



Lewisville City Council

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A G E N D A

**LEWISVILLE CITY COUNCIL MEETING
JULY 11, 2016**

**LEWISVILLE CITY HALL
151 WEST CHURCH STREET
LEWISVILLE, TEXAS 75057**

**WORKSHOP SESSION - 6:30 P.M.
REGULAR SESSION - 7:00 P.M.**

Call to Order and Announce a Quorum is Present.

WORKSHOP SESSION - 6:30 P.M.

- A. Discussion on Police Recruitment
- B. Discussion of Regular Agenda Items and Consent Agenda Items

REGULAR SESSION - 7:00 P.M.

- A. **INVOCATION:** Councilman Daniels
- B. **PLEDGE TO THE AMERICAN AND TEXAS FLAGS:** Deputy Mayor Pro Tem Vaughn
- C. **VISITORS/CITIZENS FORUM:** At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action can be taken on these items at this meeting.
- D. **CONSENT AGENDA:** All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member or citizen so request. For a citizen to request removal of an item, a speaker card must be filled out and submitted to the City Secretary.
 - 1. **APPROVAL OF MINUTES:** City Council Minutes of the June 20, 2016, Workshop Session and Regular Session.

**AGENDA
LEWISVILLE CITY COUNCIL
JULY 11, 2016**

- 2. Approval of an Economic Development Agreement By and Between the City of Lewisville and Mary Kay Inc.; and Authorization for the City Manager to Execute the Agreement.**

ADMINISTRATIVE COMMENTS:

Since August of 2015, staff has been working with Mary Kay Inc. to relocate their manufacturing, research and development (R&D) facility, currently located in Dallas, to Lewisville. The new 330,000 square feet facility in Lewisville will relocate 500 employees from Dallas to Lewisville. In addition, the new Lewisville facility will bring an investment of over \$100 million dollars in land purchase, construction, business personal property and inventory.

RECOMMENDATION:

That the City Council approve the agreement as set forth in the caption above.

- 3. Approval of a Resolution Concurring to the Transfer of the Maintenance of All City Birth and Death Vital Records to Denton County.**

ADMINISTRATIVE COMMENTS:

Per the Texas Health and Safety Code, County Commissioners adopted a resolution to transfer the local registrar duties from the City of Lewisville to Denton County on June 21, 2016. The City Council directed City staff at the June 20, 2016 meeting to proceed with the transfer; however, per the code, the City Council will need to officially adopt the proposed concurring resolution to complete the process. Based upon the timeline agreed to between Denton County and the City of Lewisville, all registrar responsibilities for the City of Lewisville will officially transfer on July 18, 2016.

RECOMMENDATION:

That the City Council approve the proposed Resolution as set forth in the caption above.

**AGENDA
LEWISVILLE CITY COUNCIL
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E. REGULAR HEARINGS:

- 4. Consideration of Four Variances to the Lewisville City Code Section 6-103 (Access Management) Regarding Driveway Spacing and Control of Access, Section 5-91 Fire Code, and Section 6-123 Multi-Family and Non-Residential Landscaping Requirements Related to Brookhollow North Located at 1660 South Stemmons Freeway, as Requested by Dan Gallagher, Kimley-Horn and Associates, Inc., on Behalf of the Owner.**

ADMINISTRATIVE COMMENTS:

The subject site is a 3.9-acre lot zoned Light Industrial (LI) within the Brookhollow North Addition. The property owner, Vista North Properties, Inc., is proposing site improvements resulting from right of way dedication for the Phase II, I-35 project and has requested the following variances to allow the occupancy of the existing building: a) driveway spacing of less than the 50-feet required, b) control of access of less than the 100-feet required, c) two points of emergency access to be less than the required 350-feet apart, and d) to allow donation of \$200,000 towards the IH-35E beautification fund and enhanced landscape buffer along the northern lot line in lieu of the required landscaping.

RECOMMENDATION:

That the City Council approve the variances as set forth in the caption above.

AVAILABLE FOR - Jeff Kelly, P.E., Assistant City Engineer
QUESTIONS: - Tim Ippolito, Fire Marshal
- George Babineaux, Assistant Building Official

- 5. Consideration of Calling a Special-Called Meeting to Consider the Future Design and Use of the Bank Building Located at 191 West Main Street for July 25, 2016 at 6pm.**

**AGENDA
LEWISVILLE CITY COUNCIL
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ADMINISTRATIVE COMMENTS:

On May 19, 2016, Beck Architecture and Catalyst Commercial facilitated a design charrette with the committee appointed by City Council. That appointed committee was made up of representatives from various Old Town advisory boards, the Arts Advisory Board, as well as key community stakeholders. During that charrette, Beck Architecture received input from the committee members with regard to the type of uses and building form/architecture that the committee would like to see on the property. Beck Architecture and Catalyst Commercial will be presenting to the City Council the information collected from the charrette as well as the use, design, and phasing options for the site.

RECOMMENDATION:

That the City Council call a Special-Called meeting for July 25, 2016 at 6pm in the City Council Conference Room.

**AVAILABLE FOR
QUESTIONS:**

- Claire Swann, Assistant City Manager

6. Consideration of Calling a Special-Called Meeting to Conduct a Public Hearing on the Budget.

ADMINISTRATIVE COMMENTS:

State law requires two public hearings on the budget be held. In order to make the timeline work, a special-called meeting is necessary. City staff recommends that this meeting be held on August 24, 2016 at 7:30 a.m. in the City Council Conference Room.

RECOMMENDATION:

That the City Council call a Special-Called meeting for August 24, 2016 at 7:30 a.m. to be held in the Lewisville City Council Conference Room.

F. **REPORTS:** Reports about items of community interest regarding which no action will be taken.

G. **CLOSED SESSION:** In Accordance with Texas Government Code, Subchapter D,

1. Section 551.072 (Real Estate): Property Acquisition

**AGENDA
LEWISVILLE CITY COUNCIL
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2. Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations
- H. **RECONVENE** into Regular Session and Consider Action, if Any, on Items Discussed in Closed Session.
- I. **ADJOURNMENT**

The City Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

Police Department Recruitment Plan

2016

Current Staffing

- 158 sworn positions
- 15 vacant police officer positions (+ one retiring in Sept 2016)
 - Traffic Officer: 1
 - Street Crimes Officers: 5
 - Narcotics Detective: 1
 - Patrol Officer: 8
- One officer in the Police Academy
- One officer in the Field Training Program

Current Marketing and Testing

- Police staff recruited at Fort Hood
- Tested in March, April, May, June and July 2016
- Created a Police Department Facebook page for targeted recruitment

Survey Cities Comparison

City	Authorized Sworn Positions	Current Vacancies	Percentage Vacant
Lewisville	158	15	9.5%
Flower Mound	89	8	9.0%
Carrollton	167	13	7.8%
Coppell	67	5	7.5%
Frisco	188	13	6.9%
Richardson	160	11	6.9%
Mesquite	231	10	4.3%
Plano	364	13	3.6%
Ft Worth	1599	56	3.5%
Irving	336	10	3.0%
Dallas	3511	103	2.9%
Arlington	643	17	2.6%
Allen	126	3	2.4%
Grand Prairie	260	6	2.3%
Grapevine	96	2	2.1%
Denton	163	3	1.8%
McKinney	192	3	1.6%
Garland	334	0	0.0%
Total Vacancies Among Survey Cities		291	

Hiring Statistics – 2013 through 2016

YEAR	# of Applications Received	# Tested	# Who Passed Test	# Who Passed the Physical Ability	# Hired	# Still Employed	% of Applicants Hired
FY 13-14	346	174	111	101	11	8	3.2%
FY 14-15	1016	292	182	158	13	8	1.3%
FY 15-16	874	180	108	90	1	1	0.1%
TOTAL	2236	646	401	349	25	17	1.1%

- Three Year Totals
 - 29% of applicants actually test
 - 62% pass the test
 - 87% of those who pass the written pass the physical ability
 - 7% of those who pass the physical ability are hired
 - ❖ 1.1% of those who apply are hired
 - ❖ 3.8% of those who test are hired
 - 32% of those hired are no longer employed

CITIES CURRENTLY ALLOWING LATERAL ENTRY

Survey Cities

- Irving
- Fort Worth
- Grapevine
- Garland
- Grand Prairie
- McKinney
- Richardson
- Coppell
- Allen – Currently Considering

Other Metroplex Cities

- Southlake
- Colleyville
- Duncanville
- Rockwall
- Addison
- North Richland Hills

Consideration of Allowing Lateral Transfers

- Police Officers would begin at what ever step corresponded with their experience.
 - Experience must include work as a sworn police officer at a city with a population of over 50,000 or an entity with over 100 sworn police officers (i.e.. DART, universities.)
- The maximum annual cost per lateral
 - \$15,800
 - Would be absorbed through salary savings from vacant positions
 - Saves the cost of sending a recruit to the academy (\$1,800) and five months of salary while the recruit attends the academy (\$24,125)
- The officers would not have “seniority” in the Lewisville Police Department.

2015-16 POLICE OFFICER STEP PLAN

Step 1: (Academy and FTO) \$57,909

Step 2: (Completion of FTO) \$60,205

Step 3: (1 year from hire date) \$62,592

Step 4: (2 years from hire date) \$65,072

Step 5: (3 years from hire date) \$67,690

Step 6: (4 years from hire date) \$70,348

Step 7: (5 years from hire date) \$73,163

NOTE: Officers must have satisfactory performance reviews and pass a written exam to move to the next step.

LATERAL CONSIDERATIONS

- What about current police officers who are below the step that corresponds with their previous experience?
 - Out of 38 officers hired in the last five years, two would receive increases based on the new standard.
 - The two officers salaries would be adjusted to the step that corresponded with their previous experience.
 - One officer who has been offered a position, but hasn't begun has experience with DART so his starting salary would be commiserate with his experience which would be Step 3.

Potential Annual Cost

- Hiring All Certified Officers at Step 7
 - 15 Vacancies - \$237,000
 - 11 Vacancies - \$189,600
 - 7 Vacancies - \$110,600
 - 4 Vacancies - \$63,200

HIRING INCENTIVE FOR APPLICANTS NOT ELIGIBLE FOR LATERAL TRANSFERS

- Temporary Hiring Incentive
 - Considered for each testing cycle based on number of vacancies and budget
- Applicants would receive \$1000 when hired and \$1000 on their anniversary date for four years - \$5000 total

OTHER CONSIDERATIONS

- Physical Ability Test that would be mobile for off site testing.
- Consideration of schedule changes
 - Currently officers are on fixed 12 hour shifts
 - Consider 12 hour shifts with rotating weekends off

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Nika Reinecke, Director of Economic Development and Planning

DATE: July 11, 2016

SUBJECT: **Approval of an Economic Development Agreement By and Between the City of Lewisville and Mary Kay Inc.; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

Since August of 2015, staff has been working with Mary Kay Inc. to relocate their manufacturing, research and development (R&D) facility, currently located in Dallas, to Lewisville. The site of their new state-of-the-art global facility will be located on a 26.6048-acre tract in the Campbell Ranch block off of Denton Tap Road and Vista Ridge Mall Drive. The company is projected to invest over \$100 million dollars in land purchase, construction, business personal property and inventory. The new 330,000 square feet facility in Lewisville will relocate 500 employees from Dallas to Lewisville.

The terms in this agreement were presented to City Council during an Executive Session in November 2015 for discussion. This agreement reflects the direction that Council gave staff during that session

ANALYSIS

The company will invest and commit to a minimum investment amount of \$44.2 million in land purchase and construction and \$30.8 million in Business Personal Property. Staff has conducted a cost-benefit analysis and consulted with the City Council regarding the economic impact of this project. The agreement includes the following:

- Expedited City permitting and a waiver on 75% of building permit fees
- Grant on 100% of water and sanitary sewer impact fees not to exceed \$366,000
- Grant in an amount equal to 100% of local sales tax collected for qualified construction material, furniture and fixture, excluding inventory, during the construction and occupancy of the project for a period not to exceed 30 months from the start of construction
- Inventory tax grant which consists of 10 consecutive annual economic development grants for 90% of the ad valorem property taxes paid on inventory for each year

RECOMMENDATION

It is City staff's recommendation that the City Council approve the agreement as set forth in the caption above.

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement ("Agreement") is entered into by and between the City of Lewisville, Texas, a home rule city and municipal corporation of Denton County, Texas, duly acting by and through its City Manager, ("City"); and Mary Kay Inc., a Delaware corporation, duly acting by and through its Chief Executive Officer or another authorized signatory ("Company") (collectively "Parties").

WITNESSETH:

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code ("Statute"), the City adopted a program for making economic development grants on June 20, 2016 ("Policy Statement"); and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing economic development agreements to be entered into by the City as contemplated by the Statute; and

WHEREAS, in order to maintain and/or enhance the commercial economic and employment base of the Lewisville area to the long-term interest and benefit of the City, in accordance with said Statute, the City desires to enter into this Agreement; and

WHEREAS, the Company owns real property, fully described in Attachment "A" attached hereto (the "Land"), and intends to construct a new cosmetic research and development and manufacturing facility on the Land; and

WHEREAS, the Company's improvements to the Land described herein will create and retain permanent new jobs in the City; and

WHEREAS, the contemplated use of the Premises, as hereinafter defined, and the other terms hereof are consistent with encouraging development of said Land in accordance with the purposes stated and are in compliance with the intent of the Statute, the Policy Statement and similar guidelines and criteria adopted by the City and all applicable law; and

WHEREAS, the City Council finds that the improvements to the Land are feasible and practicable and would be of benefit to the Land and to the City after the expiration of this Agreement; and

NOW THEREFORE, the City, in consideration of the mutual benefits and promises contained herein and for good and other valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of primary employment, the attraction of major investment, which contributes to the economic development of the City, and the enhancement of the tax base in the City, the parties hereto do mutually agree as follows:

ARTICLE I TERM

This Agreement shall become effective on the date executed by the City ("Effective Date") and shall continue in effect until the City has paid to the Company the tenth annual Inventory Tax Grant due under Section 4.4 of this Agreement, unless sooner terminated as provided herein.

ARTICLE II DEFINITIONS

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

"Agreement" has the meaning set forth in the introductory paragraph of this document.

"Business Personal Property Improvements" shall mean tangible personal property, other than inventory or supplies, that is classified by the Denton Central Appraisal District as business personal property, that is owned or leased by a Company Entity, and that is added to the Real Property Improvements subsequent to the execution of this Agreement, including, but not limited to, equipment, furniture and fixtures.

"City" has the meaning set forth in the introductory paragraph of this Agreement.

"Clawback Event" shall mean a failure by the Company to meet the terms or conditions of this Agreement, requiring the Company to repay the economic development incentives received after the breach occurred, granted to and received by the Company from the City pursuant to this Agreement.

"Company" has the meaning set forth in the introductory paragraph of this Agreement.

"Company Entity" means the Company and/or any Affiliate of the Company.

"Control" means an eighty percent (80%) or more ownership interest by voting rights or value.

"Effective Date" shall mean that point in time established in Article I of this Agreement.

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

"Facility Based Employees" shall mean the total number of individuals employed on a full-time basis by a Company Entity whose assigned work location is on the Premises.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of the Company, including without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, governmental or de facto governmental action including, but not limited to, government actions pertaining to the determination of flood zones or FEMA actions (unless caused by acts or omissions of the Company), fire, explosion or flood, and strikes.

"Improvements" shall mean collectively Business Personal Property Improvements and Real Property Improvements.

"Inventory" shall mean inventory, as defined by section 23.12 of TEX. TAX CODE, as amended, owned by the Company, located at the Premises and valued by the Denton Central Appraisal District.

"Land" has the meaning set forth in the introductory paragraph of this Agreement.

"Local Sales Tax" shall mean the one percent (1%) sales and use tax imposed by the City for its general fund, pursuant to Chapter 321, TEX. TAX CODE, as amended.

"Person" means any individual, corporation, partnership, trust, estate, unincorporated organization, association or other entity.

"Premises" shall mean the Land and the Improvements constructed or placed thereon after the execution of this Agreement.

"Real Property Improvements" shall mean all real property improvements, as classified by the Denton Central Appraisal District, that are located on the Land, including a research and development and manufacturing facility constructed on the Land containing approximately 330,000 square feet or more of space which shall be Substantially Occupied, hereinafter defined, by one or more Company Entities and the other ancillary facilities such as required parking and landscaping more fully described in the submittals filed with the City.

"Required Use" shall mean the Company's continuous operation of a research and development and manufacturing facility and other ancillary facilities, such as required parking and landscaping more fully described in the submittals filed with the City, on the Premises, subject to temporary cessations of such operations as a result of Force Majeure or for reasonable business purposes such as remodeling of the facility; provided, however, that the resulting interruptions for such other business purposes do not exceed ninety (90) days per year, which ninety (90) day interruption may not occur in more than five years during the Term of this Agreement.

"Substantially Occupied" shall mean one or more Company Entities occupies at least ninety-five percent (95%) of the Real Property Improvements; provided, that the remaining five percent (5%) is occupied only by businesses that support the Premises, Facility Based Employees, or members and potential members of Company affiliated credit union and said businesses shall not otherwise be open to the general public. Portions of the Real Property Improvements qualify toward the Substantially Occupied requirement if not currently actively utilized but held for future use to perform a Required Use.

"Taxable Item" shall have the same meaning as assigned by Chapter 151, TEX. TAX CODE, as amended.

**ARTICLE III
GENERAL PROVISIONS**

3.1 As soon as practical after the Effective Date of this Agreement, the Company shall commence the following:

a. the construction of the Real Property Improvements on the Land at a total capital investment, when complete and combined with the cost of the purchase of the Land, of approximately forty-four million two hundred thousand dollars (\$44,200,000.00); and

b. the installation of Business Personal Property Improvements on the Premises at a total capital investment of thirty million eight hundred thousand dollars (\$30,800,000.00) where for purposes of this Agreement capital investment includes both the acquisition cost for newly purchased business personal property and the fair market value of previously-owned business personal property moved from another location to the Premises; and

c. the purchase of at least twenty-two million dollars (\$22,000,000) of Start-Up Materials, as hereinafter defined, during the Start-Up Period, as hereinafter defined.

3.2 The Company shall substantially complete the construction and installation of the Improvements by December 31, 2018. In the event of Force Majeure or, if in the reasonable opinion of the City, the Company has made substantial progress toward completion of construction and installation of the Improvements by the above date, additional time may be granted at the City's discretion.

3.3 The date of substantial completion of the Improvements shall be defined as the date that the Company receives a certificate of occupancy for the Premises.

3.4 During the period of the Agreement herein authorized, the Company shall be subject to all applicable City taxation not specifically abated or exempted by this or another agreement, including but not limited to, sales tax and ad valorem taxation on land, inventory and supplies.

**ARTICLE IV
ECONOMIC DEVELOPMENT INCENTIVES**

4.1 Building Permit Fee Waiver. Subject to the terms and conditions of this Agreement, the City agrees to waive seventy-five percent (75%) of the total fees owed by the Company to the City for building permits for the Premises during the Start-Up Period, hereinafter defined ("Building Permit Fee Waiver"). The City agrees to expedite the issuance of any required building permits.

4.2 Impact Fee Grant. Subject to the terms and conditions of this Agreement, the City agrees to provide to the Company an economic development grant in an amount equal to one hundred percent (100%) of the water and sanitary sewer impact fees paid by the Company to the City on the Premises ("Impact Fee Grant"); provided, however, that the amount of the Impact Fee Grant shall not exceed three hundred sixty-six thousand dollars (\$366,000).

4.3 Start-Up Grant.

a. Subject to the terms and conditions of this Agreement, the City agrees to provide to the Company annual economic development grants in amounts equal to one hundred percent (100%) of the Local Sales Tax on any Taxable Items, including but not limited to construction materials, equipment, furniture and fixtures, but excluding Inventory ("Start-Up Materials"), on which Local Sales Tax was paid by Company Entities during the thirty (30) month period from the start of construction, which means the date of issuance of site or building permits for the Real Property Improvements in 2016, defined as ("Start-Up Period"). Said grant shall be referred to as the "Start-Up Grant."

b. The Company shall provide a statement hereafter called the "Sales Tax Receipt Statement" in a form reasonably acceptable to the City setting forth the City's receipts from the State of Texas from the collection of the Local Sales Tax for the sale to and purchase by Company Entities of Start-Up Materials during the Start-Up Period which are to be used to determine the amount and eligibility of the Start-Up Grant, together with such supporting documentation, and additional documentation as the City may reasonably request. The Sales Tax Receipt Statement shall be accompanied by the following:

1. A schedule as shown in Attachment "C", detailing the amount of the Local Sales Tax collected and/or paid to the State of Texas as a

result of the sale to and purchase by Company Entities of Start-Up Materials during the Start-Up Period;

2. Documentation reasonably establishing amounts of Local Sales and Use Tax paid by Company Entities, which may include a copy of receipts received, sales and use tax returns and reports, sales and use tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by Company Entities, showing the Local Sales Tax collected (including Local Sales Tax paid directly to the State of Texas) by Company Entities for the sale to and purchase by Company Entities of Start-Up Materials during the Start-Up Period;
3. Information concerning any refund or credit received by Company Entities of the Local Sales Tax paid by Company Entities (including any Local Sales Tax paid directly to the State of Texas) which has previously been reported by Company Entities as Local Sales Tax paid or collected during the Start-Up Period; and
4. A schedule detailing the total of Local Sales Tax paid by Company Entities for the purchase of Start-Up Materials during the Start-Up Period.

c. In the event the State of Texas determines that the City erroneously received sales tax receipts, or that the amount of sales and use tax paid by the State of Texas to the City exceeds the correct amount of sales and use tax applicable to the Start-Up Grant, the Company shall, within one hundred and twenty (120) days after receipt of notification thereof from the City specifying the amount by which such Start-Up Grant exceeded the amount to which the Company was entitled pursuant to such State of Texas determination, pay such amount to the City. As a condition precedent to payment of such refund, the City shall provide the Company with a copy of such determination by the State of Texas. The provisions of this Section 4.3.c shall survive no more than four (4) years after the termination of this Agreement. If the City receives notice from the State of Texas of any audit or inquiry that may result in an obligation for the Company to make a payment to the City under this Section (a "Tax Adjustment"), the City will notify the

Company within fourteen (14) days of receipt of such notice. At the request of the Company, the City will use its best efforts to cooperate with the Company to contest the Tax Adjustment. To the greatest extent allowed by applicable law, the City will allow the Company or its designated representatives the right to be responsible for contesting the Tax Adjustment.

d. In the event a Company Entity files an amended sales and use tax return, or report with the State of Texas, or if additional sales and use tax is due and owing, as determined or approved by the State of Texas, affecting sales tax receipts for the Start-Up Grant, the City shall pay to the Company any underpayment of the Start-Up Grant, provided the City has received sales tax receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, the Company shall provide the City with a copy of any Company Entity amended sales and use tax report or return made available to the Company, any relevant receipts, or any relevant direct payment and self-assessment returns. The provisions of this Section 4.3.d shall survive no more than four (4) years after the termination of this Agreement.

e. Under no circumstances shall the City be obligated to pay the Start-Up Grant unless the City has received Local Sales Tax receipts for the Start-Up Period attributable to the sale to and purchase by Company Entities of Start-Up Materials during the Start-Up Period and has received the Sales Tax Receipt Statement.

4.4 Inventory Tax Grant. Subject to the terms and conditions of this Agreement, the City agrees to provide to the Company ten (10) consecutive annual economic development grants in amounts equal to ninety percent (90%) of the ad valorem property taxes owed and paid to the City by a Company Entity on the Inventory for each year, beginning with taxes paid for either the year following the issuance of the certificate of occupancy for the Premises or the second tax year ("Inventory Tax Grant") following the certificate of occupancy for the Premises, as determined by Company and indicated in Company's written notice to the City. The Inventory Tax Grant shall be calculated with respect to the Inventory located on the Premises on January 1, of each year in accordance with the terms of this Agreement and all applicable state and local regulations or valid waiver thereof. The Company shall pay all applicable taxes in accordance with the state and local regulations.

4.5 Timing of Grants. The Company acknowledges that this Agreement makes an allowance for the Impact Fee Grant, Start-Up Grant and Inventory Tax Grant to be paid on an annual basis. After the close of each calendar year during the Term, prior to the City's payment of the grants earned during such calendar year, the Company shall submit to the City, no later than May 31, all of the following: (1) proof of payment of its tax liability relevant to the computation of a grant amount; (2) its Annual Compliance Report shown on Attachment "B"; (3) a letter of request for payment; and (4) any other documentation or information required by this Agreement. Subject to the satisfactory receipt of these items, the City agrees that the grants will be paid in full to the Company within forty-five (45) days of satisfactory receipt of the above listed items.

4.6 Texas Enterprise Zone/Fund and Skills Development Fund. The City agrees to nominate this project for the Texas Enterprise Zone/Fund and Skills Development Fund. All costs associated with making the application are the responsibility of the Company.

4.7 Denton County Incentive. The City agrees to support the Company's competitive application to Denton County for a grant, abatement or other economic development incentives of the county portion of ad valorem tax assessment.

ARTICLE V AGREEMENT CONDITIONS

5.1 Required Use Condition. During the term of this Agreement following the issuance of a certificate of occupancy for the Premises and continuing thereafter until expiration of this Agreement or earlier termination of same, the Company shall continuously own and Substantially Occupy a minimum of 330,000 square feet of space on the Premises; and the Premises shall not be used for any purpose other than the Required Use. The Company shall not allow the operation of the Premises in conformance with the Required Use to cease except to the extent of an event of Force Majeure or as a temporary cessation of operations for reasonable business purposes; provided, however, that the resulting interruptions for such other business purposes do not exceed ninety (90) days per year, which ninety (90) day interruption may not occur in more than five years during the Term of this Agreement.

5.2 Minimum Investment Condition. To be eligible for any grant, the Company must make, by December 31, 2018 or such additional time as may be granted by the City, the following total capital investment:

a. Forty-four million two hundred thousand dollars (\$44,200,000) for the purchase of the Land and construction of the Real Property Improvements; and

b. Thirty million eight hundred thousand dollars (\$30,800,000) for the installation of the Business Personal Property Improvements.

5.3 Minimum Employment Condition. The Company must maintain a minimum of five hundred (500) Facility Based Employees following the issuance of a certificate of occupancy for the Premises and continuing throughout the term of this Agreement.

5.4 Minimum Compensation Condition. The Company must maintain a median annual wage of at least forty five thousand dollars (\$45,000) for Facility Based Employees following the issuance of a certificate of occupancy for the Premises and continuing throughout the term of this Agreement.

5.5 Minimum Purchase Condition. The Company must purchase a minimum total value of not less than twenty-two million dollars (\$22,000,000.00) of Start-Up Materials during the Start-Up Period.

5.6 Employment of Undocumented Workers. During the term of this Agreement, the Company agrees not to knowingly employ any undocumented workers as defined in TEX. GOVT. CODE §2264.001. If convicted of a violation under 8 U.S.C. §1324a(f), the Company shall repay the amount of the abatements and any other funds received by the Company from the City as of the date of such violation not later than one hundred and twenty (120) days after the date the Company is notified by the City of a violation of this section, plus interest from the date the abatements were paid to the Company, at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the City) as its prime or base commercial lending rate. The payment of interest shall be as if it had been accruing from the date the abatement was paid to the Company until the date the abatements are repaid to the City.

5.7 Certification. The Company must certify annually to the governing body of the City as to its attainment of the stated performance measures described herein by submitting an Annual Compliance Report (Attachment "B") and appropriate support documentation as requested by the City, no later than May 30th of each year after the issuance of the certificate of occupancy and continuing until the expiration of the Agreement to the City's Director of Economic Development.

ARTICLE VI TERMINATION

- 6.1 This Agreement may be terminated upon any one of the following:
- a. by written agreement of the Parties;
 - b. expiration of the Term;
 - c. by the City, if the Company breaches any material terms or conditions of this Agreement and such breach is not cured within one hundred and twenty days (120) days after receipt of written notice thereof (the "Cure Period") and the Company has not commenced curative action within such 120-day period and has not diligently pursued such curative action to a satisfactory completion;
 - d. by the City, if the Company suffers an Event of Bankruptcy;
 - e. by the City, if any taxes or fees owed to the City or the State of Texas by the Company shall become delinquent and payment of delinquent amounts is not made within one hundred and twenty days (120) days after receipt of written notice thereof (the "Cure Period") (provided, however the Company retains the right to timely and properly protest and contest any such taxes or fees and the City should have no right to terminate under this subsection until a final determination related to such protest or contest is made by a court of competent jurisdiction); and
 - f. by the Company upon sixty (60) days prior written notice to the City.

6.2 Refund of Grants. In the event the Agreement is terminated by the City pursuant to Section 6.1(c), (d), (e) or (f), a Clawback Event shall have been deemed to occur, and the Company shall, as the City's sole remedy, immediately pay the City, within one hundred and twenty (120) days of notice from the City, an amount equal to the grants received by the

Company, if any, computed with respect to Company activities conducted and payments made after the Clawback Event occurs.

6.3 Forfeiture of Annual Economic Development Grant. In the event the Company meets the Agreement Condition pursuant to Section 5.2 and fails to meet Agreement Conditions pursuant to Section 5.3 or Section 5.4 in any given year of this Agreement, Company shall not be entitled to the incentives for that year, but would be entitled to incentives in subsequent years if the Agreement Conditions are met. Default of Agreement Conditions, other than the Minimum Investment Condition pursuant to Section 5.2, in one year does not constitute the termination of the Agreement unless the City provides notice pursuant to Section 6.1 of this Agreement.

ARTICLE VII MISCELLANEOUS

7.1 The Company acknowledges that the tax credits: (i) shall certainly become a permanent part of the Company's or Company Entities' working capital; (ii) shall not be compensation, such as a direct payment for a quantifiable service provided for the City by the Company or Company Entities; (iii) were bargained for in good-faith and at arm's-length; (iv) foreseeably shall result in an amount commensurate with its value to the Company or Company Entities; and (v) shall ordinarily, if not always, will be employed in or contribute to the production of additional income and its value assured in that respect, such that the tax abatements from the City to the Company or Company Entity pursuant to this Agreement are a nonshareholder contribution to the capital of the Company under Internal Revenue Code section 118 and excluded from the Company's gross income under Internal Revenue Code section 61.

7.2 The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by the Company unless written permission is first granted by the City, which consent shall not be unreasonably withheld; provided, the Company may assign this Agreement to a Company Entity without the written consent of the City. Any Company assignee must agree to be bound by all terms and conditions of this Agreement.

7.3 It is understood and agreed between the parties that the Company, in performing its obligations thereunder, is acting independently, and the City assumes no responsibility or

liabilities in connection therewith to third parties; it is further understood and agreed between the parties that the City, in performing its obligations hereunder, is acting independently, and the Company assumes no responsibilities in connection therewith to third parties.

7.4 The Company further agrees that the City, its agents and employees, shall have reasonable rights of access to the Premises to inspect the Premises in order to ensure that the construction and installation of the Improvements to the Premises is in accordance with all applicable agreements with the City, including this Agreement, and all applicable state and local laws and regulations, as well as the continuing right, subject to the Company's reasonable security requirements, to inspect the Premises to ensure that the Premises are thereafter maintained, operated, and occupied in accordance with all applicable agreements with the City, provided that with respect to matters concerning this Agreement (i) the City must give the Company reasonable prior telephone or written notice of any such inspection, and (ii) a representative of the Company shall have the right to accompany the agent or employee of the City who is conducting such inspection.

7.5 If the City receives a Texas Public Information Act request from a third party requesting information that has been submitted to the City by the Company in connection with this Agreement or the Premises, the City shall timely provide a copy of such request to the Company in accordance with the provisions of the Texas Public Information Act so that the Company may take such actions, if any, as the Company deems necessary to object to the release of such information in accordance with the provisions of the Texas Public Information Act.

7.6 The City represents and warrants that the Premises does not include any property that is owned by a member of the City Council having responsibility for the approval of this Agreement.

7.7 Notices required to be given to any party to this Agreement shall be given personally or by certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and, if given by mail, shall be deemed delivered three (3) days after the date deposited in the United States' mail:

For the City by notice to:

City of Lewisville
Attn: Economic Development Director
151 W. Church Street

P.O. Box 299002
Lewisville, Texas 75057

For Company by notice to:

Mary Kay Inc.
ATTN: Vice President Corporate Tax
PO Box 799045
Dallas, Texas 75379-9045

Mary Kay Inc.
ATTN: Chief Financial Officer
PO Box 799045
Dallas, Texas 75379-9045

Mary Kay Inc.
ATTN: Legal Resources
PO Box 799045
Dallas, Texas 75379-9045

Any party may change the address to which notices are to be sent by giving the other parties written notice in the manner provided in this paragraph.

7.8 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which in the aggregate shall constitute one agreement.

7.9 If any provision contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof. In lieu of each invalid, illegal or unenforceable provision, there shall be added a new provision by agreement of the parties as similar in terms to such invalid, illegal or unenforceable provision as may be possible and yet be valid, legal and enforceable.

7.10 Whenever the context requires, all words herein shall be deemed to include the male, female, and neuter gender, singular words shall include the plural, and vice versa.

7.11 This Agreement was authorized by action of the City Council, authorizing the City Manager to execute the Agreement on behalf of the City.

DATED this the _____ day of _____, 2016.

CITY OF LEWISVILLE, TEXAS

Donna Barron, City Manager

ATTEST:

Julie Heinze, City Secretary

APPROVED AS TO FORM:

Lizbeth Plaster, City Attorney

COMPANY:

Mary Kay Inc.

By: Patrick Cargo
Name: Patrick Cargo
Title: Vice President Corporate Tax

APPROVED AS TO FORM
BY _____
DATE 10-20-10

ATTACHMENT A

Legal Description

Lot 3, Block A, Campbell Ranch Addition, as reflected in Final Plat filed for record on December 20, 2002 under Clerk's document No. 2002-R0164175 and in Cabinet U, Pages 776-778 of the Plat Records of Denton County, Texas

ATTACHMENT B
Compliance Reporting



City of Lewisville Annual Compliance Report

Please complete what is applicable to your agreement.

Company Name: _____

Company Address: _____

Cumulative Capital Investment through End of Reporting Period in Real Property Improvements and Business Personal Property Improvements and supporting documentation (not required for reporting periods after minimum investment conditions satisfied):

Date on which Certificate of Occupancy was received:

Please list the dollar amount for the following:

Current Year Appraised Real Property Value from Notice of Appraised Value issued by the Appraisal District – Land	
Current Year Appraised Real Property Value from Notice of Appraised Value issued by the Appraisal District – Improvements	
Current Year Appraised Business Personal Property Value from Notice of Appraised Value issued by the Appraisal District – Machinery, Equipment and Other BPP	
Current Year Appraised Inventory Value from Notice of Appraised Value issued by the Appraisal District	
Property Taxes Paid – Real Property	
Property Taxes Paid – Business Personal Property	
Property Taxes Paid – Inventory Tax	



City of Lewisville Annual Compliance Report

	Part Time	Full Time
Total Facility Based Employees at End of Reporting Period		
Number of New Employees Added During Reporting Period (Facility Based Employees at End of Reporting Period less Facility Based Employees at End of Prior Reporting Period)		

Median Salary during Reporting Period (Supporting documentation will be made available to review at Company Headquarters upon request):

Has construction/installation of planned improvements commenced? Yes No
 Has construction/installation of planned improvements been completed? Yes No

Additional Information to be Attached:
Brief Narrative Highlighting the Progress of the project
If Applicable, a Statement Addressing any Failure to Meet Requirements of the Economic Development Agreement
Letter of Request re: the Economic Development Agreement Rebate plus supporting documents

I certify that, to the best of my knowledge, the information and attachments provided herein are true and accurate and in compliance with the terms of the Economic Development agreement with the City Of Lewisville.

_____	_____
Name of Certifying Officer	Title
_____	_____
Signature of Certifying Officer	Date

Telephone:

Fax:

E-mail:

Aerial Map - Mary Kay





MARY KAY

May 4, 2016

Ms. Donna Barron
City Manager
City of Lewisville
151 W. Church Street
Lewisville, TX 75029-9002

Dear Donna,

It was such a pleasure to meet with you here at the Mary Kay Building recently. I so appreciate you, Claire and Nika taking time from your busy schedules to see us here in person.

As you know, Mary Kay Ash founded our Company more than 50 years ago on the principle of The Golden Rule – treat others as you would like to be treated. She emphasized the importance of making a difference. That's why we are committed to changing the lives of women and children around the world. In fact, Mary Kay Inc. is committed to being *the* corporate leader in the United States in the effort to prevent and end domestic violence. It's part of the Mary Kay heritage, and we are honored to continue Mary Kay Ash's legacy of giving back.

Thank you for bringing to our attention some of the exciting activities taking place in Lewisville. There seem to be some distinct synergies that align with your work in the city and Mary Kay's corporate social responsibility strategy. Specifically, we were delighted to learn more about your discussions with the Dallas Entrepreneurship Center as well as the Audubon Society. Mary Kay's mission, as you know, is to enrich women's lives through entrepreneurialism. We also have a deep commitment to sustainability and the environment through our *Pink Doing Green* initiative.

Without a doubt, there are no shortage of opportunities for our organizations to further explore and then partner and collectively make a difference. Therefore, allow me, on behalf of Mary Kay Inc., to commit to you that we will invest \$15,000 a year for ten years in partnership with the City of Lewisville on a mutually agreeable effort or efforts such as those we have discussed. Our first investment will occur in the calendar year following the execution of the two incentive agreements with the City of Lewisville and our commitment will end in the event the incentive agreements are terminated before ten years have elapsed.

We hope and pray that our work, along with that of the City of Lewisville, will make a difference and look forward to a long and special relationship with your great community.

Thank you!

All the Best,

Crayton W. Webb

Vice President, Corporate Communications & Corporate Social Responsibility

CRAYTON W. WEBB Vice President, Corporate Communications & Corporate Social Responsibility

Mary Kay Inc. Global Headquarters 16251 Dallas Pkwy, Addison, Texas 75001-6801 o 972.687.5733 f 972.687.1611

discover what you **L**OVE.



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem TJ Gilmore
Deputy Mayor Pro Tem Leroy Vaughn
Councilman R Neil Ferguson
Councilman Brandon Jones
Councilman Brent Daniels

FROM: Julie Heinze, City Secretary

DATE: June 14, 2016

SUBJECT: **Approval of a Resolution Concurring to the Transfer of the Maintenance of All City Birth and Death Vital Records to Denton County.**

BACKGROUND

Texas Health and Safety Code requires that a municipality with a population of 2,500 or more provide local registrar duties; however, it also allows for the consolidation of the duties to be transferred to the County in which the municipality is located. The City of Lewisville is the last entity within Denton County to currently serve as their own local registrar. Denton County recently opened their Precinct 3 Government Center in the City of Lewisville. The opening of this facility provides an opportunity for the City to consider transferring the maintenance of all City birth and death vital records to Denton County. This will provide for a central vital registration and record archive as well as provide a more efficient and consistent customer service benefit for Lewisville residents. At the June 20, 2016 meeting, City Council directed City staff to proceed with the transfer of these vital records to Denton County.

ANALYSIS

Consolidation of these records with Denton County will allow any requestor applying for either a birth or death certificate for an event that occurred anywhere within Denton County to obtain those copies at all of the Denton County Government facilities rather than having to go to a different location based upon the event. It will also help to eliminate confusion over where to file or obtain records of an event (birth or death) within Denton County. Texas Vital Records has encouraged entities to consider consolidation whenever possible. Currently the City generates approximately \$20,000 for the vital records; however, this consolidation will provide a favorable benefit to Lewisville residents.

Subject: Consolidation of Birth and Death Vital Records
June 14, 2016
Page 2



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

Per the Texas Health and Safety Code, County Commissioners adopted a resolution to transfer the duties on June 21, 2016. The City Council directed City staff at the June 20, 2016 meeting to proceed with the transfer; however, per the code, the City Council will need to officially adopt the proposed concurring resolution to complete the process. Based upon the timeline agreed to between Denton County and the City of Lewisville, all registrar responsibilities for the City of Lewisville will officially transfer on July 18, 2016.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the proposed Resolution as stated in the caption above.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, CONCURRING TO THE TRANSFER OF THE MAINTENANCE OF BIRTHS AND DEATHS RECORDS FOR THE CITY OF LEWISVILLE TO DENTON COUNTY.

WHEREAS, Section 191.022, Subsection (b) Texas Health and Safety Code, provides that the municipal clerk or secretary is the local registrar of births and deaths in a municipality with a population of 2,500 or more; and,

WHEREAS, Section 191.023, Subsection (a) provides that the duties imposed by law relating to the maintenance of birth and death records of a municipality with a population of 2,500 or more may be transferred to the county in which the municipality is located; and,

WHEREAS The County Office, in accordance with Section 191.023, subsection (b) has attested that the office of Denton County has sufficient resources and finances to assume those duties; and,

WHEREAS, The office of the City of Lewisville, Denton County, Texas desires to consolidate the birth, death, and fetal death records of the municipality and Denton County by complying with Section 191.023, Subsection (b) that requires that the municipality adopt a concurring resolution agreeing to the transfer and timetable established, said resolution to be considered at the June 20, 2016 regular meeting of the Lewisville Council; and,

WHEREAS, The citizens of Denton County would be better served by having all birth and death records in a central location.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, THAT Effective June 21, 2016, the Denton County Office of Denton County, Texas and the Commissioner's Court of Denton County, Texas hereby accept the consolidation and transfer of the maintenance of birth and death records of the City of Lewisville, a municipality with a population of more than 2,500 and all duties imposed by Title 3 of the Texas Health and Safety Code related thereto.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS, ON THIS THE 11th DAY OF JULY, 2016.

APPROVED:

Rudy Durham, MAYOR

ATTEST:

Julie Heinze, CITY SECRETARY

APPROVED AS TO FORM:

Lizbeth Plaster, CITY ATTORNEY

MEMORANDUM

TO: Donna Barron, City Manager

FROM: David Salmon, P.E., City Engineer

VIA: Eric Ferris, Assistant City Manager

DATE: June 24, 2016

SUBJECT: **Consideration of Four Variances to the Lewisville City Code Section 6-103 (Access Management) Regarding Driveway Spacing and Control of Access, Section 5-91 Fire Code, and Section 6-123 Multi-Family and Non-Residential Landscaping Requirements Related to Brookhollow North Located at 1660 South Stemmons Freeway, as Requested by Dan Gallagher, Kimley-Horn and Associates, Inc., on Behalf of the Owner.**

BACKGROUND

The subject site is a 3.9-acre lot zoned Light Industrial (LI) within the Brookhollow North Addition. In 2014 Texas Department of Transportation (TxDOT) acquired 0.78 acres of the 3.9 acre lot for the future IH-35E Phase II improvements. The property owner was paid for full value of property and the existing improvements by TxDOT. The building has been vacant since December of 2014. The property is a major impact site as defined by Section 6.77 – Properties impacted by the Interstate I-35 widening of the City’s Land Development Regulations due to the impacts to access, parking and landscaping. The land acquisition restricts driveway access to the IH-35E service road and removes 45 parking spaces. The property owner, Vista North Properties, Inc., is proposing site improvements and the following variances to allow continued occupancy of the existing building: a) to allow driveway spacing of less than the 50-feet required, b) to allow control of access of less than the 100-feet required, c) to allow two points of emergency access to be less than the required 350-feet, and d) to allow donation of \$200,000 towards the IH-35E beautification fund and enhanced landscape buffer along the northern lot line in lieu of the required landscaping. If the variances are approved the property owner will re-plat the remaining property and submit an Engineering Site Plan for the necessary site improvements.

ANALYSIS

- a. To allow driveway spacing less than the 50-feet required.

Section 6-103(c)(2), Access Spacing requires that driveways on adjacent properties be spaced at least 50 feet apart on four lane arterial streets such as Lakepointe Drive. The proposed eastern driveway will have no separation from the existing adjacent driveway to the east. Staff supports a variance to the required minimum driveway spacing to maximize the spacing of the two points of access required by the fire code. In addition, this segment of Lakepointe Drive between Corporate Drive and I-35 is a 4-lane undivided street rather than a 4-lane divided street as designated on the City Thoroughfare Plan and has a relatively small average daily traffic count (1560 vpd) given the designated street

classification, acting more as a collector street. In comparison, Lakepointe Drive south of Corporate Drive has an average count of over 10,000 vpd.

b. To allow control of access less than the 100-feet required.

Section 6-103 of the General Development Ordinance requires a 100 foot control of access along specified Principal Arterial 4 Lane Divided roadways on the City of Lewisville Thoroughfare Plan including Lakepointe Drive. Control of access is the distance from a street intersection measured from the intersecting right of way lines to the radius point of the first permitted driveway along the street. The owner has requested a variance to allow a new gated emergency access driveway on Lakepointe Drive to be 15 feet from IH-35E. Staff has no opposition to the request because the driveway will be gated for emergency access only and as indicated above, this street segment acts more as a collector street than an arterial.

c. To allow two points of emergency access to be less than the required 350-feet.

Section 5-91 of the Fire Code requires the property to have two points of access/egress and the two points are required to be located no closer than one-half the diagonal measurement of the lot. The requirement for the minimum spacing of the two points of access for this property is 350-feet based on the 700-foot diagonal dimension. This spacing requirement is intended to prevent a single fire event from blocking both access points to the site. The site has been in compliance with this requirement, but with the I-35 expansion, TxDOT is closing one of the required access points which is accessed from the I-35 frontage road and will not allow any other new access points from the frontage road. The applicant has further attempted to gain an access point to the adjacent properties without success. The applicant is proposing two access points along Lakepointe Drive, one of which will be for emergencies only. Both the Fire Chief and the Fire Marshal have analyzed these locations and believe that given the offset of the building from Lakepointe Drive, no single fire event will close both access/egress points and both are in support of this variance.

d. To allow donation of \$200,000 towards the IH-35E beautification fund and enhanced landscape buffer along the northern lot line in lieu of the required landscaping.

Section 6-123(b) Multi-Family and Non-Residential Landscaping Requirements requires a ten (10) foot landscape strip along the frontage of the property from the internal edge of the right-of-way towards the building on the property to include one (1) tree every fifty (50) feet or five hundred (500) square feet. Due to the TXDOT right of way take this cannot be achieved along the western lot line on Stemmons Freeway in lieu of the required landscaping. The total reduction of the minimum required landscaping is 55%. The owner has proposed an enhanced landscape buffer adjacent to the northern lot line parallel to Lakepointe Drive and proposes to pay \$200,000.00 to the City for future landscape improvements along Stemmons Freeway. The proposed enhancements along that frontage include a new row of evergreen screening shrubs and 10 additional trees. Staff recommends approval of the variance considering the proposed funding for future landscape improvement, the existing mature trees and providing additional plantings of trees and shrubs.

Subject: Brookhollow North - Variances

June 24, 2016

Page 3 of 3

RECOMMENDATION

It is City staff's recommendation that the City Council approve the variances as set forth in the caption above.

To: City of Lewisville City Council

Cc: Bill Martin, Vista North Properties, Inc.
Tamara Milo, Vista North Properties, Inc.

From: Dan Gallagher, PE, Kimley-Horn
Dan Grant, PE, CFM, Kimley-Horn
Scot Johnson, PE, PTOE, Kimley-Horn

Date: July 6, 2016

Subject: Brookhollow North – Variance Request Letter

I. INTRODUCTION

Kimley-Horn ('KH') on behalf of Vista North Properties, Inc. (the 'Owner') has prepared the following variance request letter for the existing Brookhollow North Office facility (the 'site') located in the northeast quadrant of the intersection of Corporate Drive and IH-35E in Lewisville, TX. The remainder of this letter outlines the history of the site, why variances are being requested, detailed description of each variance, and supporting documentation.

II. HISTORY

Brookhollow North is a 4 story, ±80,000 SF full service professional office facility on 3.90± acres southwest of the intersection of Lakepoint Drive with the IH-35 frontage road. The physical address is 1660 South Stemmons Freeway, Lewisville, Texas, 75067. The site was developed in 1985 and purchased by Vista North Properties in 1996.

In late 2013, the Owner was noticed that the Texas Department of Transportation ('TxDOT') was taking 0.78± acres of right-of-way along the site's western property line to facilitate Phase II of the IH-35E improvement project (CSJ: 0196-02-115). The area taken by TxDOT removes approximately 45 auto parking spaces from the site. In addition, the western driveway to the site from the frontage road will be closed due to the anticipated grade (elevation) changes when the frontage road is reconstructed. TxDOT will not allow any access driveways on the frontage road.

III. DEVELOPMENT REVIEW COMMITTEE

KH and the Owner have met with City Staff for multiple Development Review Committee ('DRC') meetings. There, Staff provided a high level overview of how the building may be able to procure a Certificate of Occupancy for leased space with potential site adjustments and/or variances granted by the City. The site adjustments include replacing the single driveway to Lakepointe Drive with two driveways at the site's northeast and northwest corners.

IV. VARIANCES

Variance requests are listed below. Reference Exhibit 1 for variance requests A – C and Exhibit 2 for variance request D.

Variance A: To allow driveway spacing less than the 50-feet required

Pursuant to Section 6-103 (c) (2) (b) of City Code, the proposed driveway at the northeast corner of the site is located too close to the existing driveway at the northwest corner of the adjacent property to the east (Lakepointe Tech Center). The requirement is 50 feet of tangent between adjacent lots as measured from the near radius point of the driveways. The proposed driveway will a zero tangent distance such that the end of the proposed driveway radius coincides with the existing driveway radius.

Variance B: To allow control of access less than the 100-feet required

Pursuant to Section 6-103 (c) (1) (Table 4) of City Code, there is insufficient distance from the proposed driveway at the northwest corner of the site to the intersection of Lakepointe Drive with the frontage road. The requirement is 100 feet whereas $\pm 15'$ can be provided. After discussion with Staff, it was determined that this driveway should be gated and only used for emergency fire department access.

Variance C: To allow two points of emergency access to be less than the required 350-feet

Per the Fire Marshal, the two points of emergency access should be spaced at least half of the distance of the longest diagonal across the site. The subject site's longest diagonal distance is approximately 700-feet; therefore, the requirement is 350-feet. The requested variance is to allow a 200-foot spacing, approximately one third (1/3) of the diagonal distance. The Fire Marshal has reported to KH that he could support this variance given the circumstances.

Variance D: To allow donation of \$200,000 towards IH-35E beautification fund and enhanced landscaping buffer in northern lot line in lieu of the required landscaping

Pursuant to Section 6-123 (b) of City Code, there is a 10-foot wide required landscape strip adjacent to streets. Due to the TxDOT ROW take, this cannot be achieved on the western lot line of the site. To offset this deviation from code, the Owner has agreed to (a) donate \$200,000 towards the IH-35E beautification fund and (b) provide an enhanced landscape buffer on the northern lot line adjacent to Lakepoint Drive. The proposed enhancements along that frontage include a new row of evergreen screening shrubs and 10 additional trees. The new trees on site will recover 2/3 of the anticipated protected inches lost within TxDOT's right-of-way. It should also be noted that the landscape strip along Lakepoint Drive is approximately 30-feet wide instead of the required 10-feet.

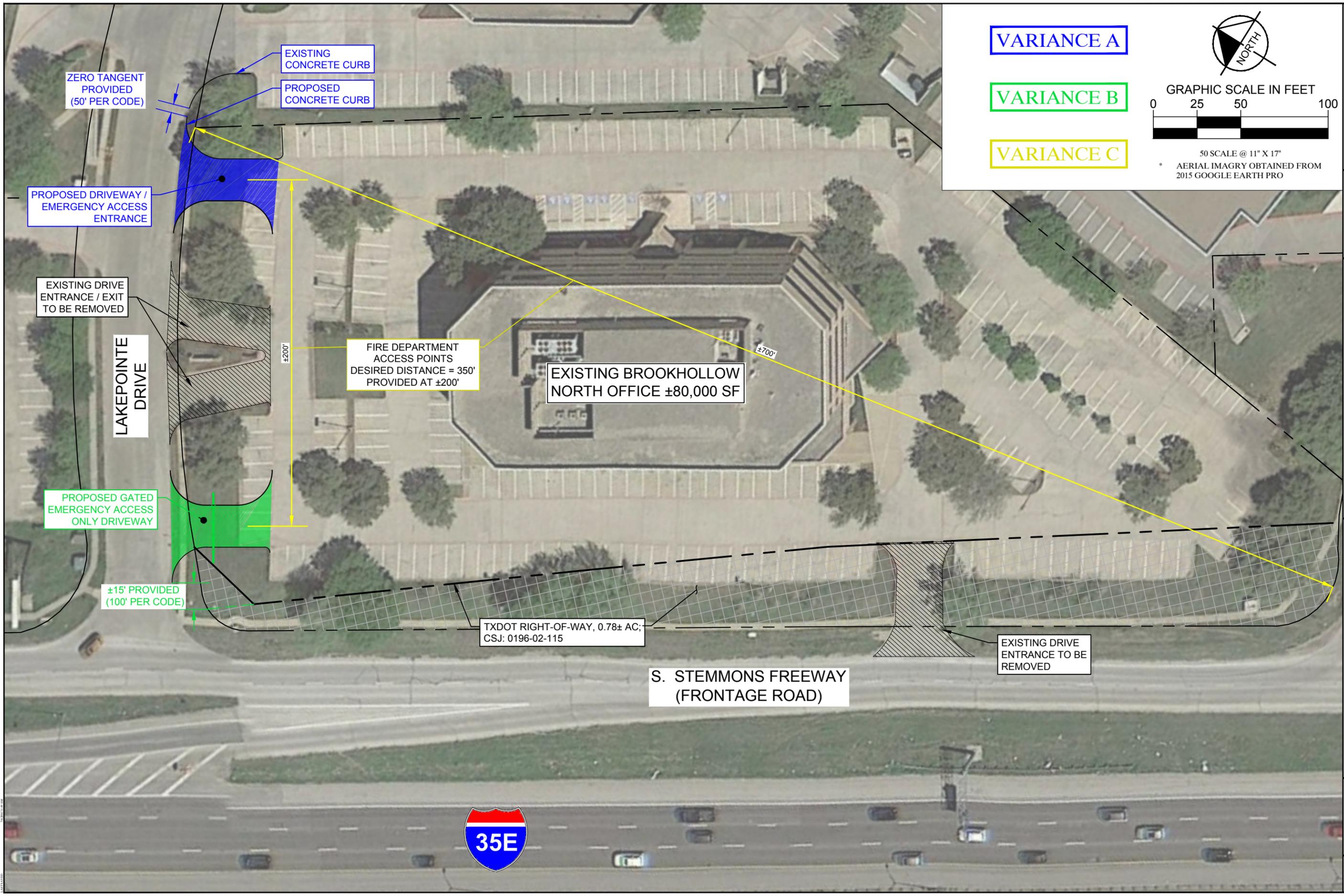
V. CLOSURE

Kimley-Horn, on behalf of Vista North Properties, respectfully requests that City of Lewisville consider granting the requested variances. We look forward to further discussion on this matter.

Sincerely,



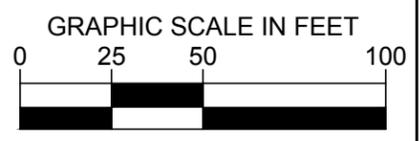
Dan Gallagher, P.E.
972-776-1780



VARIANCE A

VARIANCE B

VARIANCE C



50 SCALE @ 11" X 17"
 * AERIAL IMAGRY OBTAINED FROM 2015 GOOGLE EARTH PRO

Kimley-Horn
 12750 Merit Drive, Suite 1000
 Dallas, Texas 75251
 Tel: (972) 770-1300
 Fax: (972) 239-3820
 Texas Registered Engineering Firm P-928

NOT FOR CONSTRUCTION PURPOSES
Kimley-Horn
 12750 Merit Drive, Suite 1000
 Dallas, Texas 75251
 Tel: (972) 770-1300
 Fax: (972) 239-3820

BROOKHOLLOW NORTH BUILDING
 PREPARED FOR
VISTA NORTH PROPERTIES, INC.
 LEWISVILLE, TEXAS

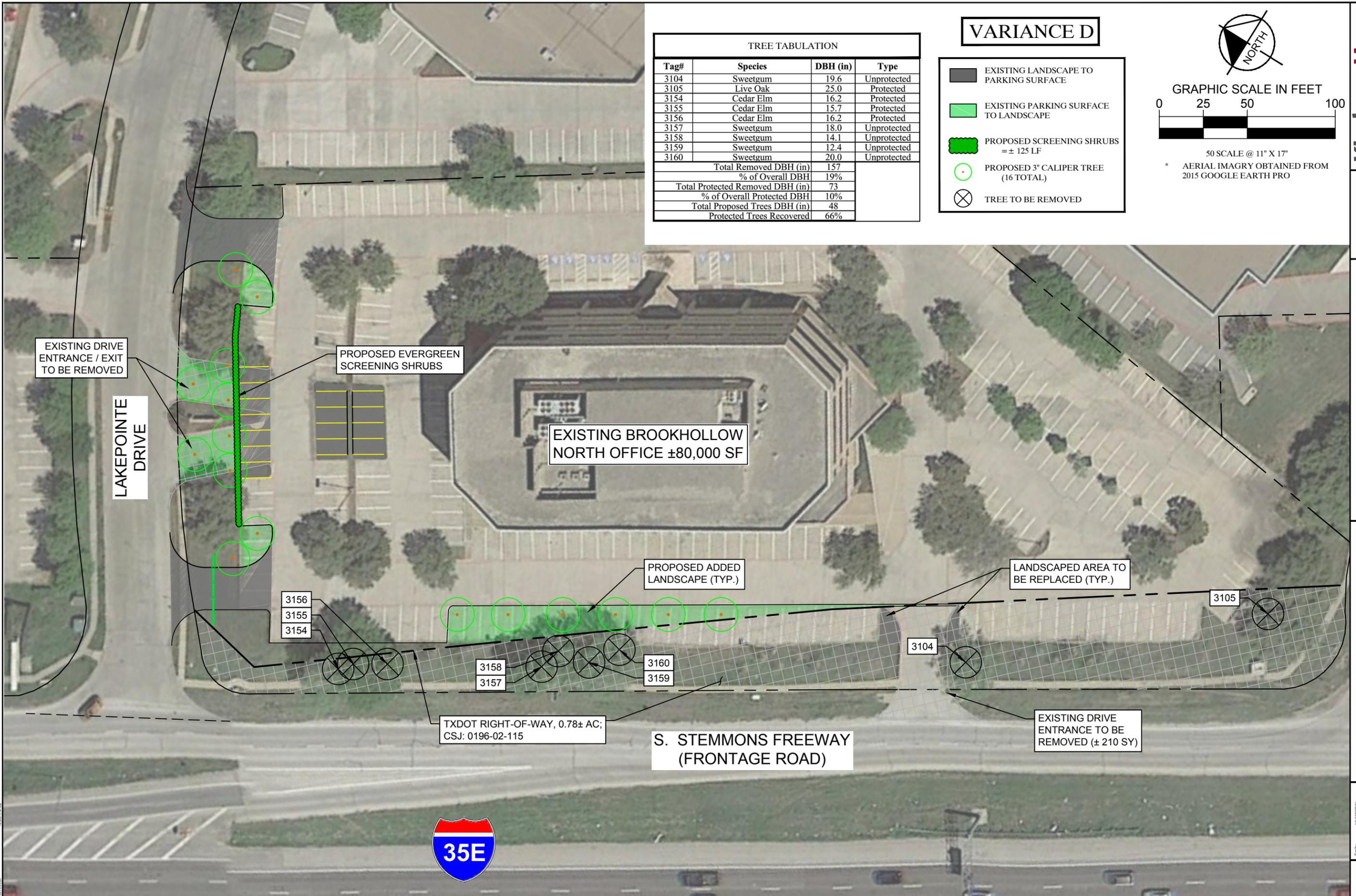
VARIANCE REQUESTS
 A, B, AND C EXHIBIT

Scale:	AS SHOWN
Designed by:	DMG
Drawn by:	KEM
Checked by:	DMG
Date:	JUNE 2016
Project No.:	06440304

SHEET
 EX-1



ALL RIGHTS RESERVED. NO PART OF THIS DOCUMENT IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT PERMISSION IN WRITING FROM KIMLEY-HORN AND ASSOCIATES, P.C.

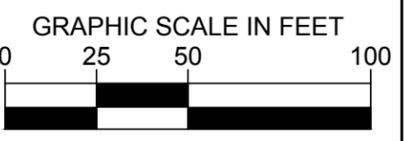
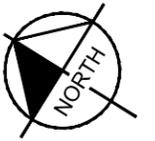


TREE TABULATION

Tag#	Species	DBH (in)	Type
3104	Sweetgum	19.6	Unprotected
3105	Live Oak	25.0	Protected
3154	Cedar Elm	16.2	Protected
3155	Cedar Elm	15.7	Protected
3156	Cedar Elm	16.2	Protected
3157	Sweetgum	18.0	Unprotected
3158	Sweetgum	14.1	Unprotected
3159	Sweetgum	12.4	Unprotected
3160	Sweetgum	20.0	Unprotected
Total Removed DBH (in)		157	
% of Overall DBH		19%	
Total Protected DBH (in)		73	
% of Overall Protected DBH		10%	
Total Proposed Trees DBH (in)		48	
Protected Trees Recovered		66%	

VARIANCE D

- EXISTING LANDSCAPE TO PARKING SURFACE
- EXISTING PARKING SURFACE TO LANDSCAPE
- PROPOSED SCREENING SHRUBS = ± 125 LF
- PROPOSED 3" CALIPER TREE (16 TOTAL)
- TREE TO BE REMOVED



Kimley»Horn
 12750 Merit Drive, Suite 1000
 Dallas, Texas 75251
 Tel: (972) 770-1300
 Fax: (972) 239-3820
 Texas Registered Engineering Firm # 1-928

NOT FOR CONSTRUCTION PURPOSES
Kimley»Horn
 PROFESSIONAL SEAL
 Project No. 06440304

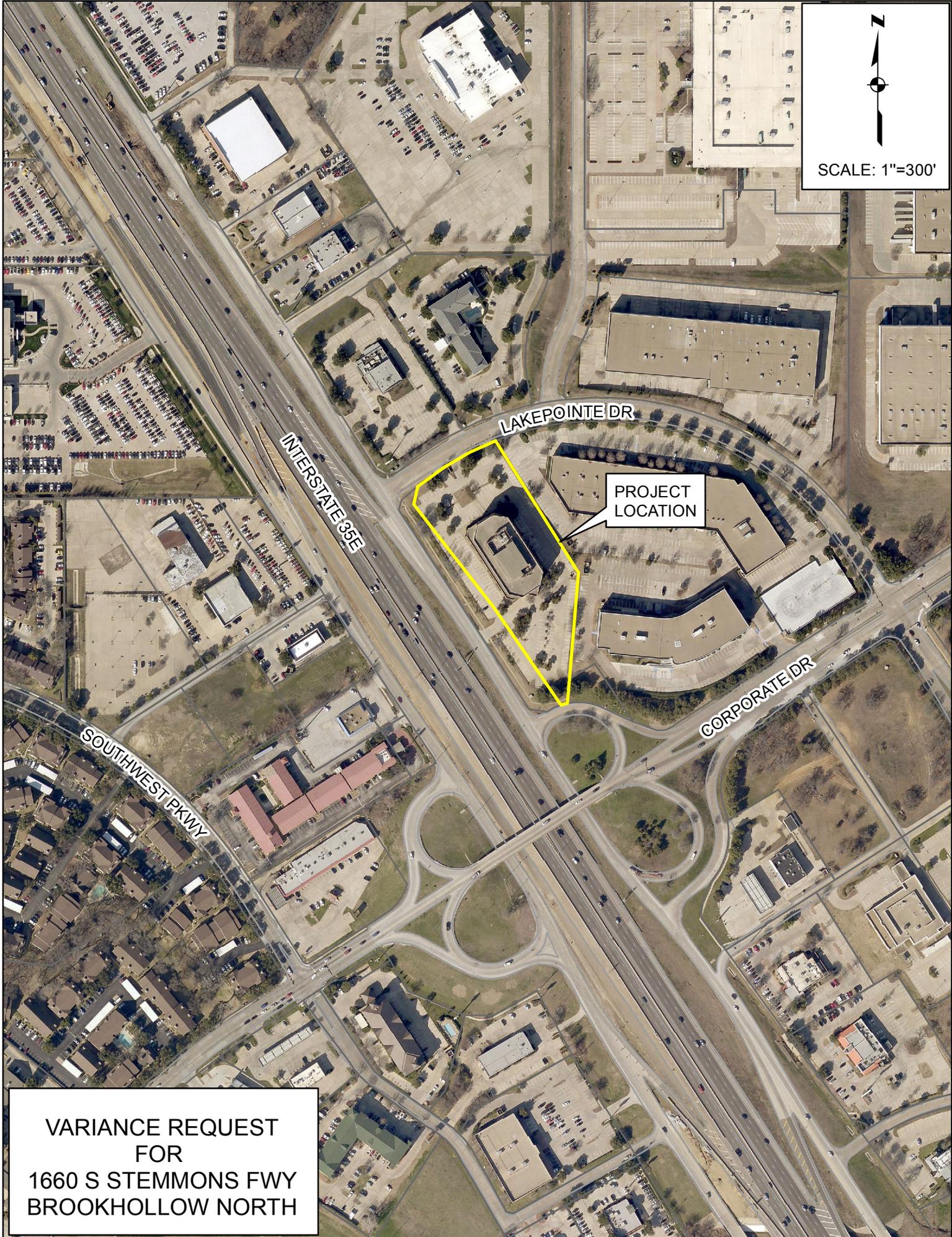
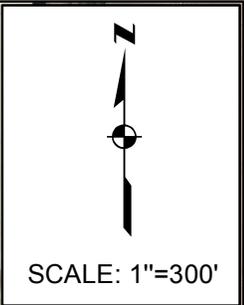
BROOKHOLLOW NORTH BUILDING
 PREPARED FOR
VISTA NORTH PROPERTIES, INC.
 LEWISVILLE, TEXAS

VARIANCE REQUEST
D EXHIBIT

Scale: AS SHOWN
 Designed by: DFG
 Drawn by: KEM
 Checked by: DFG
 Date: JUNE 2016
 Project No. 06440304

SHEET
EX-2

KIMLEY-HORN & ASSOCIATES, INC. 12750 MERIT DRIVE, SUITE 1000 DALLAS, TEXAS 75251
 PROJECT NO. 06440304
 SHEET EX-2
 DATE: JUNE 2016
 DRAWN BY: KEM
 CHECKED BY: DFG
 DESIGNED BY: DFG
 SCALE: AS SHOWN



VARIANCE REQUEST
FOR
1660 S STEMMONS FWY
BROOKHOLLOW NORTH



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem TJ Gilmore
Deputy Mayor Pro Tem Leroy Vaughn
Councilman R Neil Ferguson
Councilman Brandon Jones
Councilman Brent Daniels

FROM: Claire Swann, Assistant City Manager

DATE: July 7, 2016

SUBJECT: **Consideration of Calling a Special-Called Meeting to Consider the Future Design and Use of the Bank Building Located at 191 West Main Street for July 25, 2016 at 6pm.**

BACKGROUND

On May 19, 2016, Beck Architecture and Catalyst Commercial facilitated a design charrette with the committee appointed by City Council. That appointed committee was made up of representatives from various Old Town advisory boards, the Arts Advisory Board, as well as key community stakeholders. During that charrette, Beck Architecture received input from the committee members with regard to the type of uses and building form/architecture that the committee would like to see on the property. Beck Architecture and Catalyst Commercial will be presenting to the City Council the information collected from the charrette as well as the use, design, and phasing options for the site.

RECOMMENDATION

The City staff's recommendation is that the City Council call a Special-Called meeting for July 25, 2016 at 6p.m. in the City Council Conference Room.



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

MEMORANDUM

TO: Mayor Rudy Durham
Mayor Pro Tem TJ Gilmore
Deputy Mayor Pro Tem Leroy Vaughn
Councilman R Neil Ferguson
Councilman Brandon Jones
Councilman Brent Daniels

FROM: Julie Heinze, City Secretary

DATE: June 14, 2016

SUBJECT: Consideration of Calling a Special-Called Meeting to Conduct a Public Hearing on the Budget.

BACKGROUND

State law requires two public hearings on the budget be held. In order to make the timeline work, a special-called meeting is necessary. City staff recommends that this meeting be held on August 24, 2016 at 7:30 a.m. in the City Council Conference Room.

RECOMMENDATION:

The City staff's recommendation is that the City Council call a Special-Called meeting for August 24, 2016 at 7:30 a.m. to be held in the Lewisville City Council Conference Room.