STATE OF TEXAS §

September 8, 2020

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Called Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on September 8, 2020.

MEMBERS PRESENT: **MAYOR DAVID PLYLER; DEPUTY MAYOR WILLIE STEELE. COUNCIL MEMBERS HOLLAND, HOWETH, MELTON, STEVENSON, TEAMANN.**

MEMBERS ABSENT: **NONE.**

CALL TO ORDER — **CALL TO ORDER**

Mayor Plyler called the meeting to order at 5:00 p.m. The Pledge of Allegiance and Invocation were given by Council Member Pam Howeth.

APPROVE MINUTES — **APPROVE MINUTES**

The Council reviewed the Minutes of the Regular City Council Meeting of August 17, 2020. Council Member Howeth moved to approve the Minutes, as presented; Second by Council Member Teamann; All present voted AYE.
MOTION CARRIED.

CITIZEN'S COMMENTS — **CITIZEN'S COMMENTS**

There were no citizen's comments.

Mayor Plyler introduced Ordinance No. 6316 and called for a public hearing: — **ORD 6316 CANCELING REGULAR MUNICIPAL ELECTION**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING AS ELECTED THE UNOPPOSED CANDIDATES FOR THE OFFICE OF CITY COUNCIL MEMBER FOR DISTRICT 2 AND FOR DISTRICT 4; FINDING THAT ALL NECESSARY AND REQUIRED LEGAL CONDITIONS HAVE BEEN SATISFIED; PROVIDING THAT THE NOVEMBER 3, 2020 REGULAR MUNICIPAL ELECTION FOR CITY COUNCIL SHALL NOT BE HELD; PROVIDING FOR POSTING OF THIS ORDINANCE ON ELECTION DAY, NOVEMBER 3, 2020; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

Brandon Shelby, City Attorney, said the City was able to cancel the Regular Municipal Election, as all positions were unopposed.

No citizens appeared before the City Council to discuss Ordinance No. 6316.

Mayor Plyler introduced Ordinance No. 6317 and called for a public hearing: — **ORD 6317 TIRZ #3 EXPANSION**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXPANDING SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3) (EAST OF

INTERSECTION OF U.S. HIGHWAY 75 AND LOY LAKE ROAD); PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

Mary Lawrence, Director of Finance, said this ordinance would expand Tax Increment Reinvestment Zone #3, which includes Kohl's, Academy, and Cracker Barrel. It also includes Loy Lake Road from Hwy 75 to Hwy 82.

The expansion would include an 80 plus acre tract, south of that area, by Gallagher Road. The new project would be at the old Medical Plaza Hospital site.

This is the last year that funds from the original financing plan would be used, and that was for the improvements on Loy Lake Road. The tax notes were paid off in 2020.

The new project would only be paid using incremental revenues and fund balances currently in that fund. The proposed projects are estimated to be about $400,000 out of the current tax increment fund. The rest of the project cost is estimated at $1 million total, $400,000 for the City and about $600,000 for the owner of the property.

She said the next agenda item is to amend the project and financing plan that was just discussed.

No citizens appeared before the City Council to discuss Ordinance No. 6317.

Mayor Plyler introduced Ordinance No. 6318 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING AND APPROVING THE AMENDED PROJECT PLAN AND THE FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3); PROVIDING FOR FINDINGS OF FACT.

ORD 6318
TIRZ #3 AMENDED PROJECT PLAN & FINANCING PLAN

Ms. Lawrence said the first vote was to expand the Tax Increment Reinvestment Zone #3, and the second step is to amend the Project and Financing Plan.

The TIRZ #3 Board has approved the Plan and now it is set for City Council approval.

No citizens appeared before the City Council to discuss Ordinance No. 6318.

Mayor Plyler introduced Ordinance No. 6319 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 6.11, ORDINANCE NO. 2280, SO AS TO AMEND A PLANNED DEVELOPMENT FOR BEL AIR VILLAGE FORMERLY KNOWN AS TERRA PERPETUA VILLAGE (ORDINANCE NO. 6232) IN THE 300-1000 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERANS PARKWAY), TO

ORD 6319
BEL AIR VILLAGE PLANNED DEVELOPMENT

INCLUDE 32.545 ACRES FOR A TOTAL OF 278.313 ACRES IN THE SHERROD DUNMAN SURVEY, ABSTRACT NO. 329 (TERRA PERPETUA, LLC, OWNERS; BRYAN KLEIN, ION DESIGN GROUP, REPRESENTATIVE; BUSH ARCHITECTS, LLC, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS PLANNED DEVELOPMENT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Rob Rae, Director of Development Services, said this item is for a zone change from R-1 to a Planned Development. A small portion of the existing Planned Development that will be expanded.

He said there are also some amendments to the Planned Development and the name of the Planned Development will be changed from Terra Perpetua to Bel Air Village.

The Planning and Zoning Commission recommended approval of the Planned Development.

No citizens appeared before the City Council to discuss Ordinance No. 6319.

ORD 6320
ATMOS RATE REVIEW
NEGOTIATED
SETTLEMENT

Mayor Plyler introduced Ordinance No. 6320 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION, REGARDING THE COMPANY'S 2020 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

Mr. Shelby said several months ago, the City Council declared that the request for Atmos' rate increase was unreasonable. Since that time, there has been negotiations with the Steering Committee.

Atmos was claiming $441.2 million, but the consultants concluded that $80.8 million was a more reasonable amount.

A settlement was reached for an additional $90 million with a two month effective day delay, which would functionally be the same as the $80.8 million.

Mr. Shelby said the impact on the average residential customer will be about $5.15 per month, or a 9.9% increase for a residential user. For an average commercial user, the impact will be $15.48 per month, or a 6.56% increase.

No citizens appeared before the City Council to discuss Ordinance No. 6320.

Mayor Plyler introduced Ordinance No. 6321 and called for a public hearing:

ORD 6321 ZONE CHANGE FOR DEVELOPMENT (900 BLOCK OF NORTH FM 1417)

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 900 BLOCK OF NORTH F.M. 1417 (HERITAGE PARKWAY), TRACT 1 BEING 11.244 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, AND TRACT 2 BEING 0.010 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, FOR A TOTAL OF 11.254 ACRES (WASHINGTON 1417 LP, OWNERS; TIM PIKE, WYLDEWOOD HOMES, PROSPECTIVE BUYER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

Mr. Rae said this is a zone change from C-1 to R-1, on FM 1417, close to Washington Street. There are 136 proposed lots at the location. The owner has not proposed any exceptions or variances.

No citizens appeared before the City Council to discuss Ordinance No. 6321.

Mayor Plyler introduced Ordinance No. 6322 and called for a public hearing:

ORD 6322 SUP FOR INDOOR GUN RANGE (2926 TEXOMA PKWY)

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 COMMERCIAL AMUSEMENT CENTER (INDOOR GUN RANGE) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 2926 TEXOMA PARKWAY, BEING 1.719 ACRES IN THE REUBEN HENDRIX SURVEY, ABSTRACT NO. 504 (PHILLIP S. JENNINGS, JR. FAMILY TRUST, OWNERS; STEVE JENNINGS, REPRESENTATIVE; BLACKBEARD ARMORY & RANGE, LLC, TENANT; TAP SMITH, MANAGER; 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.

Mr. Rae said this is for a Specific Use Permit to allow a gun range at this location. There was previously a gun range at this location, however it was discontinued for more than 60

days. Because of that, they were required to apply for another SUP. The new owners are planning to update the gun range and to improve the safety.

The Planning and Zoning Commission recommended approval of the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6322.

Mayor Plyler introduced Ordinance No. 6323 and called for a public hearing:

ORD 6323 ZONE CHANGE & SUP FOR PATIO HOMES (500 BLOCK OF EAST NORTHCREEK)

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 AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW UP TO THIRTY-NINE (39) PATIO HOMES IN THE PROPOSED COTTAGES OF MAGNOLIA VILLAGE IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE, BEING 6.166 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273 (YOUNG ENTERPRISES, LP, OWNERS; VINCENT STANKO, JONES/CARTER, CIVIL ENGINEER; DREAM TO LIFE DESIGNS, DESIGNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Mr. Rae said this zone change from C-1 to R-1, is behind Home Depot on East Northcreek Drive. The Specific Use Permit is for patio homes, as well as the zone change.

The applicant met with the Planning Department, Engineering, and the Fire Marshal, in advance of his application with the Planning and Zoning Commission.

The Planning and Zoning Commission approved the zone change and the Specific Use Permit.

No citizens appeared before the City Council to discuss Ordinance No. 6323.

Mayor Plyler introduced Ordinance No. 6324 and called for a public hearing:

ORD 6324 ZONE CHANGE (230 EAST SYCAMORE)

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 C-1 (RETAIL BUSINESS) DISTRICT AT 230 EAST SYCAMORE STREET, BEING LOT 1, ELLISON ADDITION (1303 GROUP, LLC, OWNERS; VILBIG & ASSOCIATES, PLLC, CIVIL ENGINEER; AND DAVID BACA STUDIO, ARCHITECT); PROVIDING FOR A REPEALER.

Mr. Rae said this item is for a zone change from C-2 to C-1, to build a three-story office building, across from the Department of Public Safety Office. The zone change is required to build a three-story building.

The Planning and Zoning Commission recommended approval of the zone change.

No citizens appeared before the City Council to discuss Ordinance No. 6324.

Mayor Plyler introduced Ordinance No. 6325 and called for a public hearing:

ORD 6325
STOP SIGNS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT ALL WAY "STOP" SIGNS AT THE INTERSECTION OF CASE ROAD AND ELLIOTT ROAD WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN, TEXAS; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Wayne Lee, Director of Engineering, said the City had a request that a stop sign be placed on Case Road At Elliott Road, due to sight restrictions.

The staff evaluated the situation and determined that there were sight issues at the location and it was hard to see traffic without entering the intersection. It was determined that there was justification for a three-way stop.

No citizens appeared before the City Council to discuss Ordinance No. 6325.

The Public Hearing was closed.

ADOPTION OF ORDINANCES

Ordinance 6316

ORD 6316
CANCELING REGULAR MUNICIPAL ELECTION

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DECLARING AS ELECTED THE UNOPPOSED CANDIDATES FOR THE OFFICE OF CITY COUNCIL MEMBER FOR DISTRICT 2 AND FOR DISTRICT 4; FINDING THAT ALL NECESSARY AND REQUIRED LEGAL CONDITIONS HAVE BEEN SATISFIED; PROVIDING THAT THE NOVEMBER 3, 2020 REGULAR MUNICIPAL ELECTION FOR CITY COUNCIL SHALL NOT BE HELD; PROVIDING FOR POSTING OF THIS ORDINANCE ON ELECTION DAY, NOVEMBER 3, 2020; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

Ordinance 6317

ORD 6317
TIRZ #3 EXPANSION

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, EXPANDING SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3) (EAST OF INTERSECTION OF U.S. HIGHWAY 75 AND LOY LAKE ROAD);

PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER CLAUSE.

Ordinance 6318 — **ORD 6318 TIRZ #3 AMENDED PROJECT PLAN & FINANCING PLAN**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ACCEPTING AND APPROVING THE AMENDED PROJECT PLAN AND THE FINANCING PLAN FOR THE SHERMAN TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE (#3); PROVIDING FOR FINDINGS OF FACT.

Ordinance 6319 — **ORD 6319 BEL AIR VILLAGE PLANNED DEVELOPMENT**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING SECTION 6.11, ORDINANCE NO. 2280, SO AS TO AMEND A PLANNED DEVELOPMENT FOR BEL AIR VILLAGE FORMERLY KNOWN AS TERRA PERPETUA VILLAGE (ORDINANCE NO. 6232) IN THE 300-1000 BLOCKS OF EAST F.M. 1417 (VIETNAM VETERANS PARKWAY), TO INCLUDE 32.545 ACRES FOR A TOTAL OF 278.313 ACRES IN THE SHERROD DUNMAN SURVEY, ABSTRACT NO. 329 (TERRA PERPETUA, LLC, OWNERS; BRYAN KLEIN, ION DESIGN GROUP, REPRESENTATIVE; BUSH ARCHITECTS, LLC, ARCHITECT; AND UNDERWOOD DRAFTING AND SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER CLAUSE; PROVIDING THAT THIS PLANNED DEVELOPMENT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Ordinance 6320 — **ORD 6320 ATMOS RATE REVIEW NEGOTIATED SETTLEMENT**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION, REGARDING THE COMPANY'S 2020 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; PROVIDING FOR A REPEALER; PROVIDING FOR SEVERABILITY; DECLARING AN EFFECTIVE DATE; REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

Ordinance 6321 — **ORD 6321 ZONE CHANGE FOR DEVELOPMENT (900 BLOCK OF NORTH FM 1417)**

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 900 BLOCK OF NORTH F.M. 1417 (HERITAGE PARKWAY), TRACT

1 BEING 11.244 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, AND TRACT 2 BEING 0.010 ACRES IN THE J.B. McANAIR SURVEY, ABSTRACT NO. 763, FOR A TOTAL OF 11.254 ACRES (WASHINGTON 1417 LP, OWNERS; TIM PIKE, WYLDEWOOD HOMES, PROSPECTIVE BUYER; AND PRESTON TRAIL LAND SURVEYING, SURVEYOR); PROVIDING FOR A REPEALER.

Ordinance 6322

ORD 6322 SUP FOR INDOOR GUN RANGE (2926 TEXOMA PKWY)

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 COMMERCIAL AMUSEMENT CENTER (INDOOR GUN RANGE) IN A C-2 (GENERAL COMMERCIAL) DISTRICT AT 2926 TEXOMA PARKWAY, BEING 1.719 ACRES IN THE REUBEN HENDRIX SURVEY, ABSTRACT NO. 504 (PHILLIP S. JENNINGS, JR. FAMILY TRUST, OWNERS; STEVE JENNINGS, REPRESENTATIVE; BLACKBEARD ARMORY & RANGE, LLC, TENANT; TAP SMITH, MANAGER; 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 6323

ORD 6323 ZONE CHANGE & SUP FOR PATIO HOMES (500 BLOCK OF EAST NORTHCREEK)

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 AND SECTION 8, SUBSECTION (5)(A), ORDINANCE NO. 2280, SO AS TO GRANT A SPECIFIC USE PERMIT TO ALLOW UP TO THIRTY-NINE (39) PATIO HOMES IN THE PROPOSED COTTAGES OF MAGNOLIA VILLAGE IN AN R-1 (ONE FAMILY RESIDENTIAL) DISTRICT IN THE 500 BLOCK OF EAST NORTHCREEK DRIVE, BEING 6.166 ACRES IN THE JAMES H. CLARK SURVEY, ABSTRACT NO. 273 (YOUNG ENTERPRISES, LP, OWNERS; VINCENT STANKO, JONES/CARTER, CIVIL ENGINEER; DREAM TO LIFE DESIGNS, DESIGNER; AND HELVEY-WAGNER SURVEYING, INC., SURVEYOR); PROVIDING FOR A REPEALER; PROVIDING THAT THIS SPECIFIC USE PERMIT SHALL BE GRANTED SUBJECT TO CERTAIN CONDITIONS; PROVIDING A PENALTY NOT TO EXCEED $2,000.00.

Council Member Melton asked what patio homes were, and if it related to the dimensions of a lot. Mr. Rae said patio homes are located on smaller lots and have smaller setbacks from the side.

She asked if the reason was to get more houses in the area. Mr. Rae said there were a variety of reasons, to use the patio home designation, but that was one of the reasons. She verified that is the reason for this particular request.

Council Member Melton asked why that required an exception. Mr. Rae said currently the R-1 zoning only allows a minimum of 60-foot lots, and in this case, they would want a smaller lot. She verified that the lot length for these patio homes was 50 feet, which would be 10 feet less on each lot.

Council Member Holland verified the vote from the Planning and Zoning Commission, which was seven to zero in favor of approval.

Ordinance 6324 — **ORD 6324 ZONE CHANGE (230 EAST SYCAMORE)**

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 C-1 (RETAIL BUSINESS) DISTRICT AT 230 EAST SYCAMORE STREET, BEING LOT 1, ELLISON ADDITION (1303 GROUP, LLC, OWNERS; VILBIG & ASSOCIATES, PLLC, CIVIL ENGINEER; AND DAVID BACA STUDIO, ARCHITECT); PROVIDING FOR A REPEALER.

Ordinance 6325 — **ORD 6325 STOP SIGNS**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR PERMANENT ALL WAY "STOP" SIGNS AT THE INTERSECTION OF CASE ROAD AND ELIOTT ROAD WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN, TEXAS; PROVIDING FOR A PENALTY PROVISION; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Council Member Melton asked about the site issues for this request. Mr. Lee said there was a huge amount of growth and vegetation at that location, which makes it hard to see to the west without entering the intersection.

Council Member Melton asked if it was the owner's or the City's responsibility to keep the vegetation trimmed. Mr. Lee said that property is in the County, but the roadway is actually in the City. Mr. Hefton added that there are also elevation changes that contribute to the sight issues.

Council Member Melton said if it's a sight issue, it can be fixed by the City. Mr. Lee said to do so, it would require that the City obtain sight easements from the property owner. Mr. Hefton said there would still be problems with sight visibility because of elevation changes in the road.

Mayor Plyler said the road slopes down at that intersection and there have been accidents. Council Member Melton said she wasn't against the signage, but felt there were other things to help keep accidents from happening.

Council Member Teamann said the City receives requests for yield signs, stop signs, and speed bumps, and he said one of the requirements is how many accidents have happened at the location. He asked what criteria is used and whom a citizen would contact if they wanted traffic control signage. Mr. Lee

said citizens should contact the Engineering Department. The staff would then evaluate the situation and consider the criteria required to justify the signage. It doesn't have to be just from the number of accidents at a location.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Ordinance Nos. 6316, 6317, 6318, 6319, 6320, 6321, 6322, 6323, 6324, and 6325, as presented. Second by Council Member Howeth.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

CONSENT AGENDA

CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Teamann asked to remove Item D-5, entitled "Resolution No. 6646 – Authorizing Execution of an Agreement for Fire Protection Services between Grayson County, Texas and the City of Sherman, Texas for the Period of October 1, 2020 through September 30, 2021" and Item D-6, entitled "Resolution No. 6647 – Authorizing Execution of an Agreement for Ambulance Services with Grayson County for the Period of October 1, 2020 through September 30, 2021" for consideration in their regular order of business.

Deputy Mayor Steele moved to approve the Consent Agenda, with the exception of Items D-5 and D-6, which will be considered in their regular order of business. Second by Council Member Howeth. All present voted AYE.

RESOLUTION NO. 6642 – APPROVING THE BYLAWS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A REVIEW OF THE BYLAWS; PROVIDING FOR AN EFFECTIVE DATE

RES 6642
SEDCO BYLAWS UPDATE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE BYLAWS OF THE SHERMAN ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A REVIEW OF THE BYLAWS; PROVIDING FOR AN EFFECTIVE DATE.

Kent Sharp, President, Sherman Economic Development Corporation, said they have been reviewing their by-laws and have made some significant changes that were approved by their board, and now need to be approved by the City Council.

The original by-laws were written in 1996, and were amended in 2006 and 2010. One reason for the review was to make sure the by-laws were in compliance with the Legislative changes.

There were some formatting changes, but Mr. Sharp said there was one big change. Previously the terms were two, two-year terms, for a total of four years. The board changed the terms to two, three-year terms, for a total of six years.

There was also some language introduced to help clarify the financial administration issues. This clarified what the board has authority to do versus what the Council has the authority to do.

Council Member Melton felt changing the terms on the board was a good idea. She said it's the same with Council Members, and takes a little time to get acclimated to the position.

Council Member Stevenson clarified that after serving two terms on SEDCO, board members would have to say off a complete three-year term before they would be eligible to serve again. Mr. Sharp added that the by-laws also contain clarifying language about how the term change would affect existing board members. Council Member Stevenson clarified that SEDCO officers are actually elected annually.

Council Member Howeth asked if there were any other organization by-laws that had not been updated. Mayor Plyler said each group is responsible for initiating the update of their own by-laws.

ACTION TAKEN.

Motion by Council Member Melton to adopt Resolution No. 6642, as presented. Second by Deputy Mayor Steele.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6643 DEVELOPMENT AGREEMENT – HP 2020 JOINT VENTURE (HICKORY ST)

RESOLUTION NO. 6643 – AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND HP 2020 JOINT VENTURE, A TEXAS JOINT VENTURE, FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN GRAHAM ADDITION, A 2.787-ACRE DEVELOPMENT OFF OF HICKORY STREET, NORTH OF PELTON STREET IN THE CITY OF SHERMAN

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SHERMAN AND HP 2020 JOINT VENTURE, A TEXAS JOINT VENTURE, FOR THE CONSTRUCTION OF PUBLIC FACILITIES IN GRAHAM ADDITION, A 2.787-ACRE DEVELOPMENT OFF OF HICKORY STREET, NORTH OF PELTON STREET IN THE CITY OF SHERMAN.

Mr. Lee said this was a development agreement with public improvements. This is a development of duplexes, and they are extending about 500 feet of water and wastewater mains to City standards.

Council Member Melton verified that the developer is not asking for anything from the City.

ACTION TAKEN.

Motion by Council Member Stevenson to adopt Resolution No. 6643, as presented. Second by Council Member Teamann.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6644
CBD HISTORIC BLDG RESTORATION GRANT (224 E. HOUSTON)

RESOLUTION NO. 6644 – AUTHORIZING EXECUTION OF AN AGREEMENT WITH GAVIN MANDT-RAUCH UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 224 EAST HOUSTON STREET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT WITH GAVIN MANDT-RAUCH UNDER THE CITY OF SHERMAN'S CENTRAL BUSINESS DISTRICT HISTORIC BUILDING RESTORATION AND IMPROVEMENT GRANT PROGRAM FOR IMPROVEMENTS TO 224 EAST HOUSTON STREET.

Nate Strauch, Community and Support Services Manager, said this is an application for the Historic Building Restoration and Improvement Grant, known as the Façade Grant, to be located in the downtown area.

Usually the developers make application to the City prior to beginning work. This application was "put on hold" for several months, because of the COVID situation, and the staff wanted to be sure the City was on firm financial footing before it was considered.

Gavin Mandt-Rauch said the application was submitted prior to starting the construction work. They should be getting the Certificate of Occupancy in about three weeks.

Improvements have cost about $250,000 instead of the $165,000 that was originally estimated. The building is located at the corner of Montgomery Street and Houston Street, and he said it is no longer an eyesore.

ACTION TAKEN.

Motion by Council Member Howeth to adopt Resolution No. 6644, as presented. Second by Council Member Stevenson.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

Deputy Mayor Steele said he would like to know how many of these projects have been approved, and how many have not started construction yet. He asked if the money was sitting

there waiting on these projects, and verified that there was a deadline.

Mr. Strauch said there is a deadline on the projects. Money for the projects would be encumbered and set aside, until the receipts are submitted. If they don't pull a permit during the first year on the project, the money "goes away" and they would need to reapply.

Mr. Hefton said the staff will get the other information that Deputy Mayor Steele asked about. Deputy Mayor Steele said he felt it was a good program, but felt there might be some funds available that aren't being used.

Mr. Strauch said 18 or 19 projects have been approved over the course of the entire program, and all but a couple of those have come to fruition.

RES 6645
RAMP GRANT FOR MUNICIPAL AIRPORT

RESOLUTION NO. 6645 – AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED BY THE TEXAS DEPARTMENT OF TRANSPORTATION UNDER THE ROUTINE AIRPORT MAINTENANCE PROGRAM TO FUND IMPROVEMENTS AT THE SHERMAN MUNICIPAL AIRPORT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING SUBMISSION OF AN APPLICATION FOR A GRANT AWARDED BY THE TEXAS DEPARTMENT OF TRANSPORTATION UNDER THE ROUTINE AIRPORT MAINTENANCE PROGRAM TO FUND IMPROVEMENTS AT THE SHERMAN MUNICIPAL AIRPORT; DESIGNATING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL TO ACCEPT, REJECT, ALTER OR TERMINATE THE GRANT ON BEHALF OF THE CITY.

CONSENT AGENDA.

RES 6646
FIRE SERVICES AGREEMENT WITH GRAYSON COUNTY

RESOLUTION NO. 6646 – AUTHORIZING EXECUTION OF AN AGREEMENT FOR FIRE PROTECTION SERVICES BETWEEN GRAYSON COUNTY, TEXAS AND THE CITY OF SHERMAN, TEXAS FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT FOR FIRE PROTECTION SERVICES BETWEEN GRAYSON COUNTY, TEXAS AND THE CITY OF SHERMAN, TEXAS FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021.

Council Member Teamann removed Item D-5 from the Consent Agenda for discussion.

Council Member Teamann asked for clarification on Items D-5 and D-6, saying between 2014 and 2018, there was an increase of about 3% in the rates of fire and ambulance services with

Grayson County. The rates held steady in 2018, 2019, and 2020.

He said he remembered that the County was going to upgrade some things and they were trading out services with the City in place of upgrading those rates.

Mr. Hefton said there are various services that the City provides to the County and various services that the County provides to the City.

Bill Magers, Grayson County Judge, said the County spent $1.5 million in infrastructure in the County, and it was a two-year "pay-off." This was done in lieu of increasing the fire and ambulance rates, since they spent $1 million in taxpayer money for the infrastructure. He added this should be the last year.

RES 6647 AMBULANCE SERVICE

AGREEMENT WITH GRAYSON COUNTY

RESOLUTION NO. 6647 – AUTHORIZING EXECUTION OF AN AGREEMENT FOR AMBULANCE SERVICES WITH GRAYSON COUNTY FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN AGREEMENT FOR AMBULANCE SERVICES WITH GRAYSON COUNTY FOR THE PERIOD OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021.

Council Member Teamann removed Item D-6 from the Consent Agenda for discussion.

ACTION TAKEN.

Motion by Council Member Teamann to adopt Resolution No. 6646 and 6647, as presented. Second by Council Member Holland.

VOTING AYE: Holland, Howeth, Melton, Steele, Stevenson, Teamann.
VOTING NAY: None.
MOTION CARRIED.

RES 6648 ENCROACHMENT EASEMENT FOR ACCESS DRIVE (ALLEY BETWEEN HIGHLAND & BINKLEY, SOUTH OF FAIRVIEW)

RESOLUTION NO. 6648 – AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO FACE VALUE PRODUCTIONS, INC. FOR THE INSTALLATION OF A TWELVE FOOT WIDE PAVED ACCESS DRIVE WITHIN THE PLATTED PUBLIC ALLEY RUNNING NORTH AND SOUTH BETWEEN HIGHLAND AVENUE AND BINKLEY STREET, SOUTH OF FAIRVIEW STREET IN NORTHWEST HEIGHTS 3RD ADDITION, VOLUME 2, PAGE 10, PRGCT, FOR REAR ENTRY PURPOSES FOR LOT 4, BLOCK 1 OF SAID NORTHWEST HEIGHTS 3RD ADDITION IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, AS SHOWN IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF AN ENCROACHMENT EASEMENT TO FACE VALUE PRODUCTIONS, INC. FOR THE INSTALLATION OF A TWELVE

FOOT WIDE PAVED ACCESS DRIVE WITHIN THE PLATTED PUBLIC ALLEY RUNNING NORTH AND SOUTH BETWEEN HIGHLAND AVENUE AND BINKLEY STREET, SOUTH OF FAIRVIEW STREET IN NORTHWEST HEIGHTS 3RD ADDITION, VOLUME 2, PAGE 10, PRGCT, FOR REAR ENTRY PURPOSES FOR LOT 4, BLOCK 1 OF SAID NORTHWEST HEIGHTS 3RD ADDITION IN THE CITY OF SHERMAN, GRAYSON COUNTY, TEXAS, AS SHOWN IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.
CONSENT AGENDA.

OTHER BUSINESS

RECEIVE BI-ANNUAL REPORT ON THE SHERMAN CULTURAL DISTRICT

SHERMAN CULTURAL DISTRICT REPORT

Cary Wacker, Former Mayor and Austin College Associate Vice President for Institutional Advancement and Director of the Center for Community and Regional Development, presented an update on the Sherman Cultural District. The update detailed accomplishments between March 2020 and August 2020.

She said with COVID, some of the plans they had for the Cultural District had to be changed and events had to be delayed. She also revamped the organization's website.

One event that was held was the Sher-Town Taco Tour, which "packaged what Sherman has," which was 13 "taco shops" in, or nearly in, the Cultural District.

During the period, and with the help of Jared Tredway, Cultural District Advisory Council Member, a new logo and new brand were introduced for the organization.

They also submitted an application to the Texas Commission on the Arts for a Cultural District grant for downtown wayfinding signage. They were awarded $4,800 for the signage, which will be matched by the City. The signs will be produced by the City's Street Department, and will replace the current 25-year old signs.

One project that was delayed from the early Spring until the Summer, was engaging some consultants to help design a public art plan. Through grant money, they were able to form a partnership with the Fort Worth Commission for the Arts, to help plan for a public art project. The written report will be available around the end of September 2020.

Ms. Wacker also outlined coming events, and recognized Jim Bob McMillan, Deputy Director, on his retirement from the Texas Commission on the Arts. He oversaw the Cultural District Programs for many years and helped Sherman prepare for and obtain the Cultural District designation.

Council Member Holland asked how the west side of Sherman was being promoted. Ms. Wacker said there has been a "soft relaunch" this summer. There are several things coming up

for the west side, but they plan to publicize them through social media.

RECEIVE PRESENTATION FROM DEVELOPMENT SERVICES DIRECTOR ROB RAE, AICP ON THE 2020 IMPACT FEE STUDY AND THE DRAFT IMPACT FEE ORDINANCE **IMPACT FEES**

Mr. Rae said this was an update item and no action was required from the Council tonight. A public hearing is scheduled for September 21, 2020 on the draft Impact Fee Ordinance. There will be a request for Council action at the next City Council Meeting.

At the last meeting, Jeff Whitacre, Vice President, Kimley-Horn, discussed the proposed Service Areas, Land Use Assumptions, Capital Improvement Plan and the Maximum Fee Calculation. The same presentation was presented to the Capital Improvements Advisory Committee at the August 18, 2020 Meeting. Mr. Rae presented CIAC comments that came from that meeting.

He outlined the elements of the draft Impact Fee Ordinance, adding that this includes the date the study was adopted; the Service Areas; the administration of the ordinances; how the Impact Fees are set; credits and offsets; how Impact Fees are collected; exemptions for Impact Fees, such as public schools, existing buildings, and affordable housing; and administration of Impact Fees, such as refunds, rebates, and appeals.

Mr. Rae presented the Roadway Impact Fee, which is designated by Service Areas, showing both the maximum fee per Service Unit and the proposed Collection Rate. He also broke it out by type of land use, per Service Area.

The Water and Wastewater Impact Fees proposed are based on meter size and are the same throughout the City. There are no specific Service Areas for these fees. He explained the maximum allowable Impact Fee and the proposed Collection Rate from the staff.

Based on input from the Council at the last meeting, Mr. Rae said they increased the proposed Impact Fees for water and wastewater. He presented the maximum Impact Fee allowable; the staff recommended fee; alternative fee 1; and alternative fee 2. He also compared these three amounts with Impact Fees for Anna, Melissa, Princeton, Celina, McKinney, and Prosper.

After the last Council Meeting, the staff recommended rates were increased by about 20% for the single-family equivalent, and the other numbers were updated based on that amount.

Mr. Rae said the Council was also asked to come up with some scenarios of different options and he presented those as well. The comparison listed the maximum allowable fee, the staff recommended fee, the fee that was originally recommended

by the staff, and another alternative that splits the difference between the new staff recommended and the maximum. In all but two cases, the staff recommended fee was lower than the comparable peer cities fee.

As an example of fees that could be collected, Mr. Rae said they took the staff recommended rate and applied it to what has been received from building permits so far in 2020, and from 2019.

If the fees had been applied in 2019, the maximum allowable rate would have collected $3.3 million, and the staff recommended rate would have collected $2.2 million. For year to date so far in 2020, the maximum allowable rate would have collected $1.7 million, and the staff recommended rate would have collected $1.1 million.

Mr. Rae also updated Council Members on the schedule of adoption of the Impact Fee Ordinance. The public hearing on the proposed ordinance will be presented for consideration at the September 21, 2020 Council Meeting.

Council Member Teamann recommended minimizing the fee as much as possible, especially on the local builders. He said they may not be building the large number of homes that some builders are building, and they won't receive the same type of incentives, but he wanted to encourage them to continue building in Sherman.

He said if it was impossible to build an incentive into the program, then he wanted to create the incentive prior to adoption of the ordinance, so they know what incentives they will have.

Council Member Teamann also wanted to review the retail development independently and create incentives and 380 Agreements for them, so they would also know what incentives they would have.

He added that with retail alone, sales tax dollars amount to about 50% of the City's General Fund income, and he felt it was important not to put roadblocks on those types of users. He asked that they come up with a creative 380 Agreement to totally offset the cost of retail Impact Fees.

Mayor Plyler said the retail development Impact Fee is already lower than the other types of development and is proposed at $50,000, based on 10,000 square feet, and user types and traffic loads.

Council Member Melton verified that a retail establishment would have the option each time of entering a 380 Agreement with the City. Council Member Teamann would like to have a "standard" 380 Agreement that is offered to all retailers.

Deputy Mayor Steele confirmed that Council Member Teamann wanted to offer every retailer coming to Sherman, a 380 Agreement. Mayor Plyler said in that case, get rid of the fee instead. Other Council Members did not want to eliminate the retail Impact Fee entirely.

Mr. Hefton said the staff is trying to gather what elements of the Impact Fee program the Council would like to enact or whether they want to add an incentive program. He said the staff would like to know what issues the Council has with the proposal and then they can respond to those.

So far, he said the Council has said the impact of Impact Fees might be more painful on local builders and on retail developers, and they might want to add incentive programs for those categories. He said the staff could develop incentives for those two categories.

As for industrial developers, Mr. Hefton said those incentive packages would probably be handled through an incentive package with SEDCO to rebate things back. He said the Council can't exempt certain classes entirely, but through development agreements and other mechanisms, they can address these issues.

Mayor Plyler said there is also a difference in retailers, such as Costco and a family restaurant. Mr. Hefton said, with Impact Fees, Costco would pay a higher fee than Pei Wei. The study accounts for traffic counts and other mechanisms. The study takes into account, a business' impact on infrastructure. By law, the City must be equitable in how the Impact Fees are applied.

Council Member Teamann asked for clarification, and said, every single-family residential unit in Service Area 1, would be charged the exact same fee. Then the retail unit at the $50,000 mark would be based on the end user types, traffic counts, and size. Mr. Hefton said that was correct.

Council Member Teamann said a very successful fast food chain, could potentially pay $200,000. Mr. Rae said there's a standard rate for a fast food restaurant, and any business can do their own traffic study. A restaurant that has a lot of traffic may want to accept the standard rate. Based on the previous staff recommendation, as applied to a new, drive-thru restaurant, it would have been about an $80,000 Impact Fee.

Deputy Mayor Steele said he understood there couldn't be a separate fee for a local builder, so how could that be handled. Mr. Hefton said the mechanism for incentivizing certain groups, such as infill development, is through a 380 Agreement, since the law does not allow a City to build in exceptions or exemptions. These agreements could pay part or all of the Impact Fees back to the builder, based on

whatever criteria the Council chooses. He suggested that if the Council wants to offer that incentive, they be set up through practice instead of through policy.

Council Member Stevenson asked that staff "flesh out some pretty robust infill mechanisms and other programs" for the Council to consider. He did not want to "convolute" the fees any more than they need to be. He felt the 380 Agreement was a better answer. He said Impact Fees are a long term tool.

Mr. Hefton clarified that what he has heard so far, to bring back for the Council's review, are programs that would address local builders, especially residential builders; a retail incentive program; and infill development.

Council Member Howeth said infill development is big in the southeast part of Sherman, which is her district. These are older homes, and infill development is on individual lots, usually where a home had been demolished. She verified that if there was previously a home on the lot and it is torn down, then building a new home on that lot would be exempt from Impact Fees. If the house is built on a vacant lot, the Impact Fee would apply.

She did not want to discourage local builders from building in that area because it revitalizes the southeast part of Sherman, and she said she would like that to continue. Council Member Howeth said she is not opposed to the Impact Fee, but she wanted to have some type of incentive for those builders of infill homes.

Council Member Howeth said she would support a minimum Impact Fee to start with, instead of the maximum fee. She added that after they see how the fee impacts builders, they can decide to increase it at that time. She didn't want to limit the builders.

Deputy Mayor Steele agreed that a lower Impact Fee would be better, and then it could be increased later, if needed. He did not feel that it would deter development.

Mr. Hefton clarified that the staff needs direction on an adoption date; a proposal as to how they can mitigate the impact to the three groups, local residential builders, a retail incentive program, and infill development; and a form for adoption. He asked if the Council still wanted to consider the proposed ordinance at the September 21, 2020 Council Meeting.

Council Member Melton wanted Impact Fees to become effective at the start of the next Fiscal Year. Council Member Stevenson wanted the fees to begin as soon as possible, but there are builders that have already started projects and their budgets are set, and he felt they needed some time, and wanted to give them 90 to 100 days before it became effective.

Mr. Hefton reminded Council Members that if the property has already been platted, there is a one year grace period. He asked if Council Members wanted to extend that period, and said he would need their direction on an effective date.

Council Member Teamann said there was no reason to rush into anything and wanted to get the ordinance right and get feedback from local builders. Council Member Stevenson felt the more advance notice they could give the builders, the better it would be. He also wanted to start with a moderate approach, which could be increased later.

Council Member Melton said Council Members were here to look out for the interests of all citizens of Sherman. The reason they are considering Impact Fees is to keep the tax rates down, to keep the water rates down, and to look out for all the citizens.

Mayor Plyler said the Council has discussed Impact Fees for a long time and asked where they were on the fee structure.

Mr. Hefton clarified that Council Members wanted the staff to come back with the Impact Fee Ordinance at the September 21, 2020 Council Meeting. The ordinance would have additional language about an effective date, which he verified should be January 1, 2021. It would also cover three fees, the water and wastewater fees, which wouldn't vary, and the roadway fee, which would be the same in all four Service Areas and based on the lowest amount allowed.

Clint Philpott, Assistant City Manager, said the biggest portion of the fee is the water, and that's because of the Water Treatment Plant. Some of the other cities' comparisons weren't as high as Sherman because they don't have their own water plant, they use North Texas Water District.

Deputy Mayor Steele said the staff presented three alternatives, based on direction from the Council at the last meeting. He recommended a decision at the next Council Meeting when they actually vote on the ordinance. Council Member Teamann asked what the "push" was.

Mr. Hefton said there was no deadline, and they could bring the ordinance back for multiple public hearings, however they would prefer to do it once. The study doesn't set the rates, it sets the maximum amount that would be allowed, and that's done.

He explained that on the wastewater and the water fees, it is impacting the utility rates. The theory is that these rates are already being paid through water rates, through sewer rates, or property tax rates. This would shift the burden of that to the people that are actually impacting the service. The water and sewer rates relate to the water and wastewater Impact Fees,

and the property tax rate relates to the roadway Impact Fees. Once they set the Impact Fee amount, it can be allocated between those three rates.

Council Member Teamann said unless they were going to lower property tax rates, water rates, or sewer rates for citizens, then they're not actually saving the citizens of Sherman anything.

Mr. Hefton verified that Impact Fees can be used for debt service. Every million dollars of debt is about $60,000 of debt service.

Council Member Teamann said there should be a direct offset to Impact Fees that would save the citizens money. Mr. Philpott said this income isn't guaranteed. The tax rate is guaranteed. Therefore a "direct offset" is hard to do. Mr. Hefton said saving citizens money would be borne out each year through the budget process.

Mr. Hefton said at the next Council Meeting he will bring back recommendations for policies or programs on the three incentive programs that were discussed, and an ordinance where Council Members can decide the rates they want to approve.

CONSIDER REQUEST OF TRUE OPTIONS PREGNANCY CENTER TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE FIFTH ANNUAL "TURKEY TROT 5K & FUN RUN" ON SATURDAY, NOVEMBER 21, 2020

CLOSE STREETS TURKEY TROT & FUN RUN (NOV. 21, 2020)

The City Council approved the request of True Options Pregnancy Center, to temporarily close certain streets for the Fifth Annual "Turkey Trot 5K & Fun Run" on November 21, 2020.

They are requesting to close Rusk Street in front of the Municipal Building from 7:00 am until 11:00 am. The run will require traffic control assistance, barricades, and cones from the City.
CONSENT AGENDA.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS
OPEN CONVERSATION

OPEN CONVERSATION

Council Member Stevenson said he was glad they were having such a frank and open conversation. He said it's not easy sometimes, and can be very complicated. He said the elected officials in Sherman really care about doing the right thing.

ANNOUNCEMENTS

ANNOUNCEMENTS

Mayor Plyler announced the following:

- **The Annual Patriots' Day Celebration will be held on September 11, 2020, at 8:00 am, at Simmons Bank.**

- **The dedication of the newest park addition at Pecan Grove West will be held on September 12, 2020, at 8:30 am A ribbon cutting will open the park for T-Ball.**

- **Sherman Arts Fest is scheduled for September 19, 2020, in Kidd-Key Park. Several changes will make the event fun and safe for all who attend. The event will feature a drone race.**

EXECUTIVE SESSION

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 551.071 --	**CONSULT WITH THE CITY ATTORNEY ON A MATTER IN WHICH 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 THIS CHAPTER**
SECTION 551.074 --	**PERSONNEL MATTERS: DELIBERATE THE EVALUATION OF A PUBLIC OFFICER OR EMPLOYEE ANNUAL PERFORMANCE EVALUATION OF THE CITY MANAGER** **DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE**
SECTION 551.087 --	**DELIBERATION 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 6:43 p.m.

On Motion duly made and carried, the Executive Session recessed at 7:28 p.m. and reconvened in Open Meeting.

OPEN MEETING **OPEN MEETING**

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

ADJOURNMENT **ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 7:28 p.m.

MAYOR

CITY CLERK