

January 16, 2017

MEMBERS PRESENT: MAYOR DAVID PLYLER; DEPUTY MAYOR JASON SOFEY. COUNCIL MEMBERS BROWN, COUCH, HOWETH, STEELE, TEAMANN.

CALL TO ORDER

CALL TO ORDER

APPROVE MINUTES

**RECOGNITION OF
JACQUELINE
BANFIELD, LIBRARY
SERVICES
ADMINISTRATOR**

Ms. Banfield thanked the City Council and all the City staff that she has worked with over the years. She said when she started, the Library didn't even have computers and now they have technology she "sometimes can't understand." Over the years they have lost some friends and some family

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members. She recognized the majority of her Library staff that was in attendance in the audience.

PROCLAMATION

“DR. MARTIN LUTHER KING, JR. DAY” – JANUARY 16, 2017
Council Member Steele presented a proclamation to Daron Holland, designating January 16, 2017 as “Dr. Martin Luther King, Jr. Day.”

DR. MARTIN LUTHER
KING, JR. DAY
(JAN. 16, 2017)

Mr. Holland said it was an honor to accept the proclamation and thanked the City Council and the citizens of Sherman for allowing him to accept it. He recognized the positive directions that Sherman has taken toward unity. He quoted Dr. King saying “ we have all come in on different ships, but we are all still in the same boat now.”

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Plyler introduced Ordinance No. 5999 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A CROSS ROADS EXPRESS CAR WASH IN A C-1 (RETAIL BUSINESS) DISTRICT AT 3603 LOY LAKE ROAD, BEING 1.569 ACRES IN THE HILLARD JENNINGS SURVEY, ABSTRACT NO. 639 (IBRAHIM ABU SARRIS FAMILY, LP, OWNERS; AARON COLE, PROSPECTIVE BUYER; HOMEYER ENGINEERING, INC., CIVIL ENGINEER; BATES MARTIN ARCHITECTS, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 5999
SUP FOR CAR WASH
(3603 LOY LAKE RD)

Scott Shadden, Director of Development Services, said this item was presented to the City Council a little over a year ago and it was approved. Since it has been over a year, they were required to reapply for the Specific Use Permit.

The request is also connected to Item H-3 on the agenda, which is the Final Plat. It was recommended for approval by the Planning and Zoning Commission.

Steve Homeyer, Homeyer Engineering, Inc., was available to answer any questions the Council might have.

No other citizens appeared before the City Council to discuss Ordinance No. 5999.

Mayor Plyler introduced Ordinance No. 6000 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN

ORD 6000
ZONE CHANGE
(500 BLOCK OF EAST
NORTHCREEK DR.)

THE 500 BLOCK OF EAST NORTHCREEK DRIVE, BEING 1.029 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 275 AND THE J. JENNINGS SURVEY, ABSTRACT NO. 647 (YOUNG ENTERPRISES, LP, OWNERS; DANIEL WORRELL, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYORS); PROVIDING FOR A REPEALER.

Mr. Shadden said this property would go from commercial to residential and is located west of Town Center. The owner will be creating 44 residential lots.

The request is also connected to Item H-4 on the agenda, which is the Final Plat. It was recommended for approval by the Planning and Zoning Commission.

No citizens appeared before the City Council to discuss Ordinance No. 6000.

Mayor Plyler introduced Ordinance No. 6001 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AUTOMOBILE SALES IN A C-1 (RETAIL BUSINESS) DISTRICT AT 3412 WEST HOUSTON STREET, BEING 1.47 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 (DAVID HENRY, OWNER; ANDRE LAUB, APPLICANT/TENANT; AND LAURA DANIEL, DREAM TO LIFE DESIGNS, DESIGNER); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6001
SUP FOR AUTO
SALES
(3412 W. HOUSTON)

Mr. Shadden said the Specific Use Permit is for a used car lot. The Planning and Zoning Commission recommended approval of the request.

There was a condition placed on the SUP that they could use milled asphalt for three years and then they would have to comply with the paving ordinance. There should also be no outside storage.

No citizens appeared before the City Council to discuss Ordinance No. 6001.

Mayor Plyler introduced Ordinance No. 6002 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A RETAIL BREW PUB IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 2130 TEXOMA PARKWAY, BEING ALL OF LOT 1 AND PART OF LOT 2, BLOCK 5, SHERMAN BUSINESS CENTER REPLAT (RANDY

ORD 6002
SUP FOR RETAIL
BREW PUB
(2130 TEXOMA PKWY)

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DERZAPF, OWNER; CELLARMAN'S AMERICAN PUB, INC., TENANT; AND DAVID BACA STUDIO, LLC, ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Mr. Shadden said the request is for a retail brew pub at Cellarman's. It will be a new addition to the back of the building and will include a small grain silo.

He added that the Board of Adjustments granted a variance to the setbacks. The Planning and Zoning Commission recommended approval, subject to the Staff Review Letter.

No citizens appeared before the City Council to discuss Ordinance No. 6002.

Mayor Plyler introduced Ordinance No. 6003 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SALES, PARTS AND SERVICE FOR MOTORSPORTS VEHICLES FOR A HONDA-POLARIS DEALERSHIP IN A C-2 (GENERAL COMMERCIAL) DISTRICT/ O-1 (75 & 82 OVERLAY) DISTRICT AT 325 WEST U.S. HIGHWAY 82, BEING 3.85 ACRES IN THE J.B. McANAI SURVEY, ABSTRACT NO. 763 (MLJ REAL ESTATE, LP, OWNERS; HONDA-POLARIS DEALERSHIP, TENANT; EDEN CONSULTING, CHUCK COOLEY, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

**ORD 6003
SUP FOR SALES,
PARKS, SERVICE FOR
MOTORSPORTS
VEHICLES
(325 W. US HWY 82)**

Mr. Shadden said this request if for a motorcycle dealership on US Hwy 82. They plan to make major improvements to the property and will be in compliance with the Overlay District.

The Planning and Zoning Commission recommended approval, subject to a Staff Review Letter, and added that no events will be held on the track and all parking areas will be concrete.

No citizens appeared before the City Council to discuss Ordinance No. 6003.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 5999

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION

**ORD 5999
SUP FOR CAR WASH
(3603 LOY LAKE RD)**

(5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A CROSS ROADS EXPRESS CAR WASH IN A C-1 (RETAIL BUSINESS) DISTRICT AT 3603 LOY LAKE ROAD, BEING 1.569 ACRES IN THE HILLARD JENNINGS SURVEY, ABSTRACT NO. 639 (IBRAHIM ABU SARRIS FAMILY, LP, OWNERS; AARON COLE, PROSPECTIVE BUYER; HOMEYER ENGINEERING, INC., CIVIL ENGINEER; BATES MARTIN ARCHITECTS, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

Ordinance 6000

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 12, ORDINANCE NO. 2280, SO AS TO INCLUDE CERTAIN PROPERTIES WITHIN THE R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE, BEING 1.029 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 275 AND THE J. JENNINGS SURVEY, ABSTRACT NO. 647 (YOUNG ENTERPRISES, LP, OWNERS; DANIEL WORRELL, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, INC., SURVEYORS); PROVIDING FOR A REPEALER.

ORD 6000
ZONE CHANGE
(500 BLOCK OF EAST
NORTHCREEK DR.)

Ordinance 6001

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 9, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW AUTOMOBILE SALES IN A C-1 (RETAIL BUSINESS) DISTRICT AT 3412 WEST HOUSTON STREET, BEING 1.47 ACRES IN THE ELIZABETH JONES SURVEY, ABSTRACT NO. 625 (DAVID HENRY, OWNER; ANDRE LAUB, APPLICANT/TENANT; AND LAURA DANIEL, DREAM TO LIFE DESIGNS, DESIGNER); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6001
SUP FOR AUTO
SALES
(3412 W. HOUSTON)

Ordinance 6002

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A RETAIL BREW PUB IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 2130 TEXOMA PARKWAY, BEING ALL OF LOT 1 AND PART OF LOT 2, BLOCK 5, SHERMAN BUSINESS CENTER REPLAT (RANDY DERZAPF, OWNER; CELLARMAN'S AMERICAN PUB, INC., TENANT; AND DAVID BACA STUDIO, LLC, ARCHITECT); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6002
SUP FOR RETAIL
BREW PUB
(2130 TEXOMA PKWY)

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Council Member Couch asked how much square footage would be added to the building. David Baca, Architect, said it would add about 1,300 square feet. All additional footage would be added for the brewing and not for the restaurant.

Council Member Howeth asked if it would reduce the amount of parking for the restaurant. Mr. Baca said it would reduce the amount of parking, but it will still meet the City's parking requirement.

Ordinance 6003

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW A SALES, PARTS AND SERVICE FOR MOTORSPORTS VEHICLES FOR A HONDA-POLARIS DEALERSHIP IN A C-2 (GENERAL COMMERCIAL) DISTRICT/ O-1 (75 & 82 OVERLAY) DISTRICT AT 325 WEST U.S. HIGHWAY 82, BEING 3.85 ACRES IN THE J.B. McANAIK SURVEY, ABSTRACT NO. 763 (MLJ REAL ESTATE, LP, OWNERS; HONDA-POLARIS DEALERSHIP, TENANT; EDEN CONSULTING, CHUCK COOLEY, REPRESENTATIVE; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED \$2,000.00.

ORD 6003
SUP FOR SALES,
PARKS, SERVICE FOR
MOTORSPORTS
VEHICLES
(325 W. US HWY 82)

Council Member Couch asked if this business would be one currently operating in Sherman that would be moving, or is it a new business.

Chuck Cooley, Representative, explained that the current owner purchased the business and real estate on Texoma Parkway, however because of improvements and how Honda-Polaris wants to revitalize the business, the bigger property was required. Technically they are moving an existing dealership.

Council Member Couch asked how large the expansion will be. Mr. Cooley said they currently have about 1,500 square feet and the new facility will have 15,000 to 16,000 square feet.

ACTION TAKEN.

Motion by Council Member Couch to adopt Ordinance Nos. 5999, 6000, 6001, 6002, and 6003, as presented.

Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Steele moved to approve the Consent Agenda, as presented. Second by Deputy Mayor Sofey. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 6173 – EXPRESSING SUPPORT FOR THE LOW INCOME HOUSING TAX CREDIT APPLICATION OF SARI & COMPANY CONCERNING THE PROPERTY LOCATED AT 120 WEST KING STREET IN SHERMAN, TEXAS, FOR THE YEAR 2017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXPRESSING SUPPORT FOR THE LOW INCOME HOUSING TAX CREDIT APPLICATION OF SARI & COMPANY CONCERNING THE PROPERTY LOCATED AT 120 WEST KING STREET IN SHERMAN, TEXAS, FOR THE YEAR 2017.

Nate Strauch, Community and Support Services Manager, introduced an application from a North Carolina company under the State's Low Income Housing Tax Credit policy. They are seeking support from the City under the City's new application process for LIHTC developers, which was instigated in 2016.

Mr. Strauch said the program was originally created by the Federal government in the mid 1980s to incentivize low income housing. They do this by block granting tax credits to each state, based on population. Last year these tax credits amounted to about \$48 million in Texas.

Each year applications are collected from developers and the tax credits are doled out by the Texas Department of Housing and Community Affairs. The applications are ranked on a specific set of criteria and one of the major criteria is if a developer has the support of the City where they would like to build their project.

These developers apply to the City for this letter of support. The City can decide to issue a letter of support, which receives the highest number of points on the application, they can issue a letter stating no objections, which is the middle ground, or they can withhold support entirely, which dooms the application.

Over the last couple of years, the City of Sherman has received increased interest from LIHTC developers, so an application process was developed in 2016, to make sure that the City would be dealing with the type of developers and developments that would bring "positive projects" to Sherman. This is the first application that the City has received since that time.

Mr. Strauch offered two examples of LIHTC projects that are now in Sherman. The Villas of Sherman, with 124 units, is

CONSENT AGENDA

**RES 6173
LOW INCOME
HOUSING TAX
CREDIT APPLICATION
(120 W. KING)**

restricted by age and income. Steeple Chase Farms, with 156 units, is only income restricted.

The current request is for the former Sherman High School building located at 120 West King Street. It was built in 1916 and sits on 1.46 acres. The property was transferred from the Sherman Independent School District to Grayson County in 2011. Grayson County approved a conditional reverse transfer on January 3, 2017 and terms were reached for sale of the property with the SISD on January 9, 2017.

If approved, the Sherman High Lofts would include 69 units designated for elderly individuals, 55 years of age or older, with low incomes. There would be four size and price points for the units.

Amenities for the apartments would include a 5,300 square foot community room; elevated, indoor exercise track and fitness area; landscaped lawn with shade trees; computer room; and two secured parking lots. The development would add property tax to the tax rolls based on an \$11.5 million project cost. The current assessment of the property is \$248,675. The area is already zoned for multi-family housing. A portion of the back of the property would remain with Grayson County and be used as a maintenance shop.

Mr. Strauch said Sari & Company is the developer proposing the project. They have developed nearly 50 LIHTC projects since 2002 in eight states. They have three projects in Texas.

Typically the company uses old commercial or educational buildings that are 100 plus years old. The projects are always about \$10 million to \$15 million and are also with blighted conditions.

After completion, Mr. Sari and his company maintain ownership interest in the development and each project is managed through a subcontractor. Cities that hosted past projects generally have positive things to say about Mr. Sari and his company.

Mr. Strauch said he visited the developments in Waco and Tyler and he presented photographs of the projects. He outlined the projects and discussed their similarities to the proposed project in Sherman. He also confirmed that they were well constructed and were well managed.

If the Sherman High Lofts project is approved for support by the City Council, Mr. Strauch said the awards would actually be announced in August 2017, and construction could begin in January 2018. The project has an estimated construction time of one year. A LIHTC project has one year to start construction and another year to complete construction.

In addition to the letter of support, they are not requesting any other direct financial participation from the City, but they

are asking for enrollment in the City's fee waiver program. Mr. Strauch said this building is not in the Central Business District, but the City Council does have discretion in enrolling that project.

If the developer can show that the City has "financial skin in the game" that would be additional points to increase the likelihood of support. The City Council would need to include that direction in their motion if they choose to do so.

Mr. Strauch said this is only the first step in a very long process. Issuing a letter of support does not guarantee that the application will be approved.

He added that the tax credits are claimed annually by the investors over a 10 year period, the first 10 years the building is in service, the building would have to remain "affordable" for 30 years.

Council Member Couch verified that the resolution is the formal action that would be taken to the State, the motion could be amended to include enrollment in the City's fee waiver program.

Council Member Couch felt it made sense to approve the request for the investment, especially since it is adjacent to the Central Business District. He asked if Grayson County also supported the project.

Mr. Strauch said Grayson County has granted support to the project. They have reached an agreement with the SISD to transfer the property back to them and they have reached an agreement with Sari & Company to sell the land if the application is approved.

ACTION TAKEN.

Motion by Council Member Couch to adopt Resolution No. 6173, and to direct the staff to include the project in the City's fee waiver program. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6174 – AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE SHERMAN-DENISON METROPOLITAN PLANNING ORGANIZATION FOR THE CREATION OF A THOROUGHFARE PLAN COVERING THE ENTIRE METROPOLITAN PLANNING AREA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF SHERMAN AND THE SHERMAN-DENISON METROPOLITAN PLANNING ORGANIZATION FOR THE CREATION OF A

RES 6174
MPO THOROUGHFARE
PLAN

THOROUGHFARE PLAN COVERING THE ENTIRE METROPOLITAN PLANNING AREA.

Clint Philpott, Director of Engineering, explained that last year, the City began updating their Master Thoroughfare Plan, and has now completed the northwest corridor section.

This year the plan was to update another section. Since that time, the Metropolitan Planning Organization and Clay Barnet, Sherman-Denison MPO Executive Director, have asked the City to partner with them, Grayson County, and the City of Denison, to complete a Master Thoroughfare Plan for the entire County.

He said this partnership will save the City some money and will also help coordinate efforts between Sherman, Denison, and Grayson County.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6174, as presented. Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6175 – APPROVING AND AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION AND DECLARING EXPECTATION TO REIMBURSE EXPENDITURES WITH PROCEEDS OF FUTURE DEBT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING AND AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION AND DECLARING EXPECTATION TO REIMBURSE EXPENDITURES WITH PROCEEDS OF FUTURE DEBT.

**RES 6175
NOTICE OF INTENTION
TO ISSUE COs
FOR FUTURE DEBT**

Mary Lawrence, Director of Finance, said this is the first action required for issuing Certificates of Obligation for 2017. The City has a list of projects, which were partially funded for the 2016 issuance. The projects include mostly streets, such as Canyon Creek, Swan Ridge, the Travis Street Extension, some “match money” for the Texas Department of Transportation, and some other projects.

The sale of the Certificates and the award date is scheduled for March 6, 2017, with funding on March 30, 2017. The budget impact will be discussed during the annual budget meeting in the Spring.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to adopt Resolution No. 6175, as presented. Second by Council Member Howeth.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6176 – APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH MWH CONSTRUCTORS, INC. FOR CONSTRUCTION OF THE CITY OF SHERMAN WATER TREATMENT PLANT EXPANSION PROJECT

RES 6176
WATER TREATMENT
PLANT EXPANSION
PROJECT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GREATER TEXOMA UTILITY AUTHORITY'S INTENTION TO CONTRACT WITH MWH CONSTRUCTORS, INC. FOR CONSTRUCTION OF THE CITY OF SHERMAN WATER TREATMENT PLANT EXPANSION PROJECT.

Mark Gibson, Director of Utilities, said the Greater Texoma Utility Authority acted on the intention to contract with MWH Constructors, Inc. for the expansion of the Water Treatment Plant at their meeting today. The approval was based on two stipulations.

Those stipulations were that the City of Sherman approved the contract at their meeting and that the money be available on January 25, 2017.

Bids were taken in November 2016 and two were received, with the low bid being \$23,805,000. That bid, combined with the filtration bid, exceeded the available funding, and the staff requested additional funds for the project. An additional \$7,155,000 in bonds is being issued to fund the total cost of the project. The contract can legally be awarded on January 25, 2017, when the funds are available.

Council Member Steele asked how much the project cost has increased since the two projects were bid. Mr. Gibson said the bids for the microfiltration system were approximately \$3.3 million. This is in addition to the \$23.8 million total cost.

Robby Hefton, City Manager, said when the City first conceived this project, about two or three years ago, preliminary cost estimates were based on construction costs at the time. Since then, there has been about a 25% to 30% increase.

ACTION TAKEN.

Motion by Council Member Steele to adopt Resolution No. 6176, as presented. Second by Council Member Howeth.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6177 – FINDING AND DETERMINING THE QUALIFICATIONS FOR A TAX INCREMENT REINVESTMENT ZONE; INITIATING THE FORMATION OF THE TAX INCREMENT REINVESTMENT ZONE #5 AND APPROVING THE ZONE'S PRELIMINARY REINVESTMENT ZONE FINANCING PLAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, FINDING AND DETERMINING THE QUALIFICATIONS FOR A TAX INCREMENT REINVESTMENT ZONE; INITIATING THE FORMATION OF THE TAX INCREMENT REINVESTMENT ZONE #5 AND APPROVING THE ZONE'S PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

RES 6177
TAX INCREMENT
REINVESTMENT ZONE
#5

RESOLUTION NO. 6178 – FINDING AND DETERMINING THE QUALIFICATIONS FOR A TAX INCREMENT REINVESTMENT ZONE; INITIATING THE FORMATION OF THE TAX INCREMENT REINVESTMENT ZONE #6 AND APPROVING THE ZONE'S PRELIMINARY REINVESTMENT ZONE FINANCING PLAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, FINDING AND DETERMINING THE QUALIFICATIONS FOR A TAX INCREMENT REINVESTMENT ZONE; INITIATING THE FORMATION OF THE TAX INCREMENT REINVESTMENT ZONE #6 AND APPROVING THE ZONE'S PRELIMINARY REINVESTMENT ZONE FINANCING PLAN.

RES 6178
TAX INCREMENT
REINVESTMENT ZONE
#6

Mr. Hefton explained that Resolution 6177 and 6178 relate to creating Tax Increment Reinvestment Zones. The first zone is in the south part of Sherman at the northwest intersection of US Hwy 75 and FM 1417, known as Sherman Crossroads. This is near the proposed extension of Travis Street.

The creation of this reinvestment zone will allow the City to reimburse the developer after they have incurred the cost and after they meet certain financial benchmarks, for certain infrastructure they have built.

The second zone is south of the intersection of US Hwy 75 and Hwy 691. This purchase of infrastructure will work the same on this zone too. These zones are #5 and #6 respectively.

Mr. Hefton said there are other TIF Zones throughout the City that have been very successful and have added to the City's ability to partner with developers to have the type and quality of development the City wants, and it helps spur development.

He said the use of this economic development tool has been a great success for the City in the past. The addition of these two zones will help "build out" what has already been started in these areas. Mr. Hefton said the process takes several steps and will be spread over several City Council Meetings.

ACTION TAKEN.

Motion by Deputy Mayor Sofey to adopt Resolution Nos. 6177 and 6178, as presented. Second by Council Member Howeth.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 6179 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH CABOT NORIT AMERICAS, INC. FOR THE FILTRATION SUPPLY FOR GRANULAR ACTIVATED CARBON

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH CABOT NORIT AMERICAS, INC. FOR THE FILTRATION SUPPLY FOR GRANULAR ACTIVATED CARBON.

CONSENT AGENDA.

RES 6179
GRANULAR
ACTIVATED
CARBON BID

**REQUEST TO ADVERTISE
PURCHASE OF A PATROL VEHICLE FOR THE POLICE
DEPARTMENT UNDER THE FEMA ALTERNATIVE PROJECT
PROGRAM**

Ms. Lawrence explained that Agenda Items F-1 and F-2 are related. The City originally had two projects that were approved by the Federal Emergency Management Agency as a result of the heavy rains in the Spring of 2015. The City was unable to do both projects.

REQ TO ADVERTISE
POLICE PATROL
VEHICLE

The first project was the Lake Street road failure, which the City has decided to abandon, due to plans for the extension of Park Street. Because of the change, the money already allocated by FEMA for the project was “freed up” and can be used for the Alternative Project Program.

Ms. Lawrence said, through this program, the City would purchase a Chevy Tahoe for the Police Department and would have a 25% match.

The second project approved for FEMA funding was the Kessler Boulevard Erosion Project. This project was abandoned and the money will be used to purchase an Ambulance for the Fire Department, with the 25% match.

Both vehicles are ones that would have been replaced in May 2018 during the regular budget process, however Ms. Lawrence said with the 25% match, it's better to move forward with the purchases at this time.

**PURCHASE OF AN AMBULANCE FOR THE FIRE
DEPARTMENT UNDER THE FEMA ALTERNATIVE PROJECT
PROGRAM**

AMBULANCE

ACTION TAKEN.

Motion by Deputy Mayor Sofey to approve the request to advertise for the purchase of a police patrol vehicle and

an ambulance under the FEMA Alternative Project Program, as presented. Second by Council Member Teamann.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

CHANGE ORDER NO. 2

MEADOWS CIRCLE PAVING PROJECT; LYNN VESSELS CONSTRUCTION; \$6,349.75 INCREASE

The City Council approved Change Order No. 2, for a \$6,349.75 increase to Lynn Vessels Construction, for the Meadows Circle Paving Project. This change order is a final reconciliatory change order to adjust the final project quantities.

The project involved the rehabilitation of the City's infrastructure that had previously been noted as deteriorated or otherwise in need of rehabilitation. The change order results in a final contract price of \$63,691.70.

CONSENT AGENDA.

OTHER BUSINESS

APPROVE THE QUARTERLY INVESTMENT REPORTS FOR QUARTER ENDED DECEMBER 31, 2016

The City Council approved the Quarterly Investment Reports for the quarter ended December 31, 2016. A separate report is included for the Debt Proceeds portfolio that includes the Tax Note and the 2016 Certificates of Obligation proceeds, as required by the Investment Policy.

As of December 31, 2016, the portfolios were in compliance with applicable State laws and the Investment Policy. The Operating investment portfolio had a book value of about \$14.7 million, a decrease of about \$2.9 million from prior quarter of \$17.6 million, due to maturities, a withdrawal from the Local Government Investment Pool, and a called U.S. Agency Security.

The underlying investments were adequately diversified among four different types of securities. This portfolio is appropriately liquid and its weighted-average maturity was about 470 days, a decrease of 496 days from last quarter.

The portfolio yield of 1.036% for the quarter is higher than the benchmark yield of 0.85%. The portfolio value on the City's books is essentially equal to the market value of the overall portfolio.

The Debt Proceeds portfolio balance of \$8.1 million was invested in a Local Government Investment Pool with a maturity of one day. Current period transactions included the addition of interest income and approximately \$470,000 for

CHANGE ORDER
MEADOWS CIRCLE
PAVING PROJECT

QUARTERLY
INVESTMENT
REPORTS

COUNCIL MINUTES – JANUARY 16, 2017

project payments. The yield of .41% was below the benchmark yield of .44% for this portfolio. Book value and market value were about the same.

CONSENT AGENDA.

AMENDING FINAL PLAT APPROVAL OF WEST CANYON CREEK ESTATES; SECTION 3, BEING 105.102 ACRES IN THE JAMES H. VADEN SURVEY, ABSTRACT NO. 1288; WEST CANYON CREEK PROPERTIES, LTD, OWNERS; CITY OF SHERMAN, DEVELOPER; AND BROCKETTE/ DAVIS/DRAKE, INC., SURVEYOR (2700-2800 BLOCKS OF SHADY OAKS LANE AND 3300-3600 BLOCKS OF CANYON CREEK DRIVE

Mr. Shadden explained that this plat has already been approved but a corrected plat is needed to correct errors on Tract 1 and Tract 5 of West Canyon Creek Estates, Section 3, according to the Plat Records of Grayson County, Texas, recorded in Volume 23, Page 172 on August 31, 2016.

AMENDING FINAL
PLAT APPROVAL
WEST CANYON
CREEK ESTATES

ACTION TAKEN.

Motion by Council Member Howeth to amend the Final Plat of the West Canyon Creek Estates to correct errors on Tract 1 and Tract 5 in the Plat Records of Grayson County, Texas, recorded in Volume 23, Page 172, on August 31, 2016, as presented. Second by Council Member Steele.

VOTING AYE: Brown, Couch, Howeth, Sofey, Steele, Teamann.

VOTING NAY: None.

MOTION CARRIED.

FINAL PLAT APPROVAL OF SHERMAN CARWASH ADDITION, BEING 3.127 ACRES IN THE HILLARD JENNINGS SURVEY, ABSTRACT NO. 639; IBRAHIM ABU SARRIS FAMILY, LP, OWNERS; AARON COLE, DEVELOPER, HOMEYER ENGINEERING, INC., CIVIL ENGINEER; AND UNDERWOOD DRAFTING AND SURVEYING, SURVEYOR (3600 BLOCK OF LOY LAKE ROAD AND 900 BLOCK OF EAST PECAN GROVE ROAD)

The City Council approved the Final Plat of Sherman Carwash Addition, being 3.127 acres located in the 3600 block of Loy Lake Road and 900 block of East Pecan Grove Road. The owners would like to plat the property into two lots for commercial development.

APPROVE FINAL PLAT
SHERMAN CARWASH
ADDITION

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

FINAL PLAT APPROVAL OF MAGNOLIA VILLAGE, BEING 12.00 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 275; YOUNG ENTERPRISES, LP, OWNERS; DANIEL WORRELL, REPRESENTATIVE; AND HELVEY-WAGNER SURVEYING, SURVEYOR (300-500 BLOCKS OF EAST NORTHCREEK DRIVE)

The City Council approved the Final Plat of Magnolia Village,

APPROVE FINAL PLAT
MAGNOLIA VILLAGE

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being 12 acres located in the 300 to 500 blocks of East Northcreek Drive. The owners would like to plat the property into 44 lots for residential development.

The Planning and Zoning Commission recommended approval of the Final Plat, subject to the Staff Review Letter.
CONSENT AGENDA.

CITIZENS REQUESTS

There were no citizen's requests.

MEDIA QUESTIONS

There were no media questions.

ANNOUNCEMENT

Mr. Hefton announced that there has been some "reshuffling" of responsibilities recently at the City because of turnover. It started, in part, by Clay Barnett, former Director of Public Works and Engineering, who left the City to work for Grayson County.

Recently Clint Philpott was promoted to Director of Engineering. In the area of Public Works, Steve Ayers was named Director of Public Services; and Theresa Hutchinson and Nate Strauch have been give additional responsibilities.

Mr. Hefton said the City looks for good people and then "plugs" them in where they're needed. He said the City has a great staff and he is very pleased and believes the staff members are in the right place.

Mayor Plyler congratulated the staff members on their new job duties.

COUNCIL COMMENTS

DR. MARTIN LUTHER KING, JR. DAY EVENTS

Council Member Brown thanked everyone that participated in the Dr. Martin Luther King, Jr. Day celebration, saying there was more participation this year than ever before. He thanked the Council and staff for all the support given to the event.

DEVELOPMENT IN SHERMAN

Deputy Mayor Sofey said there's almost always some development going on in Sherman now. He said it's always encouraging to see.

SWEARING IN OF POLICE CHIEF ZACH FLORES

Deputy Mayor Sofey said he was proud to attend the swearing in of new Police Chief Zach Flores recently.

JOB FAIR

Council Member Steele announced that a Job Fair will be held on Thursday, January 19, 2017, from 10:00 a.m. until 6:00

CITIZEN'S REQUESTS

MEDIA QUESTIONS

ANNOUNCEMENT

DR. MARTIN LUTHER
KING, JR. DAY
EVENTS

DEVELOPMENT
IN SHERMAN

SWEARING IN OF
POLICE CHIEF
ZACH FLORES

JOB FAIR

p.m., in the Municipal Ballroom. He encouraged anyone needing a job to attend the Job Fair and talk with potential employers.

He said he recently met with the plant manager of Tyson Foods, and they are down 12 positions in their maintenance department. They have increased the hourly wage to \$12.00 per hour to help fill the positions.

Currently the local unemployment rate is 3.4% and that means that employers are desperate for people. He said there are a lot of jobs in the Sherman area that need to be filled.

SHERMAN PROJECTS

Council Member Couch listed various projects that are going on in Sherman including Sherman Crossroads, a new Library, a new Fire Station, a new shopping center, a new major thoroughfare, Travis Street Extension over Hwy 75, and new roads and bridges.

He said the City of Sherman is very aggressive in development of the infrastructure and the growth that has been seen in the last two years has been truly amazing. He felt these were wise investments to continue that growth.

He added that the \$25 million expansion of the Water Treatment Plant is the biggest asset in utilities that the City offers. It will actually pay for itself.

DR. MARTIN LUTHER KING, JR. BREAKFAST

Council Member Teamann said he attended the Dr. Martin Luther King, Jr. Breakfast this morning and it was a “fantastic event” and was great for the community.

JACQUELINE BANFIELD RETIREMENT

Council Member Teamann recognized Ms. Banfield on her retirement as Library Services Administrator and her 41 years of service with the City.

INFRASTRUCTURE DEVELOPMENT

Council Member Teamann said he was encouraged with the potential for road development in Sherman and the exciting things that are going on with the construction of infrastructure. He encouraged the staff to “look into” bike lanes to help make the citizens more active.

He was also glad to see that Fire Station #4 was on the list of projects for the future. He felt that was very important and should be moved to the top of the list.

JACQUELINE BANFIELD RETIREMENT

Mayor Plyler recognized Ms. Banfield and reiterated how much the City Council and staff appreciated her work over the years.

SHERMAN PROJECTS

DR. MARTIN LUTHER KING, JR. BREAKFAST

JACQUELINE BANFIELD RETIREMENT

INFRASTRUCTURE DEVELOPMENT

JACQUELINE BANFIELD RETIREMENT

ANNOUNCEMENTS

Mayor Plyler announced the following:

- Habitat for Humanity will hold their fundraiser in the Municipal Ballroom on January 21, 2017, at 6:30 p.m.
- Sherman Chamber of Commerce's Annual Awards Luncheon will be held on February 3, 2017, at Austin College.
- Parks and Recreation will host their Annual Father Daughter Dance on February 4, 2017, at 3:00 p.m. and 7:00 p.m.

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

SECTION 551.071 CONSULTATION WITH CITY
ATTORNEY CONCERNING
PENDING OR CONTEMPLATED
LITIGATION

SECTION 551.087 DELIBERATE REGARDING
ECONOMIC DEVELOPMENT
NEGOTIATIONS:
DELIBERATE REGARDING
COMMERCIAL OR FINANCIAL
INFORMATION THAT THE CITY
HAS RECEIVED FROM A
BUSINESS PROSPECT AND
DELIBERATE ANY OFFERS OR
INCENTIVES TO THE BUSINESS
PROSPECT

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:04 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:51 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

ANNOUNCEMENTS

EXECUTIVE SESSION

OPEN MEETING

COUNCIL MINUTES – JANUARY 16, 2017

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:51 p.m.

ADJOURNMENT

MAYOR

CITY CLERK