

## CITY OF DENTON CITY COUNCIL MINUTES

October 30, 2015

After determining that a quorum was present, the City Council convened in a Work Session on Friday, October 30, 2015 at 2:30 p.m. in the Council Work Session Room at City Hall.

PRESENT: Council Member Roden, Council Member Johnson, Council Member Hawkins, Council Member Briggs, Mayor Pro Tem Gregory, and Mayor Watts.

ABSENT: Council Member Wazny.

City Manager Campbell stated that both Council Members Wazny and Briggs asked if Work Session Item 1A could be postponed to the next meeting. It was also recommended to postpone Item 1A on the Closed Session and Individual Items A, B and C.

Consensus of the Council was to postpone the listed items to the November 10<sup>th</sup> meeting.

Mayor Pro Tem Gregory indicated that he would like to ask a question in Closed Meeting regarding the convention center.

Consensus of the Council was that Closed Session Item 1A would be considered during the Closed Session and also put on the November 10<sup>th</sup> meeting agenda.

### 1. Work Session Reports

- A. ID 15-1058 Receive a report, hold a discussion, and give staff direction regarding a proposed Economic Development Chapter 380 Grant Agreement with O'Reilly Hotel Partners Denton for a convention center and hotel development to be located in Rayzor Ranch Town Center and a proposed third amendment to the economic development program grant agreement between the City of Denton and Allegiance Hillview (RED Development).

This item was not considered.

- B. ID 15-1025 Receive a report, hold a discussion, and give staff direction regarding a management contract between the City of Denton and the Dallas Entrepreneur Center for the management of co-working space and an entrepreneur center located at 608 East Hickory, Denton, Texas, 76201.

Aimee Bissett, Director of Development Services, presented an update on the project. The contract had been updated with a few minor changes. She discussed performance measures and statistics for the program. The statistics were relative to hi-tech jobs and relationships of that to small businesses and associated salaries. Membership requirements included membership profile and eligibility plus company goals and agreements. Indicators of success included number of new tech jobs created, number of new tech companies born, number of tech companies graduated, average salary across the program, economic impact - wages and investment, redevelopment/ increased property values, growth in total number of tech jobs in Denton, and capital funding - total dollars invested.

Mayor Watts indicated that he supported the idea but would feel more comfortable with staff involved in the bench marks to be completed sooner than later. He needed some kind of measurement for this incentive as it was different from others that had been done.

Bissett stated that the proposal related to the City strategic plan in Key Focus Area 3 regarding economic development to promote a business-friendly environment and encourage development, redevelopment, recruitment, and retention. In terms of the contract, DEC would be involved in the day to day management and operations of the Center, including recruitment, events and training. They would also assist with finalizing eligibility fees, performance measures between now and when the program launched. Ten percent of the membership fees collected would be paid monthly to Rail Yard partners as a contribution towards operating expenses. Ninety percent would be utilized for daily operations of the entrepreneurial space in terms of programming, supplies, amenities, marketing, etc. This would be an annual contract renewable for five years.

Following the completion of the Work Session, the City Council convened in a Closed Meeting to consider the specific items listed below under the Closed Meeting section of this agenda.

1. Closed Meeting:

- A. ID 15-1059 Deliberations regarding Economic Development Negotiations - Under Texas Government Code Section 551.087. Receive a report and hold a discussion regarding economic development issues regarding a proposed economic development incentive agreement for O'Reilly Hotel Partners Denton and a proposed third amendment to the economic development program grant agreement between the City of Denton and Allegiance Hillview (RED Development). This discussion shall include commercial and financial information the City Council has received from O'Reilly Hotel Partners Denton and Allegiance Hillview (RED Development), business prospects which the City Council seeks to have locate, stay, or expand in or near the territory of the city, and with which the City Council is conducting economic development negotiations; deliberate the offer of a financial or other incentive to O'Reilly Hotel Partners Denton and the amendment of the economic development program grant agreement between the City of Denton and Allegiance Hillview (RED Development).
- B. ID 15-1078 Consultation with Attorneys Under Texas Government Code Section 551.071. Consult with the City's attorneys regarding legal issues associated with a proposal for amending the Oak-Hickory Historic District overlay ordinance where a discussion of these legal matters would conflict with the duty of the City's attorneys under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.
- C. ID 15-1087 Deliberations regarding Economic Development Negotiations - Under Texas Government Code Section 551.087. Receive a report and hold a discussion regarding economic development issues regarding a proposed economic development incentive agreement for Project Cartoon. This discussion shall include commercial and financial information the City Council has received from Project Cartoon, a business prospect, which the City Council seeks to have locate, stay, or expand in or near the territory of the city, and with which the City Council is conducting economic development negotiations; deliberate the offer of a financial or other incentive to Project Cartoon.

- D. ID 15-1088 Deliberations Regarding Real Property Under Texas Government Code Section 551.072; Deliberations Regarding Economic Development Negotiations Under Texas Code Section 551.087; Consultation with Attorneys Under Texas Government Code Section 551.071 Receive information from staff, discuss, deliberate and provide staff with direction regarding the potential acquisition, exchange, lease or sale of real property located generally in the 200 block of N. Cedar and the 200 block of W. McKinney in the City of Denton, Denton County, Texas. Consultation with the City's attorneys regarding legal issues associated with the potential real property matter where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or would jeopardize the City's legal position in any administrative proceeding or potential litigation.

Following the completion of the Closed Meeting, the City Council convene in an Open Meeting to consider the following items:

Mayor Watts announced that Items A, B and C would not be considered at this meeting and moved to the November 10<sup>th</sup> meeting.

1. Items for Individual Consideration

- A. ID 15-1060 Consider adoption of an ordinance approving an Economic Development Agreement under Chapter 380 of the Local Government Code to promote economic development and to stimulate business activity in the city of Denton and under Chapter 351 to promote travel, tourism, meetings, conventions, and events for the economic growth of the city of Denton, between the City of Denton and O'Reilly Hotel Partners Denton (OHPD), regarding the development of an approximate 12 acre parcel of land generally located on the south side of U.S. Highway 380 (West University Drive) ending at Scripture Road, between I-35 and North Bonnie Brae Street in Denton, Texas; authorizing the expenditure of funds therefor; and providing an effective date.

This item was not considered.

- B. ID 15-1061 Consider adoption of an Ordinance of the City of Denton, Texas approving a third amendment to an Economic Development Program Grant Agreement dated June 15, 2010 between the City of Denton and Allegiance Hillview; and providing an effective date.

This item was not considered.

- C. ID 15-1062 Consider adoption of an ordinance of the City Council of the City of Denton, Texas, authorizing the City Manager to execute a Management Agreement between the City of Denton and O'Reilly Hotel Partners Denton for the management of the Denton Convention Center; and providing an effective date.

This item was not considered.

Item E was considered.

Ordinance No. 2015-329

- E. ID 15-1080 Consider adoption of an ordinance of the City of Denton authorizing the City Manager, or his designee, to execute on behalf of the City of Denton a lease of property between the City of Denton, Monsignor King Outreach Center in substantially the same form as attached hereto and incorporated herein by reference, for the operation of a homeless shelter at 300 Woodrow Lane; and providing for an effective date.

John Cabrales, Assistant City Manager, presented the details of the revised lease agreement which would take the place of the draft that was included in the agenda backup. Sections 35, 36 and 37 were revised. Section 35 revisions included language that the City could terminate the lease for any reason but not until five years after the effective date of the lease. A 180 day notice would have to be provided for termination. Section 36 revisions included re-compensation back to the Center if the City terminated for any reason and was meant to include the value of improvements made to capture any in-kind materials or services. Section 37 revisions stated that the tenant could extend the terms of the lease for an additional 10 years at \$2 per year. With regards to the ability to name the facility, the Center could present recommendations to Council, following the naming policy in place as it was still a city facility.

Council Member Hawkins motioned, Council Member Briggs seconded to adopt the ordinance as revised. On roll call vote, Council Member Roden "aye", Council Member Johnson "aye", Council Member Hawkins "aye", Council Member Briggs "aye", Mayor Pro Tem Gregory "aye", and Mayor Watts "aye". Motion carried unanimously.

Item D was considered.

Ordinance No. 2015-328

- D. ID 15-1026 Consider adoption of an ordinance of the City Council of the City of Denton, Texas, authorizing the City Manager to execute a Management Agreement between the City of Denton and the Dallas Entrepreneur Center for the management of the entrepreneur center located at 608 East Hickory, Suite 128, Denton, Texas, 76201; and providing an effective date.

Aimee Bissett, Director of Development Services, stated that she would answer any questions Council still had.

Council Member Johnson motioned, Council Member Roden seconded to adopt the ordinance. On roll call vote, Council Member Roden "aye", Council Member Johnson "aye", Council Member "aye". Motion carried unanimously.

**2. Concluding Items**

- A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting and Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

Mayor Pro Tem Gregory requested a proclamation for Denton County Friends of the Family for their 35 years of service to the community.

Mayor Pro Tem Gregory requested investigating ways to provide homes to homeless veterans and then apply that information to other groups.

Council Member Johnson requested that information be posted on the website or email him the answers as to why trees on Teasley were being cut down.

Council Member Hawkins asked about the progress to have high speed internet in the City and whether an ad hoc committee should be formed to consider the issue. If so, he would like to be a part of that committee.

With no further business, the meeting was adjourned 5:45 p.m.

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CHRIS WATTS  
MAYOR  
CITY OF DENTON, TEXAS

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JENNIFER WALTERS  
CITY SECRETARY  
CITY OF DENTON, TEXAS