

A G E N D A

**LEWISVILLE CITY COUNCIL MEETING
SEPTEMBER 17, 2007**

**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 of Regular Agenda Items and Consent Agenda Items
- B. Items of Interest to the Council

REGULAR SESSION - 7:00 P.M.

- A. **INVOCATION:** Councilman Watts
- B. **PLEDGE TO THE FLAG:** Councilman Tierney
- C. **PUBLIC HEARINGS:**
 - 1. **Public Hearing:** Consideration of an Amendment to the Community Development Block Grant (CDBG) 2007 Annual Action Plan Allocating an Additional \$40,500 to the Children's Advocacy Center New Facility Project; and Authorization for the City Manager to Submit the Amendment to the U.S. Department of Housing and Urban Development.

ADMINISTRATIVE COMMENTS:

An Annual Action Plan was adopted by the City of Lewisville at its August 8, 2007 meeting and submitted to the U.S. Department of Housing and Urban Development (HUD) to receive Community Development Block Grant (CDBG) funds beginning October 1, 2007. That plan left \$40,500 unallocated that had been made available by the cancellation of prior year projects. This amendment would allocate these remaining funds to the Children's Advocacy Center of Denton County's New Facility Project (in addition to \$30,000 already funded in the plan). The project ranked first out of three Community Development projects in the CDBG Advisory Committee's scoring. This amendment was made available for a 30 day public comment period and is now ready for a public hearing before adoption. The CDBG Advisory Committee recommended this amendment/allocation at its August 21, 2007 meeting by a vote of 7 to 0.

RECOMMENDATION:

That the City Council approve the amendment to the 2007 Community Development Block Grant Annual Action Plan allocating an additional \$40,500 to the Children's Advocacy Center New Facility Project; and authorize the City Manager to submit the amendment to the U.S. Department of Housing and Urban Development.

PRESENTATION: Dan Leal, Director, Children's Advocacy Center

2. **Public Hearing: Consideration of the Creation of Reinvestment Zone Number Twenty-Nine (29) for Vista 121 Business Center, L.P., on Lot 1, Block L of the Vista Ridge Addition; Consideration of an Ordinance Creating Reinvestment Zone Number Twenty-Nine (29) for Vista 121 Business Center, L.P.; Consideration of a Resolution Approving the Terms and Conditions of an Agreement and Providing for Commercial Tax Abatement By and Between the City of Lewisville, Texas, and Vista 121 Business Center, L.P., at 2777 Lake Vista Drive; and Authorization for the City Manager, or his Designee, to Execute the Agreement.**

ADMINISTRATIVE COMMENTS:

City staff has been working with Myers & Crow for the past several months to finalize the construction of a new speculative office building at 2777 Lake Vista Drive in Vista Ridge. This new building will be the largest single office building in Lewisville at 240,000 square feet, twice the size of the other four buildings which face SH 121 Toll road. A public hearing is required under Section 312.201 of the Texas Tax Code.

RECOMMENDATION:

That the City Council conduct the public hearing on the creation of Reinvestment Zone #29; approve the ordinance creating Reinvestment Zone #29; approve the resolution to enter into the Tax Abatement Agreements with Vista 121 Business Center, L.P.; and authorize the City Manager, or his designee, to execute the agreement.

3. **Public Hearing: Consideration of an Ordinance Renewing Reinvestment Zone Number 13; Consideration of a Resolution Approving the Terms and Conditions of an Agreement and Providing for Commercial Tax Abatement By and Between the City of Lewisville, Texas, and Lake Vista Partners, L.P., a Texas Limited Partnership, for a 2.969 Acre Tract of Land Known as Lot 1DR-1, Block J, of the Vista Ridge Addition; Consideration of an Economic Development Agreement By and Between the City of Lewisville, Texas, and Lake Vista Partners, L.P., A Texas Limited Partnership, for a 2.969 Acre Tract of Land Known as Lot 1DR-1, Block J, of the Vista Ridge Addition; and Authorization for the City Manager, or his Designee, to Execute the Agreements.**

ADMINISTRATIVE COMMENTS:

Holt Lunsford is building a new 2-story, 37,000 square foot office building directly east of the City Amphitheater for the corporate headquarters of Jamex, Inc. Jamex is an oil and gas exploration company operating approximately 100 wells in and around Texas, primarily in south Texas. They will initially occupy the ground floor with 16 employees and sub-lease the second floor to small office users. A Reinvestment Zone, once created, is in existence for 5 years with no provision to terminate the zone. A Reinvestment Zone may be renewed by Council action for additional periods, with each renewal valid for 5 years. Reinvestment Zone 13, as created, covers the entire 23 acre site which is now owned by Opus with Horizon Health as a tenant (6 acres), Holt Lunsford (11 acres) and Jamex (3 acres). State law requires that all tax abatements that are granted within a single reinvestment zone contain identical terms (percentage and duration). As part of the incentive discussions in the past with both Horizon Health and Holt, a reduction of the tree mitigation fee was included in the Economic Development Agreement. This agreement is essentially the same as it was with Horizon providing a 50% rebate of tree mitigation costs by the City in exchange for the owner granting an Amphitheater Parking Agreement.

RECOMMENDATION:

That the City Council conduct the public hearing on the renewal of Reinvestment Zone #13; approve the ordinance renewing Reinvestment Zone #13; approve the resolution to enter into the Tax Abatement Agreement with Lake Vista Partners, L.P., a Texas Limited Partnership; approve the Economic Development Agreement with Lake Vista Partners, L.P., a Texas Limited Partnership; and authorize the City Manager, or his designee, to execute the agreements.

- 4. Public Hearing: Consideration of the Creation of Reinvestment Zone Number Thirty (30), Thirty-One (31) and Thirty-Two (32) for DFW Lewisville Partners, G.P., a General Partnership, on Lots 1, 2 and 3, Block A of the Majestic Addition; Consideration of Three Ordinances Creating Reinvestment Zone Number Thirty (30), Thirty-One (31) and Thirty-Two (32) for DFW Lewisville Partners, G.P., a General Partnership; Consideration of Three Resolutions Approving the Terms and Conditions of Three Agreements and Providing for Commercial Tax Abatements By and Between the City of Lewisville, Texas, and DFW Lewisville Partners, G.P., a General Partnership; at 2710, 2670 and 2730 Edmonds Lane; and Authorization for the City Manager, or his Designee, to Execute the Agreements.**

ADMINISTRATIVE COMMENTS:

City staff has been working with Majestic Realty Co., as well as other property owners in southwest Lewisville, in the development of a new office/industrial area of Lewisville. Majestic is the first to finalize their plans and is quickly moving forward with the construction of 1.3 million square feet of speculative industrial/warehouse space. Each lot will have a separate Reinvestment Zone created for that specific lot. This helps with the administration and monitoring of the incentive agreements and provides flexibility to the City in the future should other incentive terms be desired. A public hearing is required under Section 312.201 of the Texas Tax Code to be held prior to the adoption of an ordinance creating a reinvestment zone to allow for tax abatement.

RECOMMENDATION:

That the City Council conduct the public hearing and approve ordinances for the creation of Reinvestment Zones #30, #31 and #32; approve the resolutions to enter into the Tax Abatement Agreements with DFW Lewisville Partners, G.P., a general Partnership; and authorize the City Manager, or his designee, to execute the agreements.

- 5. Public Hearing: Consideration of the Proposed FY 2007-2008 Budget, Property Tax Revenue Increase and Property Tax Rate.**

ADMINISTRATIVE COMMENTS:

The first public hearing on the proposed FY 2007-2008 budget, property tax revenue increase and property tax rate to provide an opportunity for citizen comment was held on September 10, 2007 in accordance with the City Charter and applicable state laws. The proposed budget includes changes made by Council at the budget workshop held on August 18, 2007. This is the second and final public hearing on the FY 2007-2008 budget.

RECOMMENDATION:

That the City Council conduct the Public Hearing.

- D. 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.

- E. **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.

- 6. Approval of a Contract Award to Midwest Employers Casualty Company for Excess Workers' Compensation Insurance in the Amount of \$64,778; and Authorization for the City Manager, or his Designee, to Execute All Necessary Documents.**

ADMINISTRATIVE COMMENTS:

The City sends out Requests for Proposals through it's broker for the workers' compensation excess insurance coverage annually. Two companies responded and Midwest Employers Casualty Company was the lowest and best proposal for workers' compensation excess coverage. The cost of the insurance is \$64,778. Funding is available in the Insurance Risk Fund.

RECOMMENDATION:

That the City Council award the contract for excess workers' compensation coverage to Midwest Employers Casualty Company; and authorize the City Manager, or his designee, to execute all necessary documents.

- 7. Approval of a Contract Award for Group Life Insurance, Retiree Life Insurance and Long Term Disability Insurance With Standard Insurance Company for a Three Year Period; Approval of a Contract for Accidental Death and Dismemberment Insurance With Zurich for a Three Year Period; and Authorization for the City Manager, or his Designee, to Execute all Necessary Documents.**

ADMINISTRATIVE COMMENTS:

The City of Lewisville sent out Requests for Proposals for employee benefits in June 2007. Two proposals were received for both lines of coverage. Standard Insurance Company submitted the lowest proposal for Group Life and Retiree Life at an annual rate of \$125,616 and Long Term Disability Insurance at an annual rate of \$57,434. Zurich submitted the lowest proposal for Accidental Death and Dismemberment Insurance at an annual premium of \$22,836. Funding is available in Insurance Risk Fund.

RECOMMENDATION:

That the City Council award the City of Lewisville group life insurance and retiree life insurance and long term disability contract to Standard Insurance Company; the accidental death and dismemberment insurance to Zurich; and authorize the City Manager, or his designee, to execute all necessary documents.

- 8. Approval of a Contract Award to UNUM for Long Term Care Insurance in the Amount of \$52,104; and Authorization for the City Manager, or his Designee, to Execute All Necessary Documents.**

ADMINISTRATIVE COMMENTS:

The City sent out a Request for Proposals for long term care insurance. One provider responded for the requested services. UNUM provides the program for \$52,104. Funding is available in the Insurance Risk Fund.

RECOMMENDATION:

That the City Council award the Long Term Care Insurance contract to UNUM; and authorize the City Manager to execute all necessary documents.

- 9. Approval of a Contract Award to CIGNA for Individual and Aggregate Stop Loss Insurance for the Employee Health Plan in the Amount of \$479,074; and Authorization for the City Manager, or his Designee, to Execute All Necessary Documents.**

ADMINISTRATIVE COMMENTS:

The City sent out a Request for Proposals for reinsurance for the partially self-insured Health Plan. The City received four proposals for the requested services. CIGNA submitted the lowest cost proposal for Individual and Aggregate Stop Loss Insurance. Funding is available in Health Fund.

RECOMMENDATION:

That the City Council award the Stop Loss Insurance coverage contract to CIGNA HealthCare; and authorize the City Manager, or his designee, to execute all necessary documents.

- 10. Approval of an Economic Development Agreement Between the City of Lewisville and Vantage Development #42, LLC; and Authorization for the City Manager, or his Designee, to Execute the Agreement.**

ADMINISTRATIVE COMMENTS:

The City has been working with Vantage for several months on a new office/flex space development in the Waters Ridge Business Park. The development consists of 5 buildings, totaling 136,000 square feet. The buildings range in size from 15,000 square feet to 40,000 square feet, which is ideal for the smaller user. Vantage has requested that building/development fees be reimbursed on their project in lieu of future tax abatement requests from future tenants. Estimated development related fees for this project to be waived are \$109,200, which includes building permits, capital recovery and various construction related fees. All fees will be paid by Vantage and will be reimbursed on a pro-rata basis as they secure tenants in each of the buildings. The agreement will automatically terminate on December 31, 2012, regardless of the amount of reimbursements completed.

RECOMMENDATION:

That the City Council approve an Economic Development Agreement with Vantage Development #42, LLC; and authorize the City Manager, or his designee, to execute the agreement.

- 11. Approval of Historic Preservation Agreements by and Between the City of Lewisville and Mike Karimi for Costs Associated With Façade and Rear Façade Improvements at 150 West Main Street; and Authorization for the City Manager, or his Designee, to Execute the Agreements.**

ADMINISTRATIVE COMMENTS:

In September of 2006, Mike Karimi, owner of the property at 150 West Main, submitted architectural plans to perform historic renovations on the property. These plans have been approved by the Old Town Design Review Committee. The projected cost for the front facade is \$88,708.43. Under the Grant Program Year 2 Level of Incentive, the owner may be reimbursed for 50% of costs, or \$40,000, whichever is less. The proposed rear-façade renovations are in conjunction with the commercial façade renovations described above. The projected cost for rear façade is \$24,874.28. Under the Rear Façade Grant Program the owner may be reimbursed for 50% of costs, or \$10 per square foot, whichever is less. The total grant under both programs will be \$50,730 based on total project costs of \$113,582.71.

RECOMMENDATION:

That the City Council approve the Historic Preservation Agreements between the City of Lewisville and Mike Karimi; and authorize the City Manager, or his designee, to execute the agreements.

- 12. Approval of Final Acceptance of Waterline Replacements 2001 Project; and Authorization to Make Final Payment to Municipal Utilities, Inc., in the Amount of \$83,226.77.**

ADMINISTRATIVE COMMENTS:

On March 6, 2006, the City Council awarded a contract to Municipal Utilities, Inc. for the Waterline Replacements 2001 Project, in the amount of \$1,814,245.30, which included a line item of 3% for contingencies. The work has been completed and it is now in order to formally accept the project and make final payment in the amount of \$83,226.77. The warranty period is two years from the date of acceptance by the City Council.

RECOMMENDATION:

That the City Council accept the Waterline Replacements 2001 Project; and authorize final payment in the amount of \$83,226.77 Municipal Utilities, Inc.

- 13. Approval of a Resolution for the Acceptance of a \$59,998.50 Grant From the Texas Department of Transportation for the Traffic Safety Program; and Authorization for the City Manager, or his Designee, to Execute the Grant Document.**

ADMINISTRATIVE COMMENTS:

The Texas Department of Transportation is awarding the City of Lewisville \$59,998.50 in grant funds. The grant will enable the City to conduct a speed enforcement program throughout FY 2007-2008. The grant funds will pay the officers' salaries at their overtime rate. The City is responsible for the 10% match, of which \$583 is in the form of a cash match and the balance of \$6,314.17 is an indirect match. The match has been appropriated within the FY 2007-2008 General Fund budget.

RECOMMENDATION:

That the City Council approve the resolution to accept the Texas Department of Transportation grant award in the amount of \$59,998.50; and authorize the City Manager, or his designee, to execute the grant document.

- 14. Approval of a Construction, Maintenance and Operation of Improvements Agreement with the Lewisville Parks and Library Development Corporation; and Authorization for the City Manager, or his Designee, to Execute the Agreement.**

ADMINISTRATIVE COMMENTS:

The City Council and the Parks and Library Development Corporation have an existing agreement which allows city staff to acquire real property, prepare construction plans, and contract with entities to construct 4B sales tax projects. This allows staff to move forward with projects on a timelier basis. The agreement relates only to projects funded through certificates of obligation (CO). The authorized funding for the Old Town Park Plaza (\$1.0M) is from 4B sales tax cash rather than COs. The proposed agreement allows staff to perform the same functions as described above when the authorized funding is from cash rather than COs.

RECOMMENDATION:

That the City Council approve the Construction, Maintenance and Operation of Improvements Agreement with the Lewisville Parks and Library Development Corporation; and authorize the City Manager, or his designee, to execute the agreement.

F. REGULAR HEARINGS:

- 15. Tabled Item: Consideration of the Final Plat for Bulloch Addition, an Addition to the City of Lewisville Located at the Southeast Corner of Purnell Street and Hardy Street, Which Includes a Request for Two Plat Related Variances; and Consideration of two Engineering Site Plan Related Variances to the Lewisville City Code, Chapter 6, Land Development Regulations, as Requested by Scott Bulloch, the Owner of Bulloch Fabricating.**

ADMINISTRATIVE COMMENTS:

This item was tabled by the City Council on August 20, 2007, with direction to staff to meet with the owner and work out additional solutions related to fire protection and screening wall issues. The owner of the property intends to expand the existing metal fabricating business from 48,450 square feet to 71,030 square feet. As a result of a meeting held on August 29, 2007, between staff, Mr. Scott Bulloch and his engineer, Mr. Bulloch has agreed to comply with the fire protection and screening wall issues. However, Mr. Bulloch is seeking the following variances: a) to allow dedication of a 5-foot sidewalk and utility easement along Hardy Street on Lot 1, Block A in lieu of dedicating an additional 5 (five) feet of right-of-way; b) to waive the requirement to improve both Hardy Street and McKenzie Street; c) to allow four (4) 12'x80' and three (3) 12'x60' loading spaces in lieu of the required six 12'x 80' loading spaces; and d) to waive the requirement to provide an 80% masonry exterior finish on the proposed building.

RECOMMENDATION:

That the City Council approve the final plat and requested variances a-d.

PRESENTATION: David Salmon P.E., Assistant City Engineer
Steve Homeyer, P.E., Homeyer Engineering, Inc.

- 16. Consideration of a Variance to the Lewisville City Code, Section 11-10 (N) Real Estate Signs as Requested by John Combs of Capstar Commercial Real Estate Services, Ltd. on Behalf of Convergence Office Center.**

ADMINISTRATIVE COMMENTS:

Capstar Commercial Real Estate Services is requesting a variance to allow two real estate signs that exceed the allowable square footage. The Lewisville City Code allows a maximum of two signs, each being no more than thirty-two (32) square feet in size on parcels greater than five (5) acres. The Convergence Office Center, located at 2501 South State Highway 121, is approximately 185 acres in size. Sign A, to be located along SH 121, will be a 200-square foot v-shaped sign. Sign B, to be located along FM 3040, will be a 51-square foot v-shaped sign. These signs are to be used for leasing and marketing purposes only.

RECOMMENDATION:

That the City Council approve the requested variance.

PRESENTATION: Larry Finney, Building Official
John W. Combs, General Manager, Capstar Commercial
Real Estate Services, Ltd.

- 17. Consideration of a Variance to the Lewisville City Code, Article VIII, Section 2-201, Fee Schedule, Regarding the Waiver of Facility Rental Fees and Deposits at the Vista Ridge Amphitheater per a Request by Holt Lunsford Commercial.**

ADMINISTRATIVE COMMENTS:

Holt-Lunsford Commercial, a real estate services firm, will be hosting a day-long showcase of development activity in the Vista Ridge area for major metroplex real estate brokers on October 11, 2007 and would like to include evening musical entertainment at the Vista Ridge Amphitheater. The firm is requesting that Council waive all fees and deposits for use of the amphitheater as their event is aimed at promoting economic development within the city.

RECOMMENDATION:

That the City Council approve the request to waive facility rental and deposit fees.

- 18. Consideration of an Ordinance Amending the Lewisville City Code, Chapter 2, Article VIII, Section 2-201 Fee Schedule.**

ADMINISTRATIVE COMMENTS:

As part of the annual budget process, Council approved changes to the fee schedule that were based on an analysis of current charges as compared to cost recovery goals, authorized charges that may no longer be applicable, and new fees. Proposed changes are in the attached exhibit A.

RECOMMENDATION:

That the City Council approve the ordinance amending the Lewisville City Code, Chapter 2, Article VIII, Section 2-201 Fee Schedule.

- 19. Consideration of an Ordinance Amending the 2006/2007 Adopted Budget.**

ADMINISTRATIVE COMMENTS:

The purpose of this ordinance is to amend the FY 2006/2007 adopted budget to include all supplements and changes approved by Council throughout the year. A large percentage of these appropriations include the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year. Others relate to actions taken to fund unbudgeted items during the year. This ordinance will also authorize four new supplements in the Grant Debt Service, Old Town TIF and 4B Sales Tax Funds. \$300,000 in excess reserves in the Grant Fund is being transferred to the General Fund. The Debt Service, Old Town TIF and 4B Sales Tax Funds need to be amended to include debt payments related to the bonds/CO's sold this fiscal year.

RECOMMENDATION:

That the City Council approve the ordinance amending the FY 2006/2007 budget.

- 20. Second Reading: Consideration of an Ordinance Amending Chapter 8 of the Lewisville City Code Concerning Miscellaneous Offenses by Adding Clauses to Prohibit the Public Display of Facsimile Firearms and Making Other Minor Changes to Simplify the Ordinance.**

ADMINISTRATIVE COMMENTS:

At the September 10, 2007, City Council meeting, the Council approved the subject ordinance. However, due to the lack of a 4/5's vote by the Council to adopt the ordinance on an emergency basis, the ordinance will have to be read on three separate days to meet the City Charter requirements. This will be the second reading of the ordinance. No Council action is necessary.

RECOMMENDATION:

That the City Attorney provide the second reading of the ordinance.

G. REPORTS:

- ◆ Quarterly Investment Report Ending June 30, 2007
- ◆ Economic Development Activity Report

H. CLOSED SESSION: In Accordance with Texas Government Code, Subchapter D, Section 551.072 (REAL ESTATE):

1. Property Acquisition

Section 551.087 (ECONOMIC DEVELOPMENT):

2. Deliberation Regarding Economic Development Negotiations

I. RECONVENE into Regular Session and Consider Action, if Any, on Items Discussed in Closed Session.

J. ADJOURNMENT

<p>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 <u>Texas Government Code</u> 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).</p>
