Post Office Box 9010 Addison, Texas
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5300 Belt Line Road
(972) 450-7000 Fax: (972) 450-7043

AGENDA

REGULAR MEETING OF THE CITY COUNCIL

AND / OR

WORK SESSION OF THE CITY COUNCIL

6:00 PM

AUGUST 13, 2013

TOWN HALL

ADDISON TOWN HALL, 5300 BELT LINE RD., DALLAS, TX 75254 I 6:00PM WORK SESSION I 7:30PM REGULAR AGENDA

WORK SESSION

Item #WS1 - Update on and discussion regarding the Accelerated Ventures Program and presentation of opportunities to expand the local entrepreneurial development vision through collaboration with the Dallas Entrepreneur Center (DEC), the North Texas Regional Center for Innovation Commercialization (RCIC), and the Dallas Small Business Development Center (SBDC).

Attachment(s):

1. OIP Relcation Expansion

REGULAR MEETING

Pledge of Allegiance

Item #R1-	Announcements and Acknowledgements regarding Town and Council Events and Activities Introduction of Employees Discussion of Events/Meetings
Item #R2-	Consent Agenda.
#2a-	Approval of the Minutes for the July 9, 2013 Regular Council Meeting.
#2b-	Approval of the Minutes for the July 15, 2013 Special Council Meeting.
#2c-	Approval of final payment to Austin Bridge & Road in the amount of $240,995.19 for the completion of construction of certain public infrastructure (including one pedestrian and two vehicular bridges) within that area of the Town generally known as Vitruvian Park (Vitruvian Park Public Infrastructure Phase 1D).
Item #R3 -	**PUBLIC HEARING** regarding the Town of Addison's Annual Budget and proposed tax rate for the Fiscal Year ending September 30, 2014.
Item #R4 -	Presentation, discussion and consideration of approval of a resolution establishing a vote of record that proposes a

property tax rate for the Town's fiscal year beginning October 1, 2013 and ending September 30, 2014, and designating dates for the holding of two public hearings regarding, and a proposed date for the adoption of, the property tax rate for the said 2013/2014 fiscal year, and scheduling a date for a public hearing on the proposed budget for the said 2013/2014 fiscal year.

Attachment(s):

1. Resolution of Proposed Tax Rate - FY2014
2. Published Tax Rates

Recommendation:

Because the city manager's proposed budget provides for a tax rate exceeding the net effective rate, it is recommended that Council establish a rate through the attached resolution.

Item #R5 -	Discussion regarding an update of the Public Safety the Addison Way program.

Item #R6 -	Discussion and consideration authorizing the City Manager to negotiate Memorandum of Understandings with the Dallas Entrepreneur Center, Dallas County Small Business Development Center, and the North Texas Regional Center for Innovation Commercialization in support of the Town's entrepreneurial development efforts. Recommendation: Administration recommends approval.

Item #R7 -	Presentation, discussion and consideration of approval of a contract with Affiliated Telephone Inc. for the purchase and

installation of the telecommunication systems in the amount of $208,564.66.

Attachment(s):

1. Telecom Replacement Price Comparison

Recommendation:

Administration recommends approval.

Item #R8 - REPLAT/Village on the Parkway. Presentation, discussion, and consideration of approval of a replat to consolidate three separate lots into one lot and add cross-access easements, on one lot of 31.608 acres, located at the southeast corner of the intersection of Dallas Parkway and Belt Line Road, on application from VOP, LP, represented by Mr. Trey Braswell of Kimley-Horn and Associates, Inc.

COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on July 25, 2013, voted to recommend approval of the final plat for Village on the Parkway, subject to the following conditions:

1.Instrument number for Sakowitz ROW abandonment on drawing does not match the description.

2.Dark line near title block does not make sense.

3.Point of description uses cap found at a corner clip of a ROW that has been abandoned. Is OK to use, but is confusing and may cause issues for future researchers.

Voting Aye: Doherty, Groce, Hewitt, Hughes, Oliver, Stockard, Wheeler, Voting Nay: none

Absent: none

Attachment(s):

1. docket map, staff report, and commission findings

Recommendation:

Administration recommends approval.

Item #R9 -	Presentation, discussion, and consideration of approval of a contract with Engineered Arresting Systems Corporation (ESCO) for the Engineered Materials Arresting Systems (EMAS) Crushable Concrete Blocks for Addison Airport in the Amount of $3,900,800. Recommendation: Administration recommends apprroval.
Item #R10 -	Presentation regarding the Surveyor Elevated Storage Tank project.
Item #ES1 -	Closed (executive) session of the Addison City Council, pursuant to Section 551.072, Texas Government Code, to deliberate the lease or value of certain real property located within the Town.
Item #R11 -	Consideration of any action regarding certain real property located within the Town of Addison, including the lease or value of such property and related matters. Recommendation: Administration recommends approval.
Adjourn Meeting	

Posted:
Chris Terry, 8/09/13, 5:00pm

THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST 48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.

Council Agenda Item: #WS1

AGENDA CAPTION:

Update on and discussion regarding the Accelerated Ventures Program and presentation of opportunities to expand the local entrepreneurial development vision through collaboration with the Dallas Entrepreneur Center (DEC), the North Texas Regional Center for Innovation Commercialization (RCIC), and the Dallas Small Business Development Center (SBDC).

FINANCIAL IMPACT:

FY 2014 financial impact would be approximately $354,500.

BACKGROUND:

In May 2013, Town Council authorized the City Manager to negotiate and execute a lease with the landlord of Office in the Park on Midway Road for 3,478 square feet to house the Town's economic development department along with the business start-ups emanating from Baylor University's Accelerated Ventures Program. Prior to lease execution, two additional opportunities presented themselves that would expand and grow our efforts in support of entrepreneurial development in the Town: The Dallas Entrepreneur Center and the North Texas Regional Center for Innovation Commercialization. These opportunities would help increase the number of business start-ups in Addison, enhance programs/activities for entrepreneurs, strengthen the local entrepreneurial eco-system, and make Addison a destination in North Texas for business start-ups.

Due diligence was conducted by the economic development department to evaluate both programs, and a formal proposal was presented to both groups for free office co-located at Office in the Park, contingent on city council approval. Both groups will provide an overview to the city council during this work session of their groups.

RECOMMENDATION:

COUNCIL GOALS:

Create raving fans of the Addison Experience, Maintain and enhance our unique culture of creativity and innovation, Attract new businesses to Addison

ATTACHMENTS:

Description:	Type:
OIP Relcation Expansion	Backup Material

Office in the Park:
Creating a hub for entrepreneurial development

Seizing opportunities to expand the economic development vibrancy of Addison

August 13, 2013

Current Status

- Formal MOU executed between Town of Addison and Baylor University (Accelerated Ventures Program).
- City Council approves city manager to negotiate and execute lease for 3,478 SF of space at Office in the Park for Economic Development Department and AVP.
- Lease agreement negotiations ensue between Town and Office in the Park Landlord.
- Preliminary proposal presented and accepted by the Dallas Small Business Development Center to house a counselor in Addison.
- 11th hour opportunities arise with Dallas Entrepreneur Center (The DEC) and the North Texas Regional Center for Innovation Commercialization (RCIC) to co-locate at Office in the Park.
- Negotiations for original 3,478 SF halted.
- Offer for free space proposal made to the DEC and RCIC.
- Verbal acknowledgements and acceptance provided by the DEC and RCIC.
- Space requirement grows to 14,000 SF.
- Proposal sought from landlord for entire second floor of Building 5 at Office in the Park.
- Formal presentation and request to be made to City Council on August 13.

Value Proposition:

Best Product (Innovation, Creativity)

Big Vision:

To become the premier location in North Texas for low tech and high tech business start-ups

Council Goal Alignment:

Values: Creative & Innovative.

Strategies: Fill office space, develop next generation idea, raise property values, attract new businesses, create raving fans of Addison.

Office in the Park Original Vision

Town of Addison
Economic Development Department
1,300 SF

Baylor University
Accelerated Ventures
Program
(AV: 1,778 SF)

Dallas County
Small Business
Development Center
(DCSBDC: 200 SF)

Total Space: 3,478 sq. ft.

Office in the Park Growth Vision

Town of Addison
Economic Development Department
1,300 SF

Baylor University Accelerated Ventures Program (AV: 1,600 SF)	**The Dallas Entrepreneur Center (The DEC: 6,700 SF)**
North Texas Regional Center for Innovation Commercialization (NTRCIC: 5,000 SF)	Dallas County Small Business Development Center (DCSBDC: 200 SF)

Total Space: 14,800 sq. ft.

Accelerated Ventures Program

Hankamer School of Business

Baylor University

- David Grubbs, Program Director.
- Potential to attract four business start-ups annually.
- Program supported by Baylor Angel Network.

acceleratedventures

Accelerated Ventures Program

David Grubbs is a successful serial entrepreneur and has founded eight companies in the internet services and internet marketing industries by the age of twenty-eight. He currently serves as the CEO of Vendevor, an ecommerce and payment processing platform that enables individuals and small businesses to easily sell products through their website, blog, or Facebook fan page and immediately accept credit cards from customers.

accelerated ventures

In addition to Vendevor, David is an active partner in two companies providing a range of direct to consumer products. In February 2011, he launched the Accelerated Ventures program at Baylor University with Dr. Les Palich and Dr. Kendall Artz. The innovative new program enables students to create real companies, raise real funds, launch products and services, and generate sales within months. Students learn the strategies and principles required to start and run a successful business while applying these principles in a live business.

David is a graduate of Baylor University (BBA) class of '07.

The Dallas Entrepreneur Center

Dallas Regional Chamber of Commerce

Major regional corporate support.

- Co-founders: Trey Bowles, Jeremy Vickers, Jennifer Conley.
- Addison would be satellite operation.
- Business incubator support provided.
- Potential to diversify business start-ups in Addison.
- The DEC would provide direct business incubation support to business start-ups including mentorships, networking events, counseling.

The DEC THE DALLAS ENTREPRENEUR CENTER

The Dallas Entrepreneur Center

Trey Bowles

- Co founder/CEO- Dallas Entrepreneur Center (DEC).
- Serial entrepreneur.
- Social capitalist.
- Startup Texas, Startup America.
- Cofounder/Adjunct Professor- Arts Entrepreneurship Department in the Meadows School of Arts at SMU **.**

Jeremy Vickers

- Managing Director of Innovation at the Dallas Regional Chamber.
- Texas Research Alliance.
- InnovateDFW.
- LaunchDFW.com.
- Texas Institute for Sustainable Technology.
- Former Director for Commercialization at the North Texas RCIC.

Jennifer Conley

- Former Director of Operations at Alcatel-Lucent's Gravity Center in Plano.
- Co-Founder of ILiveinDallas.com.
- Board member of Digital Dallas.

The DEC THE DALLAS ENTREPRENEUR CENTER

Regional Center for Innovation Commercialization

Diverse Portfolio of High-Tech Business Start-ups

Regional Corporate Stakeholders

University Partners

- Mari Smith, Director of Operations.
- Mission: *To accelerate the growth of the North Texas technology-based economy by identifying, educating and connecting entrepreneurs, investors, universities, government agencies and businesses.*
- Vision: *To establish North Texas as a premier center of technology, commercialization, innovation and entrepreneurship.*
- 26-Member Board of Directors.
- The NTRCIC covers 63 counties in North Texas.

Regional Center for Innovation Commercialization

Maria Smith is the Director of Operations for the North Texas RCIC, the North Texas regional vetting and marketing arm for the Texas Emerging Technology Fund. The RCIC identifies entrepreneurs and technology-based startups that are seeking equity investment, resources and services to advance product from lab to market. Previous to the RCIC, Smith specialized in Economic Development programs for the State of Texas and at the regional level for the Richardson Chamber of Commerce, creating partnerships with industry, academia and government agencies to foster community wealth. Smith understands the world of entrepreneurship from experience. She founded Benchmark Technologies in 1998, a staffing augmentation firm, and is a partner in Two Peppers Sales & Marketing, a family owned business.

Smith holds a Bachelor of Arts & Science degree from Queen's University, Kingston, Ontario, Canada. She attended the University of Texas at Dallas to complete a one-year thesis on competitive industry cluster growth and globalization trends. She currently serves as Chair on the board of the North Dallas chapter for CVT-IEEE and Chair for the North Central Texas Workforce Board Logistics and Advanced Manufacturing Council for North Texas; she also volunteers for non-profit organizations that invest in entrepreneurship. Smith lives in Wylie with her husband Gary, also an entrepreneur, and daughter Grace.

Dallas Small Business Development Center

Dallas County Community College District

US Small Business Administration

- The Dallas SBDC will hire a business consultant to be based in Addison on a part time basis which will turn full time when traffic warrants.
- The SBDC provides consulting, training programs , and valuable resources to existing businesses and entrepreneurs.
- Programs and training include: Business Plan Writing , Access to Capital, Training and Education, Legal Structures, Licenses and Permits, Marketing Research, Business Loans and Capital, Cash Flow, Marketing Strategies, Improve Profits, Accounting.
- The Addison location would be the only office in Northwest Dallas County.
- The Dallas SBDC is the main contractor to provide services for the US SBA.

SBDC

North Texas
Small Business
Development
Center Network

"Most new jobs won't come from our biggest employers. They will come from our smallest. We've got to do everything we can to make entrepreneurial dreams a reality."

--Ross Perot

The Future

A Serendipitous Entrepreneurial Collision: Addison's live, work, and play environment helps coalesce the local entrepreneurial eco-system into the vision being created.

- Economic Development Department: Continued emphasis on corporate recruitment, business retention & expansion, redevelopment, and goals and priority ED initiatives identified by Council and City Manager.
- Entrepreneurial support and growth provided by DEC, NTRCIC, and DCSBDC.
- Addison becomes a destination for entrepreneurial start-ups in North Texas.
- Opportunity to multiply Entrepreneurial activity that will lead to diverse business start-up types.
- Higher increase of job growth through business start-ups.
- The entrepreneurial eco-system coalesced and strengthened.
- Center speaks volumes of community business climate friendliness that helps attract other businesses within targeted sectors.
- Strong entrepreneurial activity helps attract a stronger creative class population.
- With greater entrepreneurial density, comes the potential to capture more business "gazelles" that will become new tenants in office buildings.
- Relationships with the DEC and NTRCIC helps open the door to develop relationships with large corporate partners and North Texas Universities.
- Potential to attract high-tech events to local conference venues.
- Endless opportunities for Town and local businesses to tap into new innovations and technology.

Timetable

- July 24: Provide city manager's office with relocation costs for 14,000 SF.
- July 24: Tour proposed location with N. Texas RCIC.
- July 24-August 13: Negotiate lease with office landlord to present to Council.
- August 13: City Council work session providing update on Accelerated Ventures Program and potential growth vision.
- August 13: Formal request to council allowing the City Manager to negotiate and MOUs with DEC, RCIC, and DCSBDC, and expanded lease.
- August: NTRCIC Board meets to consider office relocation.
- August 14: Solicit proposals for office design/layout.
- August 27: Consideration and action from City Council to negotiate and execute MOUs and a lease agreement for 14,000 at Office in the Park.
- August 30: Execute lease.
- September: Begin office finish-out.
- September: Negotiate agreements with the DEC, NTRCIC, Dallas SBDC.
- October 4: Move-in.

FY 2014 Budget Impact

Description	***3,478 SF***	***14,000 SF***
Rental + Operating	$ 46,524.00	$ 110,852.00
Communications-Office Systems	$ 27,000.00	$ 35,000.00
Office Supplies	$ 1,000.00	$ 3,000.00
Computer Hardware/Software	$ 2,000.00	$ 4,000.00
Furniture/Fixtures (Moving)	$ 1,000.00	$ 1,000.00
New Furniture/Fixtures*	$ 5,000.00	$ 10,000.00
Salaries (Dept. Asst.)	$ 15,870.00	$ 15,870.00
TMRS	$ 1,697.00	$ 1,697.00
Grp. Hosp. & Life Ins.	$ 8,695.00	$ 8,695.00
Medicare	$ 171.00	$ 171.00
Alarm System Installation	$ 1,500.00	$ 2,000.00
Alarm System Monitoring	$ 240.00	$ 240.00
Custodial Services	$ 3,578.00	$ 14,400.00
Building Insurance	$ 100.00	$200.00
TOTAL	**$ 114,375.00**	**$ 207,125.00**

*****This amount covers new furnishings that may be needed in FY 2014. The major expense for furniture will likely come from an FY 2013 MLS.

NOTE: The cost for tenant improvements is not included in the FY 2014 budget listed above. This cost will likely be incurred in FY 2013 through an MLS.

Incubator Programming

The Dallas Entrepreneur Center provides tailored programs for entrepreneurs delivered by high-experienced entrepreneurs. The DEC incubator program is designed to improve your business. We understand success is hard to achieve without the right support. There's no magic formula for success and building a business takes a lot of focus and hard work. We provide tools and touch points necessary for growing a business so you can remain focused on actually growing your business.

Startup Assessment
Measures the company's current status and identifies areas for improvement and a growth path.

Startup Framework
Establish action plans and set milestones for growth paths.

Startup Curriculum
3-month tailored program helping startups excel their leadership skills, fundraising strategies, market position, customer path, business plan, and elevator pitch.

Private Roundtables
Incubator members sit down with successful entrepreneurs, investors, and corporate executives to speak with entrepreneurs on positioning, financing, and other aspects of a startup venture.

Open Office Hours
Incubator members sit down with successful entrepreneurs, investors, and corporate executives to speak with entrepreneurs on positioning, financing, and other aspects of a startup venture.

Capital Introductions
Companies who fit the investment model of investors and capital and understand the requirements of seeking outside financing will be paired up with appropriate capital.

Customer/Industry Partner Introductions
Lead companies to customer and industry partners to help build validation, drive up valuation and potentially increase cash flow.

PR
Including making media and analyst relations available to members. Teaching companies how to use traditional and social media channels as part of their business.

Pitch Nights
Provides a platform for members to practice and improve their pitch in a relaxed and peer and mentor driven environment.

Video/Demo Platform
Incubator members can publish a demo video of their product/solution and provide periodic updates accessible by mentors, corporate partners, sponsors, and community partners.

Discussion Forum
Online discussion forum for entrepreneurs and employees to discuss the hot topics of being an entrepreneur.

Town of Addison – Dallas Entrepreneur Center Proposal

About the DEC

From creating jobs to triggering economic growth and generating local revenue, the value of startups can be seen in communities across the country. For the majority of entrepreneurial hopefuls, however, reaching a point of success is not without its challenges. The DEC removes those challenges by blending valuable online and offline resources in a much-needed physical presence to deliver direct access to the resources, education and guidance needed to make startup success and economic growth in Dallas achievable and sustainable.

The DEC is a collaborative environment brimming with experts and thought leaders from major corporations, investment groups, academic institutions and government entities. Through mentorship, in-person training and financial assistance programs, the DEC gives entrepreneurs access to leaders who have the resources to support their business goals and the personal knowledge and experiences to educate entrepreneurs on what it takes to launch, manage and grow a successful business. Attached is a summary of programs.

Proposed Relationship

Addison provides:
-Between 6,000 and 8,000 square feet of office space, rent free for 2-3 years with desks (roughly 40) co located with Town of Addison entrepreneurial or creative space.
-We request the ability to charge our incubated clients (startups) at a rate we deem appropriate (in the range $250-$300/seat/month) and to retain all income from said clients
-Assistance in the form of news or marketing support to promote the space as available to startups in the North DFW area.

The DEC Provides
-Incubation services to student companies in the Baylor Accelerated Ventures program while located at the Addison location.
-We would host startup related training and events at the location for the broad startup community that we run or that we invite partners to host in the form of: hackathons, technical training sessions, business training sessions, fundraising tips, networking events, conferences, and pitch days.
-We would help grow/promote the emerging startup community in Addison with public relations efforts and promotion of Addison as a strong startup community.
-We would provide incubation services to other Addison sponsored programs.
-We would provide advice on new programs to be evaluated by Addison for inclusion in their space as well as advice on design and layout of the entire space.

WHAT IS A STARTUP

{ AND WHY SHOULD YOU CARE? }

JOB CREATION

STARTUPS HAVE A SIGNFICANT IMPACT ON OUR ECONOMY

YOUNG, STRONG

Two thirds of all new jobs in the US are created by companies that are younger than 5 years old.

VISION, ACTION

Each month in the US 543,000 new businesses are launched by visionary entrepreneurs.

DESIRE, DRIVE

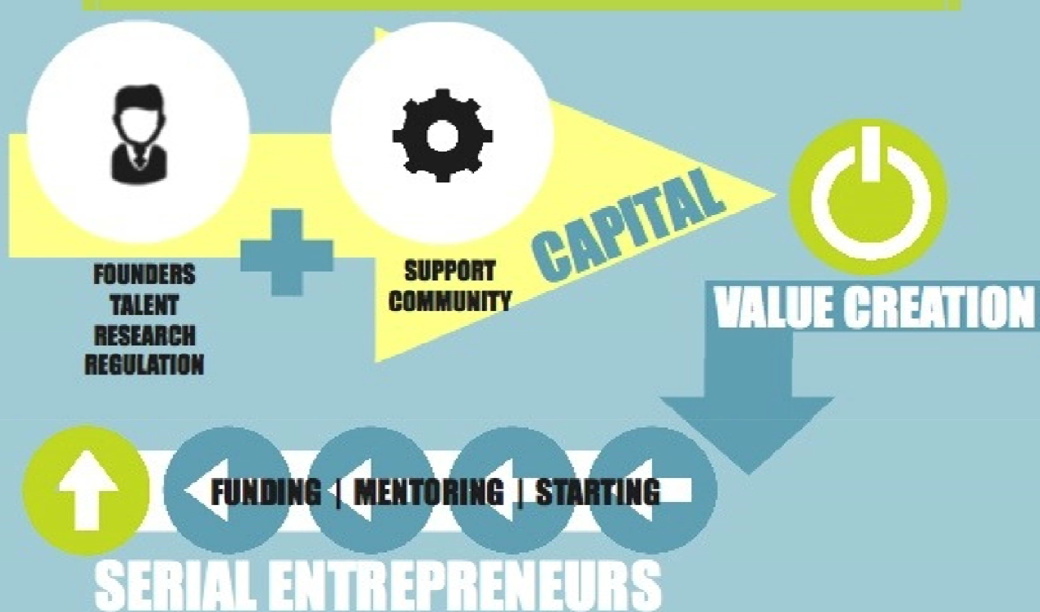
More than half of all 'Millennials' (GenY's) have started - or want to start - a business.

DEFINING THE STARTUP

rapid growth | innovative | visionary

scalable | culture driven | swinging for the fences

THE STARTUP ECOSYSTEM



WHAT ROLE DO YOU PLAY?

{ IS UP TO YOU. }

ACUITYCFO

deskmag

Why Startups are good for the economy

Coloft Santa Monica. A coworking space for freelancers & small startups

Article by Anna Cashman

Published 2012-05-07

There is widespread consensus that a bad economy is a good financial climate for a startup. Indeed, in light of the startup boom which some are dubbing the 'startup economy', this may well prove true. As this trend continues to grow, however, the startup economy is emerging in its own right, now possessing its own market force and instigating a string of positive effects on the economy at large.

A result of the economic downturn has been the increase of the contingent workforce. Big companies are employing fewer people in order to remain flexible, as well as laying off proportionately significant numbers of full time staffers. This means that now, more than ever, finding a job in a large firm is extremely difficult, especially for young university and college graduates.

For a young professional, it's no longer enough to graduate from a degree. Landing a corporate position often necessitates two degrees, a master's, and extensive experience to boot (with a foreign language thrown in for good measure). It's a grim picture for young graduates with hefty education debts entering the job market, especially when the number of students completing tertiary degrees is increasing annually.

Providing opportunities in an non-hiring economy

In the midst of this downtrodden economy, startups provide an opening into a highly competitive and largely impenetrable job market. They employ handfuls of young, qualified individuals in a range of industries, as well as offer a varied, intensive and in-depth experience for interns, who fare better than finding a photocopying and/or filing job in a big company.

Developing well-rounded individuals

Anyone working for a startup would know that they, and their colleagues, are fabulous multitaskers. They juggle numerous roles and fulfill many functions beyond what is written on their business card.

Working for a startup means learning to do a number of things that are necessary for the development of a successful business, in an experimental and creative environment. In addition, by working in a small team, an employee will often have a better idea of what their colleagues are doing, and how they are doing it, seeing all work processes first hand.

It loosely (I do say loosely) follows the law of diminishing returns, which an economics teacher of mine once explained using a fashion analogy: the first pair of shoes you own will be worn every day. The second pair will be worn less, and will therefore have less wearing value. The third pair less useful still. This is because the first pair must fulfil all the necessary functions of shoe-wearing, and the same applies with employees of a company. The few people who work for them will need to complete all tasks, and so they are valuable beyond their ‘specialized’ function.

In essence, the scope of a startup employee’s work is far greater than an employee working in a single department for a large company, and so they often gain a richer and more varied professional experience: startups are contributing to the creation of well-rounded, multi-skilled individuals, and not training them to be one-trick wonders.

A healthier economy, a more varied market

Thousands of small companies, employing thousands of freelancers and qualified graduates, reduces unemployment levels significantly - with small businesses hiring around 30% of the US workforce.

Thanks to technological advancement and this increased competition between small businesses, startups are required (and are now able) to develop their products quicker, more efficiently, and cheaper, working on and perfecting their product before it hits the market. As a result, we are presented with cheaper, more efficient solutions to problems, which streamlines business and encourages market competition. Because products and ideas are tested, reworked and perfected before hitting the market, their demand is secured and time and resources are saved in the long run.

The fruits of startups, born of ideas sparked by holes in the market (and not thought up by boardrooms of existing companies) are used by individuals and companies alike, and so the vertical economy, tying consumers to big business, is reinforced.

Socially responsible endeavours

This influx of new ideas and products presents a myriad investment options for all budgets, jump starting the injection of capital back into the market and helping re-instill economic confidence.

Venture capital in particular is a term synonymous with the startup world. Without it, startups would never move beyond the 4-person payroll or develop the products which expand their business. As a result, online platforms have emerged to allow investors to support startups and their ideas, meaning that now, more than ever, investors can direct with an unprecedented exactness where their money goes. Conscious decisions can be made about which ideas and products are worth pursuing. This places the onus back on the startup to create something necessary and worthwhile, and the responsibility back on the investor, to invest in something sustainable, increasing each market player’s social and environmental responsibility.

Fuelling local economies

Startups - or rather, the people who found them - are locals. The live locally, shop locally, and use local resources. They employ local freelancers. They might rent a desk or private office in a coworking space or call a local incubator home. Startups become involved in communities and take part in events, because it’s necessary for the success of their business. These combined elements inject money, resources, and vibrancy back into local communities. Sure, the dream of most startups is to move to Silicon Valley or Google’s Campus, but startup hubs are nonetheless refuelling hundreds of cities worldwide.

The future of big business

With business giants like Google claiming that “startups fuel economic growth” and “increase innovation” it is hard to ignore the impact of the startup force on the economy. It might in fact be time to shift our thinking, disassociating startups with the ‘bad economy’ and likening them to the new one.

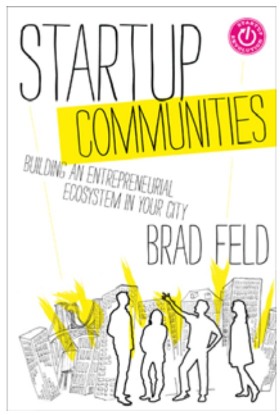
The Atlantic CITIES PLACE MATTERS

NEXT GREAT IDEA

What It Really Takes to Foster an Entrepreneurial Ecosystem

RICHARD FLORIDA DEC 11, 2012 8 COMMENTS

Innovation and entrepreneurship are the engines of economic growth. For decades now, cities and communities across the United States have tried to infuse themselves with those two properties by emulating Silicon Valley, a never-ending quest to become the next Silicon Somewhere.



Brad Feld's terrific new book, *Startup Communities,* takes us inside the real ecologies of innovation and entrepreneurship. Feld, co-founder of venture capital firm Foundry Group, serves on the boards of numerous high-tech companies. He recently chatted with *Cities* about his new book.

RF: First off, tell us the key elements of a startup community?

There are four, which I call the Boulder Thesis. First, entrepreneurs must lead the startup community. Second, the leaders must have a long-term commitment, at least 20 years. Third, the startup community must be inclusive of anyone who wants to participate in it. And fourth, it must have continual activities that engage the entire entrepreneurial stack.

You're based in Boulder, Colorado. *Bloomberg BusinessWeek* named it America's No. 1 place for startups a couple of years ago, and it also ranked first on the latest iteration of my own Creativity Index. What's going on there that we should know about?

Boulder is a phenomenal example of what you would define as a creative class city. While it's small (only [about] 100,000 people), is has an extremely high concentration of smart people. This is a function of a university (University of Colorado, Boulder), national labs (NREL, NCAR, NOAA), a hippie/creative accepting culture dating back to the 1960s, and many decades of independent and entrepreneurial thinkers.

The openness of Boulder to weirdness is well known and other Coloradoans often refer to Boulder as '25 square miles surrounded by reality.' This combination of smart, independent, and weird is a beautiful recipe for an incredibly entrepreneurial community. Add in an extremely inclusive ethos and you get magic.

There was an old joke in Silicon Valley that went something like this: "How do you make the next Silicon Valley? Take one part great research university and two parts venture capital: Shake vigorously." You note that even though a great university is an asset to a startup community that you "reject the premise that the startup community is dependent on the university. It's from this perspective that I categorize universities as feeders to the startup community." Tell us more?

A university is a great input into a startup community, but it can't be the leader, or controller of it. Startup communities are networks with all of the participants as nodes on the network, connecting them together. Universities are hierarchies. In a startup community, if you have hierarchies trying to lead, or control, you'll have failure, because the long term goals and motivations are so fundamentally different.

So, I encourage universities to engage actively with the startup community through a variety of mechanisms, which include many of the classical ones such as acting as conveners for entrepreneurial activity, attracting smart new people to the community, spinning off research into companies, and building bridges between students and the startup community. But, if the entrepreneurs rely on the university to lead the startup community, there will be disappointment.

What are the leading myths about building more effective startup communities?

There are there common ones: 'We need to be more like Silicon Valley,' 'We don't have enough capital,' and 'Angel investors must be organized.'

For decades, cities have been proclaiming themselves the next Silicon Valley. That's nonsense — cities — and the entrepreneurial leaders — should focus on creating the best startup community for their city, based on the unique attributes of their city. Learn from the amazing things in Silicon Valley, but instead of trying to be like Silicon Valley, be the best Boulder, or best Chicago, or best New York, or best Portland. You already have an identity as a city — you don't need to be Silicon Alley or Silicon Slopes.

Next, there never is a balance between supply and demand of capital. Entrepreneurs shouldn't worry about this — instead they should focus on creating amazing companies. Capital will always find amazing companies. While there are many things that can be done over time to attract more capital to a region, the biggest thing is for entrepreneurs to actually go create some significant companies.

You already have an identity as a city — you don't need to be Silicon Alley or Silicon Slopes.

Finally, related to this is the notion that angel investors should be organized into formal angel investor groups. While this can be helpful, it's often extremely harmful and stifling, as many angel investor groups try to look like small venture capital firms rather than acting like helpful angel investors.

You write that two key attributes of successful startup communities are "inclusive" leadership and "porous boundaries." Can you explain?

For a startup community to be successful over a long period of time, it has to be inclusive of anyone who wants to engage in any way. Leaders have to be inclusive of new leaders, leaders have to be inclusive of feeders, and everyone participating in the startup community has to be inclusive of everyone else.

You have to approach this as a non-zero sum game — there are no winners or losers. By being inclusive, you build a much more powerful and connected network, which grows, evolves, and accelerates over time.

Furthermore, you have to have very porous boundaries. When someone moves to town you need to welcome them. When they move away, you need to celebrate their involvement and stay connected, as they extend the network to a new city.

It turns out that cities that have more movement of people — both in and out — are the most vibrant startup communities. This is true around the companies — it's well known that non-compete agreements and the corresponding lack of mobility of employees between companies actually slows down the spread of innovation and entrepreneurship.

One thing that interests me is the emergence of urban startup communities in locations like downtown New York or San Francisco. Are we seeing something of a shift from the suburban nerdistan model of office parks toward startup communities in more diverse, mixed-use, higher-density urban areas?

There has been a delightful shift back to cities away from the soul-crushing boredom and sameness of office parks. This reurbanization applies to entrepreneurs, and when combined with the importance of 'entrepreneurial density,' is an extremely strong driver of the phenomenon. I define entrepreneurial density as the number of entrepreneurs plus the number of people working for startups divided by the total working population. A city like Boulder has one of the highest entrepreneurial densities in the world — much of the Boulder startup community is located in a 10x5 city-block area in downtown Boulder. This is similar to the entrepreneurial density around Union Square in New York City, SoMa in San Francisco, or the incredible entrepreneurial density in Kendall Square near MIT or Palo Alto near Stanford.

Some say startup communities emerge organically and that they cannot be planned or even nurtured. Do you agree? Can places accelerate the development of startup communities? If so, what are some of the key things they can do?

Central, top down, planning — like the economic strategy of communist Russia, doesn't work. Hierarchical planning, whether driven by government, university, or other hierarchical organizations doesn't work. There is no president of a startup community. There is no vice president of membership, or vice president of education.

Startup communities are networks — glorious in all their messiness and chaos. However, they aren't simply organic phenomena. You have to have leaders who are entrepreneurs. They have to have a long-term view. They have to be inclusive of anyone who wants to engage. And they have to create, and have, activities and events occurring on a continuous basis.

This interview was edited for clarity and length.

Courtesy images, from top: Wiley Publishing; Scott Cejka

Keywords: Books, Start-Up, Venture Capital

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The Atlantic CITIES PLACE MATTERS

CHARTS

Where High-Growth Company Founders Start Out and Where They End Up

RICHARD FLORIDA SEP 19, 2012 1 COMMENT

Economic development experts and politicians have long recognized that many cities have turned from traditional "smokestack chasing" to place-making, adding amenities — like green spaces, more walkable neighborhoods, and better public transportation — as well as investing in schools, higher education, and the arts to make themselves attractive to talented workers. Whether these efforts actually spur economic growth or are merely a product of this growth continues to be a matter of ongoing debate.

A new study by Kate Maxwell and Samuel Arbesman, "The Ascent of America's High Growth Companies: Founder Mobility" (PDF) for the Kauffman Foundation, offers important new insights on this issue by providing data on the movements of a key group of entrepreneurial talent — the founders of Inc. 500 companies, ranked as the fastest-growing privately held firms in the United States. Covering the period 2000 to 2008, it charts the peregrinations of these founding entrepreneurs from their alma maters to the metros where they launched their companies. Geographically, these Inc. 500 companies were located in 210 metros and 49 states, which are also home to 605 universities. The research identified data on 1,702 founders over this period, including the university they attended for 1,476 of them. Ultimately, the study provides a detailed, objective handle on the flow of entrepreneurial talent and which metros are "producing," "exporting," "importing," and "consuming" it.

Table 1. Cities with Highest Number of Founders Educated

MSAs	Number of Founders	Percentage of Founders in Sample
Boston	95	6.44
New York	88	5.96
Los Angeles	73	4.95
Philadelphia	43	2.91
Chicago	43	2.91
Washington, D.C.	40	2.71
Austin	33	2.24
San Jose	33	2.24
San Francisco	32	2.17
Provo	25	1.69

Table courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

Where Founders Go to School: The table above from the study lists the top ten metros where entrepreneurial founders received their university educations. The list tracks major clusters of great universities and colleges. Boston ranks first, not surprisingly given Harvard and MIT, followed by New York. Other metros along the Bos-Wash corridor place highly, with Philadelphia in fourth and Washington, D.C. sixth. On the West Coast, Los Angeles is third, the San Jose metro (where Palo Alto and Stanford are located) eighth, and San Francisco ninth. In the Midwest, Chicago is fifth. Austin is seventh. Provo, Utah, rounds out the top ten.

Table 4. Cities with Highest Number of Founders

MSAs	Number of Founders	Percentage of Founders in Sample
Washington, D.C.	106	7.18
New York	85	5.76
Los Angeles	83	5.62
Boston	71	4.81
Atlanta	64	4.34
San Francisco	59	4.00
Dallas	46	3.12
Chicago	45	3.05
Denver	32	2.17
Philadelphia	29	1.96

Table courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

Cities That Produce the Most Founders: Washington, D.C., tops the list, as the table above (from the study shows) followed by New York, L.A., Boston, Atlanta, San Francisco, Dallas, Chicago, Denver, and Philadelphia.

Table 5. Cities with Highest Number of Founders Attracted

MSAs	Number of Founders	Percentage of Founders in Sample
Washington, D.C.	80	5.42
Los Angeles	57	3.86
New York	49	3.32
San Francisco	49	3.32
Atlanta	49	3.32
Boston	45	3.05
Dallas	42	2.85
Chicago	33	2.24
Denver	26	1.76
Miami	22	1.49

Table courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

Cities That Attract the Most Founders: Washington, D.C., also tops this list, followed now by L.A., New York, and San Francisco. Rounding out the top ten are Atlanta, Boston, Dallas, Chicago, Denver, and Miami.

Table 6. Cities with Highest Number of Founders Lost

Table

MSAs	Number of Founders	Percentage of Founders in Sample
Boston	69	4.67
New York	52	3.52
Los Angeles	47	3.18
Philadelphia	32	2.17
San Jose	31	2.10
Chicago	31	2.10
Austin	26	1.76
Ann Arbor	22	1.49
San Francisco	22	1.49
Urbana-Champaign	15	1.02

courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

Cities That Lose the Most Founders: Boston tops the list, followed by New York, L.A., Philadelphia, San Jose, and Chicago. The rest of the list includes college towns, like Austin, Ann Arbor, and Champaign-Urbana, as well as San Francisco.

Table 2. Cities with Highest Number of Founders Retained

Table

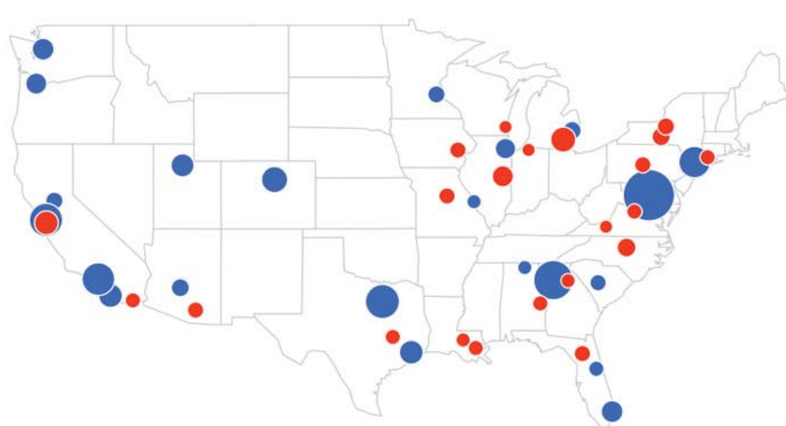
MSAs	Number of Founders	Percentage of Founders in Sample
New York	36	2.44
Boston	26	1.76
Washington, D.C.	26	1.76
Los Angeles	26	1.76
Atlanta	15	1.02
Seattle	12	0.81
Chicago	12	0.81
Provo	11	0.75
Philadelphia	11	0.75
San Francisco	10	0.68

courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

Cities That Retain the Most Founders: The Bos-Wash region excels here, with New York, Boston, and Washington, D.C., at the top. Conspicuously absent is San Jose, at the heart of Silicon Valley. The picture changes when cities are ranked by the percentage of founders they retain. Now, Portland, Oregon, Houston, Louisville, Oklahoma City, Bloomington, Illinois, and St. Louis join the list.

Figure 4. Cities with Highest and Lowest Net Flows

Table



Red indicates negative flow. Blue indicates positive net flow.

courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

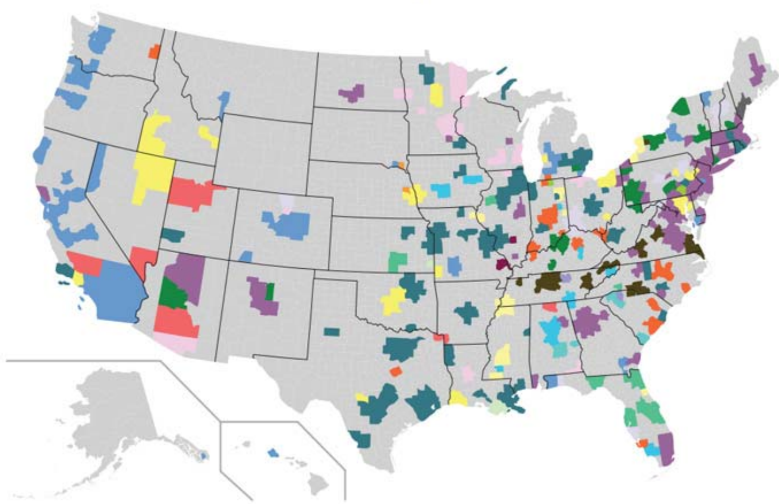
Founder Mobility: A key aspect of the study looks closely at founder mobility from one metro to another. Here it finds that "Seventy-five percent of founders started their companies in different cities from the ones where they last received a degree, but only 37 percent moved to a different region."

Washington, D.C., has the highest net flow of founders, followed by Atlanta, Dallas, San Francisco, and L.A. The rest of the top ten include New York, Denver, San Diego, Salt Lake City, and Houston.

The metros with the lowest net flow of founders are mainly college towns. Ann Arbor tops this list, followed by San Jose, Urbana-Champaign, Durham, Ithaca, Syracuse, Columbia, Missouri, Gainesville, Iowa City, and State College, Pennsylvania.

Table

Figure 11. Network Analysis of Connected Counties Based on Metropolitan Area



courtesy of "The Ascent of America's High Growth Companies: Founder Mobility" (PDF)

The study develops an innovative network analysis of founder mobility based on "which counties are connected by a founder moving from one to the other" and the metro areas where "founders' schools are connected with the metro areas." The authors find that:

> The East Coast is a distinct community, as is the West Coast, extending all the way to Denver (note that, in some runs, the East and West Coast communities are combined). In addition, there is a community that cuts through the middle of the country, running from Chicago through Kansas City all the way down through Texas. Similarly, there are smaller regional clusters, such as one (orange) that runs through the Carolinas and Kentucky and Indiana. The map is also reminiscent of Richard Florida's and others' 'megaregions' concept, echoing connections in the northwest, for example. However, we also see more distinct connections and communities that are not necessarily connected by neighboring geography.

Co-author Arbesman explains this regional stickiness. "It's striking that most people stay in their region, meaning there are perhaps certain geographical basins of attraction," he says. "Once you're in a certain place, you might stray, but not too far. You may be in a different city but not necessarily a different ecosystem, and these ecosystems are defined regionally."

The authors conclude:

> The popular narrative of where high-growth entrepreneurs emerge from and where they go is too narrow to account for all of the patterns seen here. Moreover, these data fit well with a narrative of economic development in which mobility and flux play positive roles—retaining human capital is not the only way in which a city can create economic vibrancy...Explaining how and why founders choose to move to different cities is an important piece to start understanding the larger entrepreneurial ecosystem.

Talent is a highly mobile factor of production — it flows, concentrating more in some places than others. The cities that excel the most at attracting and retaining skilled, entrepreneurial talent, enjoy a critical economic advantage.

Top image: *eurobanks* / *Shutterstock.com*

Keywords: Boston, Los Angeles, New York, Philadelphia, San Francisco, San Jose, Washington, DC, Business, Study, Mobility

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Kauffman Foundation Research Series:
Firm Formation and Economic Growth

Where Will The Jobs Come From?

November 2009

Dane Stangler and Robert E. Litan
Ewing Marion Kauffman Foundation

KAUFFMAN
The Foundation of Entrepreneurship

Dane Stangler is a senior analyst at the Kauffman Foundation. Robert E. Litan is vice president for Research and Policy at the Kauffman Foundation. The authors are grateful to Ron Jarmin and Javier Miranda at the U.S. Census Bureau, Mike Horrell at the Kauffman Foundation for excellent research assistance, and Harold Bradley, Wendy Guillies, Paul Kedrosky, E.J. Reedy, and Carl Schramm for their feedback.

Kauffman Foundation Research Series: Firm Formation and Economic Growth

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Abstract

Compared to all prior recessions since the end of World War II, the 2007-2009 recession ranks worst in terms of the number of jobs lost (over eight million), and second worst in the percentage decline (6 percent). The key to economic recovery will come in the form of newly created jobs. But where will these jobs come from?

Using United States Census Bureau data from 2006-2007, this paper examines net new job creation in terms of firm *age* rather than firm *size*. Until 2005, we knew that from 1980-2005, nearly all net job creation in the United States occurred in firms less than five years old. This data set also shows that without startups, net job creation for the American economy would be negative in all but a handful of years. If one excludes startups, an analysis of the 2007 Census data shows that young firms (defined as one to five years old) still account for roughly two-thirds of job creation, averaging nearly four new jobs per firm per year. Of the overall 12 million new jobs added in 2007, young firms were responsible for the creation of nearly 8 million of those jobs.

Given this information, it is clear that new and young companies and the entrepreneurs that create them are the engines of job creation and eventual economic recovery. The distinction of firm age, not necessarily size, as the driver of job creation has many implications, particularly for policymakers who are focusing on small business as the answer to a dire employment situation.

Introduction

At no time since 1945 have so many jobs disappeared so rapidly in the United States. Compared to all prior recessions since the end of World War II, the 2007-09 recession ranks worst in terms of the number of jobs lost (over eight million), and second-worst in the percentage decline (6 percent).[1] Still worse, the broadest unemployment measure, U6, has touched ridiculously high levels—nearly one in five workers—and the number of hours worked per week has steadily decreased.[2] Put these together with a rapidly falling employment-to-population ratio, and the U.S. employment situation has not looked so bleak in several decades. Compounding this dreary picture, more than a few forecasters see a long and slow recovery from this decline—and given that the last two employment recoveries were much longer than the postwar average, they could be right.[3]

Naturally, then, everyone is asking: where will the new jobs come from? The answer—though it has mostly been missing from policy discussions, is that we will get new jobs from where we always have: new firms.

Prior work from the Ewing Marion Kauffman Foundation has shown that, since 1980, nearly all net job creation in the United States has occurred in firms less than five years old.[4] This is an impressive figure, but it doesn't convey the whole story of job creation in America—the turmoil and churn of new firm creation, young firm survival or failure, and the scale growth of some firms. New data from the U.S.

1. See Floyd Norris, *The Jobs News Gets Worse*, NEW YORK TIMES, Oct. 3, 2009, at http://www.nytimes.com/2009/10/04/weekinreview/04norris.html.

2. The U6 indicator captures the total number of unemployed workers (which is what is usually reported as the standard unemployment figure), plus "all marginally attached workers, plus total employed part time for economic reasons." That is, U6 includes people who have stopped looking for work and those who have had to find part-time work instead. See Bureau of Labor Statistics, "The Employment Situation—September 2009," Oct. 2, 2009, Table A-12, at http://www.bls.gov/news.release/pdf/empsit.pdf.

3. Norris, *supra* note 2.

4. See John Haltiwanger, Ron Jarmin, and Javier Miranda, "Jobs Created from Business Startups in the United States," Kauffman Foundation, January 2009, at http://www.kauffman.org/uploadedFiles/BDS_Jobs_Created_011209b.pdf.

Census Bureau now allow us to peer under the economic hood, as it were, and tell a more comprehensive story about job creation. And it is this story—that new firms have been and are likely to continue to be the real engines of job growth in America—that should occupy the attention of policymakers and perhaps provide some cause for optimism amidst the continuing gloom about jobs.

Employment in the United States

A commonly heard statement in any employment discussion is that "small businesses" account for half of the labor force and are therefore the key to future generation of jobs. This is roughly true: firms with fewer than 500 employees (the somewhat questionable cutoff between "small" and "large" companies used by the Small Business Administration) employed 50.2 percent of workers in "employer firms" in 2006.[5] Sensibly enough, employer firms are those companies that have employees, as distinguished from "nonemployer" firms, which are companies comprised of only the founder. If we take the entire workforce, firms with fewer than 500 employees accounted for about 42 percent in 2006. Not everyone would define a small business this way, so we can drill down a bit more to two smaller firm size classes: those employing fewer than 20 employees, and those employing 20-99 employees.

As shown in Table 1, whereas the smallest companies (fewer than twenty employees) account for an enormous share of all companies (89 percent), they also account for only a small fraction (less than 20 percent) of total employment. In fact, those companies that account for only a sliver of the population of companies employ the "other" half of American workers. Firms with more than 500 employees represent only 0.3 percent of employer firms, yet account for just under half of employment within firms, and over half of firm payroll. This makes sense, of course—larger companies, even when there are fewer of them, will account for an outsized share of employment simply by virtue of their size. But the discrepancies here are quite noticeable, and belie the conventional narrative about "small businesses" and jobs. This becomes even more apparent when we look at the most detailed classifications of firm size and employment.

Across these standard categories, the largest share of employment is in firms with more than 10,000 employees, followed by companies with 20-499 employees; likewise with payroll. In general, then, the U.S. economy is comprised of a very large number of small companies, accounting for a small share of employment; a relatively small number of medium-sized companies, accounting for about a third of employment; and a tiny handful of very large firms, accounting for a relatively sizeable portion (about a quarter) of employment. We have a none-too-surprising inverse relationship among firm size, number of firms, and overall employment.[6]

The point of this is not to belittle the employment contributions of small businesses or to laud those of large companies, but instead to underscore that analyzing employment in terms of firm size actually

Table 1: Distribution of Employment, by Selected Firm Size Classifications

Size Class of Firm	Share of Employer Firms	Share of Employment in Firms	Share of Labor Force	Share of Firm Payroll
<20 employees	89.29	18.02	14.96	15.15
20-99 employees	8.89	17.58	14.59	15.48
<500 employees	99.69	50.22	41.69	44.42
>500 employees	0.30	49.78	41.33	55.58

Table 1. Source: U.S. Census Bureau, Statistics of U.S. Business, at http://www.census.gov/econ/susb/.

5. Small Business Administration, "The Small Business Economy 2009," U.S. Government Printing Office, 2009, *available at* http://www.sba.gov/advo/research/sb_econ2009.pdf.

6. This has been documented in prior work. See, e.g., Robert L. Axtell, *Zipf Distribution of U.S. Firm Sizes*, 293, SCIENCE 1818 (2001).

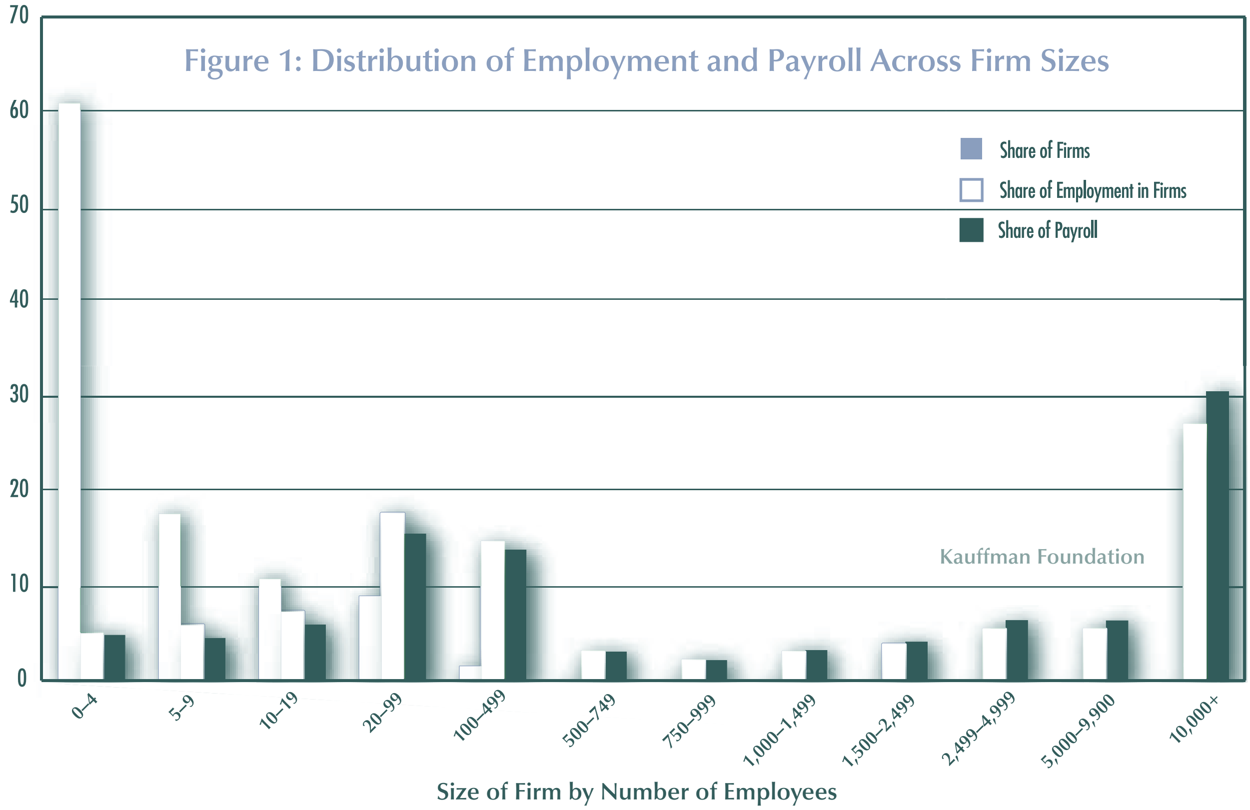

Figure 1. Source: U.S. Census Bureau, Statistics of U.S. Business, at http://www.census.gov/econ/susb/.

tells us very little about job creation. It would be more accurate, and much more revealing, to discuss employment in terms of firm age.[7]

The dynamics of firm age, moreover, point us away from a discussion on the existing distribution of employment and toward a focus on the annual changes in jobs. Let's ask not where people work, but where each additional increment in net job creation occurs. This approach immediately forces one to recognize that companies in a given size class are not necessarily homogenous: a company with fifteen employees that is twenty-five years old will behave differently than one that is only two years old (differences that will multiply if we classify firms according to economic sector). To answer the pressing question of where new jobs will come from, therefore, we need to understand the ceaseless dynamic of new firm entry and exit, and the behavior of existing firms and the subsequent impact in terms of net job creation.

Where the Job Creators Are

As we have noted, nearly all net job creation since 1980 has occurred in firms less than five years old. If we want to know more about the dynamics of young companies and how they affect existing companies—and perhaps the sectoral distribution of new companies—we need to look at the data a little more closely. Fortunately, a recent Special Tabulation done by the Census Bureau for the Kauffman Foundation has provided a wealth of information on these very issues, and we will now present some of these findings.

7. Other research funded by the Kauffman Foundation and conducted by Census Bureau researchers clearly establishes this general principle, but has not yet been published. Historically, the United States statistical infrastructure, like those in most of the world, has not been equipped to track changes in business composition. Dynamics of businesses, particularly new and young companies, were not of much concern. This has recently been changing, in the United States and elsewhere.

In general, the net addition of jobs from year to year (i.e. job creation) comes from three sources: startups; young firms, ages one to five; and the largest and oldest companies. There is evidently somewhat of a barbell effect, with job creation occurring at the youngest and oldest ends of the firm age spectrum, and mostly flat in between.[8] This isn't the whole story, however, as there is a considerable amount of churn—job creation and destruction—occurring in the youngest companies, as well as an interactive dynamic between the youngest and oldest firms.

Let's begin with startups (defined in the data as "age zero" firms). Over the past thirty years, these newly created companies have served as a primary source of immediate job creation for the U.S. economy.

Figure 2 has a remarkable implication: "excluding the jobs from new firms, the U.S. net employment growth rate is negative on average."[9] *Indeed, without startups, net job creation for the American economy would be negative in all but a handful of years.*

But not every startup sticks around—roughly a third will close by their second year of existence, while half will make it to age five.[10] This means the jobs that many firms create at birth will subsequently disappear, so part of their positive contribution to jobs in one year will turn to

Figure 2. The First Source of Job Creation: Startups

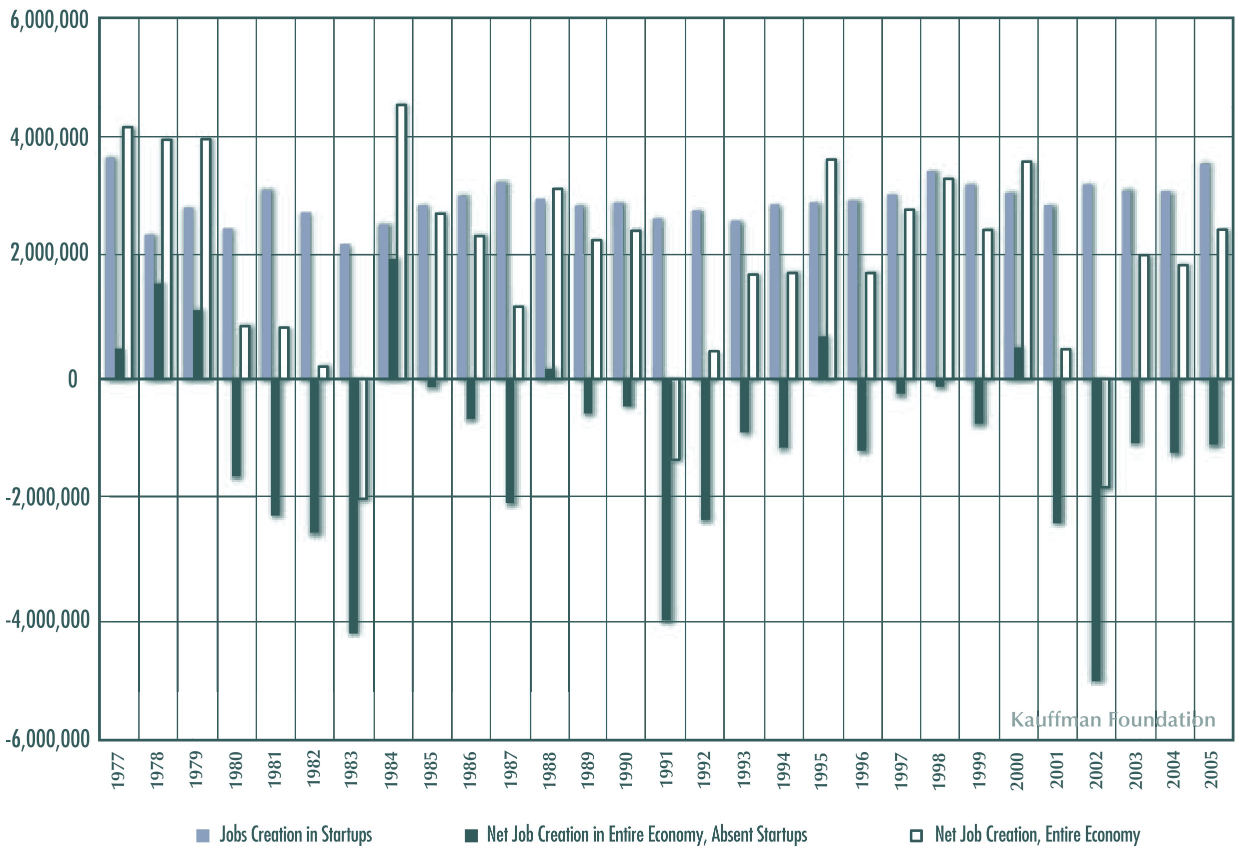

Figure 2. Source: U.S. Census Bureau, Business Dynamics Statistics, at http://www.ces.census.gov/index.php/bds.

8. We should again emphasize that we are discussing *net* job creation: the inflow and outflow of employment in firms of every age isn't reflected in the net figure. So firms in the middle part of the spectrum, those aged six to twenty-five, still hire people in gross. But every class of companies also lets go of a substantial number of people, and employees leave voluntarily. There is constant churn in terms of people flowing in and out of firms, but some classes of firms have a higher inflow than outflow and greater pool of firms, thus generating a positive net figure.

9. Haltiwanger, et al, *supra* note 5.

Figure 3: Young Firms Account for Largest Share of Job Creation

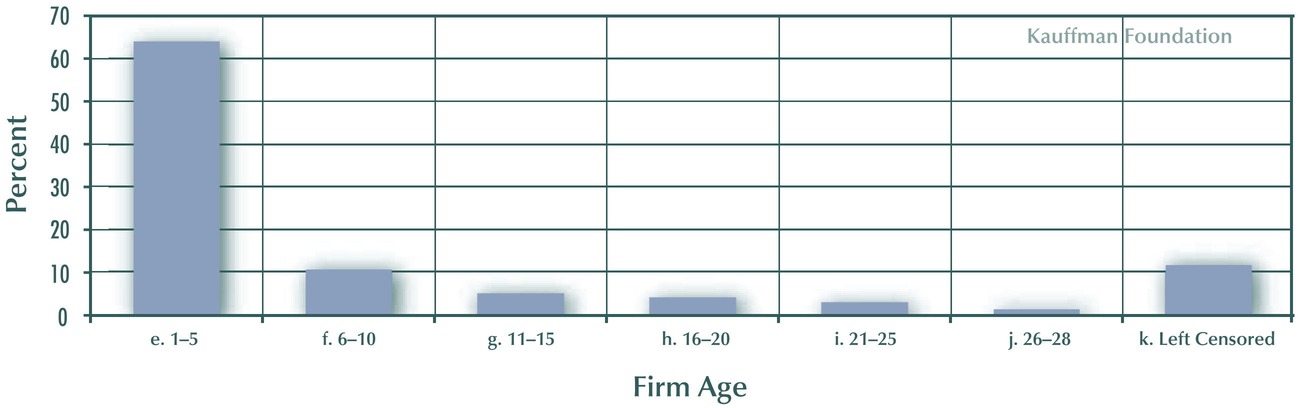

Figure 3. Shares of annualized net job creation in 2007. See text. Source: Special Tabulation by U.S. Census Bureau for Kauffman Foundation from Business Dynamics Statistics.

subtraction in the next few years. No economy could long survive if every year's new jobs were simply eliminated within such a short period. So what about the other half of startups, the fifty percent that survive until age five? This represents our second major source of net job creation.

Using the special tabulation from the Census Bureau, we can see that, among existing companies in 2007 (excluding startups), young firms accounted for the lion's share of job creation—roughly two-thirds, in fact.[11]

What this means is that in 2007, while the largest share of employment remained in the oldest and largest companies (the "left censored" category in Figure 3), young companies, those aged one to five, had been the most dynamic in adding new jobs to the economy. Of the entire pool of *new* jobs added in 2007 (roughly 12 million), about two-thirds was generated by these young companies. This critically important fact about job creation becomes even clearer when we translate Figure 3 into absolute numbers and look at lifetime net job creation for firms of different ages.

Again, firms between the ages of one and five create the most net new jobs, dwarfing the other age classes. These firms also create the highest average number of jobs: roughly four jobs per year. We also see in Figures 3 and 4 an apparently positive contribution from the "left censored" category: the oldest companies. As discussed below, this highlights the continuing dynamic between young and mature companies wherein the latter rely on the former not only for jobs but also innovations and thus revenues.

These charts raise an obvious question: isn't age merely serving as a proxy for size? That is, when we talk about "young" firms aren't we really talking about "small business"? To address this, we can translate Figures 3 and 4 into size classifications. When we look across all firms of all ages, we do see somewhat of a skewed distribution by size of company: the firms responsible for net job creation are not only young but also small- and medium-sized (Figure 5).

What happens when we look only at young firms, those aged one to five? We see a similar breakdown by job growth and firm size (Figure 6).

It would appear, then, that firm age is somewhat coterminous with firm size. This makes sense because most young firms will tend to be small: very few grow to enormous size in their first three years of existence.

But there is a further way to approach job growth in the United States: the sectoral breakdown of job growth, which should shed some light on the

10. See Dane Stangler, "The Economic Future Just Happened," Kauffman Foundation, June 2009, at http://www.kauffman.org/uploadedFiles/the-economic-future-just-happened.pdf.

11. Calculated by Census as two-thirds of annualized lifetime net job creation computed as total lifetime creation by firm age.

Figure 4: Young Firms Account for the Most Jobs and Highest Average Number of Jobs Created

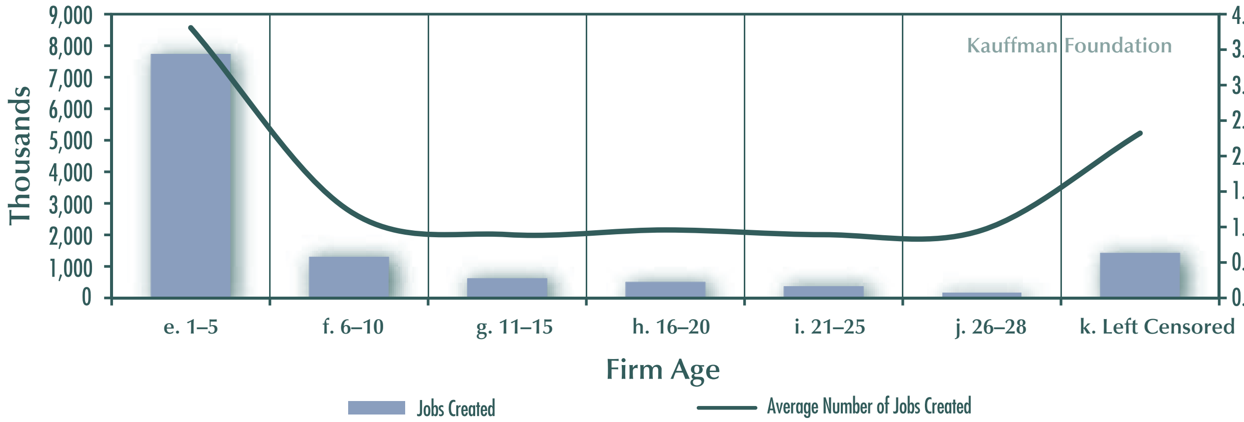

Figure 4. For change in employment 2006-07. Source: Special Tabulation by U.S. Census Bureau for Kauffman Foundation.

Figure 5: Share of Net Job Creation by Firm Size: 2007

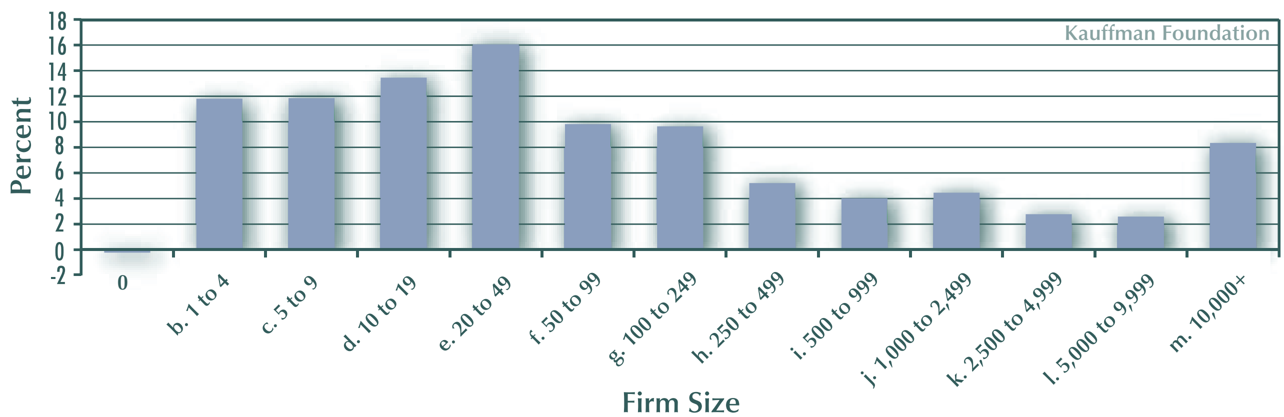

Figure 5. Source: Special Tabulation.

Figure 6: Young Firms Generally Small- to Medium-Sized Companies

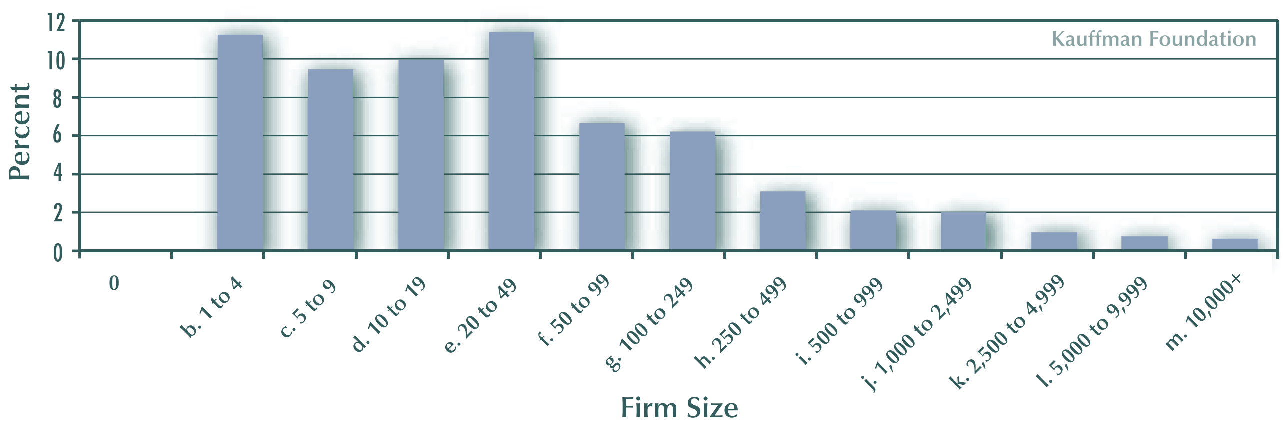

Figure 6. Share of Lifetime Net Job Creation by Firm Size, Young Firms only, 2007. Source: Special Tabulation.

Figure 7: What Industries Have Been Creating the Most Jobs?

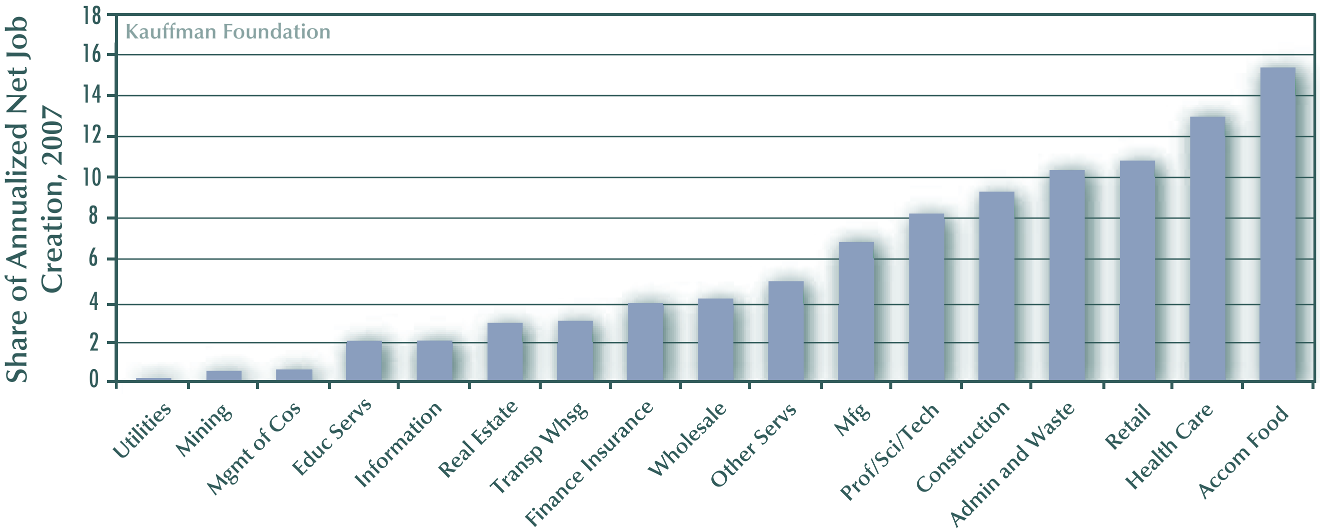

Figure 7. Source: Special Tabulation.

dynamic among young, mature, small, and old companies.

Taking the most general breakdowns by business sector,[12] it shouldn't be too surprising that there is a rather wide spread among industries. It is well established that at any given point in economic time, some sectors will be outperforming others. We need only look at the importance of information technology over the past decade as well as studies showing that the American productivity resurgence since 1995 has been heavily concentrated in just a handful of sectors.[13]

In particular, we have recently seen strong job creation in retail, health care, accommodation and food services, and professional, scientific, and technical services, while sectors such as educational services and information appear to have lagged. This distribution isn't altogether surprising: retail, health care, and accommodation and food services happen to be among the largest sectors in terms of employment and number of companies (Figure 7).

What is more interesting about the sectoral breakdown is what it reveals about the dynamic between firm size and age. In particular, there is very little relationship between the amount of small firm employment in a sector and its job growth (Figure 8).

By contrast, there is an incredibly tight relationship between any particular sector's job growth and the performance of young firms within that sector (Figure 9).

The bottom line: young companies are the engines of job creation.

Symbiosis, Churn, and the Wave Effect

Clearly, the important fact that young companies are primarily responsible for net new job creation has many implications, particularly for policymakers as they confront a dire employment situation. We will highlight three: the symbiosis between young and mature companies; the churn of employment and companies; and the effect of new companies through time.

Above, we mentioned a barbell effect with regard to job creation: startups and young companies account for a large share of new jobs. But one thing that stands out from the preceding charts—particularly Figures 3, 4, and 5—is that the largest

12. NAICS two-digit sectors.

13. *See, e.g.*, Diana Farrell, Martin Baily, and Jaana Remes, "US Productivity After the Dot Com Bust," McKinsey Global Institute, December 2005, at http://www.mckinsey.com/mgi/reports/pdfs/usproductivity/US_Prod_After_Dot_Com.pdf.

Figure 8: Not Much Relationship Between Firm Size and Industry Job Growth

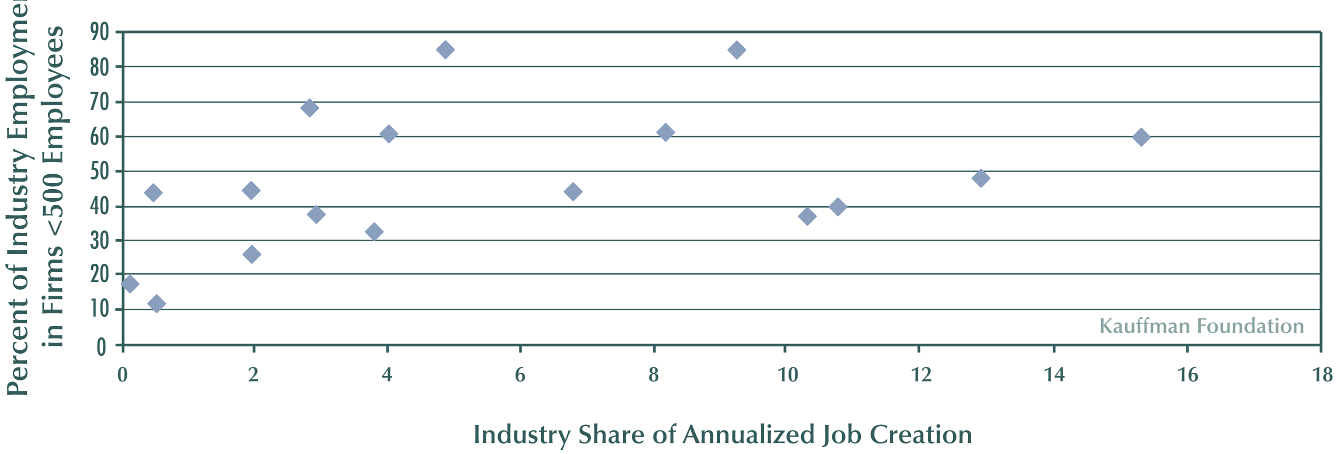

Figure 8. Authors' calculations from Special Tabulation and Census Bureau, Statistics of U.S. Business.

Figure 9: Industry Growth Driven by Young Firms

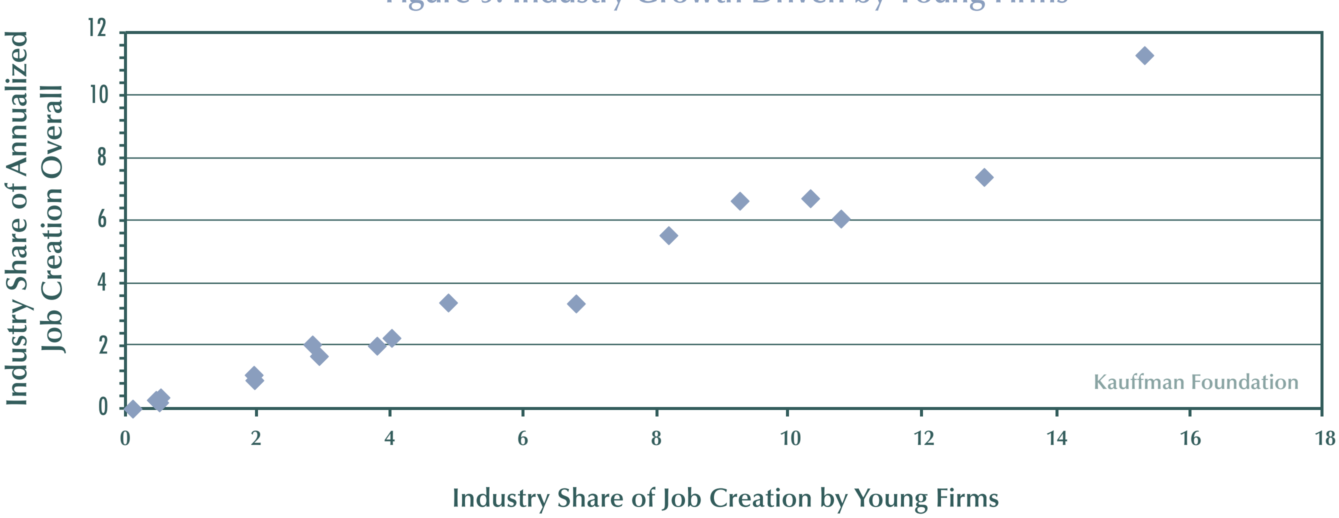

Figure 9. Source: Special Tabulation.

and oldest companies, represented as the far right column in these charts, still matter for job growth, accounting for over 10 percent of net job creation. Companies less than five years old, generally small- and medium-sized, join together with gigantic mature firms to expand employment. What this seems to be suggesting is a symbiotic relationship.

When we talk about net job creation, we mean the number of newly created jobs left once the dust of hirings and firings and voluntary separations settles. Through expansion and recession, companies of all sizes are creating and destroying millions of jobs, and employees are leaving and joining (and starting) firms by the millions, in any year. To say that Company A created one hundred jobs in a year while Company B lost (or destroyed) one hundred jobs doesn't mean the employment pool at each company was static. Company A likely destroyed plenty of jobs while Company B likely created plenty of jobs—at the end of the year, the net change is positive or negative. Yet when we look at our sectoral cross-section of job creation, we find that by and large those sectors with the greatest share of employment in large companies (10,000+ employees) were not those sectors with the highest shares of net job creation.

This pattern is not explained by the size of such companies: the average number of jobs created at these large firms is understandably big because they hire in large batches. Instead, Figure 10 reflects the huge number of young companies being formed in other sectors and adding more jobs. Remember, the average young company only adds about four jobs per year, meaning it takes a lot of young companies to add up to a bigger amount of job creation than the largest firms. How, then, can we explain the apparent finding in Figures 3, 4, and 5 that the biggest and oldest companies have positive rates of net job creation?

The nature of these data is such that we cannot break out mergers and acquisitions, but we suspect that the net addition of jobs in larger companies comes from their symbiosis with younger firms.[14] Namely, one of the only ways for big companies to add net jobs is to acquire the younger companies that are not only generating jobs, but also are responsible for a good number of innovations that will keep the bigger company's revenue growth from diminishing. The U.S. economy supports an ongoing process of new firm creation, scale growth in some cases, another round of new firm creation, and selective acquisitions of new firms by those companies that achieved scale. It remains the case that young firms drive job creation—many of them are simply acquired at a young age by older and larger companies, a process seemingly reflected in positive net job creation for those established firms. Without more detailed data, a firm conclusion as to this dynamic eludes us; yet we suspect that such a process (among many) is at work. Anecdotally, at least, we see evidence of this in the acquisition strategies of companies such as Cisco and Medtronic, who rely on younger companies to pioneer innovations (and create jobs), at which point they purchase them. And, a good number of venture capital-backed companies have their "exit" in the form of acquisition. Such dynamism in the

Figure 10: Sectors with Highest Share of Employment in Biggest Companies are Not the Sectors with Biggest Net Job Creation

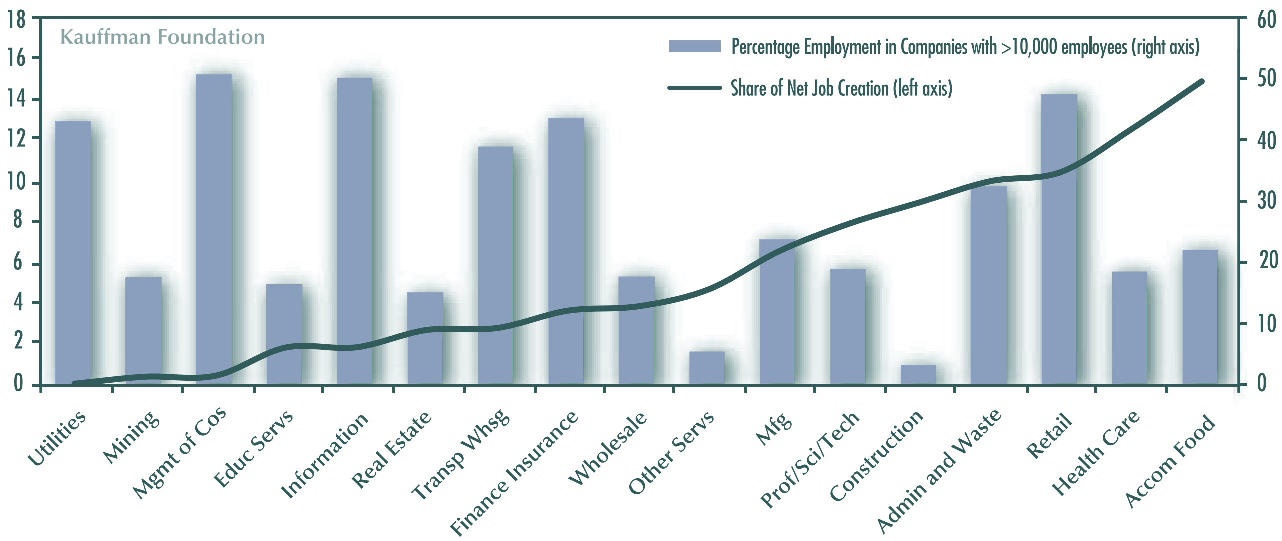

Figure 10. Authors' calculations from Special Tabulation and U.S. Census Bureau, Statistics of U.S. Business.

14. See, e.g., CARL J. SCHRAMM, THE ENTREPRENEURIAL IMPERATIVE (2006). We may also be seeing an effect due entirely to one sector—retail—which has both a high share of job creation and a greater number of giant companies than other sectors with comparable job creation numbers. That is, the finding that big and mature companies can still produce positive rates of net job creation could be a function of the size and firm composition of the retail sector, absent which this category of firms would show negative net job creation. This is an issue we will take up in subsequent papers.

Figure 11: Net Job Creation for the Fastest-Growing Young Firms by Size

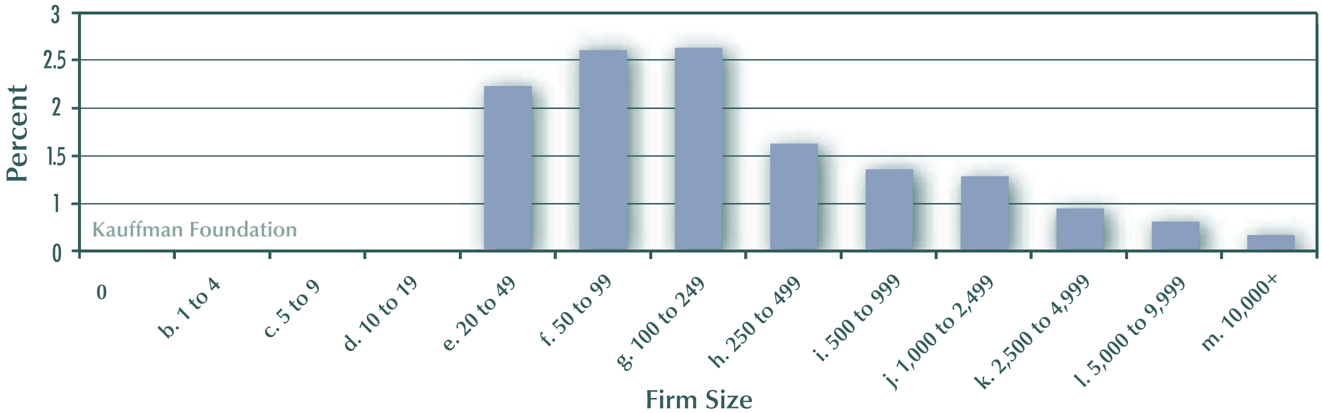

Figure 11. Percent of Annualized Net Job Creation for Top Performing Young Firms. Source: Special Tabulation.

capital markets (among mid-size companies as well) is an area deserving of further research.

This symbiosis that we suggest highlights a second feature of job creation: there is a considerable amount of churn among young firms. Job creation, as noted above, is not a smooth process, and this is especially true for those companies that are responsible for it. Indeed, young firms have the highest rates of job creation and job destruction. Some young firms, meanwhile, will survive to age nine or ten, and then shed many of the jobs they created. Others will create dozens of new jobs in years one and two, only to see them disappear in years three and four. Most findings on survival rates indicate that roughly a third of new firms fail to survive to age two. When we talk about young firms, then, we're talking about an ever-changing assortment of dynamic firms—entering and exiting; creating and destroying jobs. Such messiness is not cause for dismay or alarm; it is the provenance of net job creation. If we want to chart a rapid employment recovery, we need to foster such messy dynamism.

The third implication follows from this churn of jobs and firms: a snapshot of any given year's employment distribution fails to convey the wave-like movement of firms, particularly new firms, through time. When talking about job creation, we are unavoidably talking about the in-and-out dynamic of new and young companies (as well as more established companies, which occasionally fail as well). Firms creating jobs in a two-year period won't necessarily be the same companies creating jobs in the subsequent two-year period—and may have even closed (or been acquired). This becomes especially apparent when we look only at the fastest-growing young firms in 2007, the top 5 percent of young job creators.

Figure 11 excludes one- and two-year-old firms, so we are looking only at firms aged three to five years, those creating the most jobs, on average twenty-six per year—or seventy-eight to 130 over a five-year span. And indeed we see that when displayed by firm size, these young companies have grown into much larger companies, in some cases employing thousands of people. Importantly, these companies could still fail at some subsequent point or be acquired by older and larger companies; or they could stop growing and remain the same size indefinitely. Some of these firms, meanwhile, continue to generate positive rates of net job creation at older ages—recall Figures 3 and 4, in which firms aged six to ten years show up as a considerable source of jobs (at least relative to older age categories). As will be explored in later reports, this can likely be explained by the presence of these fast-growing companies that continue to create jobs past the age five threshold.

What does all this add up to? Out of each pool of new companies, some emerge to create lots of jobs and are succeeded over the next year or next two years by an entirely new pool of firms. The net effect of all this is to consistently add roughly two million new jobs to the economy every year, assuming the demand to support their output exists. The economy generates a wave effect of new companies and new jobs each year.

Entrepreneurs = Recovery

If the pessimistic forecasts for how long it will take the United States to recover from the current employment shock are even in the ballpark, we could well be facing a long and slow economic recovery in which employment lags behind most other indicators. There are various reasons, too, to think that the severity and nature of this recession could seriously dampen new firm formation. If existing companies see little reason to expand their workforce—after all, productivity is rising—why should anyone see fit to start a new company? In a darker vein, will companies formed in this recession be somehow weaker and more prone to failure? We have also seen a sharp contraction in credit, particularly commercial loans which, at the time of writing, showed few signs of recovering. Credit is oxygen for new and young firms and, if loans are scarce and if household wealth (a big source of financing) has fallen, will new companies be able to raise money?

These are important questions, not to be taken lightly, and they highlight the need to better understand the dynamics of firm formation, particularly in a macroeconomic and historical context. It could be the case, for example, that this recession opens up opportunities for massive amounts of reallocation—some see this underway already in the auto industry and among those laid off in that industry. "Too big to fail," once a rough guideline for policymakers, has become a lightning rod for public opprobrium. It could be the case that the cachet of large organizations has taken an irreparable blow as people seek more security in younger and smaller companies. The slow recovery of employment may also work to spur even higher rates of firm formation: instead of waiting around for new jobs, people may take their future into their own hands.

To encourage new business creation, there are affirmative steps that can be taken, and negative steps that should be avoided. For example, with credit scarce, government at all levels may be able to help loosen the financing spigots. President Obama announced just this sort of step in October by raising the ceiling on SBA loan guarantees, and extending cheap credit to community banks willing to use it to make more business loans.[15] A much bolder policy action would be to grant a payroll tax holiday for new and young companies, thus fostering job creation. Such a step would not be without difficulties (it would temporarily add to the deficit and might create a payroll tax ceiling beyond which companies hesitate to cross), but would serve as a signal that the U.S. economy, searching for a path to recovery, is open for (new) businesses.

Still, virtually all of the attention among policymakers and the media has focused on the waiting game by larger firms, currently reluctant to take back employees they dismissed, and unwilling so far to begin hiring new employees again. The analysis here, however, suggests this attention is misplaced. The overwhelming source of new jobs is new firms. The key implication for policymakers concerned about restarting America's job engine, therefore, is to begin paying more attention to removing roadblocks to entrepreneurs who will lead us out of our current (well-founded) pessimism about jobs and sustain economic expansion over the longer run. This much-needed shift in focus cannot come soon enough.

15. See Henry J. Pulizzi, Obama Announces Steps to Channel Loans to Small Businesses, WALL STREET JOURNAL, Oct. 21, 2009, at http://online.wsj.com/article/SB125615610024099681.html.

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A TALE OF TWO ENTREPRENEURS: Understanding Differences in the Types of Entrepreneurship in the Economy

Bill Aulet and Fiona Murray
Martin Trust Center for MIT Entrepreneurship

May 2013

Ewing Marion
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A TALE OF TWO ENTREPRENEURS:
Understanding Differences in the Types of Entrepreneurship in the Economy

Policymakers and pundits who use entrepreneurship as a "catch-all" phase to capture a single economic activity make an important mistake. There are two distinct types of entrepreneurship with different economic roles, requiring individually tailored policies to support each.

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Managing Director
Martin Trust Center for MIT Entrepreneurship

Fiona Murray
Faculty Director
Martin Trust Center for MIT Entrepreneurship
David Sarnoff Professor of Management of Technology
Skolkovo Foundation Associate Professor of Entrepreneurship

May 2013

*****

Steve decided it was time to follow his dream and set up a pizza restaurant. He would specialize in organic ingredients, a painstakingly designed recipe for the crust, and an overall commitment to the environment. For Steve, the restaurant was an opportunity to work again after a three-year period without full-time employment.

Excited by the possibilities of her recent research results, Karen, a chemical engineering professor, decided it was time to file for patents on her new surface chemistry technology and create a business with a faculty colleague and two graduate students. Their strategic intent was to develop paper-thin solar sheets for a wide range of applications.

These two individuals have something important in common: they are entrepreneurs who have identified a new opportunity and are pursuing that opportunity regardless of the resources they currently have available.[1] There the similarities end.

Why Entrepreneurs Can Be Different from One Another

Steve and Karen differ in their ultimate aspirations. Steve considers success to be a thriving local restaurant, but Karen hopes to serve many customers in global markets. Steve is innovating in his ingredients, the unique composition of his pizza crust, and his recipes, but his pizza is still recognizably a pizza. By contrast, Karen will bring newly conceived features and functionality to customers; if all goes well, the team's paper-thin

[1] H. Stevenson, "A Perspective on Entrepreneurship" (Harvard Business School Working Paper No. 9-384-131,1983).

solar sheets will transform how soldiers operate in the field, how rural communities charge their cell phones, and how medicine is practiced in remote communities. Karen's team also may innovate in the business model they use, not simply selling sheets but perhaps leasing them, using microfinance or other approaches.

Steve and Karen also differ in the resources they will need and in how they will go about organizing their entrepreneurial activities. While Steve will mostly work alone in a sole proprietorship, Karen already has a founding team and soon will have a board and investors to answer to.

Most important of all, Steve and Karen differ in their potential impact on the economy. While restaurants are certainly risky, Steve has a chance at modest success if he executes his business well. If successful, he likely will create a small number of jobs—mainly for waitstaff and kitchen workers. In contrast, Karen's business is highly risky and chances are that (like so many high-tech entrepreneurial startups) she will fail, creating no jobs at all. On the other hand, if she succeeds, she will create tens to hundreds of jobs for PhDs and master's-level graduates in chemistry, engineering, and business. She also might create manufacturing jobs and sales jobs around the world.

Different Types of Entrepreneurship: IDE versus SME

Karen's activities exemplify a type of entrepreneurship we refer to as innovation-driven entrepreneurship—the creation of "innovation-driven enterprises" (IDEs) that pursue global opportunities based on bringing to customers new innovations that have a clear competitive advantage and high growth *potential*. By innovation, we mean new-to-the-world ideas in the technical, market, or business model domain. The notion of being innovation driven is critical as it emphasizes the entrepreneur's awareness of the need to build competitive advantage, which for an entrepreneur can only be done by taking today's resources and doing something distinctive with them: what Joseph Schumpeter[2] called "new combinations." As an aside, we very consciously do not use the term "technology-driven" entrepreneurship because innovation is not limited to technology. Innovation can come in many varieties including technology, process, business model, and more.

Some of the most exciting innovations of our time, such as Google, iTunes, Salesforce.com, Netflix, Zipcar, and many more are, at their core, business model innovations. They are enabled by technology, yes—Zipcar would find it difficult to maintain its large network of cars without keyless-entry technology for its members. But inherently, Zipcar's innovation is treating a rental car as a substitute for owning a car, rather than as temporary transportation for car owners and business travelers visiting far-flung areas. Zipcar doesn't have to understand the intricacies of its technology to be successful, but it has to understand what it means for its customers to "collaboratively consume." As technology becomes more and more commoditized, there still will be many opportunities for technology-driven innovation in areas like energy storage, power

[2] J. Schumpeter, *The Theory of Economic Development* (Cambridge, MA: Harvard University Press, 1934).

electronics, wireless communications, and much more, but that is not the sole definition of innovation.

Steve's activities we think of as small business entrepreneurship—the creation of "small and medium enterprises" (SME), serving local markets with traditional, well-understood business ideas and limited competitive advantage. Steve will prosper (or not) depending upon his business acumen, his ability to execute his project, and prevailing local demand, but he does not confront the multifaceted set of technical, market, and business risks faced by Karen and her team that render the execution challenge for IDEs even more imposing.

Although our daily work at the Martin Trust Center for MIT Entrepreneurship puts us in contact with entrepreneurs building IDEs on a daily basis, we do not assume that this is the only type of entrepreneurship that matters. As we have written about elsewhere,[3] SMEs are the life blood of many economies. In some countries and regions, such as Andalucía in Spain, they form the majority of employment. Even in the United States, self-employment and SME creation are critical to moving people out of unemployment, particularly during periods of austerity. These jobs are particularly important for individuals with relatively low levels of education and skills, although SMEs also can create (small numbers of) jobs for skilled professionals. A form of self-employment, SMEs give people the opportunity to work independently and use their skills, particularly in times when large, established companies are laying off workers. On the other hand, SMEs are, as their name suggests, small! Many SMEs in the United States and Europe only employ a founder and a spouse, or just a handful of workers (the average European SME has four employees). On average, SMEs provide lower-than-average wages and poor benefits relative to either large established firms or their IDE counterparts. [3] Note that "small businesses" are not necessarily job producers. The Kauffman Foundation found that *new* companies, that is, companies that are five years old or less, produced the lion's share—two-thirds—of the 40 million net new jobs seen by the American economy between 1980 and 2005.[4]

Contrast SMEs with the IDEs we advise and nurture in the Massachusetts entrepreneurial ecosystem and beyond. IDEs are focused from the beginning on addressing global markets. Taking a disciplined approach to building their business and using capital efficiently, IDE entrepreneurs might well start out with a focus on a regional (or niche) market, but only as a test bed for broader deployment of their product or service across regions or customer segments. If this initial experiment is successful, the IDEs likely will produce high levels of exports for the region. A critical element that enables expansion into global markets is the possession of (and focus on building) some underlying innovation (e.g. technology, process, business model) and a commitment to ensuring that the innovation is protected so the business will have a competitive advantage as it enters new markets. To build IDEs, entrepreneurs very

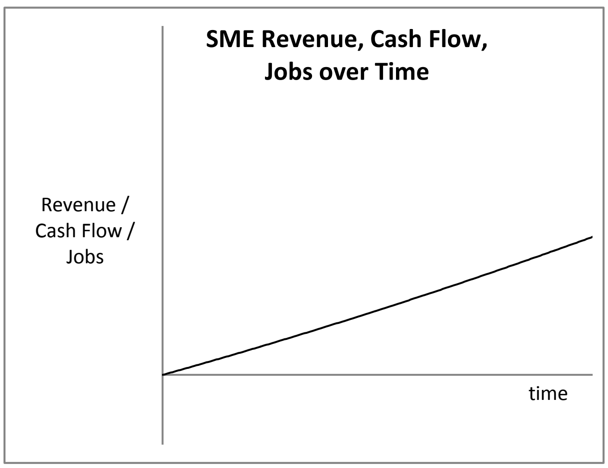
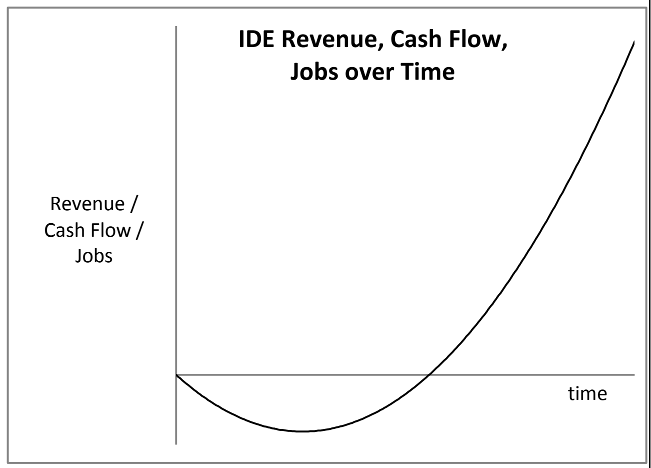
[3] Bill Aulet and Fiona Murray, "Not All Jobs Are Created Equal," *The Boston Globe*, October 17, 2012.
[4] Dane Stangler and Robert E. Litan, *Where Will the Jobs Come From?* (Kansas City, MO: Ewing Marion Kauffman Foundation, 2009).

likely will require some investment to develop their competitive advantage and access global markets at scale. External capital is a hallmark of IDEs when compared to typical SMEs. External capital can be venture capital, but today's market-savvy IDE entrepreneurs also are using angel funds, strategic partners, and other sources of external capital.

What is the impact of IDE entrepreneurship on jobs compared to SME-oriented job creation? With regard to the entrepreneurial team, IDEs are more likely than SMEs to be founded by a team with a diverse set of skills. IDEs generally (but not necessarily) require individuals with much higher levels of education and training. Biotechnology IDEs usually are founded, led, and staffed by individuals with PhDs in molecular biology, MDs (physicians), and MBAs. And as IDEs grow and succeed, they also create a wealth of auxiliary employment for those with lower skills—laboratory technicians, manufacturing staff, clinical trial managers, hospital workers, and so on. Beyond the jobs they create, as Enrico Moretti has argued in the *New Geography of Jobs*,[5] IDEs have a job multiplier effect, creating five jobs for every direct IDE job. Indeed, in Massachusetts, the Biotechnology Council has calculated that for every biotechnology job created directly by a biotech-focused IDE, five auxiliary jobs are created.[6] The same is true for the clean energy cluster that is emerging in Colorado and the digital business cluster in London's Tech City area, which is being transformed by the direct and indirect job creation of digital IDEs. Of course, there are many challenges in job creation through IDE growth. These companies are highly risky—they have a high chance of failure (a high chance of using resources but, at the end of the day, creating no jobs at all). On the other hand, they have a small chance of being an overwhelming success and being the next Google or Genzyme, creating hundreds of exciting high-skilled jobs and many thousands of auxiliary jobs.

[5] Enrico Moretti, *The New Geography of Jobs* (New York: Houghton Mifflin Harcourt, 2012).

[6] "President Obama, the 111th Congress, and Biotechnology: Working Together Today to Ensure a Healthy Tomorrow," Massachusetts Biotechnology Council, 2009, http://www.massbio.org/writable/files/Policy/mbc_white_paper_2009.pdf.

SME Entrepreneurship	IDE Entrepreneurship
Focus on addressing local and regional markets only.	Focus on global markets.
Innovation is not necessary to SME establishment and growth, nor is competitive advantage.	The company is based on some sort of innovation (tech, process, business model) and potential competitive advantage.
“Non-tradable jobs”—jobs generally performed locally, e.g. restaurants, dry cleaners, service industry.	“Tradable jobs”—jobs that do not have to be performed locally.
Most often family businesses or businesses with very little external capital.	More diverse ownership base including wide array of external capital providers.
The company typically grows at a linear rate. When you put money into the company, the system (revenue, cash flow, jobs, etc.) will respond quickly in a positive manner. 	The company starts by losing money, but if successful will have exponential growth. Requires investment. When you put money into the company, the revenue/cash flow/jobs numbers do not respond quickly. 

Why the Difference Matters

The distinctions between IDE and SME creation are important for entrepreneurs. Let's take a third entrepreneur who founded a business at the same time as Karen and Steve: Joe, an immigrant engineer with more than thirty years of technical experience, who lost his job in a large industrial company and decided to start his own company. He joined forces with another former colleague and together they developed a small technical consulting business. Joe's business could be built with the aim of establishing either an SME or an IDE, but the two paths are completely different. Joe has a much better chance of succeeding if he and his partner define their goals and then build the business accordingly.

If he wants to build an SME, Joe can focus on using his technical skills as a consultant on a project-by-project basis. He might hire others but only for particular projects. If he has any product ideas, he will probably try and license them to large companies—even his former employer. To succeed, he should focus on minimizing his overhead and ensuring a steady stream of small contracts that minimize the fluctuations in commitments, and limit the degree to which he has to use up limited capital or make long-term employment agreements to service his clients.

On the other hand, Joe could try to build an IDE. This would require him to really understand the *unique* technical skills he brings to the table. Perhaps he could build a strong database of projects throughout his industry, drawing on his own knowledge and public documents, using this as the basis for high-value-adding consulting around the country and abroad. If he were to do this, Joe would have to build up a team of individuals with similarly high-level skills, but in diverse areas. While he is out building the client base, his team would have to be able to execute on each project, building expertise as they go to ensure that with each new project, their marginal costs were declining and the unique customer value added was increasing. Joe may well have taken on loss-leader projects at the start to ensure that he could build a unique position in the industry. Alternatively, Joe could develop a *unique* new product design that meets the needs of a large or expanding market, file for patents, and lease some lab space to initiate proof-of-concept experiments. His capital expenditures (and risks) would be higher and he probably would need some initial capital (from an angel investor perhaps). He would have to build a team that included other highly skilled professions as well as technicians. His capital expenditure on manufacturing and distribution would depend on his choice of strategy with regard to large corporate partners, but he would be focusing his attention on how to build competitive advantage and create an effective strategy.

These are two very different views of Joe's future. Again, neither is inherently better for Joe—it really depends on what he wants, his tolerance for risk, his personal situation, and his vision for the business he wants in the future. The critical factor is clarity of purpose and the appropriate pursuit of that purpose and the opportunity. Moreover, there is nothing to stop Joe from changing his mind and making a mid-course correction. We do not believe that SME businesses have no chance of becoming IDEs, but that such a shift requires a clear-sighted analysis of current (and future) competitive advantage and plausible regional and global market opportunities, and a match between the current team and employees and the needs of the future IDE business.

The IDE-SME Difference Matters for Family Businesses Too!
One particular tension that can arise in succession planning in multigenerational family businesses is the difference in vision from one generation to the next. Perhaps the first generation was satisfied with an SME that provided for the family and successfully ensured a high standard of living for the next generation and extended family. However, the new generation might have global ambitions to create an IDE that would at once require taking on more risk, more external capital, and new employees. Framed this way, succession across generations can seem less personal and more strategic (and perhaps more manageable).

Why Governments Must Care about the IDE-SME Distinction

For governments looking to create jobs by promoting entrepreneurship, clarity on the different types of entrepreneurship is necessary but often lacking, not least because governments fundamentally are not entrepreneurial organizations, and often are staffed by people who lack entrepreneurial experience of either the IDE or SME type. As a result, policies frequently “lump” both sorts of entrepreneurs together, even though their needs are substantially different. From training programs and tax incentives to business accelerators and mentoring activities, entrepreneurial support programs must be designed differently for IDE-building entrepreneurs than for SME entrepreneurs.

We have seen that around the world, various organizations’ enthusiastic efforts to support entrepreneurship fail to achieve the results they desire, precisely because they try to address SME *and* IDE entrepreneurship through a singular organization. It is better for an individual organization to choose one focus and perform well, rather than choose both SME and IDE, leaving the organization unfocused and unsuccessful. There need to be two separate support structures for these two types (SME and IDE) that have different support personnel and different programs.

Even more important, organizations that intend to support either IDE or SME need different metrics for success and should be judged over a different timeframe. SME programs are regional in their focus and, if well-executed, can provide for a short-term payback, but are unlikely to have a dramatic impact on large-scale job creation. Investment in supporting SMEs also is attractive because it can be geographically targeted, so a politician can more easily directly support his geographically assigned constituents. In contrast, an organization addressing IDE entrepreneurship must have the flexibility to address long-term strategies for economic growth, which can be slower to produce desirable results and often requires a range of stakeholders engaged in IDE acceleration beyond just entrepreneurs—large corporate partners, universities, and risk capital providers also must come to the table. Yes, IDE entrepreneurship is more challenging, but it offers much greater potential upside in the long term. Take Italy as an example of the shortcomings of a confused strategy, as the *Wall Street Journal* described in November 2011. In Italy, entrepreneurs stay small, in trusted regional markets, because government policies discourage their aspirations for growth. Italy's economic woes partly are due to the entrepreneurs who do not plan for IDE creation, but instead stay focused on approaches for establishing more traditional SMEs.[7]

Given these differences, organizations that combine SME and IDE entrepreneurship tend to falter. Regardless of their stated intentions, over time they tend to allocate proportionally more resources to SME at the expense of IDE because of the need for immediate and visible results.

If job creation and economic prosperity are the goals for a government, IDE entrepreneurship must be a major element of government strategy and policymaking. IDE generates many more new jobs and more exports than SME. And to ensure that IDE entrepreneurship has the right support structures, separate and equitable organizations will need to be set up, with different programs and mindsets, to support SME and IDE entrepreneurship.

[7] Stacy Meichtry and Deborah Ball, "Culture Built on Family Firms Tests Italy's Plan for Growth," *The Wall Street Journal*, November 14, 2011.

Council Agenda Item: # R 2a

AGENDA CAPTION:

Approval of the Minutes for the July 9, 2013 Regular Council Meeting.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

N/A

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:	Type:
July 9, 2013 Minutes	Backup Material

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
WORK SESSION

July 9, 2013
5:30 PM - Town Hall
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254 I 5:30pm Work Session I 7:30pm Regular Agenda
Upstairs Conference Room

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

Work Session

Item #WS1 - Discussion of the Town Budget and Strategic Plan, including Council goals, objectives and visioning.

____

Mayor-Todd Meier

Attest:

____

City Secretary-Chris Terry

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
REGULAR MEETING

July 9, 2013
5:30 PM - Town Hall
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254 I 5:30pm Work Session I 7:30pm Regular Agenda
Chris Terry, 07/05/13, 5:00pm

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik

Absent:

None

REGULAR MEETING

Item #R1 - Announcements and Acknowledgements regarding Town and Council Events and Activities

Item #R2 - Consent Agenda

#2a - Approval of the Minutes for the June 25, 2013 Work Session and Regular Council Meeting.

Council Member Resnik pulled this item to correct the printed minutes from the June 25th Regular Council Meeting, to reflect vote of "nay" on Item #R8 (Pedestrian Crossing Improvments at Beltway and Les Lacs). The minutes available to the public for the June 25th meeting have since been changed to reflect the correct vote.

A motion to Approve w/ Conditions was made by Council Member Neil Resnik.
The motion was seconded by Mayor Todd Meier.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore,

Resnik
Voting Nay: None

#2b - Approval authorizing HVJ associates to perform preliminary geotechnical investigation for the Belt Line Rd Electrical Undergrounding project in an amount not to exceed $50,000.

A motion to Approve was made by Council Member Blake Clemens.
The motion was seconded by Council Member Chris DeFrancisco.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R3 - Presentation of a proclamation honoring Polka Dot Bakery.

Mayor Meier presented a proclamation to Polka Dot Bakery proprieter, Narcy Gonzalez. Ms. Gonzalez spoke on this item.

There was no action taken.

Item #R4 - Presentation, discussion and consideration of action regarding a proposal from the Addison Arbor Foundation for acquisition and placement of sculptures within the Town.

Matt McCombs, Assistant to the City Manager, Mary Jo Carter, President of the Arbor Foundation, and Jay Ihrig, Vice President, presented this item.

The first art piece for consideration, Plane Sculpture, was approved. The motion was made by Council Member Resnik and seconded by Council Member Gunther.

The second art piece for consideration, Green Sculpture, was approved. The motion was made by Council Member Resnik and seconded by Council Member DeFrancisco.

The third art piece for consideration, Blue Sculpture, was approved. The motion was made by Council Member Arfsten and seconded by Council Member Gunther.

A motion to Approve was made by Council Member Neil Resnik.
The motion was seconded by Council Member Margie Gunther.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R5 - PUBLIC HEARING, Case 1671-SUP/Chuy's Mexican Food. Public hearing, discussion and consideration of approval of an ordinance changing the zoning on property located at 4440 Belt Line Road, which property is currently zoned LR – Local Retail, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Chuy's Mexican Food, represented by Mr. Bill Pounds of Parkway Construction and Associates. COMMISSION FINDINGS:The Addison Planning and Zoning Commission, meeting in regular session on June 27, 2013, voted to recommend approval of the request for approval of an ordinance changing the zoning on property located at 4440 Belt Line Road, which property is currently zoned LR-Local Retail, by approving for that property a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption, on application from Chuy's Mexican Food, subject to the following conditions. The site plan shall be revised to provide the required parking of one space per 70 square feet, with a total of 165 parking spaces. -The applicant shall submit a revised landscaping plan which addresses the following items: - The design team shall develop a landscape plan for the perimeter of the building. The landscape plan shows the existing foundation plantings to remain but these plantings will probably be destroyed through the demolition and construction process. - The irrigation system will need to be modified to a drip irrigation system in all bed areas. - There are existing trees on the site which are in poor condition and will need to be removed and replaced. - All shrubs shall be 5 gallon size. - All ornamental grasses may be 3 gallon. - Trees shall be staked below grade. - The Town recommends the use of native plant material where possible. - Shrubs and plant material may be grouped to create areas of interest and increase visibility to the building in lieu of hedgerows.-The applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signs. Voting Aye: Doherty, Groce, Hewitt, Hughes, Oliver, Stockard, WheelerVoting Nay: noneAbsent: none

Carmen Moran, Director of Development Services, presented this item.

A motion to Approve was made by Council Member Neil Resnik.
The motion was seconded by Council Member Bruce Arfsten.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R6 - PUBLIC HEARING, Case 1672-Z/UDR. Public hearing, discussion and consideration of approval of an ordinance amending Ordinance No. 007-034, that zones as PD Planned Development District #007-034 that area of the Town known as Vitruvian Park and containing approximately 99.176 acres of land (generally located south of Spring Valley Road, west of the City of Farmers Branch, north of Brookhaven Community College and the City of Farmers Branch, and east of Marsh Lane) for certain residential, retail, office, home office, civic, and mixed use uses, and special and accessory uses, by (I) amending the Property Description of Ordinance No. 007-034 to add four tracts of land into Planned Development District 007-034 (which tracts are generally located at (A) 14248 Marsh Lane

(approximately .14 mile south of the intersection of Marsh Lane and Spring Valley Road and containing approximately 0.5 acres), (B) 3710 Spring Valley Road (approximately .06 mile east of the intersection of Spring Valley Road and Marsh Lane and containing approximately 0.7 acres), (C) 14280 Marsh Lane (generally at or about the southeast corner of the intersection of Spring Valley Road and Marsh Lane and containing approximately 17.9 acres), and (D) 4000 Spring Valley Road (generally at or about the southeast intersection of Spring Valley Road and Vitruvian Way and containing approximately 2.7 acres)), (II) amending the Planned Development Conditions and Standards of Ordinance No. 007-034 by adding “pet grooming and pet boarding, including overnight pet boarding” to the list of allowed retail uses, by adding the sale of beer and wine for off-premises consumption to the list of special uses allowed with the issuance of a special use permit, providing that retail is an allowed use in the tracts described in (I)(A), (B), and (C) above, and providing for the application or non-application of other conditions or standards to those tracts, (III) changing the zoning on the above described four tracts of land from LR-Local Retail to PD Planned Development #007-034 in accordance with the terms, conditions and provisions included therein, and (IV) amending the Concept Plan adopted by Ordinance No. 007-034 by approving a revised Concept Plan for approximately 121 acres of property (being all of the land included in Ordinance No. 007-034, as amended, including the four tracts described above), on application by UDR, represented by Mr. Tom Lamberth.
COMMISSION FINDINGS:The Addison Planning and Zoning Commission, meeting in regular session on June 27, 2013, voted to recommend approval of the Ordinance presented to the Commission, as written, amending Ordinance No. 007-034, that zones as PD Planned Development District #007-034 that area of the Town known as Vitruvian Park and containing approximately 99.176 acres of land (generally located south of Spring Valley Road, southeast and northwest of Vitruvian Way, west and north of the City of Farmers Branch, and east of Marsh Lane) for certain residential, retail, office, home office, civic, and mixed use uses, and special and accessory

uses, as described and according to the standards set forth therein, by (I) amending Exhibit A (“Property Description”) of Ordinance No. 007-034 in order to add four additional tracts of land into the Planned Development District 007-034 (which tracts of land are generally located (i) at 14248 Marsh Lane (being approximately .14 mile south of the intersection of Marsh Lane and Spring Valley Road and containing approximately .485 acres of land), (ii) 3710 Spring Valley Road (being approximately .06 mile east of the intersection of Spring Valley Road and Marsh Lane and containing approximately .672 acres of land) (iii) 14280 Marsh Lane (being generally at or about the southeast corner of the intersection of Spring Valley Road and Marsh Lane and containing approximately 17.893 acres of land), and (iv) 4000 Spring Valley Road (being generally at or about the southeast intersection of Spring Valley Road and Vitruvian Way and containing approximately 2.684 acres of land), (II) amending Exhibit B (“Planned Development Conditions and Standards”) of Ordinance No. 007-034, by amending Section 5 (“Uses”), Subsection 2 (“Retail”) thereof, in order to add “pet grooming and overnight boarding” to the list of allowed retail uses, (III) changing the zoning on the above described four tracts of land from LR-Local Retail to PD Planned Development #007-034 in accordance with the terms, conditions and provisions included therein, and (IV) amending Exhibit C (“Concept Plan”) of Ordinance No. 007-034 by approving a revised Concept Plan for 120.91 acres of property bounded on the north by Spring Valley Road, on the east by the City of Farmers Branch, on the south by Brookhaven Community College and the City of Farmers Branch, and on the west by Marsh Lane (and being all of the land included in Ordinance No. 007-034, as amended), on application by UDR, represented by Mr. Tom Lamberth, subject to no conditions. Voting Aye: Doherty, Groce, Hewitt, Hughes, Oliver, Stockard, WheelerVoting Nay: noneAbsent: none

Carmen Moran presented this item.

A motion to Approve was made by Council Member Chris DeFrancisco.
The motion was seconded by Council Member Janelle Moore.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R7 - Presentation, discussion and consideration of approval of a final payment to UDR, Inc in the amount of $1,100,226 for the construction of certain public infrastructure (including streetscape, screening walls, public restrooms and improvements to Farmers Branch Creek) within that area of the Town generally known as Vitruvian Park (Vitruvian Park Public Infrastructure Phase 3).

Lea Dunn, Deputy City Manager, presented this item. The motion was made by Council Member Clemens and amended to reflect the actual amount of $1,010,226. The $90,000 difference was already paid by the Town at an earlier date.

A motion to Approve was made by Council Member Blake Clemens.
The motion was seconded by Council Member Janelle Moore.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R8 - Presentation and discussion regarding Celestial Pump Station and Surveyor Pump Station.

Lisa Pyles, Director of Infrastructure Services and Operations, presented this item. Jason Shroyer, Assistant Director of IOS, also spoke on this item.

There was no action taken.

Item #R9 - Discussion and consideration of adoption of a resolution supporting the creation and implementation of a Consolidated Emergency Dispatch Center serving the Metrocrest cities and authorizing the City Manager's office to enter into an interlocal agreement with the cities of Farmers Branch, Carrollton and Coppell with respect to the contruction, operation and management of a Consolidated Emergency Dispatch Center.

Ron Whitehead, City Manager, presented this item. John O'Neal, Fire Chief, spoke on this item.

A motion to Approve was made by Council Member Bruce Arfsten.
The motion was seconded by Council Member Neil Resnik.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R10 - Presentation regarding Sanitary Sewer and Storm Sewer repairs at Village on the Parkway.

Alison Ream, Assistant to the City Manager, presented this item.

There was no action taken.

Item #R11 - Discussion and consideration of approval of an Ordinance amending the Code of Ordinances, Chapter 2 (Administration), Article IV (Finance), Division 3 (Investment Policy), Section 2-204(b) (Delegation of authority) by removing the requirement that a fidelity bond for the Chief Financial Officer and designees be at least five (5%) percent of the investment portfolio and by adding the requirement that a fidelity bond be in at least the amount of $250,000.

Eric Cannon, Chief Financial Officer, presented this item.

A motion to Approve was made by Council Member Bruce Arfsten.

The motion was seconded by Council Member Margie Gunther.
The motion result was: Passed
Voting Aye: Arfsten, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: Clemens

Item #ES1 - Closed (executive) session of the Addison City Council, pursuant to Section 551.072, Texas Government Code, to deliberate the purchase or value of certain real property located generally at 4308-4310 Wiley Post within the Town and concerning Addison Airport.

Council entered Executive Session at 9:04pm.

There was no action taken.

Item #ES2 - Closed (executive) session of the City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney to seek the advice of its 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 Chapter 551, Tex. Gov. Code, regarding certain real property located within Addison Airport, and pursuant to Section 551.072, Tex. Gov. Code, to deliberate the purchase, lease, or value of real property located within Addison Airport.

Council closed Executive Session at 10:38pm.

There was no action taken.

Item #R12 - Discussion and consideration of approval of any action regarding the purchase or value of certain real property located generally at 4308-4310 Wiley Post within the Town and concerning Addison Airport.

John Hill, City Attorney, presented this item. A motion was made to approve the item as discussed in the Executive Session, including the

Resolution authorizing the City Manager and City Attorney to negotiate as discussed under the terms and conditions.

A motion to Approve was made by Council Member Blake Clemens.
The motion was seconded by Council Member Chris DeFrancisco.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

Item #R13 - Discussion and consideration of any action regarding the purchase, lease, or value of certain real property located within Addison Airport.

A motion was made to authorize the City Attorney and City Manager to proceed as discussed in the Executive Session.

A motion to Approve was made by Council Member Blake Clemens.
The motion was seconded by Council Member Bruce Arfsten.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore, Resnik
Voting Nay: None

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Mayor-Todd Meier

Attest:

____

City Secretary-Chris Terry

Council Agenda Item: # R 2b

AGENDA CAPTION:

Approval of the Minutes for the July 15, 2013 Special Council Meeting.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

N/A

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:	Type:
Minutes for July 15, 2013 Special Council Meeting	Backup Material

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
WORK SESSION

July 15, 2013
5:30 PM - Town Hall
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254 I 5:30pm Work Session I 7:30pm Special Meeting
Upstairs Conference Room

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore

Absent:

Resnik

Work Session

Item #WS1 - Discussion of the Town Budget and Strategic Plan, including Council goals, objectives and visioning, and Town projects implementing the 2012-2013 Strategic Plan.

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Mayor-Todd Meier

Attest:

____

City Secretary-Chris Terry

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
REGULAR MEETING

July 15, 2013
5:30 PM - Town Hall
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254 I 5:30pm Work Session I 7:30pm Special Meeting
Chris Terry, 07/12/13, 5:00pm

Council Members Present:

Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore

Absent:

Resnik

REGULAR MEETING

Item #R1 - Announcements and Acknowledgements regarding Town and Council Events and Activities

Item #R2 - Consent Agenda

Item #R3 - DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2013; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

Eric Cannon, Chief Financial Officer, presented this item. David Medanich, Vice Chairman of First Southest Holdings LLC, spoke on this item.

A motion to Approve was made by Council Member Blake Clemens.
The motion was seconded by Council Member Chris DeFrancisco.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore
Voting Nay: None

Absent: Resnik

Item #R4 - DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2013A (AMT); LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

A motion to Approve was made by Council Member Chris DeFrancisco.
The motion was seconded by Council Member Margie Gunther.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore
Voting Nay: None

Absent: Resnik

Item #R5 - DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, TAXABLE SERIES 2013B; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

A motion to Approve was made by Council Member Blake Clemens.

The motion was seconded by Council Member Bruce Arfsten.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore
Voting Nay: None

Absent: Resnik

Item #R6 - DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, TAX-EXEMPT SERIES 2013; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

A motion to Approve was made by Council Member Chris DeFrancisco.
The motion was seconded by Council Member Janelle Moore.
The motion result was: Passed
Voting Aye: Arfsten, Clemens, DeFrancisco, Gunther, Meier, Moore
Voting Nay: None

Absent: Resnik

Mayor-Todd Meier

Attest:

City Secretary-Chris Terry

Council Agenda Item: # R 2c

AGENDA CAPTION:

Approval of final payment to Austin Bridge & Road in the amount of $240,995.19 for the completion of construction of certain public infrastructure (including one pedestrian and two vehicular bridges) within that area of the Town generally known as Vitruvian Park (Vitruvian Park Public Infrastructure Phase 1D).

FINANCIAL IMPACT:

This item is funded by certificates of obligation in the 2008 Capital Projects Fund.

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Infrastructure improvement and maintenance

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #R3

AGENDA CAPTION:

PUBLIC HEARING regarding the Town of Addison's Annual Budget and proposed tax rate for the Fiscal Year ending September 30, 2014.

FINANCIAL IMPACT:

N/A

BACKGROUND:

A Public Hearing is provided to hear any comments from the public regarding the Fiscal Year 2014 Budget.

RECOMMENDATION:

N/A

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #R4

AGENDA CAPTION:

Presentation, discussion and consideration of approval of a resolution establishing a vote of record that proposes a property tax rate for the Town's fiscal year beginning October 1, 2013 and ending September 30, 2014, and designating dates for the holding of two public hearings regarding, and a proposed date for the adoption of, the property tax rate for the said 2013/2014 fiscal year, and scheduling a date for a public hearing on the proposed budget for the said 2013/2014 fiscal year.

FINANCIAL IMPACT:

The costs associated with publishing notices of the tax rate are approximately $6,000 and will be paid from the Financial & Strategic Services department.

BACKGROUND:

The State's Truth in Taxation law requires calculation and publication of each taxing entity's net effective tax and rollback tax rates. These rates have been calculated by the Dallas County Tax Appraiser to be $0.539388 and $0.573995 per $100, respectively. These rates were published in the August 5, 2013 edition of the Dallas Morning News. Included with this agenda item is a copy of the publication notice.

The city manager's proposed budget assumes a property tax rate of $0.573995, which exceeds the net effective tax rate. Should the council consider a rate higher than the net effective rate, the Truth in Taxation law requires a vote of record, publication of the result of the vote of record and two public hearings. Whatever tax rate council adopts for next year's budget, it can be no higher than the rate established by the vote of record, although it can be less than that rate.

The proposed resolution also includes a provision scheduling a date for a public hearing on the budget. Section 102.006(b) of the Local Government Code provides that the governing body must set the date of the hearing, which must be a date that occurs after the 15th day after the date the proposed budget is filed with the municipal clerk but before the date the governing body makes its tax levy.

RECOMMENDATION:

Because the city manager's proposed budget provides for a tax rate exceeding the net effective rate, it is recommended that Council establish a rate through the attached resolution.

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:	Type:
Resolution of Proposed Tax Rate - FY2014	Resolution Letter
Published Tax Rates	Backup Material

TOWN OF ADDISON, TEXAS

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS PROPOSING A PROPERTY TAX RATE OF $0.573995 PER $100 OF TAXABLE VALUE FOR THE TOWN'S FISCAL YEAR BEGINNING OCTOBER 1, 2013 AND ENDING SEPTEMBER 30, 2014; PROVIDING THAT A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE CONDUCTED AT MEETINGS OF THE CITY COUNCIL TO BE HELD ON AUGUST 27, 2013 AND SEPTEMBER 3, 2013, EACH COMMENCING AT 7:30 P.M., AT ADDISON TOWN HALL, COUNCIL CHAMBERS, 5300 BELT LINE ROAD, DALLAS, TEXAS 75254; SCHEDULING A VOTE ON THE PROPERTY TAX RATE FOR THE SAID 2013/2014 FISCAL YEAR AT A COUNCIL MEETING TO BE HELD ON SEPTEMBER 10, 2013 COMMENCING AT 7:30 P.M. AT THE SAID ADDISON TOWN HALL, SUCH DATE AND TIME SUBJECT TO CHANGE AS THE COUNCIL MAY DETERMINE; SCHEDULING A PUBLIC HEARING ON THE PROPOSED BUDGET OF THE TOWN FOR SAID 2013/2014 FISCAL YEAR AT A COUNCIL MEETING TO BE HELD ON SEPTEMBER 3, 2013, COMMENCING AT 7:30 P.M., AT THE SAID ADDISON TOWN HALL; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the Town of Addison, Texas (the "City") is in the process of evaluating and establishing a budget and a property tax rate for its fiscal year that begins October 1, 2013 and ends September 30, 2014; and

WHEREAS, Section 26.05(d) of the Texas Tax Code (the "Code") provides in part that the governing body of a municipality may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until the governing body has held two public hearings on the proposed tax rate; and

WHEREAS, Section 26.06(b) of the Code specifies certain information to be included in the notice of such public hearings, including the date, time and location of each of the public hearings, the percentage by which the proposed tax rate exceeds the lower of the rollback tax rate or the effective tax rate, and the names of all members of the governing body, showing how each voted on the proposal to consider the tax increase (or if a member is absent, indicating the absence); and

WHEREAS, the City's tax assessor/collector, being the Dallas County Tax Assessor/Collector, has calculated the City's effective tax rate to be $0.539388 and the rollback tax rate to be $0.573995, and each of those rates have been published in accordance with State law; and

WHEREAS, this Resolution, among other things, proposes a property tax rate for the City's fiscal year beginning October 1, 2013 and ending September 30, 2014 that exceeds the lower of the said effective tax rate and the rollback tax rate.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. A property tax rate of $0.573995 per $100 of tax value is proposed for the City's fiscal year beginning October 1, 2013 and ending September 30, 2014 (the "2013/2014 Fiscal Year").

The City Council will hold and conduct two public hearings on this proposed tax rate. The first public hearing will be held on August 27, 2013 at 7:30 p.m. and the second public hearing will be held on September 3, 2013 at 7:30 p.m. Each public hearing will be held and conducted at Addison Town Hall, Council Chambers, 5300 Belt Line Road, Dallas, Texas 75254. Notice of each of the said meetings and public hearings will be published and posted in accordance with law.

Section 2. The adoption of the property tax rate for the 2013/2014 Fiscal Year is scheduled to be considered by the City Council at a meeting of the City Council to be held on September 10, 2013, commencing at 7:30 p.m., at Addison Town Hall, Council Chambers, 5300 Belt Line Road, Dallas, Texas 75254. The said meeting date and time for consideration of the adoption of the property tax rate are subject to change as the Council may determine, and such change may be made by the Council by motion or otherwise, and without amending this Resolution.

Section 3. The City Council will hold and conduct a public hearing on the proposed budget for the City for the 2013/2014 Fiscal Year on September 3, 2013 commencing at 7:30 p.m. at Addison Town Hall, Council Chambers, 5300 Belt Line Road, Dallas, Texas 75254. Notice of the said meeting and public hearing will be published and posted in accordance with law.

Section 4. The above and foregoing recitals are true and correct and are incorporated into and made a part of this Resolution.

Section 5. This Resolution shall take effect upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this 13th day of August, 2013.

AYES:____

____

NAYS:____

____

ABSENCES:____

____
Todd Meier, Mayor

ATTEST:

By:___________________________________
Chris Terry, City Secretary

APPROVED AS TO FORM:

By:___________________________________
John Hill, City Attorney

2013 Property Tax Rates in Town of Addison

This notice concerns the 2013 property tax rates for Town of Addison. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per $100 of property value.

Last year's tax rate:	
Last year's operating taxes	$11,349,010
Last year's debt taxes	$6,971,128
Last year's total taxes	$18,320,138
Last year's tax base	$3,158,644,483
Last year's total tax rate	$0.580000/$100
This year's effective tax rate:	
Last year's adjusted taxes (after subtracting taxes on lost property)	$18,306,595
÷ This year's adjusted tax base (after subtracting value of new property)	$3,393,952,889
=This year's effective tax rate	$0.539388/$100
(Maximum rate unless unit publishes notices and holds hearings.)	
This year's rollback tax rate:	
Last year's adjusted operating taxes	$11,343,380
(after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	
÷ This year's adjusted tax base	$3,393,952,889
=This year's effective operating rate	$0.334223/$100
x 1.08=this year's maximum operating rate	$0.360960/$100
+ This year's debt rate	$0.213035/$100
= This year's total rollback rate	$0.573995/$100

Statement of Increase/Decrease

If Town of Addison adopts a 2013 tax rate equal to the effective tax rate of $0.539388 per $100 of value, taxes would increase compared to 2012 taxes by $504,749.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	9,905,580
Debt Service Fund	1,127,000

Schedule B - 2013 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Total Bond Debt	4,461,153	2,969,376	4,500	7,435,029

Total required for 2013 debt service	$7,435,029
- Amount (if any) paid from Schedule A	$0
- Amount (if any) paid from other resources	$0
- Excess collections last year	$0
= Total to be paid from taxes in 2013	$7,435,029
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2013	$0
= Total debt levy	$7,435,029

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 500 Elm St, Dallas, TX 75202.

Name of person preparing this notice: John R. Ames

Title: Dallas County Tax Assessor/Collector, CTA

Date Prepared: 07/29/2013

Council Agenda Item: #R5

AGENDA CAPTION:

Discussion regarding an update of the Public Safety the Addison Way program.

FINANCIAL IMPACT:

N/A

BACKGROUND:

This is an update regarding the SAFER Addison program that was discussed at a Work Session on October 15, 2012. The program has been tentatively renamed Public Safety the Addison Way program.

RECOMMENDATION:

N/A

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Maintain and enhance our unique culture of creativity and innovation, Enhance Public Safety

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #R6

AGENDA CAPTION:

Discussion and consideration authorizing the City Manager to negotiate Memorandum of Understandings with the Dallas Entrepreneur Center, Dallas County Small Business Development Center, and the North Texas Regional Center for Innovation Commercialization in support of the Town's entrepreneurial development efforts.

FINANCIAL IMPACT:

In-kind support to the groups in the form of office space co-located with the Economic Development Department.

BACKGROUND:

As discussed during work session, establishing formal Memorandum of Understandings with the three entities named will help the Town leverage its resources, strengthen the Town's entrepreneurial development efforts, and attract qualitative programs in support of these endeavors.

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Create raving fans of the Addison Experience, Maintain and enhance our unique culture of creativity and innovation, Raise Property Values, Attract new businesses to Addison, Brand Protection and Enhancement, Develop Next Great Idea

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #R7

AGENDA CAPTION:

Presentation, discussion and consideration of approval of a contract with Affiliated Telephone Inc. for the purchase and installation of the telecommunication systems in the amount of $208,564.66.

FINANCIAL IMPACT:

$250,000 is budgeted in IT Replacement Fund for this project.

BACKGROUND:

Current Status:

The Town's internal NEC phone system uses equipment that was installed in 1995-1996. The phone system was last updated in 2007 but it is now out of production and at end-of-life. Parts are still available at the moment, but if we choose to continue using the current system, the NEC will eventually run out of parts. NEC is also phasing out technical support so keeping the current system is an undesirable option. Though the system was purchased in 1995-1996, NEC introduced some of the system components several years earlier. In terms of design, the system is based on technology that is over 20 years old.

The Town's NEC phone system provides phone service for all major Town buildings except Visit Addison, which has a cloud-based phone system provided directly by AT&T.

Challenges:

The Town's NEC phone system has been very reliable, but if any parts do fail or are needed for additional capacity, they will become increasingly difficult to obtain since they are out of production.

Selection Process:

Proposals were graded on the following criteria:

- End User Experience,
- System Administration,

- Project Experience, Qualifications & Reputation,
- Cost,
- Design & Technical.

This was used to select three finalists from six proposals for on-premise phone systems. This was also used to evaluate proposals for cloud-based phone systems, but we only received two such proposals. For each cloud-based proposal, ongoing costs were approximately $200,000 annually.

Three finalists were selected for demos and additional Q&A. Bidders were asked to provide itemized pricing. The original proposals had some variations in quantities, but for comparison purposes, each proposal was adjusted to have the same quantities of comparable parts (phones, licenses, etc.). As much as possible, the proposals were also compared with similar features/capacity.

Financial and Operational Benefits of the Recommendation:

The recommended proposal/system will include phone service for Visit Addison for an estimated savings of **$2,000** per month while also improving network performance for town staff at Visit Addison by **15 times**.

The recommended proposal/system provides very high reliability over other phone systems. If a site or phone switch goes down (fire, tornado, etc.), the remaining phones automatically continue to work using available capacity in other phone switches on the network.

This system will also save time for staff in system administration. If a user moves to a desk that already has a phone, the user only needs to login at that phone for the phone to get the correct extension.

Justifications to Support the Recommendation:

The ShoreTel system is the best system for disaster recovery. Each ShoreTel phone switch has the same programming as all other ShoreTel switches in the network. If a ShoreTel phone switch needs to be replaced, the replacement automatically gets its programming from the remaining switches on the network.

Affiliated Telephone Inc. offers the best pricing among all of the proposals.

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Infrastructure improvement and maintenance, Look for Operational Efficiencies without cutting services

ATTACHMENTS:

Description:	Type:
Telecom Replacement Price Comparison	Backup Material

Phone System Replacement

Bidder	Platform	Notes	One-Time As Proposed	Annual Maintenance	One-Time Adjusted	5-Yr Cost	Normal Labor/Hr
Affiliated	Shore-Tel	230g 3-button phone	$163,358.60	$7,500.00	$194,318.26	$231,818.26	$95.00
Affiliated	**Shore-Tel**	**560g 6-button phone**	**N/A**	**$7,500.00**	**$208,564.66**	**$246,064.66**	**$95.00**
Affiliated	Shore-Tel	565g 6-button color phone	N/A	$7,500.00	$232,783.01	$270,283.01	$95.00
Mercury	NEC SV8300	TDM (digital) with IP backbone, not IP phones	$195,300.75	$8,337.00	$195,300.75	$236,985.75	$135.00
Mercury	NEC SV8300	Mostly IP Phones, some Digital	N/A	$8,337.00	$243,314.01	$284,999.01	$135.00
Comm3	Shore-Tel	230g 3-button phone	$345,780.24	$17,584.20	$252,030.64	$339,951.64	$170.00

Staff recommends the Affiliated Shore-Tel 560g 6-button phone for a one-time adjusted cost of $208,564.66
This is recommended as it provides more functionality than the Shore-Tel 230g 3-button phone

The One-Time Adjusted pricing compares the different proposals with the same quantities and, as closely as possible, the same feature for an apples-to-apples comparison.

This does not include the new Economic Development office, which had not yet been announced when this RFP was released

Council Agenda Item: #R8

AGENDA CAPTION:

REPLAT/Village on the Parkway. Presentation, discussion, and consideration of approval of a replat to consolidate three separate lots into one lot and add cross-access easements, on one lot of 31.608 acres, located at the southeast corner of the intersection of Dallas Parkway and Belt Line Road, on application from VOP, LP, represented by Mr. Trey Braswell of Kimley-Horn and Associates, Inc.

COMMISSION FINDINGS: The Addison Planning and Zoning Commission, meeting in regular session on July 25, 2013, voted to recommend approval of the final plat for Village on the Parkway, subject to the following conditions:

1.Instrument number for Sakowitz ROW abandonment on drawing does not match the description.

2.Dark line near title block does not make sense.

3.Point of description uses cap found at a corner clip of a ROW that has been abandoned. Is OK to use, but is confusing and may cause issues for future researchers.

Voting Aye: Doherty, Groce, Hewitt, Hughes, Oliver, Stockard, Wheeler, Voting Nay: none

Absent: none

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

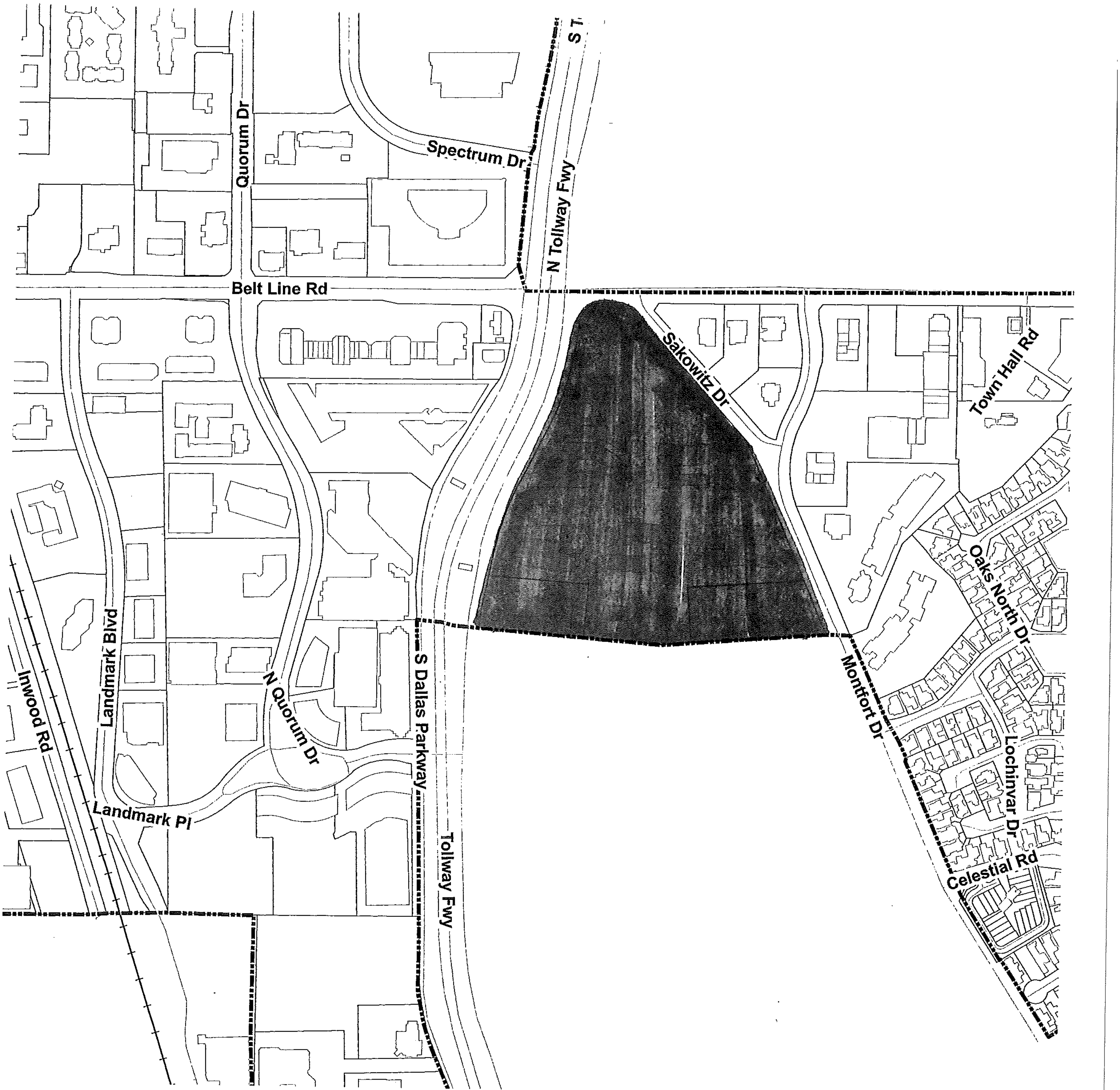
Raise Property Values

ATTACHMENTS:

Description:	Type:
docket map, staff report, and commission findings	Backup Material

REPLAT/Village on the Parkway

<u>REPLAT/Village on the Parkway</u>. Requesting approval to consolidate three separate lots into one lot and add cross-access easements, on one lot of 31.608 acres, located at the southeast corner of Dallas Parkway and Belt Line Road, on application from VOP, LP, represented by Mr. Tray Braswell of Kimley-Horn and Associates, Inc.



TOWN OF ADDISON

DEVELOPMENT SERVICES 16801 Westgrove
(972) 450-2880 Fax: (972) 450-2837 Post Office Box 9010 Addison, Texas 75001-9010

July 16, 2013

STAFF REPORT

RE:	AMENDED REPLAT/Village on the Parkway
LOCATION:	One lot of 31.608 acres located at the southeast corner of Dallas Parkway and Belt Line Road
REQUEST:	Approval of an amended replat
APPLICANT:	VOP, LP, represented by Mr. Trey Braswell of Kimley-Horn and Associates, Inc.

DISCUSSION:

Background. This property contains the Village on the Parkway shopping center. The tract was originally all one lot, but was platted into three separate lots in 2000 to allow the owner to sell of the two back parking lots. The southeast lot was to be developed with a condominium tower, and the southwest lot was to be developed with a multi-family tower. The original development plan did not make. A revised plan for a condominium tower was submitted and approved for the southeast corner, but that plan also did not make.

At this point, VOP, LP has redeveloped the center as a pure shopping center, as opposed to a mixed use development, and it needs to replat the two lots back into the center and create one lot so that the entire property can be used for parking for the center.

Public Works Review. The City's Engineers have reviewed the proposed plat, and notes the following items that need to be corrected:

1. Instrument number for Sakowitz ROW abandonment on drawing does not match description.
2. Dark line near title block does not make sense
3. Point of description uses cap found at a corner clip of a ROW that has been abandoned. Is OK to use, but is confusing and may cause issues for future researchers.

RECOMMENDATION:

Staff recommends approval of the final amended replat of Village on the Parkway, subject to the corrections noted above. A mark-up of the drawings and the comments have been furnished to the applicant.

Respectfully submitted,

CMoran

Carmen Moran
Director of Development Services

REPLAT/Village on the Parkway
July 30, 2013

COMMISSION FINDINGS:

The Addison Planning and Zoning Commission, meeting in regular session on July 25, 2013, voted to recommend approval of the final plat for Village on the Parkway, subject to the following conditions:

1. Instrument number for Sakowitz ROW abandonment on drawing does not match description.
2. Dark line near title block does not make sense
3. Point of description uses cap found at a corner clip of a ROW that has been abandoned. Is OK to use, but is confusing and may cause issues for future researchers.

Voting Aye: Doherty, Groce, Hewitt, Hughes, Oliver, Stockard, Wheeler,
Voting Nay: none
Absent: none

TOWN OF
ADDISON
INFRASTRUCTURE OPERATIONS & SERVICES
Post Office Box 9010 Addison, Texas 75001-9010
(972) 450-2871
16801 Westgrove

July 5, 2013

Kimley-Horn & Associates, Inc
Attention: Trey Braswell, P.E.
5750 Genesis Court, Suite 200
Frisco, TX 75034

Re: Village on the Parkway Amended Replat

Mr. Braswell:

As the Town's review engineer, Cobb, Fendley & Associates, Inc. (CobbFendley) has reviewed the following plat for compliance with Town of Addison and State of Texas requirements.

Plan Review: 1st Submittal
Plan Received: July 1, 2013
Plan Date: June 20, 2013
Development: Village on the Parkway

The City staff and review engineer have endeavored to review the Plat for compliance with the governing authorities. This review does not relieve the surveyor, design engineer, developer, and / or contractor from meeting all Town of Addison, TCEQ, TDLR, and other state and federal requirements that apply to this project that may or may not have been identified through this review.

CobbFendley has summarized our review comments along with the comments of the Town of Addison staff on the following pages. The submitting surveor / developer should address the following comments prior to plat approval.

I look forward to working with you on receiving approval for this development. If you have any questions, feel free to call at 972-335-3214.

Sincerely,
COBB, FENDLEY & ASSOCIATES, INC.

Jenny Prazak, P.E.
Municipal Infrastructure
CobbFendley

Cc: Carmen Moran, Town of Addison Development Services

Town of Addison

Summary of Review Comments

CobbFendley

Date: July 5, 2013
Plan Review : 1st
Received: July 1, 2013
Plan Date: June 20, 2013
Development: Village on the Parkway - Amended Replat

Prepared by: JP

All comments on Plan Review Set and Summary of Review Comment form must be addressed. Summary of Review Comment form may NOT be all inclusive of comments made directly on the Plan Review Set.

Page No.	Comments	Response (See Note)	Explanation
General	Instrument No. for Sakowitz ROW abandonment on drawing does not match description.		
1 of 2	What is dark line near title block?		
2 of 2	Point of description uses cap found at a corner clip of a ROW that has been abandoned. Ok to use, but is confusing and may cause issues for future researchers.		

Notes:
1. Response: Appropriate response is Agree (Correction Made) or Disagree (Correction Not Made), Explanation Required.
2. This form must be completed and returned with future submittals.
3. Previous red lined Plan Review Set must be submitted with future submittals.
4. **Failure to submit Completed Summary of Review Comments form and previous Plan Review Set will result in a delay of future plan sets being reviewed.**
5. **Send all plan submittals directly to the Town of Addison**

Checked by MDN 07-04-13

Section IX. - Final plat and plans.

The developer or his engineer shall submit the final plat and complete construction plans to the development services department for review. Submittal shall include a letter of transmittal requesting review and payment of the required filing fees.

Once submitted, the director of development services shall check and verify the plat, or shall cause the plat to be checked and verified by appropriate and qualified personnel, as to its completeness and compliance with all requirements within ten days of its submission. If the final plat is incomplete or does not comply with all requirements, it shall be deemed not to have been submitted or filed until any and all deficiencies are corrected. The official date of filing shall be the date that the director of development services or the director's designee confirms that the plat is complete and complies with all requirements. The director or the director's designee shall provide to the applicant a written confirmation of his or her determination, which shall provide the official date of filing and specify the meeting of the planning and zoning commission scheduled for review of the final plat. If the director or the director's designee determines that the plat is incomplete or does not meet all requirements, he or she shall provide written confirmation of the determination and the reasons therefore. If the applicant disagrees with a determination that the plat does not comply with all requirements, the applicant shall submit a written objection to the director within five business days of the postmark date of the written confirmation. If a written objection is submitted, the director shall schedule the plat for consideration by the planning and zoning commission. The official filing date for any plat that is not checked and verified as to its completeness within ten days of its submission shall be the 11th day after its submission.

The final plat shall conform to the approved preliminary plat where applicable, and shall contain the following:

✓A. The boundary lines with accurate distances and bearings and the exact location and width of all existing or recorded streets intersecting the boundary of the tract.

✓B. True bearings and distances to the nearest established street lines or official monuments, which shall be accurately described on the plat; municipal, township, county, or section lines accurately tied to the lines of the subdivision by distances and bearings.

✓C. An accurate location of the subdivision with reference to the abstract and survey records of Dallas County.

✓D. The exact layout including:

✓1. Street names; mdn Chord bearing provided which is sufficient and preferable

✓2. The length of all arcs, radii internal angles, points of curvature, length, and bearing of the tangents;

✓3. All easements for rights-of-way provided for public services or utilities and any limitations of the easements; and

✓4. All lot numbers and lines with accurate dimensions in feet and hundredths of feet and with bearings and angles to street and alley lines.

✓E. The accurate location, material, and approximate size of all monuments.

✓F. The accurate outline of all property which is offered for dedication for public use with the purpose indicated thereon, and of all property that may be reserved by deed covenant for the common use of the property owners in the subdivision.

✓G. Setback building lines.

H. Private restrictions. NA

✓I. Proposed name of the subdivision.

✓J. Name and address of the subdivider.

L. Certification by a registered professional surveyor to the effect that the plat represents a survey made by him and that all the monuments shown thereon actually exist, and that their location, size, and material description are correctly shown. this data not provided in certification

M. Proof of ownership of the property. Not provided to reviewer

? N. A certificate of ownership and dedication of all streets, fire lanes, alleys, parks and playgrounds to public use forever, signed and acknowledged before a notary public by the owner and lienholder of the land along with complete and accurate description of the land subdivided and the streets dedicated.

O. Names of lenders and lienholders on the property. Not provided to reviewer

NA P. Additional certificates to properly dedicate easements or right-of-way as may be necessary and in the form as required by the town. Such easement certificates shall be in the following form, which form shall be required to be attached to and made a part of the final plat:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That ____________ ("Owner") does hereby adopt this plat designating the hereinabove property as ____________, an addition to the Town of Addison, Texas, and subject to the conditions, restrictions and reservations stated hereinafter, owner dedicates to the public use forever the streets and alleys shown thereon.

The easement shown on this plat are hereby reserved for the purposes as indicated, including, but not limited to, the installation and maintenance of water, sanitary sewer, storm sewer, drainage, election, telephone, gas and cable television. Owner shall have the right to use these easements, provided, however, that it does not unreasonably interfere or impede with the provision of the services to others. Said utility easements are hereby being reserved by mutual use and accommodation of all public utilities using or desiring to use the same. An express easement of ingress and egress is hereby expressly granted on, over and across all such easements for the benefit of the provider of services for which easements are granted.

Any drainage and floodway easement shown hereon is hereby dedicated to the public's use forever, but including the following covenants with regards to maintenance responsibilities. The existing channels or creeks traversing the drainage and floodway easement will remain as an open channel, unless required to be enclosed by ordinance, at all times and shall be maintained by the individual owners of the lot or lots that are traversed by or adjacent to the drainage and floodway easement. The town will not be responsible for the maintenance and operation of said creek or creeks or for any damage or injury of private property or person that results from the flow of water along said creek, or for the control of erosion. No obstruction to the natural flow of water runoff shall be permitted by construction of any type building, fence or any other structure within the drainage and floodway easement. Provided, however, it is understood that in the event it becomes necessary for the town to channelize or consider erecting any type of drainage structure in order to improve the storm drainage, then in such event, the town shall have the right, but not the obligation, to enter upon the drainage and floodway easement at any point, or points, with all rights of ingress and egress to investigate, survey, erect, construct or maintain any drainage facility deemed necessary by the town for maintenance or efficiency of its respective system or service.

Water main and sanitary sewer easements shall also include additional area of working space for construction and maintenance of the systems. Additional easement area is also conveyed for installation and maintenance of manholes, cleanouts, fire hydrants, water service and sewer services from the main to curb or pavement line, and the descriptions of such additional easements herein granted shall be determined by their locations as installed.

This plat is approved subject to all platting ordinances, rules, regulations and resolutions of the Town of Addison, Texas.

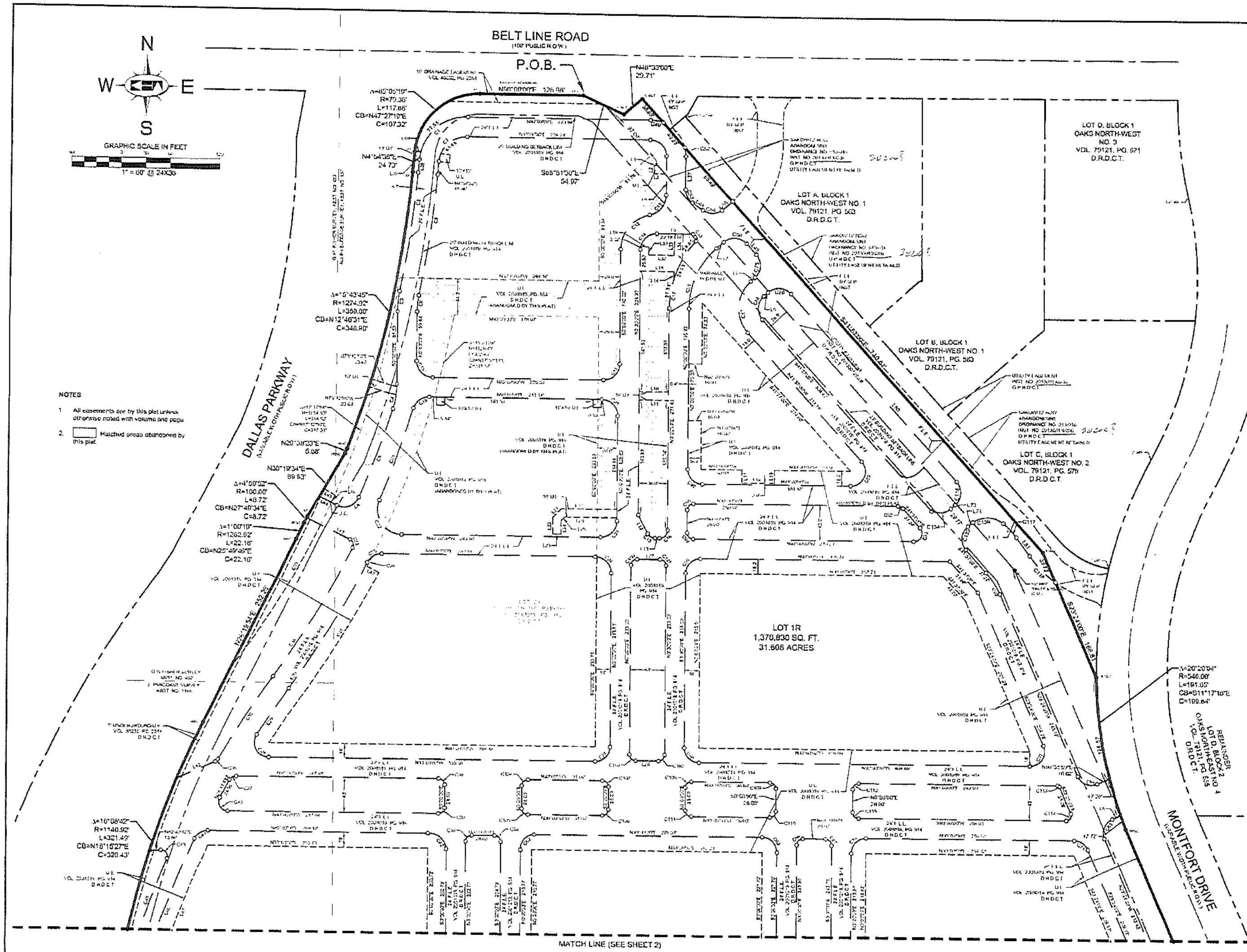
The construction plans shall be prepared by or under the supervision of a registered professional engineer in the State of Texas and shall bear his seal on each sheet.

The plans shall contain all necessary information for construction of the project, including screening [illegible] specified shall conform to the standard specifications of the Town of Addison.

Each sheet of the plans shall contain a title block including space for the notation of revisions. This space is to be completed with each revision to the plan sheet and shall clearly note the nature of the revision and the date the revision was made.

After review of the plat and plans by the public works department and town engineer, the plat and plans shall be submitted to the planning and zoning commission and the city council for their consideration. If approved by those bodies subject to changes, the engineer for the owner shall make all changes required. The director of public works or his designated agent will approve all plans and return sufficient approved sets of the plans to the engineer for the owner for use by the contractors. Each contractor shall maintain one set of the plans, stamped with town approval, on the project at all times during construction.

(Ord. No. 087-069, § 2, 10-13-1987; Ord. No. 004-056, § 7, 12-14-04)



NOTES

1. All easements are by this plat unless otherwise noted with volume and page.
2. [ ] Hatched areas abandoned by this plat.

LEGEND

IRF = IRON ROD FOUND
IRFC = IRON ROD WITH CAP FOUND
IRSC = 5/8" IRON ROD WITH "KHA" CAP SET
XF = "X" CUT IN CONCRETE FOUND
C.M. = CONTROL MONUMENT
ESMT. = EASEMENT
F.L.E. = FIRE LANE EASEMENT
U.E. = UTILITY EASEMENT
D.E. = DRAINAGE EASEMENT
S.E. = STREET EASEMENT
W.E. = WATER EASEMENT
S.W.E. = SIDEWALK EASEMENT
E.E. = ELECTRIC EASEMENT
S.S.E. = SANITARY SEWER EASEMENT
M.R.D.C.T. = MAP RECORDS, DALLAS COUNTY, TEXAS
O.P.R.D.C.T. = OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TEXAS
D.R.D.C.T. = DEED RECORDS, DALLAS COUNTY, TEXAS
P.O.B. = POINT OF BEGINNING
INST. = INSTRUMENT
NO. = NUMBER

LINE TABLE

NO	BEARING	LENGTH
L1	N90°00'00"E	4.15'
L2	N90°00'00"E	10.00'
L3	N00°00'00"W	13.12'
L4	S00°00'00"E	47.65'
L5	N45°00'00"E	7.00'
L6	S45°00'00"W	7.00'
L7	N45°00'00"E	11.71'
L8	S00°13'00"W	11.42'
L9	N90°00'00"W	44.37'
L10	N20°13'30"E	36.03'

LINE TABLE

NO	BEARING	LENGTH
L11	N87°03'30"E	36.07'
L12	S07°10'37"E	25.48'
L13	S90°00'00"E	5.47'
L14	N02°11'20"W	8.20'
L15	N90°00'00"E	41.27'
L16	N90°00'00"W	10.02'
L17	N90°00'00"E	16.80'
L18	N90°00'00"W	40.03'
L19	S00°00'00"E	18.00'
L20	N90°00'00"W	39.60'

LINE TABLE

NO	BEARING	LENGTH
L21	S44°03'10"W	14.75'
L22	S00°00'00"E	20.54'
L23	N90°00'00"E	10.00'
L24	N00°00'00"E	16.79'
L25	N44°59'18"E	8.40'
L26	N90°00'00"E	83.53'
L27	N90°00'00"E	28.03'
L28	N90°00'00"W	28.03'
L31	S00°00'00"E	10.00'
L32	N90°00'00"E	30.02'

LINE TABLE

NO	BEARING	LENGTH
L33	N02°19'01"E	20.52'
L34	N02°19'01"E	32.00'
L35	S45°31'25"W	18.34'
L36	N85°31'24"E	22.42'
L37	S00°00'00"E	40.47'
L38	N04°54'39"E	14.96'
L39	N85°05'22"W	8.00'
L40	N85°05'22"W	7.50'
L41	N60°34'15"W	60.01'
L42	S05°31'41"W	61.45'

LINE TABLE

NO	BEARING	LENGTH
L43	S64°04'25"E	14.82'
L44	S64°04'25"E	23.75'
L45	N50°40'25"W	18.07'
L46	S30°10'34"W	10.00'
L47	N53°05'00"W	16.00'
L48	S54°57'10"E	15.61'
L49	S41°57'00"E	14.12'
L50	S41°57'00"E	500.40'
L51	S35°54'05"E	27.77'
L52	S84°29'54"W	102.37'

LINE TABLE

NO	BEARING	LENGTH
L53	N85°30'06"W	10.00'
L54	N04°29'54"E	50.10'
L55	N12°18'10"E	21.00'
L56	N00°18'14"E	10.00'
L57	S12°18'10"W	51.69'
L58	S64°29'54"W	46.12'
L59	N04°29'05"W	180.00'
L60	N04°29'05"W	177.52'
L61	N85°31'25"E	213.30'
L62	S85°30'06"E	711.61'

CURVE TABLE

NO.	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD
C1	80°07'41"	56.62'	87.22'	S47°59'05"W	79.24'
C2	6°35'51"	1281.37'	147.55'	N08°12'32"E	147.47'
C3	11°30'26"	124.00'	24.90'	S05°45'13"W	24.86'
C4	17°44'19"	100.00'	30.96'	N08°52'09"E	30.84'
C5	5°04'40"	1310.93'	116.24'	N20°11'43"E	116.20'
C6	103°05'27"	20.00'	35.98'	N69°22'21"E	29.04'
C7	86°29'59"	34.62'	51.33'	S46°08'13"W	46.60'
C8	6°35'51"	1366.37'	158.01'	N08°12'32"E	158.25'
C9	11°30'26"	100.00'	20.08'	S05°45'13"W	20.05'
C10	90°00'00"	20.00'	31.42'	S45°00'00"E	28.28'
C11	90°00'00"	20.00'	31.42'	N45°00'00"E	28.28'
C12	78°07'58"	44.00'	60.00'	S30°03'58"W	55.40'
C13	78°07'58"	26.00'	34.09'	S30°07'58"W	31.51'
C14	90°00'00"	20.00'	31.42'	S45°00'00"W	28.28'
C15	62°49'23"	10.00'	10.96'	S58°35'19"E	10.42'
C16	90°00'00"	10.00'	15.71'	N45°00'00"E	14.14'
C17	42°37'01"	124.00'	91.22'	S21°04'45"W	89.18'
C18	132°03'16"	5.00'	11.53'	N20°05'22"W	9.14'
C19	72°30'20"	20.00'	25.31'	S53°40'45"W	23.65'
C20	90°00'00"	20.00'	31.42'	N45°00'00"W	28.28'
C21	90°00'00"	20.00'	31.42'	N45°00'00"E	28.28'
C22	112°31'38"	30.00'	58.92'	S30°44'11"E	49.90'
C23	5°10'07"	1334.43'	120.42'	N10°04'05"E	120.33'
C24	0°40'32"	1126.43'	13.31'	N20°34'45"E	13.31'
C25	63°10'12"	20.00'	22.10'	S56°20'24"W	21.00'
C26	90°00'00"	20.00'	31.42'	N45°00'00"W	28.28'
C27	90°00'00"	18.00'	28.27'	N45°00'00"E	25.46'
C28	122°27'55"	18.00'	38.47'	S28°46'03"E	31.57'
C29	3°29'04"	1143.43'	69.60'	S24°12'22"W	69.65'
C30	9°16'11"	1126.43'	182.24'	N31°18'50"E	182.05'
C31	9°02'50"	1144.43'	180.42'	N31°21'22"E	180.25'
C32	90°20'24"	7.50'	11.83'	N18°54'13"W	10.64'
C33	11°20'10"	1054.43'	208.75'	N31°32'02"E	208.41'
C34	9°14'00"	1102.43'	186.32'	N31°06'29"E	186.10'
C35	6°10'24"	1108.43'	122.28'	S32°37'17"W	122.24'
C36	35°34'12"	7.50'	4.67'	N47°44'41"E	4.58'
C37	61°48'07"	8.10'	8.80'	S60°05'37"W	8.41'
C38	90°00'00"	7.50'	11.78'	N45°00'00"W	10.61'
C39	90°00'00"	7.50'	11.78'	N45°00'00"E	10.61'
C40	110°11'53"	10.50'	22.05'	S20°54'00"E	18.84'
C41	84°14'15"	14.00'	20.59'	S57°32'53"W	18.37'
C42	85°02'09"	20.50'	31.08'	N50°32'53"W	28.86'
C43	92°06'38"	20.50'	33.07'	N50°30'02"E	29.52'
C44	101°06'38"	18.00'	31.76'	S34°06'47"E	27.80'
C45	8°15'20"	1168.43'	168.50'	S11°07'00"W	168.35'
C46	9°20'20"	1143.43'	186.37'	S20°22'16"W	186.15'
C47	9°28'19"	1127.43'	186.38'	S20°22'15"W	186.17'
C48	119°31'02"	7.50'	15.64'	N00°30'48"W	12.96'
C49	20°50'01"	44.00'	16.00'	N70°34'59"W	15.91'
C50	90°00'00"	7.50'	11.78'	N40°30'00"W	10.61'
C51	80°04'20"	6.84'	10.04'	N40°30'35"E	8.60'
C52	14°44'01"	44.00'	11.31'	N07°22'01"W	11.28'
C53	54°57'15"	20.00'	19.18'	S27°28'38"E	18.46'
C54	71°28'10"	20.00'	24.95'	N00°18'36"E	23.36'
C55	8°20'46"	100.00'	14.57'	N45°24'05"E	14.55'
C56	90°00'00"	20.00'	31.42'	N44°57'00"W	28.28'
C57	83°10'00"	8.44'	12.26'	S37°54'30"E	11.26'
C58	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C59	90°00'00"	7.50'	11.78'	N45°00'00"W	10.61'
C60	83°50'41"	10.21'	15.28'	N40°12'11"E	13.90'
C61	73°51'04"	17.00'	23.04'	S34°58'51"E	21.40'
C62	88°45'48"	17.00'	27.41'	S42°10'05"W	24.76'
C63	90°00'00"	18.00'	28.27'	N45°00'00"W	25.46'
C64	86°31'25"	18.00'	26.67'	N42°45'40"E	24.64'
C65	84°20'34"	7.65'	11.62'	S47°14'17"E	10.55'
C66	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C67	90°00'00"	7.50'	11.78'	N45°00'00"W	10.61'
C68	85°31'20"	4.07'	6.08'	N42°45'43"E	5.53'
C69	86°13'40"	18.66'	28.49'	N47°47'27"E	26.08'
C70	90°00'00"	18.00'	28.27'	S45°00'00"W	25.46'

CURVE TABLE

NO	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD
C71	60°00'00"	13.00'	20.52'	N60°42'00"W	19.76'
C72	106°55'25"	13.00'	24.22'	N31°03'43"E	20.29'
C73	28°04'38"	7.50'	3.68'	N89°28'17"W	3.64'
C74	151°50'25"	15.50'	40.75'	N03°03'43"E	32.01'
C75	90°00'00"	20.00'	31.42'	N03°03'00"E	24.29'
C76	90°00'00"	20.00'	31.42'	N45°31'00"W	28.28'
C77	108°55'30"	12.46'	23.69'	N31°03'45"E	20.28'
C78	71°04'35"	13.00'	22.30'	N58°00'17"W	20.02'
C79	71°04'35"	16.50'	20.47'	S53°00'17"E	19.16'
C80	108°55'25"	5.50'	10.45'	S31°03'43"W	8.95'
C81	87°50'11"	5.50'	8.45'	S22°24'25"E	7.64'
C82	44°59'11"	42.07'	32.98'	N65°54'35"W	32.14'
C83	90°00'00"	18.00'	28.27'	S21°36'59"W	25.46'
C84	90°00'00"	18.00'	28.27'	S69°24'50"E	25.46'
C87	90°00'00"	44.00'	69.12'	S63°03'50"W	62.23'
C88	90°00'00"	20.00'	31.42'	S03°03'00"W	28.28'
C89	131°57'00"	18.00'	41.45'	N24°01'30"E	32.88'
C90	90°00'00"	18.00'	28.27'	S45°00'00"E	25.46'
C91	48°02'44"	100.00'	83.86'	S24°01'34"W	81.42'
C92	48°00'00"	7.95'	6.67'	N65°50'30"W	6.47'
C93	131°57'00"	18.22'	23.04'	N24°01'30"E	13.67'
C94	90°00'00"	7.50'	11.78'	S45°00'00"E	10.61'
C95	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C96	18°33'00"	98.50'	31.89'	N22°40'30"W	31.75'
C97	110°24'00"	18.00'	30.63'	N33°11'00"E	30.00'
C98	90°00'00"	18.00'	28.27'	S45°00'00"E	25.46'
C99	90°00'00"	18.00'	28.27'	S45°00'00"W	25.46'
C100	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C101	90°00'00"	7.50'	11.78'	N45°00'00"W	10.61'
C102	90°00'00"	7.50'	11.78'	N45°00'00"E	10.61'
C103	90°00'00"	7.50'	11.78'	S45°00'00"E	10.61'
C104	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C105	90°00'00"	7.50'	11.78'	S45°00'00"E	10.61'
C106	90°00'00"	7.50'	11.78'	N45°00'00"E	10.61'
C107	90°00'00"	7.50'	11.78'	N45°00'00"W	10.61'
C108	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C109	90°00'00"	7.50'	11.78'	N45°00'00"W	10.61'
C110	90°00'00"	7.50'	11.78'	N45°00'00"E	10.61'
C111	90°00'00"	7.50'	11.78'	S45°00'00"E	10.61'
C112	90°00'00"	7.50'	11.78'	S45°00'00"W	10.61'
C113	66°59'00"	2.65'	2.98'	N50°30'30"W	2.81'
C114	113°01'00"	3.02'	11.60'	N00°21'00"E	9.87'
C115	90°00'00"	7.50'	11.78'	S45°00'00"E	10.61'
C116	88°18'24"	20.40'	31.45'	N03°30'34"E	28.42'
C117	14°47'30"	92.00'	23.75'	N43°17'50"W	23.69'
C118	17°55'51"	145.00'	45.38'	S44°52'01"E	45.19'
C119	90°00'00"	30.00'	47.12'	S40°30'00"E	42.43'
C120	90°00'00"	20.00'	31.42'	S49°29'34"W	28.28'
C121	24°24'35"	20.00'	8.52'	S46°20'16"E	8.46'
C122	92°50'31"	20.00'	32.41'	N50°55'10"E	28.98'
C123	7°48'16"	375.00'	51.08'	S03°29'02"W	51.04'
C124	37°50'11"	20.00'	13.21'	N60°05'55"W	12.97'
C125	28°50'15"	44.00'	22.15'	S11°06'43"E	21.91'
C126	82°11'44"	2.60'	3.50'	S53°24'02"W	3.29'
C127	97°48'16"	6.50'	11.10'	S36°35'58"E	9.80'
C128	90°00'00"	20.00'	31.42'	S49°29'34"W	28.28'
C129	90°00'00"	20.00'	31.42'	S40°28'35"E	28.28'
C130	90°00'00"	20.00'	31.42'	S40°31'25"W	28.28'
C131	90°00'00"	20.00'	31.42'	N49°28'35"W	28.28'
C132	90°00'00"	20.00'	31.42'	N40°31'25"E	28.28'
C133	8°58'29"	100.00'	15.66'	S40°59'21"E	15.65'
C134	89°55'55"	20.00'	31.22'	S66°30'30"E	28.14'
C135	92°58'17"	20.00'	32.45'	S04°30'00"W	29.01'
C136	70°52'53"	36.00'	30.73'	N03°30'07"W	34.87'

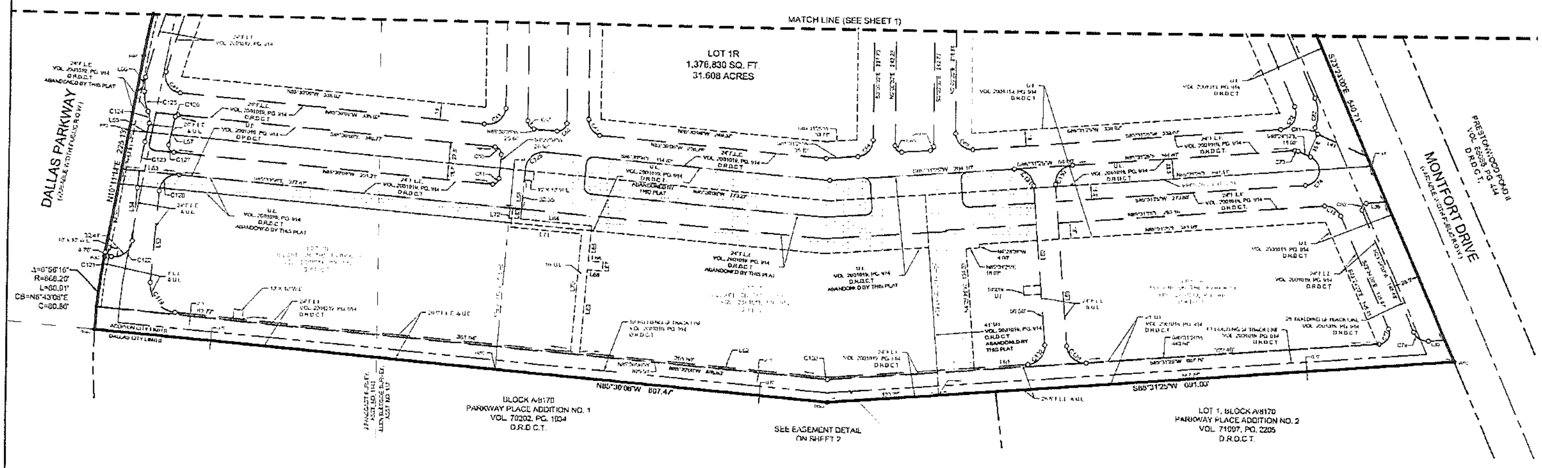
OWNER:
VOP, LP
5100 BELT LINE ROAD
DALLAS, TX 75254
TEL: 214.740.3300
CONTACT: JARROD YATES

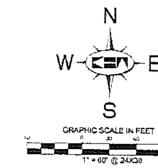
APPLICANT:
KIMLEY-HORN AND ASSOCIATES, INC.
3750 GENESIS COURT, SUITE 200
FRISCO, TX 75034
TEL: 972.335.3580
FAX: 972.335.3779
CONTACT: TREY BRASWELL, P.E.

AMENDED REPLAT
VILLAGE ON THE PARKWAY
LOT 1R
G.W. FISHER SURVEY, ABSTRACT NO. 482
J. PANCOAST SURVEY, ABSTRACT NO. 1146 &
ALLEN BLEDSOE SURVEY, ABSTRACT NO. 157
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

Kimley-Horn and Associates, Inc.
12700 Park Central Drive, Suite 1800
Dallas, Texas 75251
Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 60'	SLJ	DAB	June 20, 2013	063310030	1 OF 2





NOTES

1. All easements are by this plat unless otherwise noted with volume and page
2. Hatched areas abandoned by this plat

OWNER'S CERTIFICATE

STATE OF TEXAS §
COUNTY OF DALLAS §

WHEREAS VOP, LP is the owner of a tract of land situated in the G.W. Fisher Survey, Abstract No. 482, J. Pancoast Survey, Abstract No. 1146 and the Allen Bledsoe Survey, Abstract No. 157, City of Addison, Dallas County, Texas, and being all of Lot 1A, Lot 1B and Lot 2A, Village on the Parkway, an addition to the City of Addison, Texas according to the plat recorded in Volume 2001019, Page 914 of the Deed Records of Dallas County, Texas, being all the0.891acre tract of land described as Exhibit 4 in Town of Addison Ordinance No. 013-010, recorded in Instrument No. 201300138200and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with "Halff & Associates" cap found for corner at the north end of a right-of-way corner clip at the intersection of the southwest right-of-way line of Sakowitz Drive (65-foot wide right-of-way) with the south right-of-way line of Belt Line Road (100-foot wide right-of-way);

THENCE with said right-of-way corner clip, South 68°51'30" East, a distance of 54.97 feet to an X in concrete set for an angle point in the north line of said 0.891 acre tract;

THENCE with the said northeast line of said 0.891 acre tract, South 41°57'00" East, a distance of 740.01 feet to an "X" cut in concrete set for corner;

THENCE continuing with the said northeast line of said 0.891 acre tract, South 23°24'00" East, a distance of 106.81 feet to an X in concrete set in the southwest right-of-way line of Montfort Drive (variable width ROW) for the beginning of a non-tangent curve to the left having a central angle of 20°20'04", a radius of 540.00 feet, a chord bearing and distance of South 11°17'18" East, 190.64 feet;
In a southwesterly direction, with said curve to the right, an arc distance of 191.66 feet to a 5/8" iron rod with "KHA" cap set for corner;

THENCE continuing with the southwest right-of-way line of Montfort Drive, South 23°24'00" East, a distance of 540.71 feet feet to a 5/8" iron rod with "KHA" cap set for the southeast corner of said Village on the Parkway Addition and the northeast corner of Lot 1, Block A/8170, Parkway Place Addition No. 2, an addition to the City of Dallas, Texas, according to the plat recorded in Volume 71097, Page 2205 of the Deed Records of Dallas County, Texas;

THENCE departing the said west right-of-way line and along the south line of said Village on the Parkway Addition, the following courses and distances:

South 85°31'25" West, a distance of 691.03 feet to a 5/8" iron rod with "KHA" cap set for an angle point;
North 85°30'06" West, a distance of 807.47 feet to a 5/8" iron rod with "KHA" cap set for corner in the east right-of-way line of Dallas Parkway (a variable width right-of-way) at the northwest corner of Block A/8170, Parkway Place Addition, an addition to the City of Dallas, Texas, according to the plat recorded in Volume 70202, Page 1934 of the Deed Records of Dallas County, Texas and the beginning of a non-tangent curve to the right having a central angle of 6°56'16", a radius of 660.20 feet, a chord bearing and distance of North 6°43'08" East, 80.80 feet;

THENCE with the east right-of-way line of said Dallas Parkway, the following courses and distances:

In a northerly direction, with said curve to the right, an arc distance of 80.01 feet to a 5/8" iron rod with "KHA" cap set at the end of said curve;
North 10°11'14" East, a distance of 228.13 feet to a 1/2" iron rod with "Halff & Associates" cap found at the beginning of a tangent curve to the right having a central angle of 16°08'42", a radius of 1,140.92 feet, a chord bearing and distance of North 18°15'27" East, 320.43 feet;
In a northeasterly direction, with said curve to the right, an arc distance of 321.49 feet to a 1/2" iron rod with "Halff & Associates" cap found at the end of said curve;
North 26°19'54" East, a distance of 252.28 feet to a 1/2" iron rod with "Halff & Associates" cap found at the beginning of a tangent curve to the left having a central angle of 1°00'18", a radius of 1,262.92 feet, a chord bearing and distance of North 25°49'46" East, 22.16 feet;
In a northeasterly direction, with said curve to the left, an arc distance of 22.16 feet to a 5/8" iron rod with "KHA" cap set at the beginning of a curve to the right having a central angle of 4°59'52", a radius of 100.00 feet, a chord bearing and distance of North 27°49'34" East, 8.72 feet;
In a northeasterly direction, with said curve to the right, an arc distance of 8.72 feet to an "X" cut in concrete found at the end of said curve;
North 30°19'34" East, a distance of 80.93 feet to a 5/8" iron rod with "KHA" cap set for an angle point;
North 20°38'23" East, a distance of 3.88 feet to a 5/8" iron rod with "KHA" cap set at the beginning of a tangent curve to the left having a central angle of 15°43'46", a radius of 1,274.02 feet, a chord bearing and distance of North 12°46'31" East, 348.50 feet;
In a northerly direction, with said curve to the left, an arc distance of 350.00 feet to an "X" cut in concrete found at the end of said curve;
North 4°54'38" East, a distance of 24.73 feet to an "X" cut in concrete found at the beginning of a tangent curve to the right having a central angle of 85°05'19", a radius of 79.36 feet, a chord bearing and distance of North 47°27'19" East, 107.32 feet;
In a northeasterly direction, with said curve to the right, an arc distance of 117.86 feet to an "X" cut in concrete found in the said south right-of-way line of Belt Line Road at the end of said curve;

THENCE along said south right-of-way line, North 90°00'00" East, a distance of 126.08 feet to the **POINT OF BEGINNING** and containing 31.608 acres or 1,376,830 square feet of land.

The bearing system for this plat is based on a bearing of North 90°00'00" East, for the south right-of-way line of Belt Line Road according to the Amended Plat of Lot 1A, Lot 1B & Lot 2A of Village on the Parkway recorded in Volume 2001019, Page 914 of the Deed Records of Dallas County, Texas.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That **VOP, LP** ("Owner") does hereby adopt this plat designating the hereinabove property as **VILLAGE ON THE PARKWAY**, an addition to the Town of Addison, Texas, and subject to the conditions, restrictions and reservations stated hereinafter, owner dedicates to the public use forever the streets and alleys shown thereon.

This plat is approved by the Town of Addison and accepted by the owner(s), subject to the following conditions which shall be binding upon the owner(s), his heirs, grantees and successors, and assigns.

The easement shown on this plat are hereby reserved for the purposes as indicated, including, but not limited to, the installation and maintenance of water, sanitary sewer, storm sewer, drainage, electric, telephone, gas and cable television. Owner shall have the right to use these easements, provided, however, that it does not unreasonably interfere or impede with the provision of the services to others. Said utility easements are hereby being reserved by mutual use and accommodation of all public utilities using or desiring to use the same. An express easement of ingress and egress is hereby expressly granted on, over and across all such easements for the benefit of the provider of services for which easements are granted.

The proposed detention area easement(s) within the limits of this addition, will remain as detention area(s) to the line and grade shown on the plans at all times and will be maintained by the individual owner(s) of the lot or lots that are traversed by or adjacent to the detention area(s). The Town of Addison will not be responsible for the maintenance and operation of said detention area(s) or any damage or injury to private property or person that results from the flow of water along, into or out of said detention area(s), or for the control of erosion.

No construction to the natural flow of storm water run-off shall be permitted by filling or construction of any type of dam, building, bridge, fence, walkway or any other structure within the designated detention area(s) unless approved by the Director of Public Works, provided, however, it is understood that in the event it becomes necessary for the Town of Addison to erect any type of drainage structure in order to improve the storm drainage that may be occasioned by the streets and alleys in or adjacent to the subdivision, then, in such event, the Town of Addison shall have the right to enter upon the detention area(s) at any point, or points, to erect, construct and maintain any drainage facility deemed necessary for drainage purposes. Each property owner shall keep the detention area(s) traversing or adjacent to his property clean and free of debris, silt and any substance which would result in unsanitary conditions or blockage of the drainage. The Town of Addison shall have the right of ingress and egress for the purpose of inspection and supervision of maintenance work by the property owner(s), or to alleviate any undesirable conditions, which may occur.

The detention area(s) as in the case of all detention areas are subject to storm water overflow(s) to an extent which cannot be clearly defined. The Town of Addison shall not be held liable for any damages of any nature resulting from the occurrence of these natural phenomena, nor resulting from the failure of any structure or structures, within the detention area(s) or subdivision storm drainage system.

The detention area easement line identified on this plat shows the detention area(s) serving this addition.

Water main and sanitary sewer easements shall also include additional area of working space for construction and maintenance of the systems. Additional easement area is also conveyed for installation and maintenance of manholes, cleanouts, fire hydrants, water service and sewer services from the main to curb or pavement line, and the descriptions of such additional easements herein granted shall be determined by their locations as installed.

This plat is approved subject to all platting ordinances, rules, regulations and resolutions of the Town of Addison, Texas.

WITNESS my hand, this ______ day of ______________, 2012.

By: VOP, LP, a Delaware limited partnership

By: ______________________

Name: ____________________

Title: _____________________

STATE OF TEXAS §
COUNTY OF ______ §

BEFORE ME, the undersigned Authority, A Notary Public in and for said county and state, on this day personally appeared ______________, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration thereof expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ DAY OF ____________, 2012

NOTARY PUBLIC in and for the STATE OF TEXAS

SURVEYORS CERTIFICATION

KNOW ALL MEN BY THESE PRESENTS:

I, DANA BROWN, a Registered Professional Land Surveyor in the State of Texas, do hereby declare that I have prepared this plat from an actual on the ground survey of the land, and that the corner monuments shown thereon were properly placed under my personal supervision in accordance with Subdivision Regulations of the Town of Addison, Texas.

Dana Brown
Registered Professional Land Surveyor #5336
Kimley-Horn and Associates, Inc.
12750 Merit Drive, Suite 1000
Dallas, Texas 75251
972-770-1300

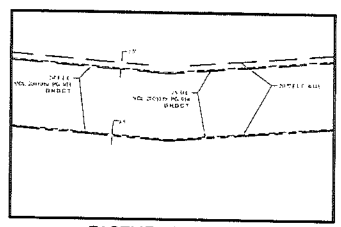
STATE OF TEXAS
REGISTERED
PRELIMINARY
THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE
PROFESSIONAL LAND SURVEYOR

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Dana Brown, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of ____________, 2012.

NOTARY PUBLIC in and for the STATE OF TEXAS



EASEMENT DETAIL

APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS ON

______________________________, 2012

____
Mayor

____
City Secretary

OWNER:
VOP, LP
5100 BELT LINE ROAD
DALLAS, TX, 75254
TEL: 214.740.3300
CONTACT: JARROD YATES

APPLICANT:
KIMLEY-HORN AND ASSOCIATES, INC.
5750 GENESIS COURT, SUITE 200
FRISCO, TX 75034
TEL: 972.335.3580
FAX: 972.335.3779
CONTACT: TREY BRASWELL, P.E.

AMENDED REPLAT

VILLAGE ON THE PARKWAY

LOT 1R
G.W. FISHER SURVEY, ABSTRACT NO. 482
J. PANCOAST SURVEY, ABSTRACT NO. 1146 &
ALLEN BLEDSOE SURVEY, ABSTRACT NO. 157
TOWN OF ADDISON
DALLAS COUNTY, TEXAS

Kimley-Horn and Associates, Inc.
12750 Merit Drive, Suite 1000
Dallas, Texas 75251
Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 60'	SLI	DAB	June 20, 2013	063319038	2 OF 2

Council Agenda Item: #R9

AGENDA CAPTION:

Presentation, discussion, and consideration of approval of a contract with Engineered Arresting Systems Corporation (ESCO) for the Engineered Materials Arresting Systems (EMAS) Crushable Concrete Blocks for Addison Airport in the Amount of $3,900,800.

FINANCIAL IMPACT:

The expenditure is budgeted in the FY2013 Airport Fund.

BACKGROUND:

An Engineered Materials Arresting System (EMAS) is currently under design to be installed at the south end of the Addison Airport runway that will enhance the safety of operations and allow for the recovery of 610 feet of usable runway length. The key component of the EMAS is a bed composed of crushable concrete blocks that in the case of a runway overrun and an aircraft enters the EMAS bed, the blocks bring the aircraft to a safe, controlled stop, thereby limiting the damage to the aircraft. Engineered Arresting Systems Corporation (ESCO) is approved by FAA as the sole-source supplier of the blocks. ESCO has installed approximately 80 EMAS beds in the US and internationally . Construction of the EMAS bed is planned for spring 2014.

Addison's EMAS bed will measure 112 feet wide by 348 feet long and will be composed of 2,436 aerated concrete blocks that must be produc e d specifically for Addison Airport and will take approximately 6-7 months to produce. Th erefore , in order to be ready for installation in spring 2014, production must start in September.

The total price for concrete block production, shipping, ancillary materials for installation support, and installation support services is $3,900,800.

The cost breakdown is as follows:

EMAS blocks: $3,113,208.

Shipping and Insurance: $354,192.

Installation Support Materials: $247,900.

ESCO On-site Installation Support Services: $185,500.

The remaining site preparation and construction work for the EMAS project will be bid out in accordance with standard procedures. This action is the consideration of approval of the sole-source contract for the concrete blocks only at this time.

Payment terms of the ESCO contract include a down payment of 15% of the cost of the EMAS blocks ($466,981) with six monthly payments thereafter of $457,711 each for block production. The balance of the contracted amount will be paid after the blocks have been installed and the project is substantially complete.

RECOMMENDATION:

Administration recommends apprroval.

COUNCIL GOALS:

Infrastructure improvement and maintenance

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #R10

AGENDA CAPTION:

Presentation regarding the Surveyor Elevated Storage Tank project.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

COUNCIL GOALS:

N/A

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #ES1

AGENDA CAPTION:

Closed (executive) session of the Addison City Council, pursuant to Section 551.072, Texas Government Code, to deliberate the lease or value of certain real property located within the Town.

FINANCIAL IMPACT:

N/A.

BACKGROUND:

N/A

RECOMMENDATION:

COUNCIL GOALS:

Create raving fans of the Addison Experience, Maintain and enhance our unique culture of creativity and innovation, Raise Property Values, Attract new businesses to Addison, Develop Next Great Idea

ATTACHMENTS:

Description:	Type:
No Attachments Available	

Council Agenda Item: #R7

AGENDA CAPTION:

Consideration of any action regarding certain real property located within the Town of Addison, including the lease or value of such property and related matters.

FINANCIAL IMPACT:

N/A.

BACKGROUND:

N/A.

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Create raving fans of the Addison Experience, Raise Property Values, Attract new businesses to Addison, Develop Next Great Idea

ATTACHMENTS:

Description:	Type:
No Attachments Available	