

CITY OF DENTON CITY COUNCIL MINUTES

February 3, 2015

After determining that a quorum was present, the City Council convened in a Work Session on Tuesday, February 3, 2015 at 1:00 p.m. in the Council Work Session Room at City Hall.

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

ABSENT: None.

1. Citizen Comments on Consent Agenda Items

There were no citizen comments submitted for Consent Agenda Items.

2. Requests for clarification of agenda items listed on the agenda for February 3, 2015.

Council Member Ryan asked about Consent Agenda Item B dealing with electronic signatures and questioned what it involved.

Chuck Springer, Director of Finance, stated that initially it would be used for bids in Purchasing for contracts and for city contacts. It could be expanded into other areas in the future such as Customer Service.

Council Member Gregory asked about the background of the agencies listed in Consent Agenda Item C.

Danielle Shaw, Human Services Coordinator, stated that the grant was awarded through the State. The agencies submitted an application and the agencies were formulated from the applications. There were four different areas of concentration - street outreach, emergency shelters, homeless prevention, and rapid rehousing.

Mayor Watts asked for a clarification on the purpose and benefits for Consent Agenda I dealing with an amendment with Jagoe Public.

Elton Brock, Purchasing Manager, stated that contract was 5 years in length and the change order provided more breathing room to complete projects for city.

3. Work Session Reports

A. ID 15-018 Receive an update from the Denton Parks Foundation regarding the status of several projects including the Eureka Playground replacement and the City's first spray ground.

Emerson Vorel, Director of Parks and Recreation, introduced Tim Crouch and Molly Tampke, members of the Parks Foundation, who would be presenting the item.

Tim Crouch stated that the Foundation was formed in 1987 and was a pass through for funding but did not really have a sense of mission. It started raising money for scholarships for children

who might not be able to participate in park programs and then went to the next level by hiring an executive director to assist citizens with quality of life.

Molly Tampke stated that one of the major goals for the Foundation was to lead the fund raising efforts on the remake of Eureka Playground. The executive director position was to raise money for the removal and rebuilding of Eureka Playground. February 12 would be Design Day in the elementary schools to see what their dream playground would be. Ideas would be given to the playground consultant who would incorporate as many ideas as possible. The proposed design would be unveiled at a community meeting. The goal was to raise was \$1.5 million based on the consultant's calculation of the size of the playground. The Foundation also purchased three cabanas at Water Works Park which could be rented. Total scholarship money provided by the Foundation last year was \$228,000. The Foundation also served as a repository for the funds for the future Spray Park. The Parks Foundation was making a difference helping with the CIP programs for the City.

B. ID 15-109 Receive a report, hold a discussion, and give staff direction regarding the Cole Ranch development.

Bryan Langley, Assistant City Manager, introduced Ocie Vest who would be making the Cole Ranch presentation.

Ocie Vest, Cole Ranch, stated that they had been working for years on the Cole Ranch property. The Ranch consisted of 3200 acres which they had worked hard to make sure it was a high quality development. They felt the time was right to bring this project forward. He reviewed the master plan which consisted of residential, commercial, industrial properties and open space. It was a little bit different from the zoning plan but showed in more detail the layout of the concept.

Master amenities included 14 miles of trails that would connect schools, open space, lakes and shopping. It would contain 3 large lakes and over 600 acres of open space.

Council Member Gregory asked about gas well sites on the property.

Vest stated that there were 14 well sites all of which had been drilled. They eventually would be closed and become green space.

Council Member Roden asked if there was any interest in reopening the well sites.

Vest stated that the pad sites would not be in residential areas and would have open access rather than going through the residential areas.

Mayor Watts asked if there had been discussions how close to have the residential properties to the gas wells.

Vest stated that as all of the gas pads already existed; it was known where they were. There would not be any new pads coming close to the residential sites.

Mayor Watts asked if there had been discussions for the distance new houses would be to the pad sites.

Vest stated that they had established 300 feet. Builders had a difference of opinion if that distance was adequate.

Mayor Pro Tem Engelbrecht felt that the reworking of wells and a 300 foot distance was not adequate.

Council Member Johnson stated that the proposed ordinance was a 300 foot setback and depending on who a person was talking with there was a wide range of opinion on whether that was adequate or not for the setback distance.

Vest stated that the concept of the development was to encourage the development of the arts. Single family homes would have joint frontages with the residential property developing into three 1000 acres setting. He reviewed the criteria for design guidelines. Prior to or with each application for a modification to the Development Plan Map related to the design and permitting of each new residential neighborhood, a set of Design Guidelines specific to that new neighborhood would include a specific set of specifications.

The public benefits to the City included regional transportation improvements, regional water improvements, regional wastewater improvements, regional drainage improvements, park land and regional trail system, and school sites. A hurdle to development was the large amount of infrastructure needed to support the development in the southwest quadrant of Denton. The southwest quadrant of the city had Robson Ranch, Hunter Ranch and Cole Ranch developing there. Infrastructure costs were estimated at \$147 million and exceeded any one property owner's ability to fund. Financing mechanisms were needed to help provide the necessary public infrastructure. The solution was a public/private partnership in the form of a PID/TIRZ to help finance major infrastructures.

In terms of a PID, (1) only landowners in the area defined by the PID paid a PID assessment, (2) it promoted economic growth by creating a means for constructing and improving infrastructure in a defined area, (3) it allowed the City or County to levy and collect special assessments on properties within the defined area, (4) there was no funding or ongoing administrative costs required from the City/County while providing ultimate control to the City/County, and (5) bonds could be issued to fund or to reimburse infrastructure construction costs after certain financial goals were met per the PID agreement.

Bridging the Gap - a PID alone did not provide enough revenue to fund infrastructure costs. Supplemental funding could be accessed through Tax Increment Financing (TIF). A TIF allowed for the incremental property tax created by the project to be used for the reimbursement of infrastructure costs. He presented the projected public improvements funding by source. The TIRZ reimbursement would only be used for the gap between the actual eligible costs less the PID reimbursement.

Council Member Roden questioned what was being asked for in terms of financial help.

Vest stated this as the major infrastructure and not the residential sites.

Mayor Watts stated that he was not opposed to the concept but the numbers would be important and that from his perspective this would be very numbers driven.

Vest stated that oversizing of the lines was built into the \$147 million as they were proposing the ultimate lines in the area and were built into the numbers.

Council discussed the roadway components, who would be maintaining the trails and lakes, and infrastructure improvements.

Vest reviewed the phasing plan for the development with the first phase in the southern portion of the property. The infrastructure and costs for the southern phase were reviewed. He noted that the TIFZ reimbursement was only used to fill the gap between the actual eligible costs less the PID reimbursement.

Council Member Roden asked if there had been discussions on the major infrastructure costs.

Vest replied not down to subdivision level, but many of the costs included those types of projects. He noted that the roadways served Cole Ranch but were also connected to neighboring properties. They were oversized to connect surrounding communities.

Mayor Watts stated that he was not convinced that all of the proposed costs should be covered by the City in terms of the road oversizing. Some of those roads might not provide regional connectivity but rather be collector or arterial roads.

Vest stated that an oversize analysis would show those amounts.

Council Member Johnson stated that the PID was between the developer and homeowner. However, \$48 million was being asked for in the TIRZ. The PID dollars did not cost the city anything.

Rick Rosenberg, DPF, stated that the costs for the PID would be paid by the PID with no costs to the city.

Mayor Watts stated that the PID only paid for public improvements.

Rosenberg replied correct for major infrastructure improvements.

Council Member Johnson stated that the money that was going to be spent for the TIRZ reimbursement that was outside the boundaries of the project and that was over and above what the City would have to do for the project. It was hard to differentiate the different figures presented.

Council Member Hawkins questioned if the oversizing up front was beneficial to the City.

Vest stated that the normal process was that the City built the water line needed. The Master Plan would then be looked at and the City tell the developer that the line needed to be oversized with the City doing that oversizing. In this case, the cost for the oversizing would be put in the PID and done upfront. The Cole Ranch South potential housing assessed values, Cole Ranch South

TIRZ tax contribution, and Cole Ranch South PID assessment allocation was reviewed. The same analysis for the Artist Colony was also reviewed.

Next steps - in February Stratford would submit the Term Sheets to Council and staff for review and approval in terms of the development agreement, PID and TIRZ. In March Stratford would incorporate City comments into the Term Sheets and submit final documents for review and approval for the development agreement, PID and TIRZ.

Mayor Pro Tem Engelbrecht questioned the public improvements in terms of Loop 288 and the frontage roads. He questioned if TxDOT would have to purchase all or part of the property for Loop 288 access road.

Vest stated that they only had preliminary discussions regarding that roadway. Just the main lane section could be sold to TxDOT and the frontage roads would be city streets or TxDOT take it all.

Mayor Pro Tem Engelbrecht stated that the issue was to put those funds in the PID or TIRZ and was concerned about how that went forward. He didn't want the residents paying for it if TxDOT was going to pay for it. He asked if floodplain reclamation would be part of the development in any way or was that above and beyond.

Vest stated that they were going above and beyond by accommodating the entire watershed.

Council Member Johnson stated that he would like more expensive homes in Denton and questioned the strategy for demand of housing prices.

Vest stated that they would forecast residential and housing trends for housing in this area.

Council Member Roden stated that the problem with forecasting was that it could not go very far out. He asked if Cole Ranch South and the Artist phase were overlapped.

Vest stated that at some time all three areas would be under development.

Council Member Roden asked if there was any value taking chunks in a particular phase of years rather than forecasting so far out. Pacing it out instead of going so far out with an agreement for that.

Vest stated that the PID worked through phases with the ability to make adjustments as each individual phase was done.

Rosenberg stated that they were forming the PID at this time with no commitments at this time. Every time the developer had a bond issue it would be a separate decision by the Council. The development phase would determine what could be done. The PID statute needed maximum numbers up front.

Council Member Hawkins questioned the ramifications if the County did not participate.

Vest felt that they could make it work with or without the County.

Mayor Watts stated that he would like to get the oversizing analysis. The consensus of Council was to provide the term sheets in terms of cost to the city, TIRZ reduction in tax revenue, police, fire etc. to service that spot and the terms of cost of city services.

Mayor Pro Tem Engelbrecht stated that he would like a work session with staff for their insights into the project.

C. CA11-0004e Receive a report, hold a discussion, and give staff direction regarding the update to the City of Denton's Comprehensive Plan.

Ron Menguita, Development Review Committee Administrator, stated that the Work Session discussion would center on the conditions that were proposed to the Plan. The conditions were actions that would be incorporated into the plan. Conditions #1 through #37 were amendments that were being proposed by staff for clarification purposes. They were considered minor and did not conflict with any proposed goal or policy outlined in the draft Plan. Conditions #38 through #46 were based on discussion held during multiple Planning and Zoning Commission workshops and work sessions. These conditions were what the Planning and Zoning Commission would like changed to the draft Plan and what they would like to see accomplished as part of the implementation.

He reviewed Conditions #38-#45 with the related action items.

Discussion on Condition #46 – Council comments were that it would be good to have the Technical Advisory Committee (staff members) review the Plan with the annual report.

Discussion on Condition #47 - make more positive wording for that section instead of focusing on the perception that it was difficult to do business in Denton. A suggestion was made to take that condition out of the plan all together. Consensus of the Council was to strike Condition #47.

Discussion on Condition #58 - Bicycle Friendly community - provide more information on what that involved. Mayor Watts suggested an Informal Staff Report on a Bicycle Friendly Community.

Council Member Ryan suggested that with Condition #4 to be sure to keep (s) for all of the different Chambers. He noted that Condition #20 had not been vetted by Council and there needed to be a discussion on whether to have a rental inspection program.

Mayor Pro Tem Engelbrecht stated that he had mixed feelings about a rental inspection program but knew of some very poor living conditions in some rental homes. He was concerned on how to find a way to monitor those circumstances as he felt there were all kinds of rental units that were not up to code and proper standards.

Council Member Ryan stated that he would be in favor of a tenant education system.

Mayor Pro Tem Engelbrecht suggested a hot line on where to call when someone encountered substandard housing problems.

Council Member Roden stated that this issue had not been addressed since he was on Council. He felt that there continued to be problems and they continued to be unaddressed.

Council Member Gregory suggested that rather than a having that as a goal for the development to change the wording to “explore” the development of such a program.

Mayor Watts stated that he referred those kinds of complaints to Community Improvement Services.

John Cabrales, Assistant City Manager, stated that the problem was that many of those issues were on the inside of the building. Building Inspections needed to have permission from the tenant or property owner to go inside the building and that was not always granted. Community Improvement Services worked on the outside of properties.

Consensus of the Council was to change the wording to “explore”.

Mayor Pro Tem Engelbrecht felt that a specific statement regarding parking in the downtown and residential neighborhoods around the universities was needed.

Mengueta stated that the Downtown parking was addressed in the Master Plan and the DTIP to cover those areas. He would reference it to a section of the parking area.

Mayor Pro Tem Engelbrecht questioned private utilities on public utilities system. He felt nothing was moved from the old poles to new poles or underground and there needed to be a statement about private utility infrastructure in conjunction with public utility infrastructure.

Council Member Ryan asked about Condition #34 regarding dumpster screens and questioned if that was not already part of the Code.

Council Member Gregory stated that the Code was not clear enough regarding screening requirements for dumpster and for recycling. Because it was not clear enough, those types of screens were not getting installed.

Council Member Ryan asked about Condition #50 dealing with a green building ordinance which mandated green building. He suggested a change in wording to “strongly encourages” rather than mandates.

Council Member Roden questioned if it was related to a City mandate or to non-city projects.

Mengueta stated that it would apply to both city projects and private development.

Mayor Pro Tem Engelbrecht stated that part of that was mandated through the International Building Code and questioned if Council wanted to do something above that.

Council Member Gregory stated that the City was continually upgrading the building codes for energy efficiency. He felt it was about green building standards above and beyond what the city would be doing.

Menguita stated that the purpose was to create the green building and then would mandate the requirements for that type of building.

After discussion, the consensus of Council was to use the wording “explore the possibility” instead of mandate.

D. ID 15-082 Receive a report, hold a discussion, and give staff direction regarding a City sponsorship in an amount not to exceed \$142,000 of in-kind services and resources for the Denton Arts and Jazz Festival to be held in Quakertown Park on April 24 - 26, 2015.

Emerson Vorel, Director of Parks and Recreation, stated that staff frequently brought requests for city sponsorship to Council for consideration. Last year the sponsorship to the Arts and Jazzfest went up to \$123,000 and when in-kind services were captured the cost was about \$140,000. He felt it was important to bring that figure to Council with the increased cost due to improved record keeping tracking the costs and the moving of the main stage which required more maintenance in cleaning after the event. Staff would be coming back to Council on February 17th for authorization up to \$142,000 of in-kind sponsorship.

Council Member Roden asked if financial statements from the entities were ever requested when there were expenditures of this size. He felt that when the City looked at giving that much public service there needed to be a sense of what was the real need.

Vorel stated that typically was not asked for from the larger events. However, it was in the agreement.

Council Member Roden stated that when HOT funds were used he felt there should be some sort of financials. He wanted to make sure there was capacity for new ideas to help those types of functions. He suggested a trigger point of dollar amount to get financial disclosure.

Council Member Hawkins felt that was a good idea and that the HOT Committee would want to know what the funding was being used for.

Vorel stated that the financial would be included in the sponsorship letter.

Mayor Pro Tem Engelbrecht felt that Downtown businesses should participate in a survey on whether there was an increase in their business during a festival.

Mayor Watts stated that he was not opposed to these types of questions as it represented good stewardship of City tax money. He stated that he would also like to see the financials such as income and expenses but not in too much detail for all events.

Council Member Gregory suggested only top 3-5 on the list.

Council Member Roden felt that this year was ok but as a matter of policy to have that added and as new requests come forward add to the request.

Consensus of the Council was to start requesting that information next year.

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 15-072 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071. Discuss, deliberate, receive information from staff and provide staff with direction pertaining to the acquisition of real property interests in the in the Alexander Hill Survey, Abstract No. 623, City of Denton, Denton County, Texas, generally located in the 1200 block of S. Locust St. Consultation with the City's attorneys regarding legal issues associated with the acquisition or condemnation of the real property interests referenced above where a public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and 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 proceedings or potential litigation. (DME) [File ID 15-071]
- B. ID 15-103 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; Consultation with Attorneys - Under Texas Government Code Section 551.071. Discuss, deliberate, and receive information from staff and provide staff with direction pertaining to the potential conveyance of certain real property interests located in the Hiram Sisco Survey, Abstract No. 1184, City of Denton, Denton County, Texas, and generally located at 600 East Hickory Street. Consultation with the City's attorneys regarding legal issues associated with the potential conveyance of the real property described above 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. (Denton Transit Center - DCTA Project) [ID 15-104]
- C. ID 15-092 Deliberations regarding Real Property - Under Texas Government Code Section 551.072; 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 of real property interests generally located in Denton, Denton County, Texas, in (1) the 800 block of Bernard Street (Lonestar Townhome Addition, Denton, Denton County, Texas); (2) the 800 block of S. Welch Street (Double J Addition, Denton, Denton County, Texas); (3) the 900 block of S. Avenue B. (Bridges Addition, Denton, Denton County, Texas); and, (4) the 900 block of W. Collins St. (Hillside Addition, Denton, Denton County, Texas). Consultation with the City's attorneys regarding legal issues associated with the leasing of the real property interests described above 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. [UNT substation-No action item assoc.]

- D. ID 15-098 Consultation with Attorneys - Under Texas Government Code Section 551.071, Deliberations regarding Economic Development Negotiations - Under Texas Government Code Section 551.087. Receive a report and hold a discussion regarding legal and economic development issues regarding an incentive agreement with PACCAR, Inc. This discussion shall include commercial and financial information the City Council has received from PACCAR, Inc. 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; including the offer of financial or other incentive where the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.
- E. ID 15-052 Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086; and Consultation with Attorneys - Under Texas Government Code Section 551.071. Receive a further briefing and presentation from Denton Municipal Electric ("DME") staff regarding certain public power competitive, financial and commercial information relating to issues regarding a proposed term sheet pertaining to a high voltage direct current (HVDC) interconnection that would provide DME the opportunity to acquire additional renewable energy and other electric power products for its energy portfolio. Consultation with the City's attorneys regarding legal issues associated with the proposed term sheet and the implementation of the HVDC interconnection 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. Discuss, deliberate, provide staff with direction and consider a final recommendation regarding the term sheet.
- F. ID 15-053 Certain Public Power Utilities: Competitive Matters - Under Texas Government Code, Section 551.086. Receive a presentation from Denton Municipal Electric ("DME") staff regarding certain public power competitive, financial and commercial information relating to issues regarding purchased power pricing and other public power information that is contained in that certain "Power Purchase Agreement" by and between DME and the Texas Woman's University. Discuss, deliberate, consider, and take final action regarding an ordinance approving said "Power Purchase Agreement.

In accordance with the provisions of §551.086 of the Texas Government Code, after due public notice being given, the City Council, a "Public Power Utility Governing Body" under Senate Bill 7, discussed, deliberated, and considered the Transaction, the subject of this ordinance, in a Closed Meeting of the City Council on the 3rd day of February, 2015, after being advised by its legal counsel, that the consideration of the Transaction which is the subject of this ordinance, is

related to competitive electric matters, including business and commercial information, which if disclosed, would give advantage to its competitors or prospective competitors.

The following ordinance was considered:

Ordinance No. 2015-030

An ordinance of the City Council of the City of Denton, Texas providing for, authorizing, and approving the execution by the City Manager of a power purchase agreement by and between the City of Denton, Texas and the Texas Woman's University; approving the execution of such other and further related documents, including, without limitation, certificates, assignments, licenses, directions, instruments, instructions, confirmations and statements by the City Manager or his designee, which are incident or related thereto, as shall be reasonably determined by the City Attorney or her designee; confirming and ratifying that the City of Denton, Texas, its Mayor, its City Council members, its City Manager, and its City Attorney or her designee shall be authorized and empowered to perform such acts and obligations as are reasonably required to consummate this transaction; ratifying all prior actions taken by the City Council in furtherance of the foregoing transaction; and determining that the power purchase agreement and other said documents pertain to a "competitive electric matter" as set forth under the provisions of §§551.086 and 552.133 of the Texas Government Code, as amended; finding and determining that Texas Government Code §252.022(a)(15) applies to said agreement; adopting significant recitations, findings and conclusions, as are set forth in the preamble of this ordinance; that the sale of energy, and other related arrangements made by the city under the terms of this power purchase agreement are in the public welfare; authorizing the expenditure of funds therefor; providing for retroactive ratification, confirmation and approval thereof; providing for an effective date.

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

- G. ID 15-108 Deliberations regarding Real Property - Under Texas Government Code, Section 551.072; Deliberations regarding Consultation with the City Attorney - Under Texas Government Code, Section 551.071; Deliberations regarding Economic Development Negotiations - Under Texas Government Code, Section 551.087. Receive a report and hold a discussion regarding legal and economic development issues regarding economic development incentives for a business prospective in the Cole Ranch Development. This discussion shall include commercial and financial information the City Council may receive from the business owners which the City 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, including the offer of financial or other incentives. Also deliberate the purchase, exchange, lease, or value of real property where deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third party. Also hold a discussion with the City's attorneys on the referenced topic where the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of

the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

- H. ID 15-106 Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.86; Consultation with Attorneys - Under Texas Government Code, Section 551.071. Receive a presentation regarding provisions contained in Denton Municipal Electric Purchase Power Agreements; discuss, deliberate and provide staff with direction.
- I. ID 15-107 Consultation with Attorneys - Under Texas Government Code, Section 551.071. Consult with and provide direction to City's attorneys regarding legal issues and strategies associated with the current Gas Well Ordinance, and proposed Gas Well Ordinance amendment, regulation of gas well drilling and production within the City Limits and the extraterritorial jurisdiction, including: Constitutional limitations, statutory limitations upon municipal regulatory authority; statutory preemption and vested rights; impacts of federal and state law and regulations; impacts of gas well drilling upon protected uses and vice-versa; current and proposed extension to, moratorium on drilling and production; other concerns about municipal regulatory authority or matters relating to enforcement of the Gas Well Ordinance, both current and proposed; settlement matters concerning gas well drilling in the City; surface development issues involving surface and mineral estates; and legal matters associated with a citizen's initiative ordinance and pending litigation styled Jerry Patterson, Commissioner, Texas General Land Office v. City of Denton Texas, Cause No. D-1-GN-14-004628 currently pending in the 53rd District Court of Travis County and Texas Oil and Gas Association v. City of Denton, Cause No. 14-09833-431 currently pending in the 431st District Court of Denton County regarding hydraulic fracturing where a public 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.
- J. ID 15-124 Consultation with Attorneys - Under Texas Government Code §551.071. Consult with the City's Attorneys on the status, strategy, and potential resolution of litigation styled, Bishop v. City of Denton, Texas and Darius M. Porter, Cause No. 4:14-CV-608, currently pending in the US District Court for the Eastern District of Texas, Sherman Division.

Regular Meeting of the City of Denton City Council at 6:30 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

1. PLEDGE OF ALLEGIANCE

The Council and members of the audience recited the Pledge of Allegiance to the U. S. and Texas flags.

2. PROCLAMATIONS/PRESENTATIONS

- A. ID 15-060 National Wear Red Day Proclamation

Mayor Watts presented the proclamation for National Wear Red Day proclamation.

B. ID 15-112 Susan Frank Day Proclamation

Mayor Watts presented the proclamation for Susan Frank Day.

3. CITIZEN REPORTS

A. ID 15-055 Christopher Klabunde regarding visitation policy change for Denton County jail.

Mr. Klabunde was not present at the meeting.

4. CONSENT AGENDA

Council Member Hawkins motioned, Mayor Pro Tem Engelbrecht seconded to adopt the Consent Agenda and accompanying ordinances and resolutions. On roll call vote, Mayor Pro Tem Engelbrecht "aye", Council Member Gregory "aye", Council Member Hawkins "aye", Council Member Johnson "aye", Council Member Roden "aye", Council Member Ryan "aye", and Mayor Watts "aye". Motion carried unanimously.

Approved the minutes listed below.

A. ID 15-026 Consider approval of the minutes of December 1, December 2, December 9, and December 16, 2014.

Resolution No. R2015-002

B. ID 15-034 Consider approval of a resolution adopting Texas Business Code, Subtitle B, Chapter 322, "The Uniform Electronic Transactions Act" to permit electronic signatures on certain documents entered into by and between the City and other parties as a city policy; a resolution adopting the provisions of Texas Local Government Code, Section 252.0415, establishing a city policy regarding procedures for the receipt of electronic bids and proposals; providing that all bonds and negotiable instruments tendered to the City, or by the City in satisfaction of or as evidence of obligations shall bear original signatures; and providing that the City Council in its sound discretion, may require original signatures on certain other documents in the best interests of the City; providing for the later modification of the policies by the City Manager as deemed necessary; and declaring an effective date.

Ordinance No. 2015-014

C. ID 15-051 Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager to make an application with the Texas Department of Housing and Community Affairs (TDHCA) Emergency Solutions Grant (ESG) and take all other actions necessary to obtain and implement the program; and providing for an effective date.

Ordinance No. 2015-015

- D. ID 15-071 Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager, or his designee, to accept a counteroffer from Richard Woods for the purchase by the City of a 2.112 acre tract of land being generally situated in the Alexander Hill Survey, Abstract No. 623, City of Denton, Denton County, Texas, generally located in the 1200 block of S. Locust St., for the public use of expansion, construction, operation, maintenance, augmentation, and improvement of electric transmission and distribution lines, facilities, structures, And substations for the price of Five Hundred Seventy Five Thousand Dollars and 00/100 cents (\$575,000); authorizing the expenditure of funds; and providing an effective date.

Resolution No. R2015-003

- E. ID 15-079 Consider approval of a resolution creating a special five (5) member Oversight Committee to monitor, evaluate, and report on progress of the six year Capital Improvement Program approved by the voters at the bond election on November 4, 2014, appointing committee members, and providing an effective date.

Ordinance No. 2015-016

- F. ID 15-085 Consider adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract through the Buy Board Cooperative Purchasing Network for the acquisition of one (1) haul truck and one (1) ejecto bed chassis for the City of Denton Street Department; and providing an effective date (File 5736-awarded to Rush Truck Center, Crane in the amount of \$250,334).

Ordinance No. 2015-017

- G. ID 15-086 Consider adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract through the National Intergovernmental Purchasing Alliance (National IPA) for the purchase of gasoline and diesel fuels for the City of Denton as awarded by City of Fort Worth Contract# 14-0121; and providing an effective date (File 5750-Purchase of Gasoline and Diesel Fuels awarded to Martin Eagle Oil Company, Inc. in the three (3) year estimated amount of \$12,500,000).

Ordinance No. 2015-018

- H. ID 15-087 Consider adoption of an ordinance authorizing the City Manager to execute an Interlocal Agreement with Denton County under Section 791.001 of the State of Texas Government Code, to authorize Denton County to purchase pavement marking services from the City of Denton at a cost of Thirteen Thousand Eight Hundred Seventy Five and 0/100 Dollars (\$13,875.00); authorizing the expenditure of funds therefor; and declaring an effective date (File 5740-Interlocal Agreement with Denton County for Pavement Marking Services).

Ordinance No. 2015-019

- I. ID 15-088 Consider adoption of an ordinance of the City of Denton, Texas authorizing the approval of a First Amendment to a contract with Jagoe-Public

Company for asphalt and concrete street sections and repair services; providing for the expenditure of funds therefor; and providing an effective date (Bid 4974-providing for an additional expenditure amount of \$1,875,000 with the total contract amount not-to-exceed \$9,375,000).

Ordinance No. 2015-020

- J. ID 15-089 Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager to execute a Professional Services Agreement for engineering services in support of developing a Manual for the Control, Operation, and Maintenance of Zebra Mussels within waterways serving the City of Denton, Texas; providing for the expenditure of funds therefor; and providing an effective date (File 5643-awarded to ARCADIS-US, Inc. in the not-to-exceed amount of \$148,623). The Public Utilities Board recommends approval (5-0).

Ordinance No. 2015-021

- K. ID 15-090 Consider adoption of an ordinance authorizing the City Manager to execute Change Order Number One to the contract between the City of Denton and Quality Excavation, LTD; providing for the expenditure of funds therefor; and providing an effective date (Bid 5515- Change Order Number One in the amount of \$53,004 for a total contract award of \$970,528.50). The Public Utilities Board recommends approval (5-0).

Ordinance No. 2015-022

- L. ID 15-091 Consider adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract through the State of Texas Smart Buy Program for the purchase of one (1) Ford F650 chassis with a Knapheide utility body for the City of Denton Water Treatment Department as awarded by the State of Texas Contract 071-072-AT 2014; and providing an effective date (File 5722-awarded to Sam Pack's Five Star Ford in the amount of \$112,640.45). The Public Utilities Board recommends approval (5-0).

Ordinance No. 2015-023

- M. ID 15-104 Consider adoption of an ordinance of the City of Denton, Texas, approving the Real Property conveyance of the Downtown Denton Transit Center from the City to the Denton County Transportation Authority (DCTA) in accordance with the terms of the Interlocal Cooperation Agreement between the City and DCTA (Ordinance No. 2008-098); and providing an effective date.

Ordinance No. 2015-024

- N. ID 15-105 Consider adoption of an ordinance authorizing the City Manager or his designee to execute a Contract of Sale, by and between the City of Denton, Texas ("CITY"), as Buyer, and Linda Maria Casias Roth (the "OWNER"), as Seller, to acquire fee simple to a 0.2714 acre tract situated in the Robert Beaumont Survey, Abstract No. 31, located in the City of Denton, Denton County, Texas, and being generally located at 1224 North Bonnie Brae Street; for the purchase price of one hundred thirty seven thousand five hundred dollars and no cents (\$137,500.00), and

other consideration, as prescribed in the Contract of Sale (the "AGREEMENT"), as attached hereto and made a part hereof as Exhibit "A"; authorizing the expenditure of funds therefor; and providing an effective date. (Future Hickory to U.S. 380 Transmission Line Upgrade Project).

Ordinance No. 2015-025

O. ID 15-114 Consider adoption of an ordinance of the City of Denton, Texas, appointing Gregory L. Bertrand as Assistant Judge for the City of Denton Municipal Court of Record; appointing Dennis Engler as Assistant Judge for the City of Denton Municipal Court of Record; appointing Alison J. Grant as Assistant Judge for the City of Denton Municipal Court of Record; appointing Brian S. Holman as Assistant Judge for the City of Denton Municipal Court of Record appointing James Horton as Assistant Judge for the City of Denton Municipal Court of Record; establishing terms of office for municipal judges in accordance with applicable state statutes; providing for renewal and extension of terms absent specific action by Council; authorizing the Mayor to execute a contract for term of office; ratifying terms of contract; and declaring an effective date.

5. ITEMS FOR INDIVIDUAL CONSIDERATION

Ordinance No. 2015-026

A. CA11-0004f Consider adoption of an ordinance of the City of Denton, Texas, adopting the update to the City of Denton's Comprehensive Plan; and providing an effective date. (CA11-0004) The Planning and Zoning Commission recommends approval of this request with conditions (5-2). This item was continued from the January 6, 2015 meeting.

Ron Menguita, Development Review Coordinator, reviewed the background of the project schedule. He had presented information on the proposed conditions during the City Council Work Session.

Condition #47 - consensus was that currently there was language already in the Plan and this condition would have no action.

Condition #59 - was added for a Walk Friendly Community Condition.

Condition #60 – language was revised to address the Downtown area and was revised under neighborhood/university compatibility area.

Condition #61 – was revised to indicate the need to maintain utility infrastructure when necessary.

Condition #4 – wording was revised to work with the various Chambers of Commerce and the Convention and Visitors Bureau.

Condition #20 – wording was revised to “explore” rental housing and multi-family inspection and inspection programs.

Condition #50 – wording was revised to “explore” green building standards.

A comment Card was submitted by Michele Lynn, 1401 Egan, Denton, in favor of the proposal.

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

6. PUBLIC HEARINGS

Ordinance No. 2015-027

A. HL14-0011 Hold a public hearing and consider an ordinance of the City of Denton, Texas, designating the property located at 801 West Oak Street, legally known as Lot 8 (PT) of the McKennon Addition, as a historic landmark under Section 35.7.6 of the Denton Development Code; providing for a penalty in the maximum amount of \$2,000.00 for violations thereof, severability and an effective date. The Planning and Zoning Commission recommends approval 7-0. (HL14-0011)

Brian Lockley, Director of Planning and Development, presented the details of the request. He indicated that this was a request for a historic landmark designation at 801 W. Oak Street. He presented the location map, site photos, criteria for approval which the proposal met, and notification map. The Historic Landmark Commission and the Planning and Zoning Commission recommended approval.

The Mayor opened the public hearing. He noted that a Comment Card had been submitted by John and Donna Morris, 918 W. Oak, Denton, in support of the designation.

Greg and Jane Naugher, 801 W Oak, Denton, 76201 – spoke in support.

Council Member Roden asked how the application process worked for them.

Naugher stated that they had help with the process and help on what needed to be included in the application which was very helpful. He did not have any specific suggestions.

Randy Hunt, 722 West Oak, Denton, 76201 - spoke in favor.
Michelle Lynn, 1401 Egan, Denton, 76201 - spoke in favor.
Lynde Dodd, 612 Pearl, Denton, 76201 – spoke in favor.

The Mayor closed the public hearing.

Council discussed the placing of the historic marker on the home and who paid for that cost. The homeowner who was seeking the designation paid for the marker.

Council Member Johnson suggested that the City purchase the plaque for the buildings.

Mayor Watts indicated that could be a part of the motion to approve the ordinance.

Council Member Roden motioned, Council Member Hawkins seconded to adopt the ordinance and to have the City provide the historical marker at the City's expense. On roll call vote, Mayor Pro Tem Engelbrecht "aye", Council Member Gregory "aye", Council Member Hawkins "aye", Council Member Johnson "aye", Council Member Roden "aye", Council Member Ryan "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2015-028

- B. HL14-0014 Hold a public hearing and consider an ordinance of the City of Denton, Texas, designating the property located at 912 West Oak Street, legally known as Lot 1 (E 41'), Block 1, Mounts Addition, as a historic landmark under Section 35.7.6 of the Denton Development Code; providing for a penalty in the maximum amount of \$2,000.00 for violations thereof, severability and an effective date. The Planning and Zoning Commission recommends approval 7-0. (HL14-0014)

Brian Lockley, Director of Planning and Development, stated that this was a request for a historic landmark designation for the property at 912 W. Oak. He presented the location map, site photos, criteria for approval which the proposal met, and the notification map. The Historic Landmark Commission and the Planning and Zoning Commission recommended approval.

The Mayor opened the public hearing. He noted that a Comment Card in support of the designation had been submitted by John and Donna Morris, 918 W. Oak, Denton.

John Wright, 912 W. Oak, Denton – property owner, spoke in support.

The Mayor closed the public hearing.

Council Member Johnson motioned, Council Member Gregory seconded to adopt the ordinance and to have the City provide the historical marker at the City's expense. On roll call vote, Mayor Pro Tem Engelbrecht "aye", Council Member Gregory "aye", Council Member Hawkins "aye", Council Member Johnson "aye", Council Member Roden "aye", Council Member Ryan "aye", and Mayor Watts "aye". Motion carried unanimously.

Ordinance No. 2015-029

- C. HL14-0015 Hold a public hearing and consider an ordinance of the City of Denton, Texas, designating the property located at 924 West Oak Street, legally known as Lot 2 (E65'), Block 1, Mounts Addition, as a historic landmark under Section 35.7.6 of the Denton Development Code; providing for a penalty in the maximum amount of \$2,000.00 for violations thereof, severability and an effective date. The Planning and Zoning Commission recommends approval 7-0. (HL14-0015)

Brian Lockley, Director of Planning and Development, presented details for the request for a historical landmark designation for 924 W. Oak. He presented the location map, site photos, criteria for approval which the proposal met, and notification map. The Historic Landmark Commission and the Planning and Zoning Commission recommended approval.

The Mayor opened the public hearing. He noted that a Comment Card in support of the designation had been submitted by John and Donna Morris, 918 W. Oak, Denton.

Mary Anderson, 924 W. Oak, Denton – spoke in favor.

Randy Hunt, 722 West Oak, Denton, 76201 - spoke in favor.

The Mayor closed the public hearing.

Mayor Pro Tem Engelbrecht motioned, Council Member Ryan seconded to adopt the ordinance and to have the City provide the historical marker at the City's expense. On roll call vote, Mayor Pro Tem Engelbrecht "aye", Council Member Gregory "aye", Council Member Hawkins "aye", Council Member Johnson "aye", Council Member Roden "aye", Council Member Ryan "aye", and Mayor Watts "aye". Motion carried unanimously.

7. **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 Watts requested a Work Session with the new Bike Coordinator regarding bicycle safety regulations.

Mayor Watts requested an Informal Staff Report regarding the conveyance of plats.

Mayor Watts requested an Informal Staff Report regarding outside entities that did not moved their lines to new city power poles.

B. Possible Continuation of Closed Meeting under Sections 551.071-551.086 of the Texas Open Meetings Act.

Mayor Watts announced that the Council would be returning to the Closed Meeting at 7:40 p.m. to consider Item 1.J. from the Closed Meeting Items.

The Council returned to Open Session and with no further business, the meeting was adjourned at 9:15 p.m.

CHRIS WATTS
MAYOR
CITY OF DENTON, TEXAS

JENNIFER WALTERS
CITY SECRETARY
CITY OF DENTON, TEXAS