen, including semi-solid structures such as netting, lattice, etc. A structure in excess of eight (8) feet in height shall be deemed a wall and shall be subject to the provisions of the Building Code of the City.

Servant Quarters – An accessory building or portion of a main building located on the same lot as the main building and used as living quarters for servants employed on the premises and not rented or otherwise used as a separate domicile.

Service Station (Oil Change-Lubrication Facility) - A business establishment whose service includes but not limited to, dispensing fuel for automobiles and trucks, lubrication, oil changing, washing, convenience food sales, minor repairs, and tire service.

Setback - The minimum required distance between the property line and the building line.

Shipping Container - An all-steel container with strength to withstand shipment, storage and handling. Such containers include reusable steel boxes, freight containers and bulk shipping containers; originally a standardized reusable vessel that was designed for and used in the parking, shipping, movement, transportation or storage of freight, articles or goods or commodities; generally capable of being mounted or moved on a rail car, truck trailer or loaded on a ship.

Short-Term Rental (STR) - A property rented out or for a period of 30 days or less, often used for vacation or short-term stays, as opposed to long-term leases.

Shrubs - plants that grow vertically in a multi-branched growth pattern from the ground level to heights usually not to exceed six feet. These plants may be sculpted and trimmed to present aesthetic shapes and forms.

Sign - Any display of letters, figures, symbols, insights, pictures, lights, or other devices when placed within or on the outside of any building or structure or in a free-standing situation so as to be visible from any public street or adjacent property.

Sign Business Identification - Any display of letters, figures, symbols, insights, pictures, lights, or other devices when placed within or on the outside of any building or structure or in a free-standing situation so as to be visible from any public street or adjacent property.

Sign Directional - Any sign, except those authorized by law, which is designed and erected solely for the purpose of vehicular or pedestrian traffic control and placed on the property to which or on which the public is directed.

Sign Subdivision Identification - A permanent sign identifying a subdivision by name or symbol only and erected on private property at an entrance to a subdivision at location shown on a recorded subdivision plat and of a design approved by the Commission.

Site Plan - A plan that outlines the use and development of any tract of land.

Small Animal Clinic - An establishment for the care and medical veterinary practice on or for domestic household animals, conducted completely within an enclosed, soundproof and air-conditioned structure and not using any yard or open space for the activities defined.

Smoke Shop – a store selling tobacco products, paraphernalia, vaping products, hemp products, and smoking equipment.

Sod - grass and the part of the soil beneath it held together by its roots or another piece of thin

material.

Special Exceptions - A privileged use or development of property which would not be appropriate generally or without restrictions throughout the zoning district but which, if controlled as to number, size, location, or relation to the neighborhood would promote the public health, safety, welfare, morals, order, comfort, convenience, appearance, prosperity, or general welfare of the community. See Variance.

Stable Private - A building designed for the keeping of horses or mules owned by the occupants of the premises and not kept for remuneration, hire or sale.

Stable Riding - A building designed for the keeping of horses or mules used for pleasure riding or driving, for boarding or for hire, including a riding track.

Storage Building – structure or part of a building used primarily for the storage or shelter of goods, merchandise, personal belongings, equipment, or materials. These structures are not designed for permanent or temporary residence.

Story - That portion of a building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a usable or unused under-floor space is more than 6 feet above grade as defined herein for more than 50 percent of the total perimeter or is more than 12 feet above grade as defined herein at any point, such usable or unused under-floor space shall be considered to be a story.

Story, Half - A partial story under a gable, hip or gambrel roof, the wall plates of which on at least two opposite exterior walls are not more than four feet (4') above the floor of such story, except that any partial story used for residence purposes other than by a family occupying the floor immediately below it, shall be deemed a full story.

Street - Any public or private thoroughfare not less than 20 feet (6,096 mm) in width which affords the principal means of access to abutting property.

Street Line - A dividing line between a lot, a tract or parcel of land and a contiguous street.

Street, Private - A right-of-way or easement in private ownership, not dedicated or maintained as a public street, that affords the principal means of access to two or more sites.

Structure - Anything constructed or erected, which requires location on or within the ground, or attached to something having a location on or within the ground.

Structural Alterations - Any change in the supporting members of a structure such as bearing walls, columns, beams or girders, or any substantial change in the roof or in the exterior walls.

Subdivision - The division of a tract, lot, or parcel of land into two or more lots, plats, sites, or other divisions of land.

Theater or Theaters - As used herein, shall include all forms, types and kinds of entertainment and recreation, as set forth herein, without regard to whether same be referred to as, or called by name, "theater", "theatrical", "club", "night club", "show", "exhibition", "performance," "production," "entertainment", "recreation," or by some other name of designation, as it is the legislative purpose and intent of the City Council of the City of Gatesville, Texas to look to the substance rather than the form or name, of the activity, or activities to be carried out in the future, by the applicant or applicants, seeking the change in zoning, in connection with a request seeking such a zoning change, and in the City Council's consideration of and for such zoning change request, and in the City Council's approval or denial of such zoning change, as the case may be.

Travel Trailer - A vehicular, portable structure built on a chassis designed to be used as a temporary living facility for travel and recreational purposes, having a body width not exceeding eight feet, but not having all sanitary facilities within the trailer. See recreational vehicles.

Used Car Lot - A lot or portion thereof to be used only for the display and sale of automobiles that are in condition to be driven on or off the lot. A used car lot shall not be used for the storage of wrecked automobiles or the storage of automobile parts.

Use - The activity occurring on a lot or parcel for which land or a building is arranged, designed or intended, or for which land or a building is or may be occupied, including all accessory uses.

Use, Change Of - The change within the classified use of a structure or premise.

Use, Non-Conforming - A use of land or structure which is not authorized in the district in which such use or activity is conducted, which use was legally existing or in operation under other laws of the State or codes of the City of Gatesville prior to the effective date of the applicable zoning regulations.

Use, Principal - A use that fulfills a primary function of a household, establishment, institution, lot, parcel, or other entity.

Use, Temporary - A use that is authorized by this code to be conducted for a fixed period of time. Temporary uses are characterized by such activities as the sale of agricultural products, contractors' offices and equipment sheds, carnivals, flea markets, farmers markets, and garage sales.

Utility Meter - Any metering device used for measuring usage of a utility. Hereafter referred to a "Meter."

Variance - A privileged relaxation of the Development Controls provisions of this Ordinance where, owing to conditions peculiar to the property and not the result of the actions of the applicant, a literal enforcement of the Ordinance would result in unnecessary and undue hardship and would prevent the substantial enjoyment of property rights as shared by nearby properties which conform to the Development Controls.

Veterinary Hospital - An establishment for the care and medical treatment of large animals and domestic household pets having treatment and boarding facilities both in an enclosed building and outside pens or runs enclosed by permanent type of fencing.

Warehouse - A building used for storage purposes generally by commercial or industrial businesses for storage of their business-related merchandise, equipment or fixtures.

Wrecking or Auto Salvage Yard - A yard or building where automobiles or machinery are stored, dismantled and/or offered for sale as whole units or salvaged parts or as processed metal.

Yard - An open space at grade between a building and the adjoining lot lines, unoccupied and unobstructed by any portion of a structure from the ground upward, except as otherwise provided herein. In measuring a yard for the purpose of determining the width of a side yard, the depth of a front yard or the depth of the rear yard, the minimum horizontal distance between the lot line and the main building shall be used.

Yard, Exterior - Exterior yard shall be that part of the lot between the lot line and the building line. For exterior lots, the exterior yard will correspond to the front yard. On corner lots, the exterior yard shall consist of both the front and side yards. A full depth exterior yard shall be constructed as the side yard of a corner lot extending the full depth of the lot front to back. Exterior yards of through lots shall consist of the yards between the lot lines and setback lines at both ends of the lot.

Yard, Front - A yard extending across the front of a lot between the side lot lines and being the minimum horizontal distance between the street or place line and the main building or any projections thereof other than the projections of the usual uncovered steps, uncovered balconies, or uncovered porch. On corner lots the front yard shall be considered as parallel to the street upon which the lot has its least dimension.

Yard, Rear - A yard extending across **full width of the rear of a lot and being the required minimum horizontal distance between the rear lot line and the rear of the main building or any projections thereof other than the projections of uncovered steps. On all lots the rear yard shall be in the rear of the front yard.**

Yard, Side - A yard **between the main building and the sideline of the lot and extending from the required front yard to the required rear yard and being the minimum horizontal distance between a side lot line and the side of the main building.**

Yard, Special - A yard behind any required yard adjacent to a public street, required to perform the same function as a side or rear yard, but adjacent to a lot line so placed or oriented that neither the term "side yard" nor the term "rear yard" clearly apply.

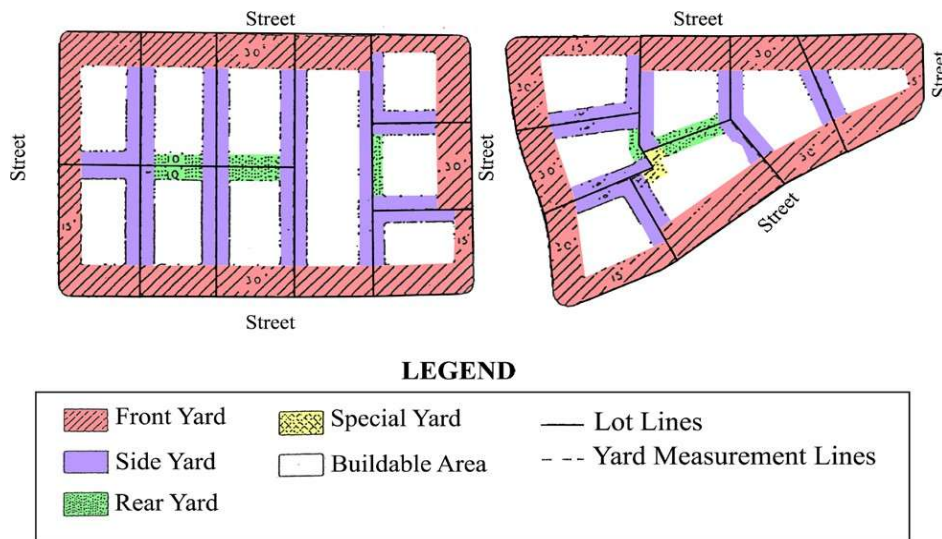
**Zero Landscape (Xeriscape) - A landscape design method that minimizes or eliminates turf grass and live plant material through the use of drought-tolerant and non-vegetative materials such as crushed granite, gravel, stone, mulch, and similar materials.**

Zero Lot-Line - A side lot line of a lot on which a structure is permitted to be located all the way to the edge of the lot; that is the side yard width is zero. May or may not be common wall construction.

Zoning Official - **The Zoning Official shall be the City Manager or their designee.** This person shall be duly designated to administer and enforce the provisions of this ordinance.

Zoning District Map - The official certified map upon which the boundaries of the various Zoning Districts are drawn, and which is an integral part of the Zoning Ordinance.

Figure II



Secs. 49-28. — 49-30. - Reserved.

**ARTICLE V. – ESTABLISHMENT OF DISTRICTS; PROVISIONS FOR OFFICIAL ZONING MAP, ZONING CHANGES AND ANNEXATIONS**

**SEC. 49-31 – Official Zoning Map**

The district aforesaid, and the boundaries of such districts, shall be as shown upon a map made a part of this ordinance, said map being designated "Official Zoning Map," said map and all notations, references, and other information shown thereon shall be a part of this ordinance the same as if all such matters and information were fully described herein. The original of said map shall bear even date with the passing of this ordinance; shall be signed by the Mayor and attested by the City Secretary and promptly displayed in the City Hall.

**SEC. 49-32 – Determination of Boundaries**

In determining the location of zoning district boundaries on the map accompanying and made a part of this ordinance, the following rules shall apply:

- Where boundaries are shown to follow streets or alleys, the centerline of such streets or alleys, as they exist at the time of adoption of this ordinance, shall be the zoning boundary; or
- Where boundaries are shown to enter on cross blocks, property lines of lots, as they exist at the time of adoption of this ordinance, shall be the zoning boundary; or
- Where boundaries are shown on un-subdivided property, the location shall be determined by scale shown on the map unless dimension is given on the map.

SEC. 49-33 – Annexation

All annexation information can be found in Texas Local Government Code §43.0671 et seq., Subchapter C-3 and in the City of Gatesville adopted ordinances, Ordinance 2024-04.

49-33.1

To initiate a voluntary annexation, property owners must submit a petition that includes:

- a. A signed annexation application.
- b. A survey sketch of the property prepared by a Registered Land Surveyor or Professional Engineer.
- c. Meets and bounds describing the property.

49-33.2

The City will provide a Municipal Services Agreement outlining the services that will be available to the property upon annexation or when such services become available.

49-33.3

All territory hereafter annexed into the City of Gatesville shall be temporarily classified as AG Suburban unless a permanent zoning classification is placed upon the property at the time of annexation. In the event any zoning other than AG Suburban is requested at the time of annexation, all requirements of Sec. 1-6 of this ordinance shall be complied with, including all public notices and public hearings as required by this ordinance or by state law. The zoning shall be based on existing zoning districts upon the following criteria:

- a. Its current land use at the time of annexation.
- b. The existing land use of the property surrounding the territory.
- c. Its future land use as designated by the comprehensive plan.

SEC. 49-34. Districts

For the purpose of regulating and restricting the heights and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards and other open spaces, the density of population and the location and use of buildings, structures, and land for trade, industry, residence or other purposes, the City of Gatesville, Texas, is hereby divided into districts of which there shall be eleven classes in number and which shall be known as:

AG	Ag Suburban Homesite
RSF	Residential Single-Family
RTH	Residential Townhomes
R2-4	Residential Duplex/Tri-plex/Four-plex
RMF	Residential Multi-family
RMH	Residential Mobile Home
MHP	Mobile Home Park
RVP	Recreational Vehicle Park
BC-LN	Business Commercial Light (Neighborhood)
BC-M	Business Commercial Medium
BC-H/I	Business Commercial Heavy / Industrial

PUD	Planned Unit Development
OVLY	Overlay

Secs. 49-35. — 49-40. - Reserved.

## ARTICLE VI. – LEGAL NON-CONFORMING USES

### SEC. 49-41. – Existing Structures and Uses

#### 49-41.1 General

Lawfully established buildings and uses in existence at the time of the adoption of this code shall be permitted to have their existing use or occupancy continued, provided that such continued use does not constitute a life hazard, public health concern, public nuisance, or environmental hazard.

#### 49-41.2 Additions, Alterations, or Repairs

Additions, alterations, or repairs shall be permitted to be made to any building or use without requiring the existing building or use to comply with the requirements of this code, provided that the addition, alteration or repair conforms to that required for a new building or use.

#### 49-41.3 Maintenance

Buildings or uses, both existing and new, and all parts thereof, shall be maintained. The owner or owner’s authorized agent shall be responsible for the maintenance of buildings and parcels of land. To determine compliance with this section, the Building Official shall be permitted to cause any structure or use to be inspected.

#### 49-41.4 Moved and Temporary Buildings, Structures, and Uses

Buildings or structures moved into or within the City shall comply with the provisions of this code for new buildings and structures.

49-41.4.1 Temporary buildings, structures and uses such as reviewing stands and other miscellaneous structures, sheds, canopies or fences used for the protection of the public shall be permitted to be erected, provided that a special approval is received from the Zoning Code Official for a limited period of time.

49-41.4.2 Temporary buildings or structures shall be completely removed upon the expiration of the time limit stated in the permit.

#### 49-41.5 Illegal Uses

Uses that were Illegally established prior to the adoption of this code shall remain illegal.

### SEC. 49-42. – Non-Conforming Uses and Structures

#### 49-42.1 Continuance

The lawful use of land existing on the date of this ordinance, although such use does not conform to the provisions of this ordinance, may be continued, but if such nonconforming use is discontinued for a period of six months or more, any future use of such premises shall be in

conformity with the provisions of this ordinance. In other than criminal proceedings, the owner, occupant or user shall have the burden to show that the structure, lot or use was lawfully established.

49-42.1.1 The lawful use of any building or structure existing on the date of adoption of this ordinance may be continued even though such use does not conform to the provisions of this ordinance, and such use may be extended throughout the building or structure, provided no structural alterations, except those required by law or ordinances, are made therein.

49-42.1.2 Whenever nonconforming use is discontinued for six months or more, all nonconforming use rights shall cease, and the use of the premises shall be in conformance with this ordinance. The term “discontinue” shall mean that the property or structure is vacant and no attempt to market the property is observable on the property or from the exterior of any structure, or that the property or structure is vacant, and City taxes owed on the property are delinquent.

49-42.1.3 Nothing contained in this ordinance shall require any change in the plans, construction or designated use of a building or structure actually under construction, and for which a building permit was issued, on or before the date of adoption of this ordinance, and which entire building or structure is completed within one year from that date. If any amendment to this ordinance is hereafter adopted changing the boundaries or districts, the provisions of this ordinance with regard to buildings or uses legally existing, or to building legally under construction or building permits legally issued in the area affected by such amendments at the time of the passage of such amendments, shall not cause such use to be terminated or to bar the occupancy of such building unless provided by other proceedings at law.

## SEC. 49-43 – Discontinuance

### 49-43.1 Vacancy

49-43.1.1 Any structure, or portion thereof, occupied by a nonconforming use, that is or hereafter becomes vacant and remains unoccupied by a nonconforming use for a period of 6 months shall not there be occupied, except by a use that conforms to this code.

49-43.1.2 Abandonment of a nonconforming structure shall be determined by relevant evidence of nonuse of the structure, including, but not limited to, termination or nonuse of utilities, termination of leasehold, and evidence of lack of occupancy of the structure.

49-43.1.3 The Code Official may determine that a structure which has been abandoned under the intent of this section may continue to exist if the owner can show unusual circumstances which prevented or precluded use of the structure during that period, in which case the structure may be reoccupied.

### 49-43.2 Damage

49-43.2.1 If a nonconforming structure or portion of a nonconforming structure is destroyed or damaged by less than 50 percent of the current replacement cost of the structure the structure, as determined by the Code Official, may be restored to its preexisting nonconforming state. Such restored structures shall meet all other applicable City codes, and nothing herein shall be construed as constituting a waiver of requirements other than those governed by the zoning ordinance.

49-43.2.2 If plans to restore or repair the structure are not submitted for issuance of a building permit within 12 months from the date of the destruction or damage, the structure must be replaced or restored in full conformity with current structural regulations for the district in which it is located. The Code Official may grant, upon written application by the property owner showing cause, a one-time extension to seek a building permit for a period not to exceed six months.

49-43.2.3 If a nonconforming structure or portion of a nonconforming structure is destroyed or damaged by 50 percent or more of the current replacement cost of the structure, the structure must be restored in full conformity with current structural regulations for the district in which it is located.

#### SEC. 49-44 – Enlargement and Modifications

##### 49-44.1 Maintenance and Repair

Maintenance, repairs, and structure alterations shall be permitted to be made to nonconforming structures or to a structure housing a nonconforming use with valid permits.

##### 49-44.1.1

On any nonconforming structure or portion of a nonconforming structure, work may be done on ordinary repairs, or on repair or replacement of nonbearing walls, fixtures, wiring, or plumbing, to an extent not exceeding 50 percent of the current replacement cost of the nonconforming structure or portion of the structure, as the case may be, provided that the cubic volume existing when it became nonconforming shall not be increased.

##### 49-44.1.2

A property owner may apply to the Code Official for an increase in the time period or the percentage limits contained herein to enable repairs necessary for the protection of the public health, safety, and welfare.

##### 49-44.2 Changes of nonconforming use

A change of use of a nonconforming use of a structure or parcel of land shall not be made except to that of a conforming use.

##### 49-44.2.1

Where such change is made, the use shall not thereafter be changed back to a nonconforming use.

49-44.2.2

A nonconforming use or a lawful use that has become nonconforming by the future adoption or amendment of a zoning ordinance, or a nonconforming use that exists by virtue of annexation to the City, shall be permitted to exist, subject to the following:

- a. Additions to nonconforming structures and parking areas shall conform to the requirements of this code.
- b. Additions to structures housing nonconforming uses that increase the area of nonconforming use shall not be made.
- c. No such nonconforming use shall be enlarged or increased, nor extended to occupy a greater area of land than was occupied on the effective date of adoption or amendment of this ordinance.

49-44.3 Relocation of structure

Should any such nonconforming structure be moved for any reason for any distance whatever, it shall thereafter conform to the structural regulations for the district in which it is located after it is moved.

49-44.4 Enlargement or Extension of Nonconforming Structures

A nonconforming structure in which a nonconforming use is operated shall not be enlarged or extended. A nonconforming structure in which only permitted uses are operated may be enlarged or extended if the enlargement or extension can be made in compliance with all the provisions of this ordinance established for structures in the district in which the nonconforming structure is located.

SEC. 49-45. Violations

49-45.1 Unlawful Acts

It shall be considered unlawful for any person to erect, construct, enlarge, alter, repair, move, improve, remove, convert or demolish, equip, use, occupy, or maintain any building or land or cause or permit the same to be done in violation of this code. Where any building or parcel of land regulated by this code is being used contrary to this code, the Code Official shall be permitted to order such use discontinued and the structure, parcel of land, or portion thereof, vacated by notice served on any person causing such use to be continued. Such person shall discontinue the use within the time prescribed by the Code Official after receipt of such notice to make the structure, parcel of land, or portion thereof, comply with the requirements of this code.

49-45.1.1

The City Council may adopt ordinances to enforce this code, or any ordinance or regulation adopted under this code.

49-45.1.2

A person commits an offense if the person violates this code, or an ordinance or regulation adopted under this code. An offense under this section is a misdemeanor, punishable by fine, imprisonment, or both, as provided by the City Council. The City Council may also provide civil penalties for a violation.

49-45.1.3

If a building or other structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained or if a building, other structure, or land is used in violation of this

code or an ordinance or regulation adopted under this code, the City Council, in addition to other remedies, may institute appropriate action to:

- a. prevent the unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use.
- b. restrain, correct, or abate the violation.
- c. prevent the occupancy of the building, structure, or land; or
- d. prevent any illegal act, conduct, business, or use on or about the premises.

#### SEC. 49-46. Conflicts with other laws

##### 49-46.1 General

If a zoning regulation adopted under this code requires a greater width or size of a yard, court, or other open space, requires a lower building height or fewer number of stories for a building, requires a greater percentage of lot to be left unoccupied, or otherwise imposes higher standards than those required under another statute or local ordinance or regulation, the regulation adopted under this code controls. If the other statute or local ordinance or regulation imposes higher standards, that statute, ordinance, or regulation controls.

##### 49-46.2

This section does not authorize the City Council to require the removal or destruction of property that exists at the time the City Council implements this section and that is actually and necessarily used in public service.

##### 49-46.2.1

This section does not apply to a building, other structure, or land under the control, administration, or jurisdiction of a state or federal agency.

##### 49-46.2.2

This section applies to a privately-owned building or other structure and privately-owned land when leased to a state agency.

##### 49-46.3

A zoning regulation adopted after the approval of a residential subdivision plat does not apply to that subdivision until the second anniversary of the later of:

- a. the date the plat was approved; or
- b. the date the City accepts the subdivision improvements offered for public dedication.

##### 49-46.3.1

This section does not prevent a City from adopting or enforcing applicable building codes or prohibiting the use of building materials that have been proven to be inherently dangerous.

Secs. 49-47. — 49-50. - Reserved.

## ARTICLE VII. – ZONING DISTRICT DESCRIPTIONS AND REGULATIONS

The City of Gatesville operates under Pyramid Zoning. This is a hierarchical system where less restrictive zones (like Industrial) allow all uses from more restrictive zones (like commercial and residential) to build on top, creating a pyramid with single-family zoning at the peak and heavy

industry at the base, allowing for mixed uses in lower zones but strictly separating them in higher ones as illustrated in Figure 1.

Development regulations are enforced based on the use within the zoning. Example: Build a single-family home in Industrial zoning, Single-Family District regulations apply.



## SEC. 49-51. Agriculture Suburban (AG)

### 49-51.1 Purpose

The Agricultural/Suburban Home sites District is designed to permit sparsely settled residential development and residential in combination with traditional farming activities.

### 49-51.2 Permitted Uses

1. Farms, ranches, orchards, truck gardens, nurseries for the growing of plants and similar agrarian activities involving the growing of plants and raising and pasturing of livestock, animal husbandry, including accessory feeding pens but not commercial feeding pens.
2. Residential Single-Family detached dwelling, one (1) dwelling per lot.
3. Community Facility (i.e., City Hall, Police Department, Fire Station, and other municipal uses)
4. County / State / Federal Facility
5. Park / Walking Trails
6. Independent School Campus'
7. Churches / Religious Structures
8. Kennel
9. Home Occupation with exception to the following business-related uses:
  - a. Retail
  - b. Nail/Hair Salon
  - c. Office facility for a doctor, dentist, veterinarian or other medical related profession.
  - d. Restaurant or on-premises food or beverage consumption.
  - e. Mortuary or funeral home
  - f. Trailer, vehicle, tool or equipment rentals

- g. Automotive-related uses, painting, and repairs
- h. Adult-Oriented or Regulated Business
- i. Industrial or Manufacturing uses
- j. Hazardous or Regulated Materials
- k. Uses that create excessive noise, odors, vibration, traffic, parking demand, visual impact. A

#### 49-51.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Shall be located behind the minimum front and side street building setback lines.

#### 49-51.4 Development Regulations

1. Height: No building or structure shall exceed two and one-half (2 1/2) stories, nor shall it exceed thirty-five (35) feet.
2. Front Yard: There shall be a front yard of not less than thirty (30) feet.
3. Side Yard: There shall be a side yard of not less than ten (10) feet.
4. Rear Yard: There shall be a rear yard of not less than ten (10) feet.
5. Lot Area: The minimum area of a lot shall be forty-three thousand five hundred and sixty (43,560) square feet (1 acre).
6. Lot Dimensions: Each lot shall have a minimum width of one hundred (100) feet.
7. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron, corrugated metal, or chain link materials. No fence shall be constructed of corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort. Corrugated metals allowed: 24- or 26- gauge metal R-panel or flair panel and must have a polyester enamel color finish, must be capped, and must be installed with rustproof screws.
  - a. Any fence located in the front yard and/or side yard facing a street shall have a maximum height of four (4) feet.
  - b. Sec. 54-102. Certain fences prohibited.

#### 49-51.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-51.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

**SEC. 49-52. Residential Single-Family (R-SF)**

**49-52.1 Purpose**

The Residential Single-Family District is designed to permit single-family home sites to promote and encourage a suitable environment for family life. This district is intended to be composed of detached dwelling units located on individually owned lots that are designed for residential use.

**49-52.2 Permitted Uses**

1. All uses listed in SEC. 49-51.
2. Kennel (Specific Use Permit Required)
3. Residential Uses, specifically single-family detached dwellings, one dwelling per lot.
4. Residential Uses, modular home for single-family detached dwellings, one dwelling per lot.

**49-52.3 Accessory Uses**

Any use as established in the definition under Sec. 49-27.

1. Shall be located behind the minimum front and side street building setback lines.
2. Maximum height is twenty (20) feet.
3. Pitched roof with a minimum 1:3 design.

**49-52.4 Development Regulations**

1. Height: No building or structure shall exceed two and one-half (2 1/2) stories, nor shall it exceed thirty-five (35) feet.
2. Front Yard: There shall be a front yard of not less than twenty-five (25) feet.
3. Interior Side Yard: There shall be a side yard of not less than six (6) feet.
4. Street Side Yard: There shall be a side yard of not less than ten (10) feet.
5. Rear Yard: There shall be a rear yard of not less than ten (10) feet.
6. Lot Area: The minimum area of a lot shall be six thousand (6,000) square feet.
7. Lot Dimensions: Each lot shall have a minimum width of fifty (50) feet.
8. Floor Area: The main residence shall contain a minimum of one thousand (1,000) square feet of floor area.
9. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron, corrugated metal, or chain link materials. No fence shall be constructed of corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort. Corrugated metals allowed: 24- or 26- gauge metal R-panel or flair panel and must have a polyester enamel color finish, must be capped, and must be installed with rustproof screws.
  - a. Any fence located in the front yard and/or side yard facing a street shall have a maximum height of four (4) feet.
  - b. Sec. 54-102. Certain fences prohibited.

#### 49-52.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-52.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

#### SEC. 49-53. Residential Townhomes (R-TH)

##### 49-53.1 Purpose

The Residential Townhome District is designed to permit attached townhouse or rowhouse style single-family home sites on individually platted lots through the creation of a subdivision plat designed with non-traditional platting with zero side lot lines on one or two sides. Townhome subdivisions must contain enough area to provide minimal amounts of open space in the front and rear for single-family housing.

##### 49-53.2 Permitted Uses

1. All uses listed in SEC. 49-52.
2. Residential Uses, single-family dwelling attached two (2) stories, but the upper and lower floors constitute one (1) single-family dwelling.

##### 49-53.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Shall be located in the rear portion of the property and meet the building setback lines.
2. Maximum height is twenty (20) feet.
3. Pitched roof with a minimum 1:3 design.

##### 49-53.4 Development Regulations

1. Height: No building or structure shall exceed two and one-half (2 1/2) stories, nor shall it exceed thirty-five (35) feet.
2. Front Yard: There shall be a front yard of not less than twenty-five (25) feet.
3. Interior Side Yard: There shall be a side yard of not less than six (6) feet when adjoining another lot and zero (0) feet when adjoining another dwelling unit on the same platted lot.
4. Street Side Yard: There shall be a side yard of not less than ten (10) feet.

5. Rear Yard: There shall be a rear yard of not less than ten (10) feet.
6. Lot Area: The minimum area of a lot shall be six thousand (6,000) square feet.
7. Lot Dimensions: Each lot shall have a minimum width of one hundred (100) feet.
8. Floor Area: The main residence shall contain a minimum of one thousand (1,000) square feet of floor area.
9. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron, corrugated metal, or chain link materials. No fence shall be constructed of corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort. Corrugated metals allowed: 24- or 26- gauge metal R-panel or flair panel and must have a polyester enamel color finish, must be capped, and must be installed with rustproof screws.
  - a. Any fence located in the front yard and/or side yard facing a street shall have a maximum height of four (4) feet.
  - b. Sec. 54-102. Certain fences prohibited.
  - c. A fence is required if adjacent to Residential Single-Family separating the properties and creating buffer.

#### 49-53.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-53.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

#### SEC. 49-54. Residential 2-4 Family (R 2-4)

##### 49-54.1 Purpose

Residential 2-4 Family zoning is to provide areas for low-to-moderate density residential development that accommodate small multi-family houses (i.e., duplexes, triplexes, and four-family dwellings, while maintaining the character and livability of residential neighborhoods.

##### 49-54.2 Permitted Uses

1. All uses listed in SEC. 49-53.
2. Residential Uses, single-family dwelling attached with two (2) dwellings (duplex).
3. Residential Uses, single-family dwelling attached with three (3) dwellings (tri-plex).

4. Residential Uses, single-family dwelling attached with four (4) dwellings (quad-plex).

#### 49-54.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Shall be located in the rear portion of the property and meet the building setback lines.
2. Maximum height is twenty (20) feet.
3. Pitched roof with a minimum 1:3 design.

#### 49-54.4 Development Regulations

1. Height: No building or structure shall exceed two and one-half (2 1/2) stories, nor shall it exceed thirty-five (35) feet.
2. Front Yard: There shall be a front yard of not less than twenty (20) feet.
3. Interior Side Yard: There shall be a side yard of not less than six (6) feet.
4. Street Side Yard: There shall be a side yard of not less than ten (10) feet.
5. Rear Yard: There shall be a rear yard of not less than ten (10) feet.
6. Lot Area: The minimum lot area shall be 6,000 square feet.
7. Lot Dimensions: Each lot shall have a minimum width of sixty (60) feet.
8. Floor Area: The main residence shall contain a minimum of one thousand (1,000) square feet of floor area.
9. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron, corrugated metal, or chain link materials. No fence shall be constructed of corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort. Corrugated metals allowed: 24- or 26- gauge metal R-panel or flair panel and must have a polyester enamel color finish, must be capped, and must be installed with rustproof screws.
  - a. Any fence located in the front yard and/or side yard facing a street shall have a maximum height of four (4) feet.
  - b. Sec. 54-102. Certain fences prohibited.

#### 49-54.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-54.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

**SEC. 49-55. Multi-Family (R-MF)**

**49-55.1 Purpose**

The Residential Multi-Family District is designed to permit high density residential development characterized by apartment buildings and complexes containing more than four dwelling units including, but not limited to, buildings of two or more stories in height.

**49-55.2 Permitted Uses**

1. All uses listed in SEC. 49-54.
2. Residential Uses, single-family dwelling attached with two (2) or more stories in height and more than four (4) units (i.e., apartment building, complex, dormitory, and condominium).

**49-55.3 Accessory Uses**

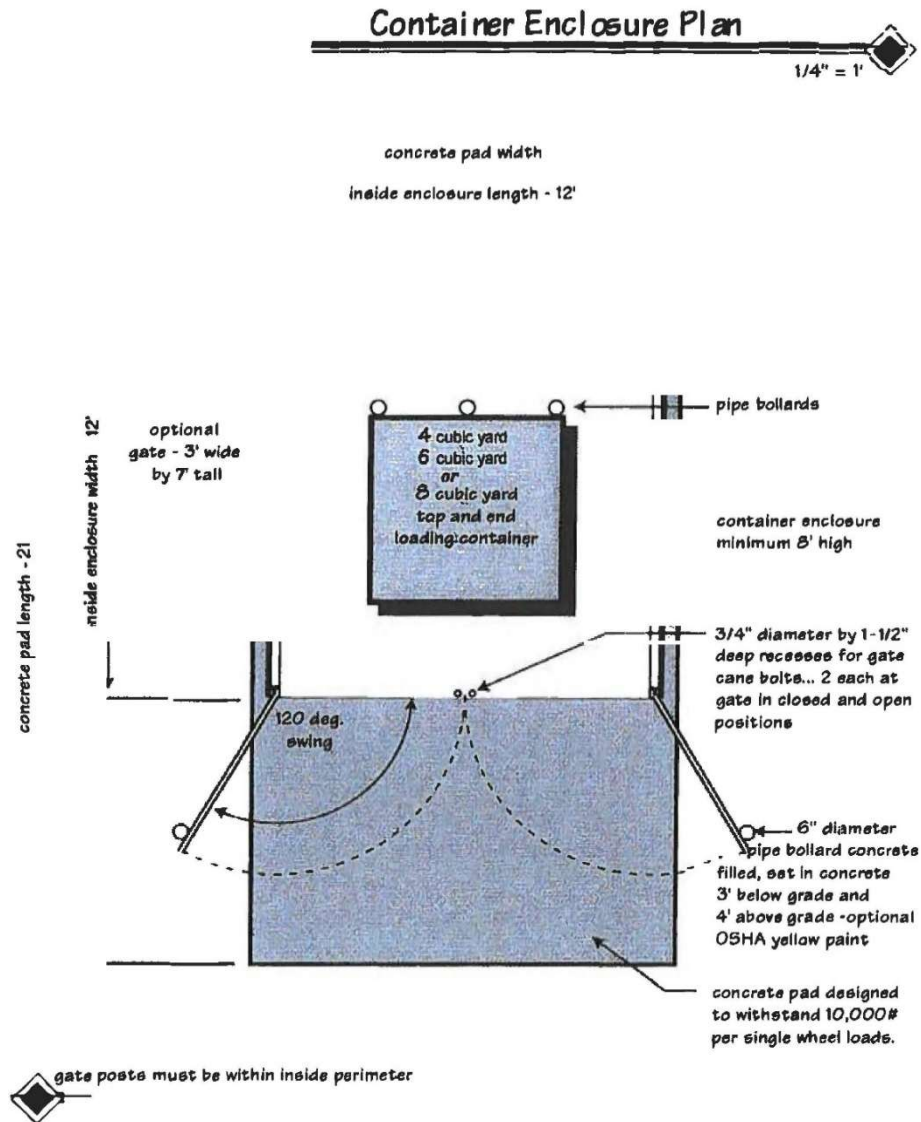
Any use as established in the definition under Sec. 49-27.

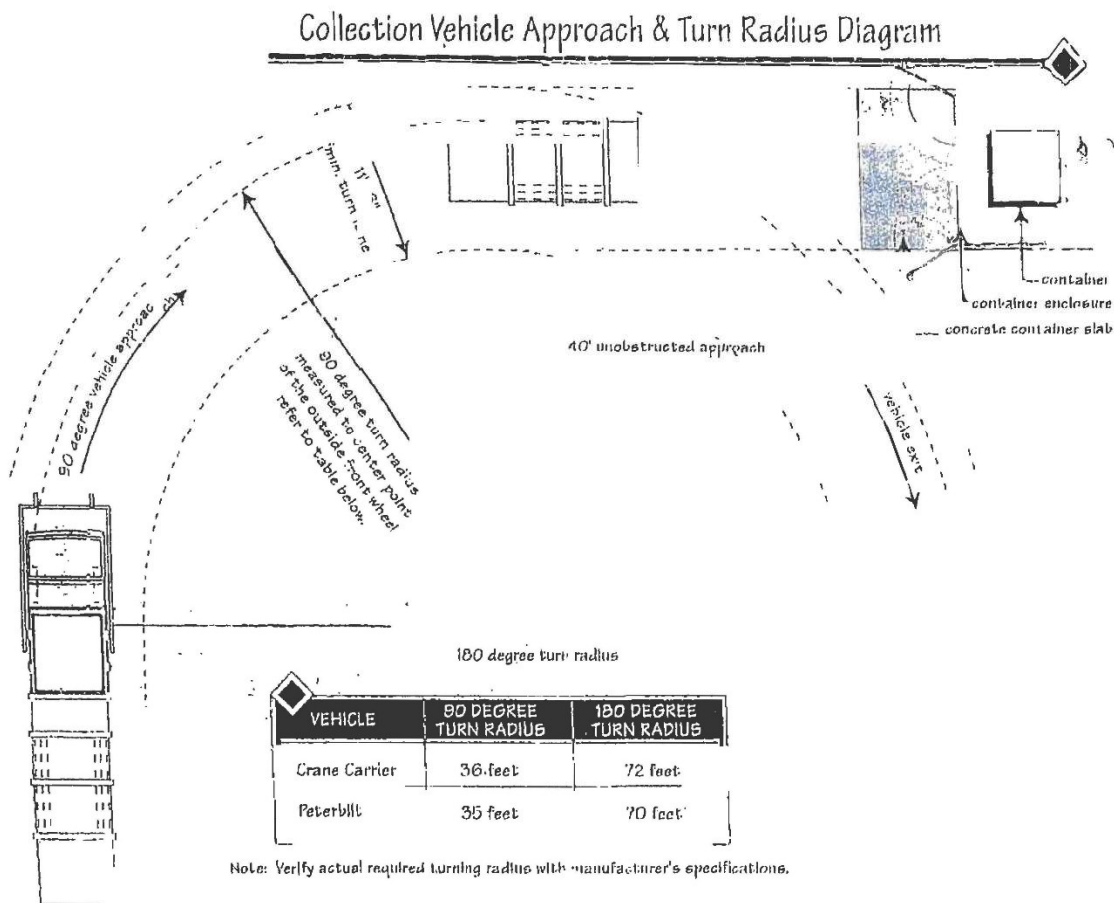
1. Leasing office, Laundry Room, Mail Structure, Pool House, Community Gym, Community Activity Structure, Dog Park, Community Park/Playground, and Storage Facilities are considered secondary uses to the primary use.
  - a. May be located anywhere on the property but shall meet the building setback lines.
  - b. Maximum height is twenty (20) feet.
  - c. Pitched roof with a minimum 1:3 design.

**49-55.4 Development Regulations**

1. Height: No building or structure shall exceed four (4) stories, nor shall it exceed fifty (50) feet.
2. Front Yard: There shall be a front yard of not less than twenty (20) feet.
3. Interior Side Yard: There shall be a side yard of not less than twenty (20) feet.
4. Street Side Yard: There shall be a side yard of not less than twenty (20) feet.
5. Rear Yard: There shall be a rear yard of not less than twenty (20) feet.
6. Lot Area: The minimum area of a lot shall be sixteen thousand (16,000) square feet.
7. Lot Dimensions: Each lot shall have a minimum width of one hundred (100) feet.
8. Floor Area: The main residence shall contain a minimum of eight hundred (800) square feet of floor area.
9. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron or chain link materials. No fence shall be constructed of corrugated metal, corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort.

- a. A fence is required if adjacent to Residential Single-Family separating the properties and creating buffer.
10. Dumpster Enclosure: See the following Diagram.





#### 49-55.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-55.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

#### SEC. 49-56 Manufactured Home (R-MH)

##### 49-56.1 Purpose

The purpose of the Manufactured Home District is to provide suitable locations for the placement and development of manufactured homes in a manner that promotes safe, affordable housing while protecting the public health, safety, and general welfare. This district is intended to ensure compatibility with surrounding land uses, encourage orderly development, and establish uniform standards for site design, infrastructure, utilities, and occupancy in compliance with applicable state and federal regulations. By designating specific areas for manufactured housing, the district supports efficient land-use planning, preserves neighborhood character, and provides regulatory clarity for property owners, residents, and the City.

#### 49-56.2 Permitted Uses

1. All uses listed in SEC. 49-55.
2. Manufactured Home, one (1) dwelling per lot.

#### 49-56.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Shall be located in the rear portion of the property and meet the building setback lines.
2. Maximum height is twenty (20) feet.
3. Pitched roof with a minimum 1:3 design.

#### 49-56.4 Development Regulations

1. Height: No building or structure shall exceed one (1) story, nor shall it exceed thirteen (13) feet from the ground to the tip of the roof.
2. Front Yard: There shall be a front yard of not less than twenty (20) feet.
3. Interior Side Yard: There shall be a side yard of not less than six (6) feet.
4. Street Side Yard: There shall be a side yard of not less than ten (10) feet.
5. Rear Yard: There shall be a rear yard of not less than ten (10) feet.
6. Lot Area: The minimum area of a lot shall be six thousand (6,000) square feet.
7. Lot Dimensions: Each lot shall have a minimum width of sixty (60) feet.
8. Floor Area: There is no minimum floor area.
9. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron, corrugated metal, or chain link materials. No fence shall be constructed of corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort. Corrugated metals allowed: 24- or 26- gauge metal R-panel or flair panel and must have a polyester enamel color finish, must be capped, and must be installed with rustproof screws.
  - a. Any fence located in the front yard and/or side yard facing a street shall have a maximum height of four (4) feet.
  - b. Sec. 54-102. Certain fences prohibited.

#### 49-56.5 Standards

1. Any manufactured home must be installed on a permanent foundation in accordance with the Department of Housing and Community Affairs (TDCA) rules.
2. Running gear, tongues, axles, and wheels shall be removed from all manufactured homes at the time of installation.
3. The roof of a manufactured home placed in the city must be predominantly double-pitched and have a minimum rise of three (3) inches for every twelve (12) inches of vertical run (3:12) roof pitch. The roof must be covered with material that is commonly used on site-built single-family dwellings within the city, including but not limited to asphalt composition shingles, fiberglass or architectural metal panels and excluding corrugated aluminum, corrugated fiberglass, or corrugated metal. The roof shall have a minimum eave projection and roof overhang of eight (8) inches.
4. Exterior siding shall be of a material that is commonly used on site-built single-family dwellings with the city that does not have a high gloss finish. It may include wood, cementitious board, composition, clapboard, conventional vinyl or metal siding, brick, stucco, or similar material, but excludes smooth, ribbed, or corrugated metal or plastic panels.
5. The perimeter of the crawlspace beneath a manufactured home placed within the city limits shall be skirted, with openings only for crawlspace ventilation, access, and equipment operation. Skirting shall be constructed of brick, masonry, concrete, stucco, or the same material as the siding of the unit.

#### 49-56.6 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-56.7 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

### SEC.49-57 Neighborhood Business Light Commercial (BC-LN)

#### 49-57.1 Purpose

Commercial Business Light is to allow business, and service uses that have low impact on surrounding areas and serve local or neighborhood needs. It acts as a buffer between residential zones and heavier commercial areas. This limits noise, traffic, emissions, odor, and heavy truck activity.

#### 49-57.2 Permitted Uses

1. All uses listed in SEC. 49-56.

2. Beauty Parlor / Barbor Shop
3. Nail Salon / Tanning Salon
4. Dry Cleaning / Tailor / Seamstress
5. Offices (i.e., doctor, dentist, lawyer, accountant, etc.)
6. Radio/Computer Repair Shop
7. Boutique
8. Small Retail (less than 4,000 sq. ft.)
9. Studio (i.e., music, art, photography, etc.)
10. Bakery, Café, Bodega (less than 1,000 sq. ft. and no drive thru)
11. Food Truck
12. Animal Grooming
13. Golf Course (Public / Private)
14. Nursery Yards / Landscaping Yards
15. Day Care
16. Lodge / Sorority / Fraternity
17. Bed and Breakfast
18. Mail Services
19. Other similar uses as approved by City Council.

#### 49-57.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Shall be located in the rear portion of the property and meet the building setback lines.
2. Maximum height is twenty (20) feet.
3. Pitched roof with a minimum 1:3 design.

#### 49-57.4 Development Regulations

1. Height: No building or structure shall exceed two (2) stories, nor shall it exceed thirty-five (35) feet.
2. Front Yard: There shall be a front yard of not less than ten (10) feet.
3. Interior Side Yard: There shall be a side yard of not less than six (6) feet when adjoining residential and three (3) feet when adjoining non-residential.
4. Street Side Yard: There shall be a side yard of not less than ten (10) feet.
5. Rear Yard: There shall be a rear yard of not less than twenty (20) feet.
6. Lot Area: There is no minimum square footage required.
7. Lot Dimensions: There is no minimum width.
8. Floor Area: Minimum floor area depends on the use as listed in Sec.49-58.2 Permitted Uses.
9. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron or chain link materials. No fence shall be constructed of corrugated metal, corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort.

- a. No front yard fencing.
  - b. A fence is required if adjacent to all Residential, Townhome, Multi-Family, Manufactured Home separating the properties and creating a buffer.
10. Dumpster Enclosure; See 49-55.4 (10).

#### 49-57.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited. Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-57.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

#### SEC. 49-58 Medium Business Commercial (BC-M)

##### 49-58.1 Purpose

The purpose of the Medium Business Commercial District is to provide areas for a range of moderate-intensity commercial uses that serve the daily needs of the community while maintaining compatibility with adjacent residential and commercial areas. This district is intended to accommodate offices, retail establishments, personal and professional services, restaurants, and similar uses that generate moderate traffic and activity levels. Development standards within the district are designed to promote orderly growth, ensure safe access and circulation, minimize adverse impacts such as noise and congestion, and support attractive, functional commercial development that contributes to the City's economic vitality and overall land-use plan.

##### 49-58.2 Permitted Uses

1. All uses listed in SEC. 49-57.
2. Automobile Services / Repair / Sales / Tire Shop (No paint shop)
3. Boat Services / Repair / Sales
4. Hotel/Motel/Tourist Court (Roadside Inn)
5. Moving Picture House or Theater / Auditorium
6. Large Retail
7. Grocery Store
8. Car Wash
9. Restaurant / Fast Food / Independent Ice Machines
10. Dance Hall / Lodge Hall
11. Tavern / Club / Bar
12. Mortuaries / Funeral Home
13. Self-Serve Laundry Facilities

14. Convenience Store
15. Gas / Service Station
16. Vape / E-Cigarette / Hemp Shop
  - a. Exemption: Not permitted on Main Street from Highway 36 Byp N heading west to the city limits nor on S State Highway 36.
17. Veterinary Clinic / Hospital / Animal Boarding / Kennel
18. Clinic
19. Bank / Financial Services / Bail Bond
20. Parking Lot / Parking Garage
21. Personal Physical Fitness Gym
22. Brewery
23. Driving School
24. Donation Center / Food Bank
25. Pawn Shop
26. Utility Company
27. Other similar uses as approved by City Council.

#### 49-58.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Shall be located in the rear portion of the property and meet the building setback lines.
2. Maximum height is twenty (20) feet.
3. Pitched roof with a minimum 1:3 design.

#### 49-58.4 Development Regulations

1. Height: No building or structure shall exceed six (6) stories, nor shall it exceed eighty-four (84) feet.
2. Front Yard: There shall be a front yard of not less than ten (10) feet.
3. Interior Side Yard: There shall be a side yard of not less than six (6) feet when adjoining residential and three (3) feet when adjoining non-residential.
4. Street Side Yard: There shall be a side yard of not less than ten (10) feet.
5. Rear Yard: There shall be a rear yard of not less than twenty (20) feet.
6. Lot Area: There is no minimum square footage required.
7. Lot Dimensions: There is no minimum width.
8. Floor Area: No minimum floor area.
9. Fence: Maximum height is ten (10) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron or chain link materials. No fence shall be constructed of corrugated metal, corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort.
  - a. No front yard fencing.
  - b. A fence is required if adjacent to all Residential, Townhome, Multi-Family, Manufactured Home separating the properties and creating a buffer.

10. Dumpster Enclosure; See 49-55.4 (10).

49-58.5 Special Requirements

1. Open / Outside Storage: Open storage is prohibited. Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

49-58.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

SEC. 49-59 Manufactured Home Park (MHP)

49-59.1 Purpose

The purpose of the Manufactured Home Park District is to provide appropriate locations for the orderly development and operation of manufactured home parks while protecting the public health, safety, and general welfare. This district is intended to accommodate long-term and short-term residential and recreational lodging needs in areas served by adequate infrastructure and public services, ensure compatibility with surrounding land uses, and establish uniform standards for site design, density, utilities, access, and amenities. By regulating these uses within a designated zoning district, the City promotes affordable housing and tourism opportunities, minimizes land-use conflicts, preserves community character, and provides clear regulatory guidance for property owners, operators, and residents.

49-59.2 Permitted Uses

1. All uses listed in SEC. 49-58.
2. Manufactured Home, one (1) dwelling per lot.

49-59.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Leasing office, Mail Structure, Pool House, Community Gym, Community Activity Structure, Dog Park, and Community Park/Playground are considered secondary uses to the primary use.
2. Shall be located in the rear portion of the property and meet the building setback lines.
3. Maximum height is twenty (20) feet.
4. Pitched roof with a minimum 1:3 design.

49-59.4 Development Regulations

1. Subdivision may be created for the purpose of subdividing land into residential lots to be sold for the use of Manufactured Homes. Such subdivision shall be of a size of not less than four (4) acres. Subdivision regulations can be found in Chapter 48 of the Gatesville Code of Ordinances.
2. Height: No building or structure shall exceed one (1) story, nor shall it exceed thirteen (13) feet from ground to tip of roof.
3. Front Yard: There shall be a front yard of not less than twenty (20) feet.
4. Interior Side Yard: There shall be a side yard of not less than six (6) feet.
5. Street Side Yard: There shall be a side yard of not less than ten (10) feet.
6. Rear Yard: There shall be a rear yard of not less than ten (10) feet.
7. Lot Area: The minimum area of a lot shall be five thousand (5,000) square feet.
8. Lot Dimensions: Each lot shall have a minimum width of fifty (50) feet.
9. Floor Area: There is no minimum floor area.
10. Fence: Maximum height is eight (8) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron or chain link materials. No fence shall be constructed of corrugated metal, corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort.
  - a. Any fence located in the front yard and/or side yard facing a street shall have a maximum height of four (4) feet.
  - b. Sec. 54-102. Certain fences prohibited.
  - c. A fence is required if adjacent to Residential Single-Family and Residential 2-4 Family separating the properties and creating buffer.
11. Individual space numbering system required and shall be in a conspicuous location, visible from the internal circulation road which abuts the front yard of the manufactured home space.

#### 49-59.5 Standards

1. Any manufactured home must be installed on a permanent foundation in accordance with the Department of Housing and Community Affairs (TDCA) rules.
2. Running gear, tongues, axles, and wheels shall be removed from all manufactured homes at the time of installation.
3. The roof of a manufactured home placed in the city must be predominantly double-pitched and have a minimum rise of three (3) inches for every twelve (12) inches of vertical run (3:12) roof pitch. The roof must be covered with material that is commonly used on site-built single-family dwellings within the city, including but not limited to asphalt composition shingles, fiberglass or architectural metal panels and excluding corrugated aluminum, corrugated fiberglass, or corrugated metal. The roof shall have a minimum eave projection and roof overhang of eight (8) inches.
4. Exterior siding shall be of a material that is commonly used on site-built single-family dwellings with the city that does not have a high gloss finish. It may include wood, cementitious board, composition, clapboard, conventional vinyl or metal siding, brick, stucco, or similar material, but excludes smooth, ribbed, or corrugated metal or plastic panels.

5. The perimeter of the crawlspace beneath a manufactured home placed within the city limits shall be skirted, with openings only for crawlspace ventilation, access, and equipment operation. Skirting shall be constructed of brick, masonry, concrete, stucco, or the same material as the siding of the unit.

#### 49-59.6 License

It shall be unlawful for any person to maintain or operate a manufactured home park or within the limits of the city, unless such person shall first obtain a license as issued by the building official of the city. Such license shall be valid for a period not to exceed one (1) year and is subject to renewal upon expiration.

1. The annual license fee for each manufactured home park shall be as set out in Chapter 18 Fee Schedule for each manufactured home space provided with a minimum charge.
2. Register of occupants. It shall be the duty of each licensee to maintain a register containing a record of manufactured homeowners/occupants located within the manufactured home parks. The park shall keep the register available for inspection at all times by law enforcement officers, public health officials, and other officials whose duties necessitate acquisition of the information contained in the register. The register record for each occupant registered shall not be destroyed for a period of three (3) years following the date of departure of the registrant from the park.

#### 49-59.7 Special Requirements

1. Open / Outside Storage: Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
2. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

#### 49-59.8 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

### SEC. 49-60 Recreational Vehicle Park (RVP)

#### 49-60.1 Purpose

The purpose of the Recreational Vehicle Park District is to provide appropriate locations for the orderly development and operation of recreational vehicle parks while protecting public health, safety, and general welfare. This district is intended to accommodate long-term and short-term residential and recreational lodging needs in areas served by adequate infrastructure and public services, ensure compatibility with surrounding land uses, and establish uniform standards for

site design, density, utilities, access, and amenities. By regulating these uses within a designated zoning district, the City promotes affordable housing and tourism opportunities, minimizes land-use conflicts, preserves community character, and provides clear regulatory guidance for property owners, operators, and residents.

#### 49-60.2 Permitted Uses

1. All uses listed in SEC. 49-59.
2. Recreational Vehicle, one (1) per lot.

#### 49-60.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. Leasing office, Laundry Room, Sanitation Facility, Mail Structure, Pool House, Community Gym, Community Activity Structure, Dog Park, and Community Park/Playground are considered secondary uses to the primary use.
2. Shall be located in the rear portion of the property and meet the building setback lines.
3. Maximum height is twenty (20) feet.
4. Pitched roof with a minimum 1:3 design.

#### 49-60.4 Development Standards

1. Subdivision may be created for the purpose of subdividing land into residential lots to be sold for the use of Recreational Vehicles. Such subdivision shall be of a size of not less than four (4) acres with a maximum of twenty (20) units per acre. Subdivision regulations can be found in Chapter 48 of the Gatesville Code of Ordinances.
2. Height: No building or structure shall exceed one (1) story, nor shall it exceed fourteen (14) feet from ground to tip of roof.
3. Lot Area: The minimum area of a lot shall be five thousand (3,000) square feet.
4. Lot Dimensions: Each lot shall have a minimum width of fifty (50) feet.
5. Individual space numbering system required and shall be in a conspicuous location, visible from the internal circulation road which abuts the front yard of the manufactured home space.
6. Utility hookups shall be located such that a ten (10) foot clearance shall be maintained between recreational vehicles when parked.
7. Each recreational vehicle space provided with electrical service shall be so served through an underground distribution system. The park office and/or service buildings may receive electrical service as provided through overhead facilities.
8. Each recreational vehicle park shall provide, at minimum, one (1) sanitary disposal site (dump station) which discharge into the city sewage system.
9. Service Buildings minimum:
  - a. One (1) flush toilet for women.
  - b. One (1) flush toilet for men.
  - c. One (1) lavatory for each sex.

- d. One (1) shower and dressing accommodations for each sex, provided in an individual compartment or stall.
  - e. One (1) washing machine.
  - f. One (1) slop sink, not less than fourteen (14) inches square and fourteen (14) inches deep.
  - g. Permanent structures which comply with all applicable laws and ordinances.
  - h. Shall be located no closer than fifteen (15) feet nor farther than two hundred (200) feet from any recreational vehicle space within the park.
  - i. The aforementioned amenities shall accommodate not more than twelve (12) recreational vehicle spaces. For each ten (10) recreational vehicle spaces, one (1) flush toilet, one (1) shower with individual compartments/stall, with one (1) lavatory shall be provided for each six (6), with laundry and slop sink facilities.
10. Dumpster Enclosure; See 49-55.4 (10).
- a. A fence is required if adjacent to Residential Single-Family and Residential 2-4 Family separating the properties and creating buffer.

#### 49-60.5 Standards

1. Shall be registered according to the Texas Department of Motor Vehicles (DMV):
  - a. Proof of Ownership
  - b. Evidence of Insurance
  - c. Registration sticker shall be affixed and visible on the right side of the front window.
  - d. License plates shall be current and registered according to the DMV.

#### 49-60.6 License

It shall be unlawful for any person to maintain or operate a recreational vehicle park within the limits of the city, unless such person shall first obtain a license as issued by the building official of the city. Such license shall be valid for a period not to exceed one (1) year and is subject to renewal upon expiration.

1. The annual license fee for each manufactured home park shall be as set out in Chapter 18 Fee Schedule for each manufactured home space provided with a minimum charge.
2. Register of occupants. It shall be the duty of each licensee to maintain a register containing a record of recreational vehicle owners/occupants located within the recreational vehicle parks. The park shall keep the register available for inspection at all times by law enforcement officers, public health officials, and other officials whose duties necessitate acquisition of the information contained in the register. The register record for each occupant registered shall not be destroyed for a period of three (3) years following the date of departure of the registrant from the park.

#### 49-60.7 Special Requirements

**Open / Outside Storage:** Open storage is prohibited (except for materials for the resident's personal use or consumption, (i.e., firewood, gardening materials, etc.). Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.

## 49-60.8 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

### SEC. 49-61 Industrial/Commercial Business (BC-H/I)

#### 49-61.1 Purpose

The purpose of the Industrial / Commercial Business District is to provide suitable areas for industrial and intensive commercial uses that support the City's economic development while protecting the public health, safety, and general welfare. This district is intended to accommodate manufacturing, warehousing, distribution, processing, and related commercial activities that may involve higher levels of traffic, noise, or operational impacts. By locating these uses in designated areas with appropriate infrastructure, access, and performance standards, the district promotes efficient land use, minimizes conflicts with residential and lower-intensity commercial areas, supports employment opportunities, and ensures orderly, sustainable industrial growth consistent with the City's long-range planning objectives.

#### 49-61.2 Permitted Uses

1. All uses listed in SEC. 49-60.
2. Data Center
3. Arena / Stadium / Event Venue (Private)
4. Indoor or Outdoor Family Entertainment (i.e., miniature golf, bowling alley, skating rink)
5. Drive-In Theater
6. Storage Facilities / Warehouses / Storage Building Sales
7. Transportation Stations
8. Travel Center / Truck Stop
9. Manufacturing / Processing Facilities
10. Junk Yards / Automobile Wrecking Yards
11. Refinery
12. Slaughter Yard
13. Stockyard
14. Sexually Oriented Business (See Chapter 32, Article VII)
15. Laboratory Facilities
16. Concrete Batch Plant / Rock Quarry (Specific Use Permit Required)
17. Racetrack (Specific Use Permit Required)
18. Nursing Home / Assisted Living
19. Hospital
20. Prison
21. Private School / Higher Education / University (Planned Development Required)
22. Paint Shop

23. Zoo (Planned Unit Development Required)
24. Gun Range
25. Liquor Store
26. Game Rooms [i.e., Sweepstakes machines, gaming machines, computer games),  
(Chapter 32, Article IX)]
27. Pool Hall
28. Other similar uses as approved by City Council.

#### 49-61.3 Accessory Uses

Any use as established in the definition under Sec. 49-27.

1. All additional structures are considered a secondary use to the main building.
2. Can be located on any portion of the property but shall meet the building setback lines.
3. Maximum height is twenty (20) feet.
4. Pitched roof with a minimum 1:3 design.

#### 49-61.4 Development Regulations

1. Height: No building or structure shall exceed six (6) stories, nor shall it exceed eighty-four (84) feet.
2. Front Yard: There shall be a front yard of not less than ten (10) feet.
3. Interior Side Yard: There shall be a side yard of not less than ten (10) feet when adjoining residential and three (3) feet when adjoining non-residential.
4. Street Side Yard: There shall be a side yard of not less than twenty (20) feet.
5. Rear Yard: There shall be a rear yard of not less than twenty (20) feet.
6. Lot Area: There is no minimum square footage required.
7. Lot Dimensions: There is no minimum width.
8. Floor Area: No minimum floor area.
9. Fence: Maximum height is ten (10) feet. Any fence constructed, erected or built in the city limits must be constructed of masonry, concrete, wood (except plywood), plastic (prefabricated), vinyl, wrought iron or chain link materials. No fence shall be constructed of corrugated metal, corrugated tin, corrugated fiberglass, fiberglass or metal panels, cattle panels, chicken wire or welded wire mesh of any sort.
  - a. No front yard fencing.
  - b. A fence is required if adjacent to all Residential, Townhome, Multi-Family, Manufactured Home separating the properties and creating a buffer.
10. Dumpster Enclosure; See 49-55.4 (10).

#### 49-61.5 Special Requirements

- a. Open / Outside Storage: Open storage is prohibited. Other storage may be kept in premises wholly within a permitted storage structure. Such structure shall comply with all other applicable provisions and regulations provided within this ordinance.
- b. Temporary Dwellings: No permanent use of temporary dwellings, such as recreational vehicles, travel trailers, or motor homes.

### 49-61.6 Special Exception Uses

Special exception uses (SUP) may be recommended for approval to the City Council by the Planning and Zoning Commission under the provisions of Chapter 3 of the Gatesville Code of Ordinances.

## SEC. 49-62 Planned Unit Development (PUD)

### 49-62.1 Purpose

The purpose of the Planned Unit Development (PUD) District is to provide a flexible zoning framework that encourages innovative, high-quality development while ensuring consistency with the City's comprehensive plan and overall land-use objectives. This district is intended to allow a coordinated mix of land uses, site design, and development standards that may vary from conventional zoning requirements in order to promote efficient land use, preservation of natural features, creative design, and compatibility with surrounding development. Through a unified development plan and negotiated standards, the PUD district supports orderly growth, enhances community character, and ensures that public services, infrastructure, and amenities are adequately provided and integrated into the development.

### 49-62.2 Permitted Uses

The PUD District, when approved as a suffix to a particular zoning district, will allow the development of any combination of uses which are permitted in that district. The PUD District may also be approved by a specific use or uses, or a class of generic uses. A PUD District may have certain variances approved for the overall PUD with the exception of life safety requirements.

### 49-62.3 Development Regulations

Property may be classified under the PUD District zone either in combination with another zoning district and so designated by the letters PUD affixed to the code letters of the base district, or as a single zoning district. When the PUD designation is affixed to another base district, development may proceed in accordance with the provisions of this section.

When property carries on the PUD designation it shall be considered to be classified in a "holding zone" pending:

1. Presentation by landowner of specific development proposals consistent with the adopted City Plan
2. Determination of public action on facilities and services needed to serve the proposed development. Under this circumstance no development may proceed until an accompanying base district classification is established by map amendment to this ordinance.
3. When the PD designation in combination with any Working Area Zone (s) has gross area of at least ten (10) acres the Development Controls of the Working Area Zone (s) shall apply. In addition, special attention shall be given to the external effects of the proposed development on properties generally located in the surrounding area.
4. When the PD designation in combination with any Living Area Zone(s) has a gross area of at least twenty (20) acres, the Development Controls of the Living Area Zone(s) shall apply only to the total site and to individual blocks within the site; provided that,

- in lieu of the Bulk Control Standards, the Intensity Factor of the district as shown above shall apply to each district.
5. A site plan approved by the City Council shall be a prerequisite to issuance of building permits and certificates of occupancy for any property in the district other than those which are entitled to same by reason of other provisions of this ordinance.
  6. The site plan shall show all pertinent information necessary to accompany an application for building permit and such other information pertinent to the site and surrounding area as the Commission may require under its Rules of Procedure, including a schedule of proposed improvements both on-site and off-site.
  7. A request for site plan approval shall follow the same review and hearing procedure as a proposal for zoning district change. A site plan approval request may be heard concurrent with or subsequent to a zoning change request, but not before.
  8. The Commission may recommend and the Council may require such modification of a site plan as will permit the proposed project to be in harmony with the existing and anticipated development of surrounding areas.
  9. All site plans approved hereunder may be amended pursuant to the same procedure and subject to the same limitations and requirements by which such plans were originally approved.
  10. Every application for approval of a site plan under the terms of this district shall contain sufficient information delineating the characteristics of the site, changes in those characteristics as may be proposed by the developer, how the development will relate to public services and facilities, and what protection features are included to ensure that the development will be compatible with existing and allowable development on adjacent property. The site plan shall show at least the following items of information.
    - a. The land area including within the site, the land area of all abutting sites and the zoning classification thereof, all public and private rights of way and easements bounding and intersecting the site and the abutting sites which are proposed to be continued, created, relocated and/or abandoned;
    - b. The proposed finished grade of the site, shown to contour intervals of not to exceed two feet;
    - c. A description of the proposed site and the boundaries thereof;
    - d. The location of each existing and each proposed structure on the site, the use or uses to be contained therein, the number of stories, gross floor area, and the location of entrances and exits to buildings;
    - e. The location of all outside facilities for waste disposal;
    - f. The location and width of all curb cuts and driving lanes;
    - g. The dimensions and capacities of parking areas and loading areas, and the character and location of illumination facilities for same;
    - h. All pedestrian walks, malls and open areas for use by tenants or the public;
    - i. The location and height of all walls, fences and screen planting;
    - j. The location, size, heights and orientation of all signs other than signs flat on building facades;
    - k. The types of surfacing, such as paving, turfing or gravel, to be used at the various locations;
    - l. The location of fire hydrants.

## SEC. 49-63 Overlay Districts (OVLY)

### 7-13.1 Purpose

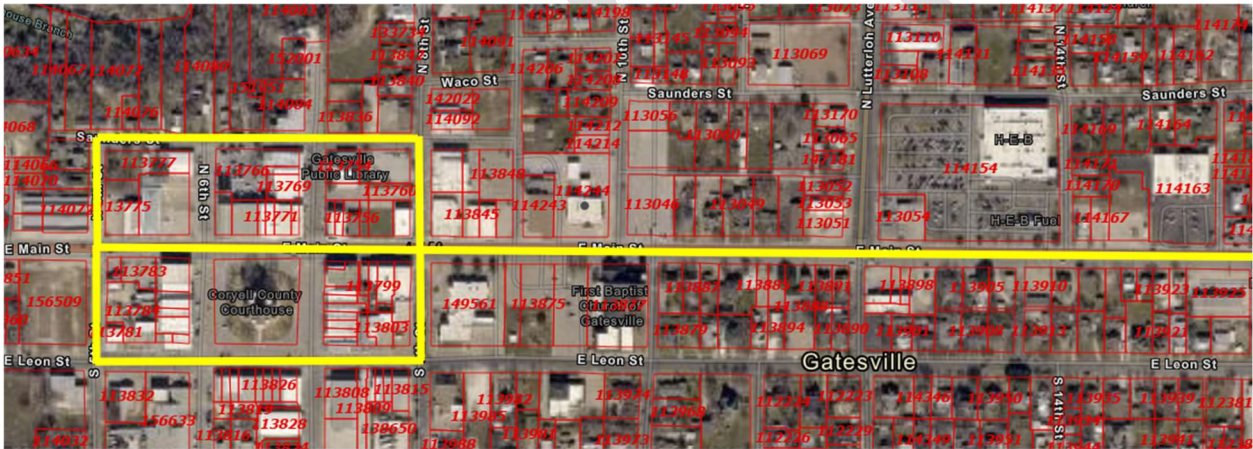
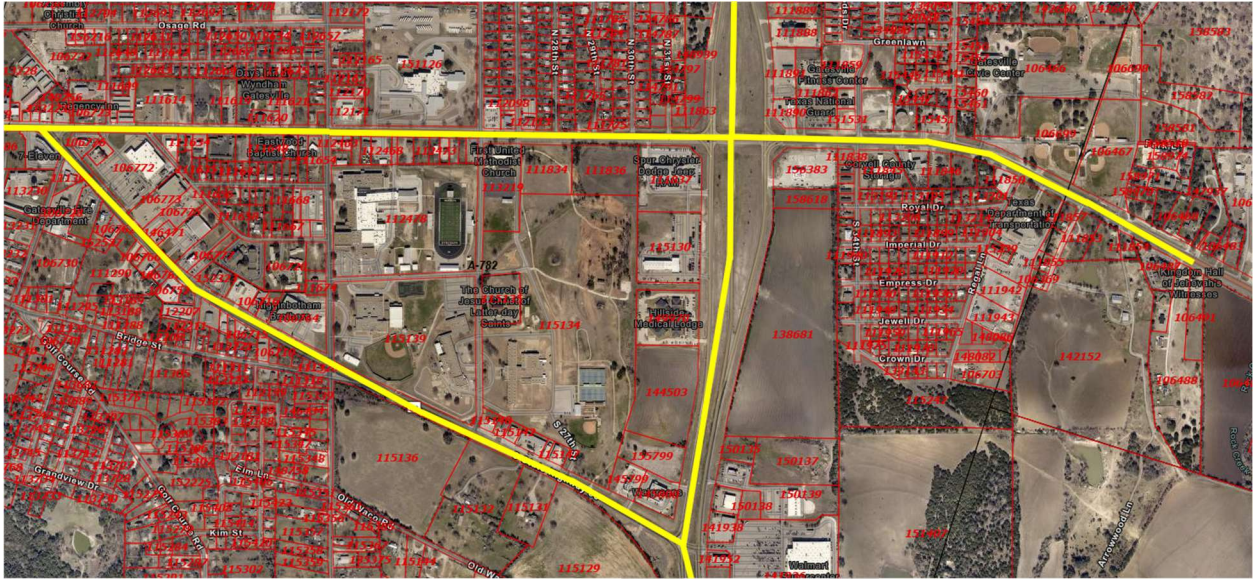
The purpose of an overlay district applied to commercial zoning is to impose additional or modified development standards that address specific community needs, site conditions, or planning objectives without changing the underlying commercial zoning classification. An overlay district allows the City to protect public health, safety, and welfare; enhance community character; and guide development in targeted areas by regulating elements such as design, access, signage, environmental protection, historic preservation, or land-use compatibility. By layering these supplemental requirements over existing commercial zoning, the overlay district provides flexibility, preserves established commercial uses, and ensures that development aligns with adopted plans, infrastructure capacity, and long-term community goals.

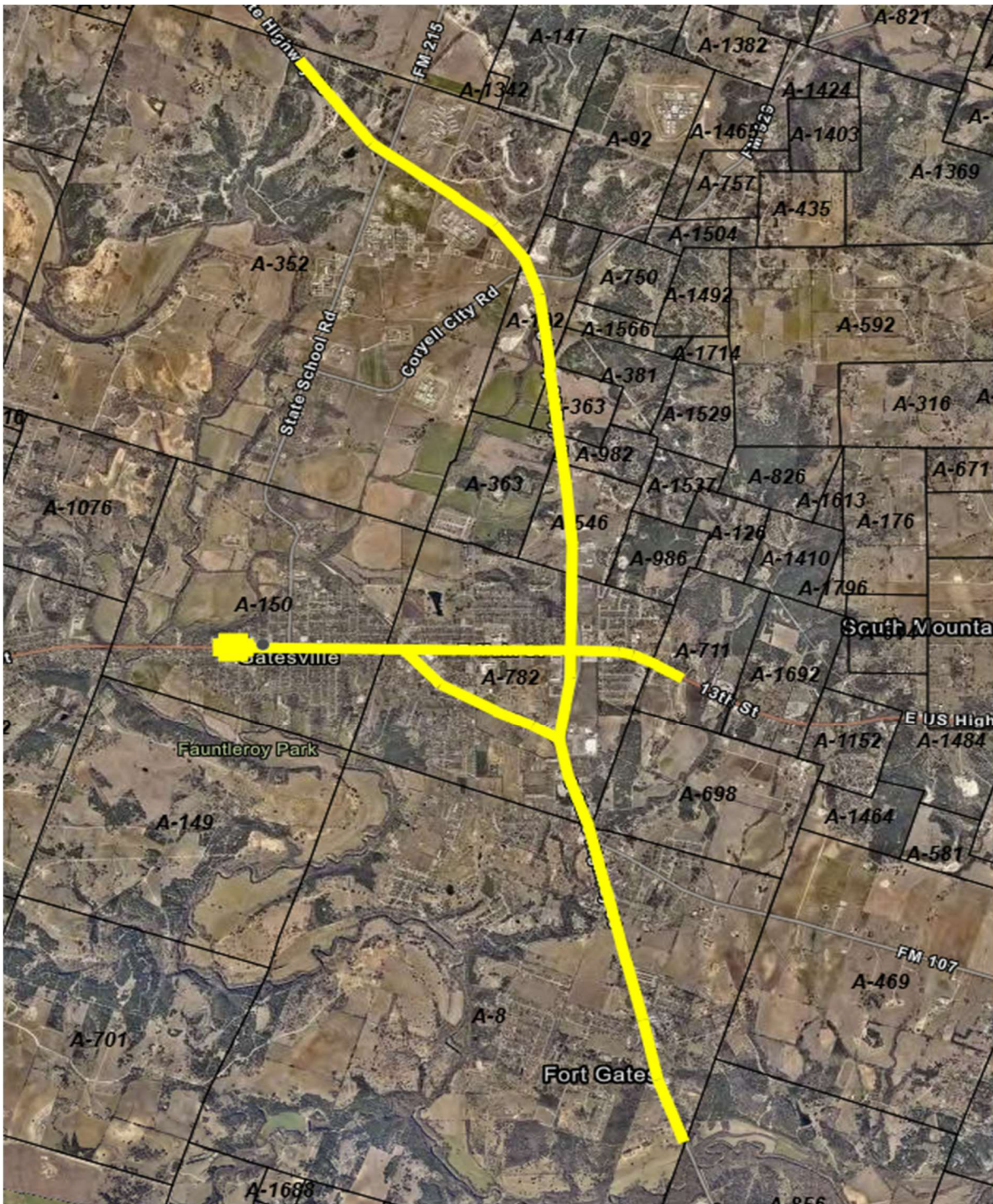
#### 49-63.2 Area

1. Highway 36 Bypass N heading west on E US Highway 84 (E Main Street) to N 5<sup>th</sup> Street.
2. Highway 36 Bypass N heading east on E US Highway 84 to the city limits.
3. E Main Street heading southeast on S State Highway 36.
4. E US Highway 84 heading south on Highway 36 Bypass N and continuing along S State Highway 36 to the city limits.
5. E US Highway 84 heading north on Highway 36 Bypass N to the city limits.
6. Saunders Street heading south on N 5<sup>th</sup> Street to E Leon Street, heading east on E Leon Street to S 8<sup>th</sup> Street, heading north on S 8<sup>th</sup> Street to Saunders Street, and heading west on Saunders Street to N 5<sup>th</sup> Street.

#### 49-63.3 Development Regulations

1. Limit residential use. In the event that residential use ceases, the property shall be restricted to commercial use only.
2. Exception for residential use:
  - a. Allow for mixed use with residential above the second story or above and only a minimum of 60% of the gross floor area is devoted to non-residential uses. Separate means of egress required for each use.
  - b. Multi-Family (7-13.2 (b) (d) (e))
  - c. Subdivision with an entrance (7-13.2 (b) (d) (e))
3. Boarder landscaping in the area along E Main Street between N 5<sup>th</sup> Street and N 8<sup>th</sup> Street to create a buffer between the street and the business and allow for walkability along E Main Street. This also helps to absorb excess water run off and allows for ornamental lights along the sidewalks.
4. Area 7-13.2 (f): Maintain historic façade, look and integrity.





Secs. 49-64. — 49-70. - Reserved.

## ARTICLE VIII. – OFF-STREET PARKING & OFF-STREET LOADING

### SEC. 49-71. Purpose and Intent

The purpose and intent of these regulations are to ensure safety from fire, panic and other dangers; to lessen congestion in the streets and alleys; to facilitate the adequate provision of transportation

and circulation; to conserve the value of building and land uses; and to encourage the most appropriate use of land. **To this end in all zoned districts, there shall be provided at the time any use is established or expanded, or any building or structure is erected or structurally altered (except as otherwise provided elsewhere in this section), minimum off-street parking in conformance with the requirements established herein.**

#### SEC. 49-72. Location of Parking Spaces

All parking spaces required herein shall be located on the same lot with the building or use served, except that where an increase in the number of spaces is required by a change or enlargement of use or where such spaces are provided collectively or used jointly by two or more buildings or establishments, the required spaces may be located and maintained within three hundred (300) feet of an institutional or other non-residential building served.

#### SEC. 49-73. Computation of Parking Space Sizes and Parking Areas

In computing the minimum size and area of parking spaces and parking areas, the following rules shall govern:

##### 49-73.1 Parking Space Size

1. Perpendicular: No parking space shall be less than 9 feet in width by 18 feet in length.
2. Parallel: No parking space shall be less than 8 feet by 22 feet.
3. Angled: No parking spaces shall be less than 8 feet by 20 feet with a minimum 60-degree angle.
4. Compact: No parking spaces shall be less than 8 feet by 16 feet.
5. **ADA: No parking spaces shall be less than 8 feet wide with adjacent 5-foot access; Van-Accessible shall be a minimum of 11 feet wide.**

#### SEC. 49-74. Type of Parking Surface Required

All parking and vehicle use areas shall be of all-weather surface material and constructed in accordance with applicable codes. Permeable pavements such as permeable asphalt, concrete or equivalent shall be considered an all-weather surface if it is designed by a licensed engineer experienced in the design of permeable pavement and is installed to industry standards.

#### SEC. 49-75. Rules for the Computation of the Number of Parking Spaces

**49-75.1 Whenever a building or use constructed or established after the effective date of this ordinance is changed or enlarged in floor area, number of employees, number of dwelling units, seating capacity, or otherwise, to create a need for an increase of 10 percent or more in the number of existing parking spaces, such spaces shall be provided on the basis of the enlargement of new total. Whenever a building or use existing prior to the effective date of this ordinance is enlarged to the extent of 25 percent or more in floor area or in the area used, said building or use shall then and thereafter comply with the parking requirements set forth herein.**

**49-75.2 In the case of mixed or joint uses, the parking spaces required shall equal the sum of the requirements of the various uses computed separately.**

## SEC. 49-76. Number of Off-Street Parking Spaces Required

### 49-76.1 Residential Uses

1. Single-Family Detached Dwelling: two (2) spaces per dwelling unit exclusive of “in-garage” parking.
2. Boarding House: One (1) space per bed or individual sleeping room.
3. Fraternity or Sorority House: One (1) space per bed.
4. Nursing, Rest or Convalescent Home, Home for the Aged, Senior Citizens Apartment Dwelling, or Other Similar Dwelling or Institution: One (1) space per each three (3) beds or One (1) space per individual sleeping unit, whichever is greater.
5. Duplex/Tri-plex/Quad-plex: Two spaces per dwelling unit.
6. Mobile Home Park, Subdivision or Campground: One (1) to five (5) spaces for each transient stand for a mobile home park or campground and for each lot in a mobile home subdivision.
7. Multi-Family: One (1) space for each 500 square feet of dwelling unit floor area within the building site. Only floor space within a dwelling unit is included for calculation of required off-street parking.

### 49-76.2 Non-Residential Uses

1. Schools:
  - a. Elementary: One (1) space for each classroom or teaching station, plus One (1) additional space for each four (4) seats in any auditorium, gymnasium, or other assembly place, whichever is greater.
  - b. Junior High/Middle School: Same requirements as for elementary schools.
  - c. High School: One (1) space for each classroom or teaching station, plus One (1) additional space for each three (3) students accommodated in the school.
  - d. College or University: Same requirements as for high schools.
  - e. Day Care Centers or Kindergarten: One (1) space per each five (5) pupils accommodated, plus sufficient space to accommodate off-street circulation for pickup and delivery of children by auto.
2. Churches and Places of Worship: One (1) space for each three (3) seats in the main sanctuary or auditorium.
3. Other Institutions:
  - a. Hospital, General Acute Care: One (1) space per bed, plus 1 space for each four (4) persons employed.
  - b. Hospital, Chronic Care: One (1) space per each three (3) beds, plus one (1) space for each four (4) persons employed.
  - c. Foster Home: One (1) space per each ten (10) pupils or residents.
  - d. Institutions of Philanthropic Nature: ten (10) spaces plus one (1) space for each employee.
4. Community Facilities:
  - a. Art Gallery or Museum: One (1) space per each 1,000 square feet of floor area.
  - b. Library: One (1) space per each 150 square feet of floor area.
  - c. Community Center (public or private): One (1) space per each 100 square feet of floor area.
  - d. Meeting Rooms and Places of Public Assembly: One (1) space per each three (3) seats.

- e. Lodge or Fraternal Organization: One (1) space per each 200 square feet of floor area.
5. Personal Service and Retail Uses:
  - a. Personal Service Shop or Establishment: One (1) space per each 200 square feet of floor area.
  - b. Mortuary/Funeral Home: One (1) space per each 50 square feet of floor area in "slumber rooms," parlors, and individual service rooms, or One (1) space per each two (2) seats accommodated in a chapel area, whichever is greater.
  - c. Furniture Stores and Appliance Stores: One (1) space per each 400 square feet of floor area.
  - d. Gasoline Service Stations:
    - without a convenience store: Minimum of six (6) spaces;
    - with a convenience store: Minimum of one (1) space for each 200 square feet of floor area;
    - with convenience store and sit down dining area: Minimum of one (1) space for each 200 square feet of retail floor area + the greater of one (1) space per each three (3) seats under the maximum seating arrangement or one (1) space per each 100 square feet of floor area devoted to dining;
    - with convenience store and drive-through restaurant (or other service window): Minimum of one (1) space for each 200 square feet floor area + three (3) stacking spaces per service window.
    - with a self-service car wash added to any of the above combinations, a minimum of three (3) stacking spaces shall be provided. Each stacking space on the site shall be nine feet by twenty-two feet (9' x 22'), shall be located in a sequential arrangement to the service area, and shall not be on any street rights-of-way or common access easement, any necessary maneuvering area for parking spaces, within the general traffic circulation pattern of a parking lot, or in a designated fire lane.
  - e. Retail Stores or Shops: One (1) space per each 200 square feet of floor area.
  - f. Open (Outdoor) Retail Sales: One (1) space per each 600 square feet of open-site area utilized, exclusive of buildings.
6. Office, Professional or Financial Uses: For all categories listed under this heading, a minimum of eight (8) spaces shall be provided for the first 1,000 square feet. The following requirements pertain to the remaining square footage:
  - a. Banks, Savings and Loan, or Other Similar Financial Establishments: One (1) space per each 300 square feet of floor area.
  - b. Doctor's Offices and Medical Clinics: One (1) space per each 150 square feet of floor area.
  - c. Veterinarian Offices or Clinics: One (1) space per each 300 square feet of floor area.
  - d. Offices, General: One (1) space per each 300 square feet of floor area.
  - e. Dance, Music, Display or Drama Studios: One (1) space per each 200 square feet of floor area.
  - f. Business, Trade or Craft School: One (1) space per each 3 students in attendance at peak time of day.
  - g. For mixed retail and office uses, the parking requirements shall be based on the space allocated for the various uses; and shall use the parking requirements for those uses.
7. Transient Lodging Uses:

- a. Hotel, Motel, or Dude Ranch: One (1) space per each room, unit or guest accommodation plus specific requirements for restaurants, cocktail lounges, and related facilities prescribed elsewhere in this section.
- b. Seasonal Camp or Cabin: One (1) space per each sleeping unit or cabin.
8. Eating and Drinking Establishments:
  - a. Restaurant, Cafeteria or Cafe: One (1) space per each three (3) seats under maximum seating arrangement, or One (1) space per each 100 square feet of floor area, whichever is greater.
  - b. Drive-in Eating and Drinking Establishments: twelve (12) spaces plus one (1) space per each 50 square feet of floor area.
  - c. Cocktail Lounges, Taverns and Similar Establishments: One (1) space per each 100 square feet of floor area.
9. Social, Recreation and Entertainment Uses:
  - a. Commercial Amusement Establishments: One (1) space per each 100 square feet of floor area.
  - b. Bowling Alley: Six (6) spaces per each bowling lane.
  - c. Private Club or Night Club: One (1) space per each 100 square feet of floor area.
  - d. Theater: One (1) space per each three (3) seats.
  - e. Country Club: One (1) space per each 100 square feet of floor area, exclusive of locker rooms and bathhouses.
  - f. Recreation Club or Area, Private: One (1) space per each 100 square feet of floor area.
  - g. Golf Course: Five (5) spaces per each green.
  - h. Sports Arena, Stadium or Gymnasium: One (1) space per each three (3) seats or bench seating spaces.
10. Industrial Uses: One (1) off-street parking space required per 1,000 square feet of under-roof industrial area and one (1) space per each 300 square feet of under-roof office area.

#### SEC. 49-77. Parking for the Handicapped

All parking shall meet state, federal, and other applicable requirements with respect to parking for the handicapped and reference to Section 1106 of the International Building Code (IBC). Wherever handicapped parking spaces are required, appropriate curb ramps shall be installed.

#### SEC. 49-78. Parking and Storage of Vehicles

1. In order to avoid the unsightly visual impact and clutter of indiscriminately parked or stored junked and/or abandoned vehicles so as to promote and maintain a desirable aesthetic appearance of the City, no motor vehicles or trailers of any kind or type without current state license plates, where required, shall be parked or stored on any lot or premises unless compliance with at least one of the following provisions is met:
  - a. Such vehicle(s) or equipment is contained within an enclosed garage or other accessory building.
  - b. Such vehicle(s) or equipment is adequately screened or separated by substantial distance from view from any adjacent public street, highway or adjacent property, provided such screens, parking or storage area is behind the nearest portion of a principal building to a street or highway.
  - c. Farm and ranch vehicles and equipment, when used in conjunction with farm and ranch activities conducted on the premises, are not considered applicable to the provisions of this paragraph

2. Off-street vehicle parking spaces may be located within the required front yard of any retail, office or industrial district; however, such off-street parking spaces shall be on a hard surfaced drive or parking area.

SEC. 49-79. Off-Street Loading

49-79.1. Location of Loading Spaces

Off-street loading spaces shall be provided and maintained for all commercial, office, and industrial uses and structures for receiving and loading merchandise, supplies, and materials within a building or on the lot or tract adjacent thereto. Such spaces may be adjacent to a public alley or private service drive.

49-79.2. Type of Parking Surface Required for Loading Spaces

All parking vehicle use areas used for loading and unloading operations shall be of an all-weather surface material and constructed in accordance with applicable codes.

49-79.3. Spaces Required

At least the following amounts of off-street loading space shall be provided, plus an area or means adequate for ingress and egress. The number of spaces required, except as modified hereafter, shall be not less than the following which shall be deemed to include and apply to all structures:

Gross Floor Area (square feet)		Spaces Required
10,001	up to and including 25,000	1
25,001	up to and including 40,000	2
40,001	up to and including 100,000	3
100,001	up to and including 160,000	4
160,001	up to and including 240,000	5
240,001	up to and including 320,000	6
320,001	up to and including 400,000	7
For each additional 90,000	over 400,000	+1

49-79.4. Special Standards

The following amounts of off-street loading spaces shall be required for the following enumerated use classes in lieu of the above:

1. Pre-School, Kindergarten or Day Care Center: Two (2) each ten (10) feet by twenty (20) feet.
2. Tourist Facilities:
3. One-fourth the number of spaces required above.
4. Places of Public Assembly:
5. One-fourth the number of spaces required above.
6. Office Areas:
7. One-fourth the number of spaces required above.

#### 49-79.5. Development Standards

1. No off-street loading facility may be used for sales, repair work, storage, dismantling, or servicing of any vehicles, equipment, materials, or supplies.
2. No loading space will be located closer than fifty (50) feet to any lot in any residential district.
3. No parking or loading spaces or vehicle sales areas on private property shall be located in any required landscape or bufferyard areas.

Secs. 49-80. — 49-90. - Reserved.

### ARTICLE IX. – LIGHTING

#### SEC. 49-91. Purpose and Intent

The purpose and intent of these regulations are to preserve and enhance the lawful nighttime use and enjoyment of property and protect drivers and pedestrians on nearby travel ways from disabling glare from non-vehicular light sources that shine directly into their eyes and thereby impair safe travel. It is also intended to shield neighboring properties from nuisance glare and trespass resulting from improperly directed or unshielded light sources, preclude or lessen light pollution, and promote efficient design and operations with regard to energy conservation.

#### SEC. 49-92. Exemptions

The following uses shall be exempt from the requirements of this Ordinance:

1. Lighting installed on property used for single-family or two-family dwelling.
2. Lighting such as streetlights and traffic signal devices, installed by a governmental agency for traffic safety control purposes on public rights-of-way or property.
3. Temporary special effects of holiday lighting.
4. Lighting which is not subject to this Ordinance by state or federal law.

#### SEC. 49-93. Lighting Design

1. Lighting systems, including the placement of luminaires, shall meet the requirements of this Ordinance.
2. Luminaires on poles over 42 inches in height and exterior wall mounted light fixtures shall be either high-pressured sodium lights or neutral or warm correlated color temperature Light Emitting Diode (LED) lights (temperature equal to or less than 4300 degrees Kelvin) or other lights giving a similar soft lighting effect. The building official may approve alternate lighting if he finds that it:

- a. provides at least approximate equivalence to the applicable specific requirements of this Ordinance; and
  - b. is otherwise satisfactory and complies with the intent of this Ordinance.
3. Fully recessed lights in ceilings of canopies or roof overhangs may be of any type provided the level of illumination does not exceed the limitations specified in SEC. 49-94. hereof. See Appendix Illustration B.
  4. Luminaires causing glare at property line or in vehicle areas on streets or parking lots are prohibited.
  5. Incandescent bulbs may be used as decorative lighting provided the individual lamps do not exceed 25 watts and do not otherwise conflict with this Ordinance.

SEC. 49-94. Illumination

1. The intensity of illumination projected from one property to another property is determined by the zoning district classification of the neighboring property and shall not exceed the following intensities, as measured from the property line of the neighboring property:

Zoning of Neighboring Property	Footcandles Horizontal	Footcandles Vertical
<b>AG, R-SF, R-TH, R-2-4</b>	0.2	0.5
<b>R-MF, R-MH, MHP, RVP</b>	0.5	0.5
<b>Nonresidential Districts, Streets</b>	3.0	3.0
<b>Industrial Districts</b>	5.0	5.0

2. The maximum outdoor computed or measured illumination level on a property shall not exceed 20-foot candles outdoors at any point, except that lighting under canopies (such as service stations) shall not exceed 30-foot candles.

SEC. 49-95. Measurement

1. Meter required. Lighting levels of outdoor lighting shall be measured in foot candles with a direct reading portable light meter with a color and cosine corrected sensor with multiple scales. The meter shall read within an accuracy of plus or minus five percent. It shall have been tested and calibrated by an independent commercial photometric laboratory or the manufacturer within one year of date of use as attested to by a certificate issued by such laboratory.
2. Horizontal method of measurement. The meter sensor shall be mounted not more than six inches above ground level in a horizontal position. Readings shall be taken only after the cell has been exposed to provide a constant reading. Measurements shall be made when the meteorological optical range is six miles or further so that measurements will not be adversely affected by atmospheric scatter. Measurements shall be made after dark with the existing questioned light sources on, then with the same sources off. This procedure eliminates the effects of moonlight and other ambient light. The difference between the two readings shall be compared to the footcandle ratings listed in SEC.49-94(1) hereof.
3. Vertical method of measurement. The meter sensor shall be mounted at five feet above ground level in a vertical position, perpendicular to the property line and facing the outdoor lighting in question. Reading shall be taken only after the cell has been exposed

to provide constant reading. Measurements shall be made after dark with the existing questioned light sources on, then with the same sources off. This procedure eliminates the effects of moonlight and other ambient light. The difference between the two readings shall be compared to the footcandle ratings listed in SEC. 49-94(1) hereof.

4. Computation of illumination. Illumination at a point may be computed in lieu of measurement. Computation methods shall consist of a generally accepted Illuminating Engineering society method, using certified photometric data furnished by the fixture manufacturer, lamp manufacturer, photometric laboratory, or other reliable authority satisfactory to the city. Computations shall be based on new, properly seasoned lamps, new and clean fixtures, and at rated voltage and wattage, with ballasts, lenses, shields, diffusers, and other appurtenances in place, and with proper regard taken for mounting height, relative elevation, natural and manmade objects.

SEC. 49-96. Luminance

1. Limits. The intensity of luminance projected from one property to another is determined by the zoning district classification of the neighboring property and shall not exceed the following limits:

Zoning of Neighboring Property	Luminance
<b>AG, R-SF, R-TH, R-2-4</b>	0.02
<b>R-MF, R-MH, MHP, RVP</b>	0.05
<b>Nonresidential Districts, Streets</b>	0.30
<b>Industrial Districts</b>	0.50

2. Calculations generally. Because of the lack of a practical means of measuring fixture luminance in the field, and because of the factors involved in glare, a computational method shall be used, the results of which determine compliance with this section. The point from which luminance calculations shall be made is five feet above ground at the property line of the property adjacent to the property with the outdoor lighting.
3. Luminance calculations using luminaire photometric data. Luminance shall be computed by the formula:

$$L = \frac{I}{d^2 + h^2}$$

where “I” is the fixture candlepower in candelas in the direction of the point from which the calculations are to be made, “d” is the shortest distance in feet measured horizontally from the property line to a point directly under the luminaire, and “h” is the height of the luminaire above the eye level as explained in Appendix A illustration.

SEC. 49-97. Enforcement

1. Illumination in excess of limits. If the illumination, as measured, exceeds the limits stated in SEC. 49-94 hereof, the illumination shall be reduced until the illumination is equal to or less than the limits prescribed in SEC. 49-94. This may be accomplished by removal of the light, reduction in the quantity of luminaires, reduction of the wattage of the lamps, shielding the luminaires or aiming of the luminaires.

2. Luminance in excess of limits. If the luminance of a luminaire, as calculated, exceeds the limitations stated in SEC. 49-96 hereof, the luminance shall be reduced until the luminance is equal to or less than the limits prescribed in SEC. 49-96. This may be accomplished by reduction of the wattage of the lamps, shielding the luminaire or by re-aiming of the luminaires.
3. Shielding. Fixtures or luminous must be fully shielded. Fully shielded means a light fixture or luminous tube constructed and mounted such that all light emitted by the fixture or tube, either directly from the lamp, tube, or a diffusing element, or indirectly by reflection or refraction from any part of the luminaire, is projected below the horizontal. Fixture or luminaires shall be aimed in such a manner that the viewer's eye, five feet above ground at or beyond the property line, shall not be exposed to fixture luminance within the floodlight beam of the luminaire. If such luminaires cannot be aimed they shall be shielded such that the light source is effectively concealed from view from the neighboring property. Shielding may be accomplished by louvers, baffles, visors, or shields placed on the luminaires, or by plantings, fences, berms, elevation, or any other method such that the limitations of SEC. 49-96 hereof are met. Shielding techniques shall be indicated on the lighting plan and approved by the City prior to the issuance of a permit.

#### SEC. 49-98. Plans and Submittals

1. Lighting plans submitted for review and approval for concept plans, site plans, and building permits shall include a schematic lay-out of all proposed exterior fixture locations, foot candle data, and a plot demonstrating intensities and uniformities within the limitations established in this Ordinance.
2. When requested by the building official, the applicant shall submit a visual impact photometric plan that demonstrates both light coverage and light spillage resulting from the proposed lighting plan and the provision for adequate measures to mitigate nuisance from light pollution and disabling glare both on the uses or development site and on adjacent properties.
3. Should any outdoor light fixture or the type of light source be changed after receiving approval pursuant to this Ordinance, the owner shall submit a change request to the building official for his approval, together with adequate information to assure compliance with this Ordinance.

Secs. 49-99. — 49-110. - Reserved.

#### ARTICLE X. – LANDSCAPING

##### SEC. 49-111. Purpose and Intent

The purpose of this ordinance is to establish certain regulations pertaining to landscaping within the City of Gatesville. These regulations provide standards and criteria for new landscaping and the retention of existing trees, which are intended to:

1. Promote the value of property, enhance the welfare, and improve the physical appearance of the city;
2. Reduce the negative effects of glare, noise, erosion and sedimentation caused by expanses

of impervious and unvegetated surfaces within the urban environment; and

3. Preserve and improve the natural and urban environment by recognizing that the use of landscaping elements and retention of existing trees can contribute to the processes of air purification, oxygen regeneration, groundwater recharge, abatement of noise, glare and heat, provision of habitats for wildlife, and enhance the overall beauty of the city:
  - a. Except as stated in section 49-117, landscaping for single-family, manufactured home subdivision and two-family residential uses, this article establishes landscaping requirements only in zoning districts R-MF, BCN, BCM, MHP, RVP, and BCI and all specific uses that specify that the requirements of this article be met. Single-family, manufactured home subdivision and two-family residential uses shall be required to conform to the requirements of section 49-117, only.

SEC. 49-112. Events requiring compliance.

Land uses not previously subject to landscaping requirements shall be required to comply with this article upon issuance of a building permit satisfying the conditions established by the following:

1. Remodeling, alterations or additions for which a site plan is required under the terms of this zoning chapter; or
2. Remodeling or alterations taking place within a 12-month period the total value of which exceeds 25 percent of the valuation of property improvements (excluding land value) as shown on the current county tax rolls.

SEC. 49-113. Landscaping.

Landscape installation is required as follows:

1. Landscaping of twenty (20) percent of the total lot shall be required, unless credits are obtained by additional plantings as set forth in section 49-115. Landscaping, which includes the planting new and the retention of existing shrubs, trees, and flowering plants in excess of the minimum standards established in this article, may not reduce the landscape requirements to less than ten (10) percent of the total lot area.
2. Where the construction is to be a single phase or multi-phase development, only the area being constructed in the current phase shall be required to comply with the landscape regulations. However, each phase will be required to meet the landscaping requirements as it is being developed.
3. The use of native and adapted, drought-tolerant plants is encouraged to meet requirements of this article.
4. Artificial plants or artificial turf are expressly prohibited.
5. An irrigation system must be provided with all landscape plans for nonresidential development. Irrigation plans shall comply with the design standards set forth by the state commission on environmental quality, in 30 Texas Administrative Code chapter 344, Landscape Irrigation.

6. The term "ornamental tree" shall be defined as a single-or multi-trunk tree with a maximum height of approximately 30 feet and maximum crown diameter of approximately 30 feet, and a minimum height of approximately 20 feet and minimum crown diameter of approximately 15 feet.
7. A minimum of 20 percent of total lot area must be devoted to landscaping. Grass, groundcover, trees, shrubs, flowering and nonflowering plants, stonework, and water features may all be used as components of required landscaping in conjunction with the following minimum planting standards:
  - a. Grass and/or groundcovers shall not be allowed to comprise over 90 percent of any required landscape area.
  - b. The credits listed in section 49-115 shall be used to calculate the area occupied by a tree or shrub. Trees and shrubs used to comply with minimum landscape requirements shall not be credited towards area reduction requirements set forth in section 49-115.
8. Grasses shall be installed by laying sod. Spreading grass seed or use of hydromulch is expressly prohibited.
9. Alternative landscaping methods in accordance with SEC. 49-124 may be used in lieu of live plant material unless otherwise required by this Article.

SEC. 49-114. Location criteria.

1. Not less than 40 percent of the total landscaping shall be located in the designated front yard.
2. In the BCI (business commercial industrial) district only the front yard 40 percent of the total 20 percent shall be required. The rear and side yard landscape requirements may be waived upon submittal of a landscape plan showing other requirements.
3. All landscape material shall comply with visibility requirements as stated in Sec. 36-79.

SEC. 49-115. Credits for landscape area reduction.

Required landscape area may be reduced to less than the 20 percent specified by section 49-113. The application of credits shall not reduce the required landscape area to less than ten percent of the total lot area. Reduction of area may be achieved by planting additional trees, shrubs, and flowering plants. Area reduction credits may be granted in the following manner:  
Additional enhancement credit:

1. Three-inch tree, planted or saved, (trunk diameter measured 12 inches above grade): 200 sq. ft.
2. Six-inch tree, planted or saved, (trunk diameter measured 12 inches above grade): 400 sq. ft.
3. One shrub, less than five gallons: ten sq. ft.

4. One shrub, five gallons or greater: 25 sq. ft.
5. For each one square foot of drought tolerant area: two sq. ft.
  - a. Total landscaping on a lot shall not be reduced through credits by more than 50 percent of the landscaped area required.
  - b. Drought tolerant area and methodology shall be clearly located and detailed on the site plan.
  - c. Area reduction credit, based on tree size, shall be granted for all saved trees regardless of species.
  - d. Unless otherwise approved by the planning director, area reduction credit for newly planted trees shall only be granted for the following:

Canopy Trees

Bald cypress	Bigtooth maple	Bur Oak	Caddo maple
Chinese pistache	Lacebark elm	Osage orange	Pecan
Shumard oak	Southern live oak	Southern magnolia	Texas red oak

Ornamental Trees

Afghan pine	Crape myrtle	Dogwood	Eastern red cedar
Eve’s necklace	Flowering crabapple	Forest pansy redbud	Little gem magnolia
Japanese maple	Mexican plum	Oklahoma redbud	Ornamental pear
Western soapberry			

SEC. 49-116. Installation and maintenance.

1. All required landscaped area shall be permanently landscaped with living plant material and shall have either an irrigation system installed or shall be accessible to a hose bib, faucet, or other water source on the same lot or tract. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements.
2. Landscaped areas shall be kept free of trash, litter, weeds, and other such materials or plants, not a part of the landscaping.
3. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
4. Plant materials which die shall be replaced with plant material of similar variety size within 90 days, with a one-time extension not exceeding 90 days being provided upon approval of the director of development services or their designee.

SEC. 49-117. Landscaping for single-family, manufactured homes, and two-four family residential uses.

The landscaping requirements set forth in this article shall apply to R-SF, R-TH, R-2-4, R-MH residential districts.

1. Lots shall have a minimum landscaping requirement of one canopy tree located in any required front yard.
2. Required canopy trees shall be a minimum of three-caliper inches.
3. Existing trees of equal or greater size within the front yard area may be counted toward this requirement.
4. In cases when the applicant can show that required trees cannot reasonably be placed on the lot due to size, configuration or amenities, the director of development services or their designee may reduce the required number of trees to a number that can reasonably be accommodated on the subject lot.
5. Grasses shall be installed by laying sod. Spreading grass seed or use of hydromulch is expressly prohibited.

SEC. 49-118. Landscaping of parking lots.

It is the purpose of this section to require incorporation of landscaping into the design and construction of parking areas while maintaining standards necessary for safe parking and maneuvering space. Within parking lots, landscaping shall be provided as follows:

1. New trees from the approved tree list contained in section 49-115.
2. Unless otherwise approved by the director of development services, trees planted to satisfy parking lot landscape requirements shall be chosen from the species specified by section 49-115.
3. Existing, on-site trees of any species that are of six inches minimum caliper, measured 12 inches above grade may be counted towards landscaping requirements established for parking lots.
4. An irrigation system must be provided with all landscape plans. Irrigation plans shall comply with the design standards set forth by the state commission on environmental quality, in 30 Texas Administrative Code chapter 344, Landscape Irrigation.
5. Landscaping adjacent to public rights-of-way:
  - a. A five-foot landscaped strip shall be provided adjacent to all public and private rights-of-way on lots with an area greater than one acre, but less than five acres.
  - b. A ten-foot landscaped strip shall be provided adjacent to all public and private rights-of-way on lots with an area greater than five acres.
  - c. Within landscaped strips adjacent to rights-of-way, landscaping shall be required as follows:

- i. One canopy tree or two ornamental trees, for each 60 linear feet of frontage, at a minimum three-inch caliper.
- ii. An average density of one, five-gallon evergreen shrub for each five linear feet of frontage provided, however, that any landscaping materials that will be located within ten feet of any public right-of-way shall not, at ultimate growth, exceed 30 inches in height above street grade unless otherwise permitted by the city. Shrubs may be grouped to provide variety in design.
- iii. A landscaped berm may be provided in lieu of required shrubs. The berm must be an average height of three feet, but in no case less than 18 inches, above the average grade of the street and parking lot curbs and must be planted with evergreen groundcover and/or shrubs to provide full plant coverage of the berm surface area. A variation in height of the berm is encouraged. Shrubs may be grouped to provide variety in design. The combined height of the berm and ultimate height of plant materials shall not exceed 30 inches in height from street grade in any area that is within ten feet of a public right-of-way.

6. Parking lot interior.

- a. Developments with an area less than five acres shall be designed with a maximum of 20 parking spaces between landscape islands. Parking aisles of 20 or more spaces in length shall terminate in landscape islands.
- b. Developments with an area five acres or greater shall provide one 62 sq. ft. landscaped island for each 12 parking spaces.
- c. Within parking lot interiors, landscaping shall be provided as follows:
  - i. One canopy tree or one ornamental tree at a minimum three inches in caliper.
  - ii. Grass, evergreen groundcover or shrubs to a maximum ultimate height of 30 inches from parking lot grade, of a type that will provide full coverage of the landscape island shall be provided. Planted area shall be exclusive of the area within 18-inch radius from each required tree.
  - iii. Areas that are not covered with live plant materials shall be permanently maintained with natural mulch materials such as hard wood, pine bark, or other typical mulch materials.
- d. Exception: accessible parking. The design and location of accessible parking spaces shall comply with the State of Texas Architectural Barriers Act. A landscape island may be omitted at an aisle termination for the purpose of providing required access to accessible parking spaces.
- e. Landscape material which is located within the interior of a parking lot shall not create a visibility obstruction. A visibility obstruction within a parking lot is

defined as landscaping between 24 inches in height and seven feet in height. No shrubs shall exceed 24 inches in height. Tree canopies shall be at least seven feet in height.

- f. For large existing trees located in the parking area, which are being retained and incorporated into the landscaping plan, an appropriate aeration system or an alternative method of protecting the tree must be provided and detailed in the landscape plan.
- g. For each landscaped island of at least ten feet by 20 feet located within a parking lot, credit for four parking spaces will be provided. Credit for parking spaces cannot reduce the overall parking requirement by more than ten percent or to less than ten total spaces.

SEC. 49-119. Nonconforming uses and/or structures.

All uses that were in existence at the time of the adoption of this article, which do not meet the landscape requirements, will be considered legal nonconforming.

SEC. 49-120. Landscaping of developed sites.

1. When the owners of structures on sites that do not comply with the landscape requirements of sections 49-113 through 49-117 are, under the terms of section 49-112, required to provide landscaping, the minimum standards in this section shall apply.
2. A minimum of ten percent of total lot area must be devoted to landscaping. Grass, groundcover, trees, shrubs, flowering and nonflowering plants, stonework, and water features may all be used as components of required landscaping in conjunction with the following minimum planting standards:
  - a. Grass and/or groundcovers shall not be allowed to comprise over 90 percent of any required landscaped area. Grass shall be installed by laying sod. Spreading grass seed or use of hydromulch is expressly prohibited.
  - b. The credits listed in section 49-115 shall be used to calculate the area occupied by a tree, or shrub. Trees and shrubs used to comply with minimum landscape requirements shall not be credited toward area reduction requirements set forth in section 49-115.
  - c. No additional area reduction credits shall be allowed for landscape required under the terms of section 49-119.

SEC. 49-121. Modification of landscape requirements.

The director of development services or a designee may approve minor variations in the location of required landscape materials due to unusual topographic constraints, setting requirements, preservation of existing stands of native trees or similar conditions, or maintain consistency of established front yard setbacks. These minor changes may vary the location of required landscape materials but may not reduce the amount of required landscape area or the required amount of landscape materials. The landscape plan shall be submitted to the director of

development services or a designee and shall specify the modifications requested and present a justification for such modifications.

SEC. 49-122. Relief from landscaping requirements.

The planning and zoning commission and city council may, upon completion of the following, grant relief from landscaping requirements in situations where the individual circumstances, such as the presence of existing facilities or unusual topography, limit the applicant's ability to comply with the landscaping requirements:

1. Application for relief from landscaping requirements may be made by any property owner, or other person having a proprietary interest in the property for which relief is requested.
2. Applications for relief from landscaping requirements shall be made in writing and shall specify the property conditions or considerations that make the requested relief necessary.
3. Applications for relief from landscaping requirements shall include a proposed landscape plan, drawn to scale, illustrating the area available for landscaping and specifying proposed plantings by size, type and location. The proposed plan shall indicate the means by which irrigation will be provided and provide a phasing schedule for completion of the plan.
4. Application for relief from landscaping requirements shall be accompanied by an application fee as currently established or as hereafter adopted by ordinance of the city council from time to time.
5. Applications for relief from landscaping requirements shall be presented to the planning and zoning commission. Applications for relief shall not require a public hearing. The planning and zoning commission, after considering a proposed plan, may recommend that it be approved as presented, approved with modification, or denied.
6. Following consideration by the planning and zoning commission, a proposed landscape plan shall be forwarded to the city council with the commission's recommendation. The city council shall act to approve a plan, as presented, approve it with modifications, or deny approval.
7. City council's action regarding a proposed landscape plan shall be documented as follows:
  - a. If approved, the director of development services shall sign two copies of the approved plan. One copy shall be returned to the applicant. The second copy shall be retained by the city.
  - b. If approved with modification, the applicant shall amend the plan to reflect the required modifications. The applicant shall return two copies of the amended plan to the city within 14 calendar days of the city council's action to approve the plan with modifications. The director of development services shall sign two copies of the amended plan. One copy shall be returned to the applicant. The second copy shall be retained by the city.

- c. If disapproved, the city manager shall sign two copies of the plan that have been marked as being disapproved. A letter prepared by the director of development services, stating the reasons for disapproval, shall be attached to each signed plan. One copy of the plan shall be returned to the applicant. The second copy shall be retained by the city.

SEC. 49-123. Landscaping abutting R-SF, R-2-4, R-TH, and R-MH districts.

1. Landscape buffer of 20 feet will be required along any property line abutting a R-SF, R-2-4, R-TH, and R-MH residential district.
2. Not less than 20 percent of the gross site area shall be devoted to open space, including required yards and buffer areas. Open space shall not include areas covered by structures, parking areas, driveways, and internal streets.
3. Landscaping consisting of the planting of new or retention of existing shrubs, trees, and flowering plants shall be placed in the yard facing any public roadway.
4. Method of irrigation must be indicated on the site plan.
5. All landscaping shall be permanently maintained. Should any plant material used in any landscaping required under this article die, the owner of the property shall have 90 days after notification from the city to obtain and install suitable replacement plant material. Landscaped area shall be kept free of trash, litter, weeds and other material or plants, not a part of the landscaping.
6. An irrigation system must be provided with all landscape plans. Irrigation plans shall comply with the design standards set forth by the state commission on environmental quality, in 30 Texas Administrative Code chapter 344, Landscape Irrigation.

SEC. 49-124. Alternate Landscaping (Zero Landscape / Xeriscape)

This section is intended to allow flexibility in landscape design, promote water conservation, and reduce maintenance demands, while maintaining the aesthetic quality and environmental intent of this Article.

1. The following materials may be used to satisfy all or a portion of required landscaping:
  - a. Crushed granite
  - b. Decomposed granite
  - c. Decorative gravel or stone
  - d. River Rock
  - e. Mulch (organic or inorganic)
  - f. Flagstone, pavers, or permeable hardscape
2. Applicability
  - a. Alternative landscaping may be used in lieu of live plant material for all properties subject to this Article, except where specifically restricted.
  - b. This section does not eliminate tree preservation requirements or any required buffering unless expressly approved.
3. Design Standards

- a. Full Coverage Required. All landscaped areas must be completely covered; exposed soil is prohibited.
  - b. Weed Barrier. A weed barrier or equivalent ground cover shall be installed beneath crushed granite or similar materials.
  - c. Containment. Materials shall be contained by permanent edging (metal, concrete, stone, or similar) to prevent migration.
  - d. Maintenance. Property owners shall maintain:
    - i. A weed-free condition
    - ii. Even distribution of materials
    - iii. Clean and orderly appearance
  - e. Drainage. Installation shall not:
    - i. Block natural drainage
    - ii. Cause runoff onto adjacent properties or public rights-of-way
4. Percentage Allowance
- a. Zero landscape may constitute up to 100 percent (100%) of required landscaped areas.
  - b. The City may require live plant material as part of:
    - i. Buffer yards
    - ii. Screening requirements
    - iii. Specific use permits
    - iv. Planned developments
5. Prohibited Materials
- a. Broken concrete, asphalt, or construction debris
  - b. Materials that create dust, erosion, or safety hazards
  - c. Junk, scrap, or waste materials

Secs. 49-125. — 49-130. - Reserved.

**SECTION 2.** If any section, subsection, paragraph, sentence, clause, phrase, or word in this Ordinance, or the application thereof to any person or under any circumstances is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council or the City of Gatesville, Texas, hereby declares it would have enacted such remaining portions despite any such invalidity.

**SECTION 3.** It is officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and the public notice of the time, place and purpose of this meeting was given as required by law.

**SECTION 4.** This Ordinance shall become effective immediately upon its passage and approval.

The foregoing Ordinance No. 2026-06 was read the first time and passed to the second reading  
on this \_\_\_\_ day of \_\_\_\_\_ 2026.

The foregoing Ordinance No. 2026-06 was read the second time and passed to the third reading  
on this \_\_\_\_ day of \_\_\_\_\_ 2026.

The foregoing Ordinance No. 2026-06 was read the third time and was passed and adopted as an  
Ordinance to the City of Gatesville, Texas, this \_\_\_\_ day of \_\_\_\_\_ 2026.

BY \_\_\_\_\_  
GARY CHUMLEY, MAYOR

ATTESTED:

\_\_\_\_\_  
HOLLY OWENS  
CITY SECRETARY, T.R.M.C.

DRAFT



Date 6/9/2026

Agenda Item 17

Ordinance 2026-09

## CITY COUNCIL MEMORANDUM FOR ORDINANCE

To: Mayor & Council

From: Holly Owens

Agenda Item: Discussion and possible action to amend the fee schedule.

The first reading was heard on May 26, 2026, with no changes. This is the second reading.

### Information:

Changes:

- Building Inspections
  - 3<sup>rd</sup> party review and inspection for solar permits per SB 1202: Allows third-party reviews and inspections - Instead of waiting solely on a city/county inspector, homeowners or contractors can use qualified third parties such as licensed electrical inspectors, master electricians, or professional engineers to review plans and inspect installations. Creates a fast-permitting timeline - Local governments must issue applicable approvals, permits, or certifications within two business days after receiving proper notice/documentation. If presented with a third-party review and inspection, the fee is reduced to administrative fees only and is reflected in the fee schedule. **Required immediately by enacted legislation.**
  - All fire permits are being reviewed in-house and inspected in-house by both Fire Chief Robert Featherston and Building Inspector Miguel Gamez. The current fee schedule shows review and inspection by Bureau Veritas which is higher than what is charged for in-house. The adjusted fees for in-house inspection and review are lower and will help the review and inspection time be reduced, streamlining development better. **Required immediately due to the rise in development and fire permit requests.**
- Licenses
  - Food Truck annual license deleted due to HB 2844: Creates a statewide mobile food vendor license through the Texas Department of State Health Services (DSHS). Instead of obtaining separate permits in every city/county, vendors can operate statewide under one state-issued license. Limits municipal permitting authority. Cities and counties generally cannot require additional local health permits, inspections, or duplicate licensing fees for mobile food vendors that hold a valid state license. This is one of the biggest operational impacts for local governments. This will not have an impact on special event fees associated with food trucks. **Required immediately by enacted legislation.**
  - Amusement Facility (primary use) increased.
  - Sweepstakes Games were added.
  - Computer/Online Games were added.

- Mobile Home Park was added.
- Recreational Vehicle Park was added.
- Vape and Cannabis-Related Shops were added.

The license/permit fees are to cover administrative costs for the quarterly/annual inspections related to making sure all local, state, and federal regulations are being followed. Cannabis is regulated by the DSHS, however, the structure and what products are being sold allows cities to annually inspect. ***Required immediately to coordinate with ordinances currently moving through the reading process.***

- Planning & Development
  - City crew was added under abatement.
  - Inground pool fill in was added.

Additional fee amendments will be brought forward during the budget cycle. The fees presented today will become effective immediately after the third and final reading.

**Staff Recommendation:**

Staff recommends passing the first reading to the next council meeting.

**Motion:**

Motion to pass Ordinance 2026-09, approving the amendment to Chapter 18 “Fee Schedule” of the Gatesville Code of Ordinances to the next meeting, second reading.

**Attachments:**

- Draft fee schedule booklet

Residential Remodel (does not include mechanical, electrical, plumbing)	\$0.20 per sq. ft. on area being remodeled with a minimum fee of \$200.00.	
Certificate of Occupancy (no charge if associated with a building permit)	\$150.00	
General Permits (Commercial and Residential)		
Fees for stand-alone permits (roofing, mechanical, electrical, plumbing)	\$100.00 each	
Non-Living Space (pools, storage buildings, decks, irrigation, fences, carports, patios, pergola, detached garage, awning, driveway)	\$100.00 each	
Portable buildings (valid for 30 days)	\$100.00	
Solar Panels (includes electrical)	\$160.00	
<u>3<sup>rd</sup> Party review and inspection</u> <u>SB1202</u>	<u>\$100.00</u>	
Backflow	\$50.00 each	
Demolition	\$200.00	
Streets, sidewalks, approaches, rights-of-way	\$100.00 each	
Manufactured home (includes mechanical, electrical, and plumbing)	\$400.00	
Reinspection Fee	First	\$75.00
	Each additional	\$100.00
Working without a permit	Double the permit fee	
Moving any building or structure	\$100.00	
<u>Underground fire alarm</u>	<u>\$200.00</u>	
Third Party Review (building or engineering)	Actual Cost	
<u>Fire Permits (Commercial and Residential)</u>	<u>Valuation</u>	
<u>Commercial building and multi-family fire alarm and fire sprinkler system (includes plan review and inspections)</u>	<u>Less than \$6,250.00</u>	<u>\$200.00</u>
	<u>\$6,250.00 to \$250,000.00</u>	<u>\$300.00</u>
	<u>\$251,000.00 to \$500,000.00</u>	<u>\$425.00</u>
	<u>\$501,000.00 to \$1,000,000.00</u>	<u>\$550.00</u>
	<u>\$1,001,000 to \$3,000,000.00</u>	<u>\$800.00</u>
	<u>\$3,001,000.00 to \$6,000,000.00</u>	<u>\$1,200.00</u>
	<u>\$6,000,000.00 and up</u>	<u>\$1,200.00 plus \$0.38 for each</u>

		additional \$1,000.00
	<u>Inspection Table by Valuation</u>	
	<u>Less than \$6,250.00</u>	\$300.00
	<u>\$6,250.00 to \$250,00.00</u>	\$425.00
	<u>\$251,000.00 to \$500,000.00</u>	\$525.00
	<u>\$501,000.00 to \$1,000,000.00</u>	\$675.00
	<u>\$1,001,000 to \$3,000,000.00</u>	\$950.00
	<u>\$3,001,000.00 to \$6,000,000.00</u>	\$1,425.00
	<u>\$6,000,000.00 and up</u>	\$1425.00 plus \$0.38 for each additional \$1,000.00
<u>Sign Permits (including electrical) Monument, Wall, Pole</u>		
	50 sq. ft.	\$75.00
	51 sq. ft. – 100 sq. ft.	\$100.00
	Greater than 100 sq. ft.	\$150.00
<u>Fire Permits (Commercial and Residential)</u>		
<u>Underground Fire Alarm</u>	\$200.00	
<u>Fire Sprinkler System</u>	\$75 + \$0.50 per head	
<u>Fire Underground Main</u>	\$65 + \$10 per fire main backflow device	
<u>Fire Pump</u>	\$75.00	
<u>Standpipe System</u>	\$75 + \$5.00 per outlet	
<u>Fire Alarm System</u>	\$75 + \$1.50 per device	
<u>Hood &amp; Duct System</u>	\$50 + \$3.00 per nozzle	
<u>Paint Spray Booth</u>	\$75 + \$2.50 per head	
<u>Other Fire Suppression System</u>	\$50 + \$2.50 per head	

## CEMETERY

Cemetery Plot (Resident & Non-resident)	\$1,000.00
Perpetual Maintenance Fee	
2nd Internment Right for Cremains	\$150.00
Cremain Interment (Opening & Closing)	\$250.00
Cremain Disinterment	\$500.00
Cemetery Transfer (Owner/Location)	\$100.00

## CIVIC CENTER RENTAL & AUDITORIUM

<b>Civic Center</b>	<b>General Public</b>	<b>Non-Profit</b>
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Tent with Special Event 400 sq. ft. or larger	\$100.00
<del>Food Truck</del>	<del>\$100 annually</del>
Peddler/Solicitor – valid for 90 days	\$50.00 per solicitor
Sexually Oriented Business	\$1,000 annually
Sexually Oriented Business Employee License	\$100.00 per employee annually
Fee for return of property seized by the city police department (abandoned vehicles and property obstructing traffic)	\$100 plus all other costs of removal and storage that may have accrued thereon
Off duty officer security (per hour)	\$50 per officer and \$75 w/vehicle
TABC application	\$60.00
Amusement Facility (primary use) <u>Permit</u>	<del>\$100.00</del> <b>\$500.00 annually</b>
Alcohol License and Permits	One-half (1/2) of the State license and permit fee for each permit issued for premises located with the City of Gatesville.
Coin-operated Machine Occupation Tax	One-fourth (1/4) of the rate of the tax imposed (Tex. Occ. C 2153.451) per machine annually
<del>Sweepstake Game</del>	<del>\$50.00 per game annually</del>
<del>Computer/On-line -Game</del>	<del>\$50.00 per game annually</del>
<del>Mobile Home Park License</del>	<del>\$100.00 annually</del>
<del>Mobile Home Park lot</del>	<del>\$10 per lot annually (occupied or empty)</del>
<del>Recreational Vehicle Park License</del>	<del>\$100.00 annually</del>
<del>Recreational Vehicle Park lot</del>	<del>\$10 per lot annually (occupied or empty)</del>
Short-Term Rental Fee	\$200 annually
<u>Vape Shop Permit</u>	<u>\$100 annually</u>
<u>Cannabis-Related Shop Permit</u>	<u>\$100 annually</u>

## LIBRARY

Material late fees (2-week grace period)	\$0.25	Two Week Grace Period
Meeting room rental business per hr.	\$20.00	Minimum of two hours
Meeting room rental business per day	\$100.00	8-hour day
Meeting room rental non-profit per hr.	\$10.00	Minimum of two hours
Meeting room rental non-profit per day	\$50.00	Two Week Grace Period
Organizations benefiting the library and education of children	24 meetings free before paying the nonprofit fee	
Notary services non-County resident	\$6.00	
Notary services County resident	No Fee	

<u>City Crew</u>	<u>Cost of Personnel</u>
Demolition <u>or Inground Pool fill in</u>	Actual Cost
<u>City Crew</u>	<u>Cost of Personnel</u>
Code Enforcement lien interest rate (per year)	10%
Lien Filing Fee	Actual Cost

## UTILITIES

Monthly service charge for garbage, refuse, trash and recycling collection and disposal for a family unit (any one family residence or apartment, or any other single-family dwelling)	\$22.23
“At Your Door” Special Collection Program	\$1.51 per residential unit, per month
Monthly service charges for garbage, refuse, trash and rubbish collection and disposal for multi-dwelling owners and mobile home park owners who pay the garbage and trash collection charges for their tenants	\$23.74 times the number of apartments or mobile home spaces
Residential extra cart	\$5.39
Monthly service charges for small commercial customers with 96-gallon carts per cart	\$27.29

### **Monthly service charge for commercial customers who do use dumpsters.**

<b>Dumpster Rate Schedule</b>					
Size of dumpster	Number of Garbage Pickups				
	1	2	3	4	5
2yd	\$99.71	\$142.58	\$206.74	\$248.11	\$277.89
3yd	\$116.22	\$213.01	\$319.72	\$377.84	\$441.25
4yd	\$163.51	\$253.44	\$344.66	\$437.69	\$525.30
6yd	\$201.81	\$363.39	\$551.04	\$677.78	\$806.54
8yd	\$263.17	\$435.81	\$651.97	\$808.78	\$961.49

Commercial unit unusual accumulation/overage charge \$150 per dumpster overage.

Lock bar monthly	\$10.70
Casters Monthly	\$10.70
Snapshot charge	\$150.00

<b>Permanent Roll Off Unit Rates</b>				
Container Size	Delivery Rate	Rental Rate per day	Haul Rate per pull	Disposal Rate per ton
20yd	\$198.55	\$4.30	\$393.04	\$41.11
30yd	\$198.55	\$4.30	\$393.04	\$41.11
40yd	\$198.55	\$4.30	\$393.04	\$41.11

**CITY OF GATESVILLE, TEXAS  
ORDINANCE NO. 2026-09**

**AN ORDINANCE OF THE CITY OF GATESVILLE, TEXAS REPEALING AND REPLACING CHAPTER 18 “FEES”, SECTION 18-1 “FEE SCHEDULE” OF THE CODE OF ORDINANCES OF THE CITY OF GATESVILLE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Gatesville has set forth its master fee schedule in Section 18-1 of Chapter 18 of the Code of Ordinances of the City; and

**WHEREAS**, the City Council, from time to time, amends various portions of that master fee schedule to comply with changing laws and circumstances; and

**WHEREAS**, City staff has recommended, and the Council finds it to serve the general welfare of the City to repeal and replace the City’s master fee schedule;

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

**SECTION 1.** Chapter 18 “Fees”, Section 18-1 “Fee Schedule” of the City of Gatesville, Texas Code of Ordinances is hereby repealed and replaced in its entirety to read as set forth in Exhibit “A” attached hereto and incorporated herein by this reference.

**SECTION 2.** All ordinances, orders and resolutions heretofore passed and adopted by the City Council of the City of Gatesville, Texas are hereby repealed to the extent said ordinances, orders or resolutions, or parts thereof, are in conflict herewith.

**SECTION 3.** If any section, article, paragraph, sentence, clause, phrase or work in this Ordinance or application thereto any person or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

**SECTION 4.** This Ordinance shall become effective from and after the date of its passage in accordance with law.

The foregoing **Ordinance No. 2026-09** was read the first time **May 26<sup>th</sup>, 2026** and passed to the second reading.

The foregoing **Ordinance No. 2026-09** was read the second time on **June 9<sup>th</sup>, 2026** and passed to the third reading.

The foregoing **Ordinance No. 2026-09** was read the third time and was passed and adopted as an Ordinance of the City of Gatesville, Texas this **23<sup>rd</sup> day of June, 2026** and will take effect immediately.

CITY OF GATESVILLE, TEXAS

By: \_\_\_\_\_  
Gary Chumley, Mayor

**ATTEST:**

\_\_\_\_\_  
Holly Owens, City Secretary



Date 6/9/2026

Agenda Item 18 & 19

Ordinance 2026-10

## CITY COUNCIL MEMORANDUM FOR ORDINANCE

**To: Mayor & Council**

**From: Holly Owens**

**Agenda Item: Discussion and possible action regarding an ordinance regulating Vape Shops and Cannabis-Related Shops.**

### **Information:**

Ordinance No. 2026-10 proposes amendments to Chapter 32 of the City's Code of Ordinances by creating a new Article X titled "Vape Shops & Cannabis-Related Shops."

The first reading of the ordinance was held on May 26, 2026. This item is presented for the second reading and public hearing.

During the first reading, Council requested additional information regarding 7-OH products. "7-OH" refers to products containing 7-hydroxymitragynine, an alkaloid associated with kratom. Kratom is a tropical tree native to Southeast Asia, including Thailand, Indonesia, and Malaysia. Its leaves contain naturally occurring compounds, primarily mitragynine and 7-hydroxymitragynine (7-OH).

The State of Texas enacted the Texas Kratom Consumer Protection Act through Senate Bill 497, regulating the sale and processing of kratom products statewide. The law defines kratom products as consumable food products and establishes labeling requirements, a minimum purchase age of 18 years, and prohibitions on dangerous synthetic alkaloids.

Under current Texas law:

- Products containing synthetic 7-OH are prohibited;
- Kratom products may not contain more than 2% 7-hydroxymitragynine in the alkaloid fraction;
- Products may not be adulterated or contaminated; and
- Sales to minors are prohibited.

The Office of the Attorney General of Texas has recently filed lawsuits against retailers allegedly selling highly concentrated 7-OH products. According to the State, some products tested between 86% and 96% 7-OH, significantly exceeding the legal limit established by Texas law. The State has characterized these products as potentially dangerous, opioid-like, and unlawfully adulterated.

Additionally, the Texas Department of State Health Services has issued public warnings advising consumers not to use concentrated 7-OH products due to concerns involving overdose risk, respiratory depression, seizures, addiction potential, and youth access.

To address these concerns, Section 32-283(7) was added to prohibit the sale of products that are unlawful under Texas law. The language was intentionally drafted broadly due to the evolving nature of state regulations concerning these products.

Section 32-284(2)(a-d) and Section 32-284(3) were also added to provide additional specificity regarding signage requirements and to reference the existing sign regulations contained in Chapter 42 of the Code of Ordinances.

The remaining edit that was made was to change the word “license” to “permit” to make sure there is no confusion regarding the annual permit.

The purpose of the ordinance is to establish operational and licensing regulations for vape shops, cannabis-related businesses, and similar establishments operating within the city limits. The ordinance was developed in response to the increasing presence of these businesses and the need to ensure they operate in a manner that protects public health, safety, and compatibility with surrounding land uses.

### **A brief overview of the draft ordinances:**

#### Location Restrictions

The ordinance prohibits vape shops and cannabis-related businesses from locating:

- Within 1,000 feet of any designated sensitive area
- Within 1,000 feet of another vape shop or cannabis-related business

The ordinance also prohibits temporary or pop-up vendors from operating within restricted areas.

#### Operational Regulations

The ordinance includes operational standards such as:

- Prohibiting outdoor sales
- Restricting hours of operation to 8:00 a.m. to 12:00 a.m.
- Establishing advertising restrictions near sensitive areas

These provisions are intended to minimize impacts on surrounding properties and reduce exposure to minors.

#### Existing Businesses

Businesses legally operating prior to adoption of the ordinance may continue operating at their current location; however:

- If the business relocates
- Closes for more than 60 days
- Seeks renewal of a permit

The business must comply with all current ordinance requirements.

#### Licensing Requirements (annual permit)

The ordinance establishes an annual licensing requirement for all vape shops and cannabis-related businesses operating within the city.

Applicants must:

- Submit an annual application
- Pay a non-refundable application fee
- Complete city inspections
- Obtain approvals from applicable departments

Licenses are valid for one year and require annual renewal.

#### Application Review Process

Applications will be reviewed by multiple city departments including:

- Police Department
- Planning Department
- Inspection Department
- Other applicable departments

Final inspections must be completed before a license is issued.

License Suspension or Revocation

The city may suspend or revoke licenses for:

- False application information
- Refusal of inspections
- Criminal violations
- Violations of city ordinances or state law

The ordinance also establishes an appeal process for denied, suspended, or revoked licenses.

Enforcement and Penalties

Violations of the ordinance may result in:

- Class C misdemeanor charges
- Fines up to \$500 per violation per day

Each day a violation continues constitutes a separate offense.

**Staff Recommendation:**

Staff recommends passing Ordinance 2026-10 to the next meeting as it provides the City with a regulatory framework to address vape shops and cannabis-related businesses while promoting public safety, protecting sensitive land uses, and ensuring responsible business operations.

**Motion:**

Motion to pass Ordinance 2025-10 to the next meeting, setting regulations for Vape Shops and Cannabis-Related Shops, second reading.

**Attachments:**

- Draft Ordinance

**CITY OF GATESVILLE, TEXAS  
ORDINANCE 2026-10**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GATESVILLE, TEXAS AMENDING THE CODE OF ORDINANCES, BY AMENDING CHAPTER 32 – LICENSES, PERMITS, AND MISCELLANEOUS REGULATIONS AND ADDING ARTICLE X “VAPE SHOPS & CANNABIS-RELATED SHOPS;” PROVIDING A CONFLICTS RESOLUTION CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF \$500.00 FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Gatesville, Texas (the “City”), is a home rule municipality located in Coryell County, Texas, created under the provisions of Chapter 9 of the Texas Local Government Code and operating according to the enabling legislation of the State of Texas; and

**WHEREAS**, pursuant to Texas Local Government Code Chapter 51, the City has general authority to adopt ordinances and regulations that are for the good government, peace, or order of the City and that are necessary or property for carrying out a power granted by law to the City; and

**WHEREAS**, the City Council finds that conditions unique to Vape Shops and related retail shops require additional regulations to ensure the health and safety of citizens; and

**WHEREAS**, the City Council finds and determines that the regulations provided herein are reasonable and necessary for the public health, safety and welfare of the City.

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

**SECTION 1.** The City of Gatesville Code of Ordinances is hereby amended by amending Chapter 32 “Licenses, Permits, and Miscellaneous Regulations” by adding a new Article X “Vape Shops & Cannabis-Related Shops” to read in its entirety as follows:

**CHAPTER 32 – LICENSES, PERMITS, AND MISCELLANEOUS REGULATIONS**

...

**ARTICLE X. – VAPE SHOPS & CANNABIS-RELATED SHOPS**

**Sec. 32-281. Purpose.**

The purpose of this ordinance is to establish reasonable business regulations for vape shops, vape bars, and similar establishments. These regulations are intended to ensure compatibility with surrounding properties, support orderly commercial development, and align with the city's public health objectives. This ordinance also aims to provide clear guidelines for the location, operation, and advertising of such businesses in accordance with local, state, and federal laws.

**Sec. 32-282. Definitions.**

For the purpose of this article the following definitions apply.

1. Electric vaping device. Any electronically powered or battery powered device designed to simulate the smoking of tobacco cigarettes pipes or cigars. An electronic vaping device includes personal vaporizers, electronic cigarettes (e-cigarettes), electronic pipes (e-pipes), electronic cigars (e-cigars), and any other type of electronic nicotine delivery system or any part thereof.
2. Vape Shop. A commercial establishment that sells vaping products, including e-cigarettes, e-liquids, or related accessories, including flavored vaping products as defined herein. This definition shall be construed to include establishments known variously as vape lounges and similar establishments but shall not include an establishment which derives more than 50 percent of its gross revenue from food, beverage or gasoline fuel sales.
3. Cannabis-Related Business. Any business that sells, distributes or markets cannabis, hemp-derived products, or cannabinoids, including CBD stores and dispensaries, where permitted by state law.
4. Sensitive Area. Any location designated as a Drug-Free Zone under Texas Health and Safety Code 481.134, including but not limited to:
  - a. Schools, institutions of higher education, and educational facilities.
  - b. Childcare facilities and day care centers.
  - c. Video arcade facilities.
  - d. Parks, playgrounds, walking trails, and recreational areas.
  - e. Youth and community centers.
  - f. Libraries.
  - g. Church, mosque, temple, synagogue, or other faith-based institution.
  - h. City, County, State, and Federal facilities.
  - i. Residential zones as designated by city zoning ordinances.

**Sec. 32-283. Proximity, Location Restrictions and Other Restrictions.**

1. Distance Requirements. Vape shops and cannabis-related shops are prohibited from operating within one thousand (1,000) feet of a sensitive area as defined in Sec. 32-282. (4) or where otherwise prohibited by the city's zoning regulations.

2. Business Concentration Restriction. No vape shop or cannabis-related shops shall be located within one thousand (1,000) feet of any other vape shop or cannabis-related shop.
3. Temporary and Pop-Up Vendors. Temporary or pop-up vendors selling vape or smoke products are prohibited from operating within one thousand (1,000) feet of any sensitive area as defined in Sec. 32-282. (4).
4. Distance Measurement Standard. All distance measurements shall be made in a straight line, without regards to intervening structures or objects, from the nearest point on the property line of a vape shop to a sensitive area as defined in Sec. 32-282. (4) and to any other vape shop and cannabis-related shop.
5. No Outside Sales. Sales outside of a vape shop or cannabis-related shop structure are prohibited.
6. Hours of Operation. Hours of operation are limited to 8:00 a.m. – 12:00 a.m. Any operations outside of this time frame are prohibited.
7. Prohibit the sale of products unlawful under Texas Law.

**Sec. 32-284. Advertising Restrictions.**

1. Compliance with Federal, State, and Local Restrictions. In addition to the advertising restrictions provided for herein, all advertising and promotional activities for vape shops and cannabis-related shops must comply with all applicable federal, state, and local regulations.
2. Proximity-Based Advertising Restrictions. No outdoor advertisements, signage, or promotional materials for vape shops, vape or vape related products, or cannabis-related products may be placed within one thousand (1,000) feet of any Sensitive Area as defined in Sec. 32-282. (4).
  - a. No depiction of a marijuana leaf.
  - b. No cartoon imagery.
  - c. No youth-oriented graphics.
  - d. No explicit smoking imagery.
3. All other signs are required to adhere to Chapter 42 in the Code of Ordinances.

**Sec. 32-285. Grandfathering and Exceptions**

1. Any vape, smoke, or cannabis-related shop legally established prior to the adoption of this ordinance may continue operations at its existing location, even if it does not comply with Sec. 32-283.
2. If such business relocates or reopens after a closure of more than 60 days, the location must comply with all provisions of this ordinance.

**Sec. 32-286. Enforcement and Compliance**

1. Regulatory Oversight. Enforcement of this ordinance shall be the responsibility of the City Manager or City Manager's designee, which may include but is not limited to the City's

law enforcement officers, Director of Development Services, Building Official, or Code Compliance Officials.

2. Inspections and Monitoring. The designated authority may conduct periodic inspections to ensure compliance with this ordinance. Complaints regarding violations may be reported to the designated enforcement department or employees, which shall investigate and take appropriate actions.

**Sec. 32-287. Annual Permit required.**

1. Ownership and/or operation of a vape shop or cannabis-related shop within the City requires an annual license issued by the City in accordance with the provisions of this article.
2. A person commits an offense if the person:
  - a. Recklessly or with criminal negligence owns or operates vape shop or cannabis-related shop without the appropriate license issued by the City of Gatesville; or
3. Acquisition of a **permit** under this article is a separate and distinct requirement from any other licensing requirement required by the state or any other entity. Possession of some other license shall not relieve a person of the requirement to obtain a **permit** pursuant to this article.
4. An annual application for a **permit** to operate a vape shop or cannabis-related shop must be made to the **permitting** officer on the form prescribed by that official.
5. All applications must be accompanied by a non-refundable annual application fee in an amount determined as a part of the city's annual budget and published in the City's fee schedule, as may from time to time be amended or updated. An application shall not be considered to have been filed until the application fee is paid and all information required by the application form is submitted.

**Sec. 32-288. Application Review.**

1. Preliminary inspection. The **permitting** officer shall forward a copy of all vape shop and cannabis-related shop applications to the police department, planning department, inspection department and any other city department involved in the review process. Upon receipt of the copy of the application, each department shall make such inspection and/or investigation of the applicant, premises, and equipment as is necessary for the enforcement of ordinances and laws for which the department has responsibility. Upon completion of the review, the reviewing department shall forward to the licensing officer its recommendation for approval or disapproval of the application. If the recommendation is for disapproval, the reviewing department shall clearly set forth its reason for the recommendation. If all departments recommend approval, then a final inspection shall be conducted.
2. Final inspection. The city shall make a final inspection of the facility after all equipment and furnishings are in place to ensure the facility complies with all applicable codes and ordinances. If after final inspection, the recommendation is for disapproval, the city shall clearly set forth its reason for the recommendation. If the recommendation is for approval, a **permit** shall be issued in accordance with section 32-289.

**Sec. 32-289. Permit issuance or denial; term; time limitation for compliance.**

1. Issuance. Following successful final inspection and a recommendation for approval, the **permitting** officer shall issue a **permit**, upon payment of the **permit** fee, to an applicant within thirty (30) days, unless the licensing officer finds one (1) or more of the following is true:
  - a. An applicant is under eighteen (18) years of age;
  - b. An applicant has falsely answered a question or request for information on the application form;
  - c. The vape shop and/or cannabis-related shop is not in compliance with applicable laws and ordinances;
  - d. The applicant has been denied a **permit** or the renewal of a **permit** under this article within the preceding twelve (12) months or has had a **permit** issued under this article revoked within the preceding twenty-four (24) months and the denial or revocation has not been successfully appealed; or
  - e. An applicant has been convicted of a crime involving paraphernalia; any felony offense; the sale of an alcoholic beverage without a permit or license from the state; prostitution or promotion of prostitution; manifesting the purpose of engaging in prostitution; family violence assault with bodily injury; or unlawfully carrying a weapon, provided;
    - i. If the conviction was for a misdemeanor offense, two (2) years have elapsed since the date of the conviction or the date of release from confinement for the conviction, or
    - ii. If the conviction is for a felony offense, five (5) years have elapsed since the date of conviction or the date of release from confinement for the conviction; or
    - iii. If the conviction is for two (2) or more misdemeanor offenses or a combination of misdemeanor offenses occurring within any twenty-four (24) month period, five (5) years have elapsed since the date of the last conviction or the date of release from confinement for the last conviction.
  - iv. The fact that a conviction is being appealed shall have no effect on the disqualification of the applicant.
  - v. Transitional Compliance for Existing Vape Shops and Cannabis-related shops. Any shop or business operating within the City of Gatesville on the effective date of this ordinance that is in possession of a valid permit may continue to operate under the terms of that permit until its expiration. Upon expiration, no license or permit shall be renewed or reissued unless the facility or business is in full compliance with all provisions of the Gatesville Code of Ordinances. This transitional period does not constitute an exemption or grandfathering. All facilities and businesses shall be required to meet the current regulatory standards upon permit renewal.
2. Extension of review period. If the applicant is in the process of correcting conditions on the premises so that the premises will comply with applicable ordinances and laws, the

applicant may be granted thirty (30) days from date of notice to bring the premises into compliance, or a new application shall be required.

3. Term. No **permit** shall be effective until it has been issued. All **permits** for vape shops and cannabis-related shops issued under the provisions of this article shall be valid for a period of one (1) year from the date of issuance. The date of issuance shall be stated on the permit.

**Sec. 32-290. Suspension and Revocation of Permit.**

1. The City of Gatesville, through an official designated by the City Manager, may suspend or revoke a permit if it is determined that:
  - a. The owner, operator, or facility supervisor has refused to allow an inspection of the premises, as authorized by this article;
  - b. A cause of suspension occurs, and the **permit** has already been suspended within the preceding twelve (12) months;
  - c. An owner or operator gave false or misleading information in the material included on or with his original application or a renewal application or in response to an inquiry by the city;
  - d. An owner, operator, or facility supervisor has been convicted of a violation set forth in Sec. 32-289(1)(e);
  - e. The shop is being operated in violation of the building codes or city ordinances, or state law.
2. The fact that a conviction is being appealed shall have no effect on the suspension or revocation of the license.
3. Notice of suspension shall be served either in person or by certified mail to the owner of the shop and the owner of the building in which the shop is located.

**Sec. 32-291. Permit Renewal.**

1. A renewal application on the form prescribed by the **permitting** officer may be submitted no earlier than sixty (60) days before the expiration of the **permit**. The renewal application must be accompanied by a renewal fee set by the city council as a part of the city's annual budget. When an application for renewal is submitted less than thirty (30) days before the expiration date of the **permit**, the expiration date of the **permit** will not be affected.
2. When the renewal application has been filed as required above, the **permitting** officer shall have seven (7) days to determine whether to issue a renewal **permit**, or to reject the renewal application and require the applicant to file an original application and review the renewal request under the same standards as the original **permit** application. If the **permitting** officer requires that the renewal be handled as though it were a new application, the review period set out in Sec. 32-289 shall commence upon the filing of the completed original application form, not upon the filing of the renewal application form.

**Sec. 32-292. Appeal.**

Appeal of denial. suspension or revocation of permit.

1. The initial decision and notice by an inspector to suspend or revoke a permit may be appealed to the supervisor over the inspector by giving written notice to the supervisor no later than the fifth calendar day after receipt of the written notice of the decision. The supervisor may uphold, reverse, or modify the decision of the inspector. If an appeal is not filed as provided herein, the decision of the inspector is final, and no further appeal will be considered.
2. The initial denial of a permit, or the decision of the supervisor over the inspector following a timely appeal of the inspector's decision to suspend or revoke a permit as provided in subsection (1) above, may be appealed to the city manager by filing a written notice of appeal with the director no later than the fifth day after receipt of written notice of the initial or appeal decision. The city manager may uphold, reverse, or modify the decision to deny, suspend or revoke the permit. If an appeal is not filed as provided herein, the initial or appeal decision is final, and no further appeal will be considered.
3. The decision of the city manager is final.

**Sec. 32-293. Criminal Penalties.**

A violation of this article shall be a Class C misdemeanor and the penalty for violating this article shall be a fine of not more than five hundred dollars (\$500.00) and each day a violation exists shall be a separate offense. It is also a criminal violation of this article and a Class C misdemeanor punishable by a fine of not more than five hundred dollars (\$500.00) and not less than fifty dollars (\$50.00) to intentionally, knowingly, recklessly or with criminal negligence provide false answers or information to the City of Gatesville on or in connection with the application for or application for renewal of an indoor amusement facility license.

**Sec. 32-294 – 32-300. Reserved.**

**SECTION 2.** Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, or the Gatesville Code of Ordinances, as amended hereby, which shall remain in full force and effect.

**SECTION 3.** An offense committed before the effective date of this Ordinance is governed by prior law and the provisions of the Gatesville Code of Ordinances, as amended, in effect when the offense was committed, and the former law is continued in effect for this purpose.

**SECTION 4.** Any person, firm or corporation violating any of the provisions or terms of this Ordinance shall be subject to the same penalty as provided for in the Gatesville Code of Ordinances, as amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Hundred Dollars (\$200) for each offense, and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 5.** This ordinance shall take effect immediately after the third and final reading.

**Ordinance No. 2026-10** was read the first time and passed to the second reading this **26<sup>th</sup> day of May, 2026.**

**Ordinance No. 2026-10** was read the second time and passed to the third reading this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**Ordinance No. 2026-10** was read the third time and duly approved, passed and adopted this the \_\_\_\_\_ day of \_\_\_\_\_, 2026.

**APPROVED:**

\_\_\_\_\_  
**Gary Chumley, Mayor**

**ATTEST**

\_\_\_\_\_  
**Holly Owens, City Secretary, T. R.M.C.**



Date 6/9/2026

Agenda Item 20

Resolution 2026-070

## CITY COUNCIL MEMORANDUM FOR RESOLUTION

To: Mayor & Council

From: Holly Owens

Agenda Item: Discussion and possible action to advertise and solicit Request for Qualifications from qualified engineering firms to provide development engineering services.

### Information:

The City of Gatesville continues to experience development activity that requires timely and professional engineering review of subdivision plats, site development plans, drainage studies, utility extensions, traffic-related improvements, and other development-related infrastructure. As development activity increases, staff have identified a need to establish additional engineering resources to assist with development review and technical support services.

The purpose of this item is to request authorization from the City Council to advertise and solicit Request for Qualifications (RFQs) from qualified engineering firms to provide development engineering services on an as-needed basis. Services may include, but are not limited to:

- Site development and drainage review
- Water and wastewater infrastructure review

Pursuant to Texas Government Code Chapter 2254, professional engineering services are procured through a Qualifications-Based Selection (QBS) process. Firms will be evaluated based on their qualifications, experience, technical expertise, capacity to perform services, and familiarity with municipal development regulations and infrastructure systems. Following the evaluation of qualifications, staff will recommend the most qualified firm(s) to the City Council for consideration and negotiation of a professional services agreement.

### Financial Impact:

Advertising and evaluating qualifications will have minimal fiscal impact. Professional engineering services will be utilized on an as-needed basis and funded through applicable development review fees, project-specific budgets, or other authorized funding sources. All third-party fees are paid by the applicant.

### Staff Recommendation:

Staff recommends that the City Council authorize staff to advertise and solicit Requests for Qualifications (RFQs) for development engineering services and return to Council with a recommendation for selection and contract negotiation following the evaluation process.

Date 6/9/2026

Agenda Item 20

Resolution 2026-070

**Motion:**

Motion to approve a resolution authorizing the City Manager to advertise and solicit RFQs from qualified engineering firms to provide development engineering services.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GATESVILLE:**

That the above stated recommendation is hereby approved and authorized.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Gatesville, Texas, this the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present, held in accordance with provisions of V.T.C.A, Government Code, § 551.001 *et seq.*

APPROVED

\_\_\_\_\_  
Gary Chumley, Mayor

ATTEST:

\_\_\_\_\_  
Holly Owens, City Secretary