



**Post Office Box 9010 Addison, Texas  
75001-9010  
5300 Belt Line Road  
(972) 450-7000 Fax: (972) 450-7043**

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## **AGENDA**

### **REGULAR MEETING OF THE CITY COUNCIL**

**AND / OR**

### **WORK SESSION OF THE CITY COUNCIL**

**5:30 PM**

**March 10, 2015**

**ADDISON TOWN HALL**

**5300 BELT LINE RD., DALLAS, TX 75254**

**5:30PM WORK SESSION**

**7:30PM REGULAR MEETING**

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### **WORK SESSION**

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WS1 Presentation and discussion regarding a policy for housing in Addison, including types and alternatives.

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WS2 Presentation and discussion regarding the special area study findings and recommendations regarding future development of the properties within that area of the Town generally bounded on the north by Belt Line Road, on the east by Midway Road, on the south by an Oncor utility easement located approximately 250 feet north of Proton Drive, and on the west by the Midway Meadows, Towne Lake, and Pecan Square neighborhoods.

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WS3 Discussion and review of the Town Hall Meeting scheduled for March 23, 2015.

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## REGULAR MEETING

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### Pledge of Allegiance

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R1 Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda.

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R2a Approval of the Minutes for the February 24, 2015 City Council Meeting and Work Session.

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R2b Approval of and authorizing the City Manager to enter into an easement agreement with BKK Enterprises, Ltd. for their property located along Landmark Boulevard and identified through the attached exhibits.

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R2c Approval of a resolution approving the assignment of the fleet services contract from G4S Integrated Fleet Services, LLC to Centerra Fleet Services, LLC for the Interlocal agreement between the Town of Addison and the City of Carrollton for fleet maintenance services.

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R2d Approval of and authorizing the City Manager to execute purchase agreements for a Utility and Sidewalk easement at 4080 Belt Line Road in the amount of \$17,777; 3825 Belt Line Road for \$34,612; and 4151 Belt Line Road for \$60,000.

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R2e Approval of an ordinance amending the Town's investment policy set forth in Chapter 2, Article IV, Division 3 of the Town's Code of Ordinances.

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R2f Approval of a resolution of the City Council of the Town of Addison, Texas confirming and ratifying the execution by the City Manager of an amendment application to Water Use Permit no. 5383a filed with the Texas Commission on Environmental Quality in February, 2015; Providing an effective date.

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Regular Items

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R3 Presentation honoring Deputy Chief Jones' recent graduation from the National Fire Academy's Executive Fire Officer Program and newly sworn in firefighters/paramedics.

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R4 Presentation and discussion of Audit Report including management comments from the Town's independent auditors, Weaver, LLP.

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R5 Discussion and take action regarding the appointment of a member to the Planning and Zoning Commission.

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R6 Present, discuss, consider and take action regarding an ordinance providing for a Meritorious Exception to the attached sign requirements in Chapter 62 Division 3 by allowing a mural on the east facade on application from Ida Claire, represented by Ms. Tania Inigo for the property located at 5001 Belt Line Road.

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R7 Present, discuss, consider, and take action regarding a housing policy for Addison, including types and alternatives.

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R8 Present, discuss, consider and take action regarding the special area study findings and recommendations regarding future development of the properties within that area of the Town generally bounded on the north by Belt Line Road, on the east by Midway Road, on the south by an Oncor utility easement located approximately 250 feet north of Proton Drive, and on the west by the Midway Meadows, Towne Lake, and Pecan Square neighborhoods.

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R9 Present, discuss, consider and take action authorizing the addition of two full-time positions in the Infrastructure and Development Services Department related to the creation of a Code Enforcement Program.

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R10 Discuss, consider and take action establishing a Finance Committee, its purpose, responsibilities, and meeting frequency.

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R11 Discussion and update regarding the whistleblower program and services.

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Executive Session

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ES1 Closed Session in accordance with Texas Government Code, Section 551.071, consultation with 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 the Texas Open Meetings Act: to receive legal advice regarding evaluation of the City Manager.

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Adjourn Meeting

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Posted:  
Chelsea Gonzalez, March 6, 2015, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.  
PLEASE CALL (972) 450-7090 AT LEAST  
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

**Combined Meeting****WS1****Meeting Date:** 03/10/2015**Department:** Infrastructure- Development Services**Council Goals:** Create and implement a Comprehensive Land Use/Revitalization Plan

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**AGENDA CAPTION:**

Presentation and discussion regarding a policy for housing in Addison, including types and alternatives.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

This will be a follow-up discussion to the Council's Housing Work Session on February 16, 2015 and the additional direction that was given during the Council Meeting on February 24, 2015. Please see the attached memo for the proposed revisions to the draft policy statement.

**RECOMMENDATION:**

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**Attachments**

Revised Housing Direction Policy Memo - red lined

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STRATEGIC  
COMMUNITY  
SOLUTIONS

# memo

<b>Strategic Community Solutions LLC</b>	
To:	Addison Mayor and City Council
From:	Karen Walz
Date:	March 5, 2015
Re:	Housing Direction

The text below was provided to the Addison City Council for their discussion on February 24, 2015. Edits in 'track changes' reflect the agreements reached during that discussion and proposed responses to Council comments.

## Housing Choice Terminology

The housing choices are shown in Table 1 below. Each housing choice is characterized by its housing type (the physical characteristics of the unit) as well as its housing tenure (the ownership status of the unit). These are the terms Addison will use to describe housing choices in this community. Note that units which are individually owned are not necessarily owner-occupied; the unit owner may rent these units to a tenant.

*Table 1: Housing Choices for Addison*

#	Housing Choice	Housing Type	Housing Tenure
1	Detached Home	Single unit in a building with yards on some or all sides	Each unit is individually owned
2	Townhome/ Rowhouse	Multi-story unit on its own lot that shares a wall with at least one other unit.	Each unit is individually owned. The land on which the unit is located may or may not be individually owned.
3	Flat	Single story unit in a multi-story building that includes other residential and non-residential uses.	Each unit is individually owned.
4	Garden Apartment	Unit in a 2 or 3 story residential building.	Building owner(s) rent individual units to residents.

#	Housing Choice	Housing Type	Housing Tenure
5	Urban Apartment	Unit in a multi-story building that includes other residential and non-residential uses.	Building owner(s) rent individual units to residents.
6	Extended Stay Hotel Room	Hotel structure with cooking facilities in rooms.	Hotel owner(s) rent individual rooms to guests; in some instances, these guests are essentially long-term residents.
7	Independent/ Assisted Housing Unit	Unit in a building that includes common areas and services to assist residents in daily life activities.	Building owner(s) rent individual units to residents.

**Council Direction on Housing Issues:** The items listed below reflect the Addison City Council’s direction, as we understand it. They describe the housing choices that are part of the future City Council desires for this community.

1. Whenever possible, the Town should establish plans for revitalization and development for districts or special study areas, instead of considering plans on a site-by-site basis. A process like the one used for the Sam’s Club Special Study Area should be followed.
2. For study areas and individual developments, the Town encourages mixed use designs that integrate residential and non-residential components.
3. Mixed use developments in Addison should include a mix of housing choices, ~~not simply a single residential option~~ in order to expand Addison’s available housing options and increase Addison’s ability to respond to changing residential market demands over time.
4. Since the housing choices of garden apartments and urban apartments comprise a significant share of Addison’s current housing stock, rezonings that include apartments should:
  - a. Occur through a Planned Development (PD) or similar process
  - b. Include other housing choices (i.e., not a rezoning for apartments alone)
  - c. Be necessary to the economic feasibility of the project as a whole
  - d. Propose a project design and density that support or enhance Addison’s urban character and walkability
  - e. Be consistent with other aspects of this housing policy
- 4.5. The Town encourages development that makes more individually owned housing choices available in Addison. Desired ownership units include detached homes, townhome/rowhouse and flats, so a wide range of residential densities support this objective and may be approved.
- 5.6. At the property or project scale, Addison will consider the highest and best use of the property and the ‘best fit’ mix of uses and housing choices for that property within the context of the entire Addison community.

6.7. Addison will continue to insist on high quality building and site design that creates or enhances neighborhoods; an inviting public realm; and trails or sidewalks that connect ~~each~~ buildings and neighborhoods with the rest of the Addison community.

7.8. Addison views independent and/or assisted housing as housing choices which address the demands of the growing 55+ age group and as a potential fit with this community's character. Since there are no assisted housing units in Addison today, the Town will conduct research and investigation to understand how this housing could or should be included in Addison's future.

**Combined Meeting**

**WS2**

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** Attract new businesses to Addison  
Create and implement a Comprehensive Land Use/Revitalization Plan

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**AGENDA CAPTION:**

Presentation and discussion regarding the special area study findings and recommendations regarding future development of the properties within that area of the Town generally bounded on the north by Belt Line Road, on the east by Midway Road, on the south by an Oncor utility easement located approximately 250 feet north of Proton Drive, and on the west by the Midway Meadows, Towne Lake, and Pecan Square neighborhoods.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

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**Attachments**

Sam's Club Special Area Study Council Memo

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STRATEGIC  
COMMUNITY  
SOLUTIONS

# memo

TO:	Mayor and City Council Town of Addison, Texas
FROM:	Karen Walz, FAICP, Principal, Strategic Community Solutions LLC Mark Bowers, AICP, Kimley-Horn, Inc. Bill Cunningham, Ricker-Cunningham, Inc.
DATE:	March 5, 2015
RE:	Sam's Club Site Special Study

## Background

The Sam's Club Site Special Study was initiated by the City Council last year in accordance with the 2013 Comprehensive Plan, which identifies this study area as an important redevelopment location for the Town. While the Comprehensive Plan recommended a study so Addison could be prepared if or when Sam's Club decided to relocate, this study has actually occurred during the time Sam's Club has been in the process of selling this site. The Council-appointed Committee for the study met three times in late 2014 and worked with the staff and consultant team to develop a preferred concept plan, which was presented to City Council on December 8, 2014.

Since that briefing on the Sam's Club Site Special Study, the Council has had two discussions about housing policy for the entire Addison community. Those discussions have clarified some of this Council's objectives and concerns about new housing in Addison. In addition, a Community Workshop on the Sam's Club Site Special Study was held on Monday, March 2, 2015. The workshop gave Addison residents and other interested individuals an opportunity to learn about the Committee's recommendations and to provide additional feedback.

At the City Council meeting on March 10, 2015, the Addison City Council will have the opportunity to consider several options related to the recommendations received from the Sam's Club Site Study Committee:

- The Council may choose to take no action on these recommendations.
- The Council may choose to approve the Concept Plan as recommended by the Committee. In this case, the action to be taken is to direct Addison staff to prepare a Comprehensive Plan amendment reflecting this Concept Plan and take it through the process for considering such amendments.
- The Council may choose to approve the recommended Concept Plan, but with modifications. Again, Council's decisions on March 10<sup>th</sup> should provide the necessary direction so staff can process a Comprehensive Plan amendment.

This memo summarizes the Committee's work, staff and consultant research and input from the Community Workshop. It provides background information for Council's review prior to discussion of this recommended Concept Plan.

It's important to recognize that this is intended as a conceptual plan only. The detailed decisions on site and building design will be made when an owner is ready to seek a zoning or other development approval. So details such as the curvature of streets or the particular features of a public open space will be addressed at that later stage of development. Also, this Concept Plan does not represent a single development that could be completed in the next year or two. This study area has many owners, existing uses at varying levels of success and with different commitments to existing tenants. We expect that any development will occur over a longer period of time, and in phases. The purpose of the Concept Plan is to provide guidance to the individual property owners and developers, and to the Addison community, about the pattern of development that the Town seeks to support if and when this key area redevelops.

### **Community Workshop**

Approximately 100 people attended the Community Workshop, held on Monday, March 2, 2015 at the Addison Conference Center. Participants included residents from all parts of Addison, with most representation from the neighborhoods closest to the study area. Exhibits 1 and 2 show where workshop participants live. Exhibit 1 shows representation from all parts of the Town, while Exhibit 2 shows the area closest to this Study Area.

A presentation about the study area and Concept Plan provided background information to workshop participants. After the presentation, participants provided input at 5 stations, each focused on a particular aspect of the Concept Plan's recommendations. Comment forms were also used to provide input about the study area.

Attachment 1 contains the input received at each of the stations. It also include the comments received on comment forms. Finally, it provides the workshop sign-in sheets.

All comments received at the Community Workshop were reviewed by the consultant team. There is agreement on many aspects of the Concept Plan that are desirable additions to the Addison community. Other aspects of the Concept Plan received comments expressing concern as well as comments voicing support. Also, a number of comments asked for additional information about the project, past performance of various development types, the anticipated market in the future, and the impact the Town can have on the Sam's Club's decision-making process. The next several sections of this memo address these comments and questions.



Exhibit 1: Home Locations of Participants

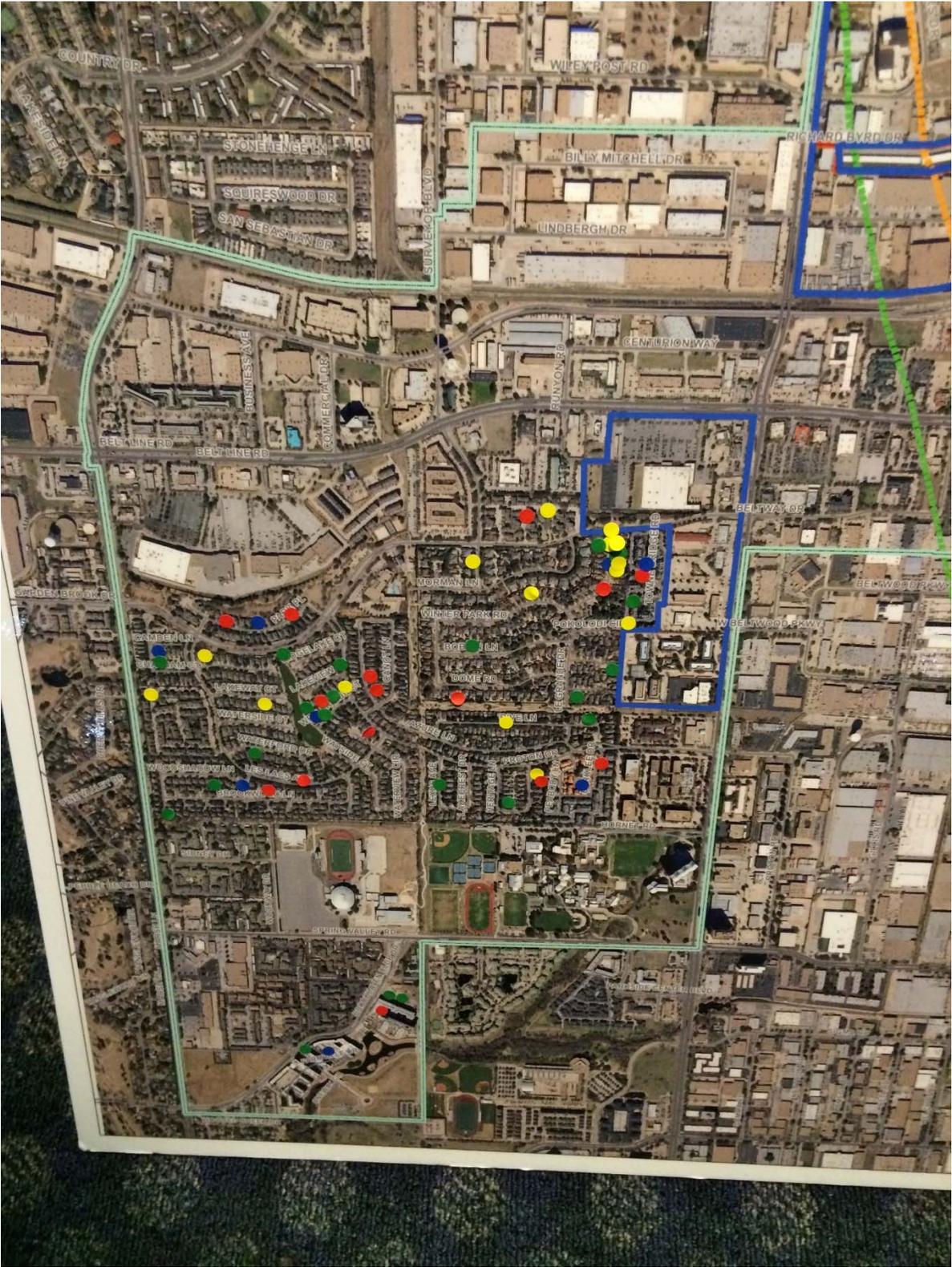


Exhibit 2: Participants Near Study Area

## Key Features of the Concept Plan

### *Committee Objectives*

The Sam's Club Site Special Study Committee determined that future development of this site should achieve the following ten objectives:

- This is a prime location within Addison; its development should provide a good return on investment for the owner and the Town.
- We need to recognize that Addison is an urban community. We need to insist on mixed use development with an appropriate scale, density and diversity.
- High quality design is an Addison characteristic that needs to continue here.
- The Concept Plan should be able to succeed in phases.
- There should be an organic expansion of existing neighborhoods into study area.
- Redevelopment of the Study Area should add housing choices that aren't easily found in Addison today, particularly for 'aging in place'.
- Redevelopment of the Study Area should create new employment locations.
- The area's redevelopment should provide retail, service, and health/wellness businesses that serve nearby residents.
- The designs for future development must include people places and sidewalk / trail connections to the rest of Addison.
- The Committee's desired connections from these new neighborhoods to the existing Addison community allow for removal of the wall that currently exists on the south side of the Sam's Club property.

The Concept Plan created by the Committee is intended to be a general description of the land uses and intensities that are envisioned for this area over the long term. It recognizes that the property owners may choose to continue their existing uses or pursue other development that is consistent with existing zoning and development agreements, none of which are changed by an amendment to the Town's Comprehensive Plan. But this Concept Plan, if incorporated in the Comprehensive Plan, provides clearer policy guidance about the development the Town would like to see over time. As current or future property owners contemplate changes in the buildings and uses that exist today, the Comprehensive Plan is the primary statement of the Town's preferred direction for redevelopment. For this reason, it can play an important role in changing the future character of this part of Addison.

*Development Program*

Exhibit 3 presents the development mix and character proposed in the Concept Plan. The ultimate Concept Plan is shown in Exhibit 4.

Land Area	50.37 acres
Total Development, Based on Concept Plan	
• Retail/Restaurant	123,500 SF <sup>1</sup>
• Office/Flex Employment (includes Medical and Wellness)	312,000 SF new 58,000 SF existing
• Townhome/Rowhouse	138 units (10.3% of total)
• Urban Flats	371 units (27.8% of total)
• Urban Apartments	825 units (61.8% of total)
• Parking Spaces Provided	3,617 (per Town codes)
Total Project Cost	\$311,112,061
Total Development Value at Build-Out	\$313,976,250
Funding Margin/Gap	\$2,864,189 (0.9%)
Approximate Population, Ultimate	1,800 new residents
Approximate Employment, Ultimate	1,300 new employees

*Exhibit 3: Development Program, Ultimate Concept Plan*

*Addison Goals*

This Concept Plan achieves the Committee's objectives stated above. It also supports several other goals of the Addison City Council. Currently, much of the retail and restaurant activity along Belt Line occurs to the east of the Dallas North Tollway. The Town has sought ways to draw this vibrant scene to the west side of the Tollway. This concept plan, particularly the mixed use development along Belt Line itself, helps to achieve this goal because it provides locations for new retail and restaurant sites, it adds new customers because of the residential density and new population generated by the study area's redevelopment, and it proposes a human-scale development pattern that will create a much more pedestrian-friendly experience along Belt Line than a person experiences today.

Addison has made significant investments in the infrastructure along Belt Line as well. Those investments will enhance the environment for new private development on these properties and will contribute to a desirable, walkable character for the area. This concept plan takes advantage of these public improvements and creates supportive development on the private properties.

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<sup>1</sup> SF = square feet



**Preferred Development Concept, Ultimate**

Sam's Club Special Study



Kimley-Horn



BioLogic Consulting

Exhibit 4: Ultimate Concept Plan

### *Community Workshop Input*

Many comments from participants at the Community Workshop supported important aspects of Concept Plan. These features of the Concept Plan were supported by comments from the workshop participants:

- It's good to have a plan to refresh an aging area.
- The open spaces and parks were a positive aspect of the plan.
- Participants liked the walkability and connectivity within the study area.
- They also liked the connections to the rest of the Town and to the Town's overall trail systems.
- Comments supported efforts to add more ownership residential units in Addison.
- Most comments favored the mixed use character of the proposal overall.

Other features of the Concept Plan received mixed comments. The features described below received comments expressing disagreement or concern from some participants, but agreement and support from other participants.

- Most comments supported the overall density but some felt it was not appropriate.
- Some comments advocated keeping the wall that currently exists on the south side of the Sam's Club property while other comments supported the wall's removal as shown in the Concept Plan.
- The inclusion of rental residential units received comments on both sides, from people who felt that was appropriate and necessary for the project's economics and from people who do not want any more rental units in Addison.

Participants also asked questions about various aspects of the Concept Plan, such as its economic viability. Other comments related to specific design details – for example, a desire to retain all of the Office in the Park or a concern about the width of the landscape buffer adjacent to existing homes. The most frequent questions are addressed in this memo; the other questions can be addressed if the City Council chooses to amend the Comprehensive Plan to reflect this Concept Plan (or a modification of it).

### **Market & Economic Issues**

This study process included an analysis of the real estate market because it sought to create a plan that could be economically feasible for property owners and future developers. Ricker-Cunningham, Inc. defined a trade area and evaluated the market potential for all uses based on 10-year projections for that market area. They found that the trade area for this study is expected to enjoy "significant growth over the next 10 years among all of the primary land uses and many of the product types within them". An analysis of Addison's demographics shows that, compared to the trade area, Addison's typical household is smaller and Addison's population is younger, yet median household income is comparable. These characteristics "indicate a high concentration of higher-income singles and/or young married couples". The area's psychographics further suggest that people who are likely to be attracted to Addison

(and thus to new housing in this study area) tend to be higher income, with higher disposable income and a preference for urban housing types.

The Concept Plan recommended by the Committee provides the mixed use, urban setting desired by these markets and the urban housing products that appeal to them. It recognizes, though, that this development will not happen overnight or all at once. The Concept Plan assumes that development will occur over 10 years or longer, and so should be supported by the market over that long period of time.

At the Community Workshop, some participants questioned whether there was sufficient market support for the land uses proposed in this plan. Their concerns were based on perceptions of the current market and the sense that Addison has high vacancy rates for retail, office, and multi-family uses even without adding new development here. To address these concerns, Addison's Economic Development Department researched the 2014 vacancy rates for these uses. Attachment 2 contains the report of this analysis. It concludes that Addison's vacancy rates have dropped substantially since the peak of the recession and are now comparable to, or lower than, the vacancy rates throughout the region. Even with a significant number of new apartment units coming on line in 2013, the level of demand is high enough that they were absorbed quickly and the multi-family vacancy rate at the end of 2014 is only 3.8%. This current information supports the Concept Plan's expectation that its future development can be supported by market trends over time.

### **Residential Component of the Concept Plan**

As shown in Exhibit 3, the ultimate development envisioned by this Concept Plan includes a mix of housing choices. Exhibit 5 uses the same set of housing choices defined through Addison's recent discussion of housing issues. It shows the number of units, by housing choice, which exist in all of Addison today. Then it adds the housing units envisioned in the ultimate Concept Plan for this study area. Development according to this Concept Plan would add less than 13% to Addison's current housing supply. Since the Concept Plan has a higher share of ownership units (detached homes, townhomes and flats) than Addison's current average, the addition of the Concept Plan reduces the share of rental units in Addison.

Housing Choice	Current Addison Units	% of Units	Ultimate Concept Plan Units	% of Units	Total Units	% of Total Units
Detached Home	1,467	13.9%	0	0.0%	1,467	12.4%
Townhome/ Rowhouse	555	5.3%	138	10.3%	693	5.8%
Flat	345	3.3%	371	27.8%	716	6.0%
Garden Apartment	3,600	34.2%	0	0.0%	3,600	30.3%
Urban Apartment	3,624	34.4%	825	61.8%	4,449	37.5%
Extended Stay Hotel Room	945	9.0%	0	0.0%	945	8.0%
Independent/ Assisted Living	0	0.0%	0	0.0%	0	0.0%
Total Units	10,536	100.0%	1,334	100.0%	11,870	100.0%
Individual Ownership Units		22.5%		38.2%		24.2%

*Exhibit 5: Addison and Concept Plan Housing*

The mix of housing units assumed here is shaped by the current strong market for urban rental product. If development occurred today under this concept plan, we expect that the housing in the mixed use buildings along Belt Line would be largely rental urban apartments. However, the form and character of the urban residential buildings envisioned in this Concept Plan do not dictate whether the units are owned individually or are rented. Strong standards for design – of the buildings and sites – should enable these units to retain their value. If the market for flats increases over time, as is expected, the units in those urban residential buildings could be converted to ownership.

### **Conclusion/Recommendation**

As noted earlier, the Addison City Council may consider several options related to the recommendations received from the Sam's Club Site Study Committee:

- The Council may choose to take no action on these recommendations.
- The Council may choose to approve the Concept Plan as recommended by the Committee.
- The Council may choose to approve the recommended Concept Plan, but with modifications.

The consultant team believes that the Concept Plan developed by the Committee represents an approach to redevelopment of this key location that achieves the Town's goals and provides an economically-feasible pattern for changes in property use over time. The team supports the recommended Concept Plan. Given the discussions that have occurred since the last Committee meeting, however, the consultant team is also prepared to work with the City

Council and staff to refine the Concept Plan prior to its consideration as an amendment to the Addison Comprehensive Plan.

**Attachments**

The following attachments provide additional background information about the Concept Plan and its relationship to current and expected future markets.

1. Input from the March 2<sup>nd</sup> Community Workshop
2. Report on Current Vacancy Rates in Addison

**Attachment 1:**  
**Input from the March 2<sup>nd</sup> Community Workshop**



- Special Study Areas
- Town Boundary
- Airport Boundary

- ### KEY TO FEATURES
- #### Addison Airport Decibel Contours
- 65 dB
  - 70 dB
  - 75 dB

- #### Roads
- Highways
  - Secondary Roads

- Access Roads
- Local Roads
- Incomplete Roads



0 5  
1 inch





# ROLE IN ADDISON'S FUTURE

Growth in residents - upper-middle  
income

access to a variety of services  
↳ Self sustaining

Need more owners - not more renters -  
we are way out of balance

Need parking available for  
both townhomes & retail

Parking availability and efficiency should be top priority - this is where  
the shops at Legacy failed. If there is to be a parking garage, place it as  
centrally as possible.

# FLEX OFFICE

## GOOD FIT?

self at Regus type  
set up great for  
entrepreneurs.

Mix use ~~flats~~  
Flats & Terraces  
Let the CORNER  
ON Bettaline be  
Retail

sees greater value  
in office over  
mixed-use w/renters

ext  
ten

Q a  
egg

How's

Hard

Com  
vac  
in su  
level  
area



# EX OFFICE

## GOOD FIT?

if it Regus type set up great for entrepreneurs.

Mix use ~~Flats~~ Flats & Townhomes  
Let the <sup>CORNER</sup> ON Bell Line be Retail

sees greater value in office over mixed-use w/renters

## CONCERNS?

These tend to remain empty for extended periods of time between tenants.

I agree too many empty spaces now

How's the office doing now? Not good.

Hard to keep filled - not good

Concerned about vacancy rates in current single level retail in area



Easel Pad  
Tableau à feuilles mobiles  
Block de Hojas Reponibles

Super Sticky  
Super Collant  
Super Adhesivos

5.2 in (2.5 ft x 2.08 ft)  
5.2 in (2.5 ft x 2.08 ft)  
Cont. 1 block de 30 hojas

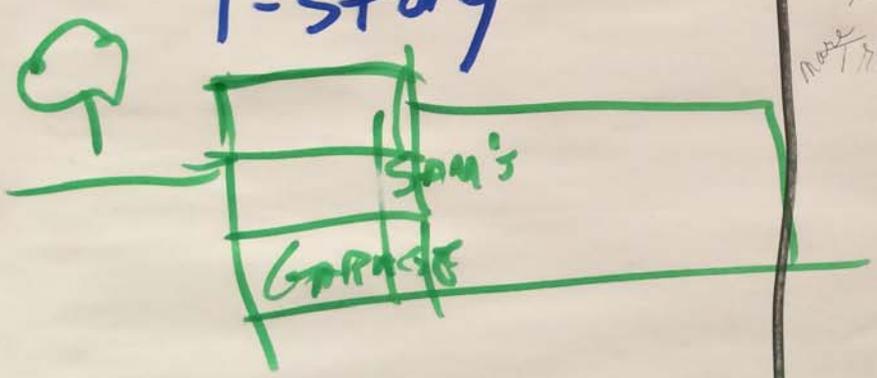
# TOWN HOME

## GOOD FIT?

GOOD -

Like the idea. Esp with connectivity to trails parks etc

yes if they're  
1-story



## CONCERNS?

FOR SALE

NO CONDOS

Not interested in apartments for rent.

Town home concept a good one.

Worried about traffic congestion on Beltway

No more - need mixed use environment  
more traffic on Beltway.



# MIXED USE

## GOOD FIT?

MKT St. Super MKT  
CENTRAL MKT

Outdoor artisan's market in the park area - 1 or two weekends per month, first come first serve table rentals (preference to Addison residents) 3 to 5% of sales go back to town in lieu of rental fee

Yes. if done well.

Brand New Starbucks

No rental residences

## CONCERNS?

NONE

Depends on type Whom - Brands vs Startups - if establish Biz great!

EMPTY RETAIL MUST BE VISIBLE/VIABLE

Concern about housing over retail  
→ no apartments

GARAGES FOR SENIOR APTS, SINGLE STORY OR FLATS W/ELEVATORS

# URBAN RESIDENTIAL

## GOOD FIT?

LOOKS GREAT -

Yes only if economic work,

Yes. Limited # of units

## CONCERNS?

As a homeowner in Towne Lake, ~~we~~ I'm concerned about the 50 of units for renters. Most surrounding neighborhoods are single family homeowners and I'm concerned about traffic, noise and people congestion.

Who is this? Type clients/customers income

The types of residents this would attract are transients and would have no vested interest in the long-term of the AEA.

URBAN RES

GOOD FIT?

LOOKS GREAT -

yes only if economic work

yes. limited # of units

# CONCERNS?

As a homeowner in Towne Lake, ~~for~~ I'm concerned about the % of units for renters. Most surrounding neighborhoods are single family homeowners and I'm concerned about traffic, noise and people congestion.

Who is this? Type Clients/Customers income?

The types of residents this would attract are transitional and would have no vested interest in the longevity of the AREA.

# CONCEPT PLAN - COMMENTS

LIBRARY - 'yes'.

GOOD PLAN - NO CONDOS

NO CONDOS/NO APARTMENTS

ALSO PLEASE KEEP OFFICE IN THE PARK  
AS OFFICE BLDG. I LIVE IN TOWNE LAKE  
AND OFFICE IN OFFICE IN THE PARK  
AND HATE IDEA OF LOSING OUR OFFICE  
AND THE OPEN SPACE IN THE BACK OF  
OFFICE IN THE PARK. DONT WANT TO BACK  
UP TO MORE NEIGHBORS!

Addison has too much retail vacancy now. Building  
more wont fix it. ECONOMICS DONT WORK

No more apartments. We need owner-  
occupied housing choices. Zero lot, condo flats,  
townhomes - BUT single story only.  
Consider duplex, 4-plex also.

# CAPTURE THE RIGHT MARKET?

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- Skeptical about too many small bus. residences
- More flex office?
- Like medical
- Like to see age curve flatten - attract young & aging in place
- Ingenious plan
- Low med. age, high med. income
- Like idea of anyone able to walk
- Want Addison to be self-contained
- P. 9 - check #'s
- Drive people from Plano & Carrollton

- Will seniors ~~imp~~ ownership affect tax base?
- Move toward even more ownership
- How can retail work when extg. retail is vacant? 23.6% vacant
- Need decent grocery store - Market St. / Central Market / HEB
- Sr. demographic has fixed income - not good to support the retail, etc.
- But... this is disposable income
- Cost-effective artists' mkt. for Addison artists - goes for young & senior markets
- Duplex/row/4plex can be more dense - less yard but affordable

- Ownership 'flat' market here is much stronger than this
- HEB would be awesome
- Have a Trader Joe's Market.



Easel Pad  
Tableau à feuilles mobiles  
Block de Hojas Reponibles

Super Sticky  
Super Collant  
Super Adhesivos

12 1/2" x 18" x 200 sheets  
5.2 g/100 (2.5 g/100 x 2.08 g/100)  
Color: 1 block in 10 days

3M

## ANY OTHER COMMENTS

Colorado MT (SO?)  
(first to go wet...)  
Senior Residential

- Sports therapy / senior therapy  
if senior residential

I LIKE IT - MUST BE  
ECONOMICAL - NOT  
VACANT - DON'T PUSH  
IT.

Don't miss another opportunity  
like we did on intercontinental property

Another Vitruvian development

Get good directional signage  
all over addison



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal, as a place to live, work & play?

*Removal of Motel 8 + "strip look" retail*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

*Mixed use, open spaces, more single family units*

What changes to the Committee's concept plan would improve it, from your perspective?

*Less straight line design*

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

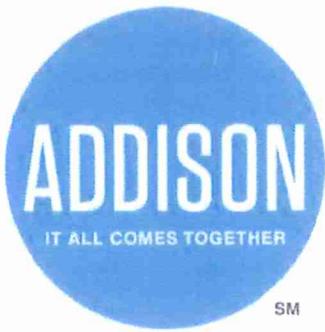
Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgooff@addisontx.gov](mailto:cgooff@addisontx.gov).



COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

Ownership - townhomes  
get rid of the wall  
More trails & connectivity  
We don't want city to fill the gap  
Current land owners will not sell at reasonable price. #s won't work.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Good concepts but economies don't work. More retail doesn't work (Addison already has high vacancy)

What changes to the Committee's concept plan would improve it, from your perspective?

make the #s work  
OK, but not fixed income seniors.  
How about Kohls?  
Focus on ownership. SR housing  
Limit the grand floor retail

What other recommendations do you have about the Sam's Club Study Area?

Do something quickly to immediate area so not a dead corner for long

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Diane Chavez

Email Address: dmc5302@yahoo.com

Company/Organization (if any): JPMorgan

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

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What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

I think a mix of condos and businesses (retail) would provide the highest ROI as well as furthering government objectives.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Condos/flats, Addison has a legitimate public interest in promoting home ownership.

What changes to the Committee's concept plan would improve it, from your perspective?

I don't think the variable of Sam's Club is well enough understood. Should the new owners be within city guidelines, it could negate the entire development plan.

What other recommendations do you have about the Sam's Club Study Area?

I think the health spa/day surgery has no place so close to a residential area.

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Ryan Scanlan

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



## COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

I LIKE THE IDEA OF MOVING THE WALL & INTEGRATING WITH THE SURROUNDING NEIGHBORHOOD

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

PLANNED COMMUNITY THAT PROVIDES DIVERSITY OF SERVICES & PRODUCTS  
APPEAL TO YOUNGER PEOPLE <sup>TO</sup> MOVE IN BUT ALSO WANT TO STAY

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

BRILLIANT BALANCE OF MIXED USE  
~~RES~~ RESIDENTIAL OPTIONS TO OWN OR RENT  
OPTIONS FOR PEOPLE TO "AGE IN PLACE"

What changes to the Committee's concept plan would improve it, from your perspective?

NONE - STAY ON TRACK !!

I HOPE WE WILL SEE NO MORE GLASS & STEEL - BETTER = BRICKS  
PROVIDE AMPLE DRIVE THRU AND DRIVE AROUND LANES & PARKING  
TO RELIEVE TRAFFIC ON MIDWAY & BECT LINE

"BRAND" THE AREA - MAKE IT A DESTINATION

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: AL ANGELL

Email Address: al-angello@sbccglobal.net

Company/Organization (if any):

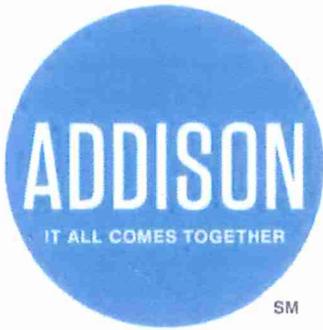
Mailing Address: 14540 WINNWOOD ROAD

City, State Zip: DALLAS (ADDISON) TX 75254

Please return your comments at the registration table this evening. Also, comments can be submitted through

email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).

FURTHER THOUGHT: LEARN FROM BOTH SUCCESSSES  
MISTAKES AT THE CIRCLE & VITRUVIAN.



COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

Mixed Use - Flats / European Style / Ground - 2-3 Story <sup>Flats</sup> / Parking either under or garage parking, brand hotel -

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Mixed Use - I like "most" of the Proposal. More Ownership

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

~~Not mandatory to follow the plan /~~ Convert as much commercial to Mixed Use -

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: RW [Signature]

Email Address: on file

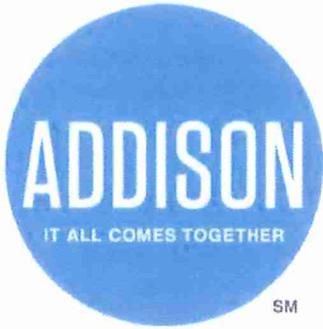
Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).

6



## COMMENT SHEET

### Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

Retail <sup>vacancies</sup> is already one of the highest in the city 28%+, Dallas average is 9.8%, how can you add more when you can't support what is here.

Mixed use is hard to pull off. Good location for it but others have been difficult & take a while to pull off

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

trying to improve a ~~trans~~ tired aged area.

What changes to the Committee's concept plan would improve it, from your perspective?

no plan that doesn't have a gap this town cannot continue to give hand outs

What other recommendations do you have about the Sam's Club Study Area?

good retailer we don't have near us ... Kohl's, Lowe's, Home Depot (might be too close)

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Denise L. Fansler

Email Address: dfansler@mail.com

Company/Organization (if any):

Mailing Address: 3725 Chatham Court Drive

City, State Zip: Addison, TX 75001

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

Plan an emphasis on transportation within the study area  
+ also to go to + from the area.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Keeping the area Urban

What changes to the Committee's concept plan would improve it, from your perspective?

I think more emphasis should be on the retail  
not so much the residential

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

*do not want high density rental units!*

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

*owner occupied townhomes/condos/villas*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

*more residential (owned) + parks + trails*

What changes to the Committee's concept plan would improve it, from your perspective?

*No rental units  
concept of medical office space not realistic for  
this area.*

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

INDEPENDENT LIVING / ASSISTED LIVING FACILITIES.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

IMFILL LOOKS GOOD. RE-DO AGING FACILITIES  
A GOOD FIT.

What changes to the Committee's concept plan would improve it, from your perspective?

LESS OFFICE SPACES - HOUSING NEEDS TO BE  
MUCH MORE UPSCALE.

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

*concept plan - or prototype*  
*Keep the wall - ability to walk thru.*

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

*concept plan*  
*residential -> no outlet on Midway other than*  
*Full Way - too much danger for accident*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoft@addisontx.gov](mailto:cgoft@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

KEEP the wall up

because of pedestrians

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

~~MORE STORES - better studio~~

more retail stores or better studio

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

No ~~more~~ rental apt

most be buyers

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

yard sale sight on the inside you pay  
for your slot or indoor dog park

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Daniel Simmons

Email Address: dts945@gmail.com

Company/Organization (if any):

Mailing Address: 4202 Rush Circle

City, State Zip: Addison, TX 75002

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

*NOT APTS - Townhomes / OWNER OCCUPIED RESIDENCES*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

*DIRECTION but CONCERN that too MANY VARIOUS OWNERS  
would delay plans too far out*

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: *Shelby Barkofsky*

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).

February 28, 2015

My name is Tarea Doty. As a 12 year Addison business owner, a 10 year Addison resident, and a 3 year Addison homeowner I **love** Addison and plan on being here with my husband and first child due in August for years to come. I am, however, deeply concerned with the draft preferred plan for the Sam's Club Study Area.

I have a unique concern in that I'm a homeowner on the southwest perimeter of Towne Lake that backs up to the Office in the Park parking lot, and I also own a business and rent office space in Office in the Park (14679 Midway Rd) which is the building closest to our home. This means that from the back gate of our house on 4144 Towne Green Cir, we have a 18 second walking commute across the parking lot to our office building - a building which is proposed to be torn down and replaced with multi-family residential units in the draft preferred plan. I understand my needs are unique and economic development cannot cater around one individual, but I do believe there are some strong reasons to consider why Office in the Park should remain an employment district, why multi-family residential should be avoided or greatly reduced in all three phases, and lastly why the Beltway privacy wall should be maintained.

## **Why the entire Office in the Park should remain an employment district:**

- As the name suggests – with lush landscaping, mature trees, plentiful green space, tennis courts and a gazebo - **Office in the Park really is a unique commercial property with broad appeal** especially to a younger generation who are avoiding “cookie cutter” spaces. It truly feels like you're working in a park setting.
- As you drive into this office community, you really don't get a sense you're in an office building complex. **It feels very historic and very in line with Addison's traditional red brick look.**
- Even though Dovie's restaurant is closed, **preserving and maintaining a historic property – the former home of Audie Murphy - should be considered.** It would be a great loss if this house was destroyed.
- From the March 5, 2014 Addison Magazine article discussing Office in the Park , **“you'll come across a building with a collegiate look about it. In fact, according to Orlando Campos, Director of Addison's Economic**

## Why multi-family residential should be avoided or greatly reduced in all three phases:

- By rezoning and transitioning this space into multi-family residential the **congestion from more cars and people would greatly diminish the quality of quiet residential homeowner living** which I believe is a major contributing factor why so many homeowners choose to buy in our neighborhoods and why our property values keep increasing.
- **Midway Meadows and Towne Lake as well as all the Addison neighborhoods sandwiched between Proton and Marsh are older, established, SINGLE FAMILY, upscale neighborhoods.** I do not feel like the majority of the homeowners in these communities would welcome 2000+ people (potentially more with 1115 proposed units – the majority of which proposed are condos and apartments which means renters) sharing their walking trails, dog parks, children's parks and other amenities.
- **The draw to all of these great amenities, which I might add as homeowners we pay a good deal in taxes for, is that they are not crowded and are a little off the beaten path.** For example, before we bought in Towne Lake I lived in Post Addison Circle as a renter for 7 years. I frequently went to the Addison Athletic Club. However, it was not until I bought my home in Towne Lake and was exploring my "backyard" (the parking lot of Office in the Park), that I discovered the dog park and the whole system of walking trails west of the dog park. I was so excited I discovered this hidden gem and would like to keep it that way for all the homeowners.
- **With an additional 2000+ people, mostly renters, having close access to all these amenities – especially the parks and walking trails, safety becomes a huge concern.**
- **Noise congestion is huge concern. Renters live different lifestyles than homeowners.** As much as I like visiting, for example, The Shops of Legacy in Plano, I would not want to live there as a homeowner. It is still very noisy on a weekend night at 10pm. Renters attract young people and people that like to party and stay up late. I've been there. But again, we're talking about older established single family neighborhoods with an average home price over \$300,000. This is a totally different demographic with different needs and desires versus renters.

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## COMMENTS ON SAM'S CLUB SITE SPECIAL STUDY DRAFT REPORT

Judye and Lance Murray (3884 Weller Run Ct)

March 4, 2015

- Initial impression of the expanded site redevelopment concept is favorable. What's not to like about a low-rise European style integrated flex office/specialty shop/restaurant/pub/townhome/park neighborhood artfully landscaped with off-street parking and a high degree of walking connectivity within itself and with adjacent Addison areas.
- Prefer that residences be owner homesteads not rental. The ratio of rental to owner occupied residences in Addison is becoming alarmingly high.
- The draft plan will significantly increase residence density. It does not appear that gap expenditures required to support the added population have been adequately considered. These would include costs for expansion of utilities, sewers, streets, parks, Athletic Club, police, fire/Ems, etc.
- Impacts on adjacent neighborhoods in terms of additional traffic, noise, skyline intrusions, etc. need to be further studied.
- It has been proposed that a senior living facility be included. This needs to be further studied before inclusion. This is a specialty business with all sorts of issues and gap costs unfamiliar to Addison planning. Note that UDR at Vitruvian has expressed zero interest in such a facility for their development.
- We are concerned about how the study might be used in redevelopment decisions for the Sam's site area. Too aggressive and inflexible approach by Addison P&Z, Council, Staff could result in legal reaction by land owners and developers that would be costly to the city. Suggest that the study should encourage more options and flexibility. For example, a higher proportion of flex office development might be preferable. Although it might shift the study concept, it might be preferable to developers and reduce residential density.

**Attachment 2:**  
**Report on Current Vacancy Rates in Addison**

## 2014 Results:

### Office Market:

- Office vacancy rates continued to decline in 2014 by another full percentage point compared to the start of 2013.
- The Town ended the year with a 15.8% vacancy rate which is slightly lower as compared to the entire North Texas Region.
- Not since the fourth quarter of 2007 had vacancy rates declined below the 16% mark.
- The major accomplishment in 2014 was turning the vacant Aberdeen Building around. With support from Addison, building owners helped close three deals including National Bankruptcy Services, Bottle Rocket Apps, and the Republic Group. Collectively, these companies absorbed approximately 206,479 SF of space, created 1,400 jobs with weighted average wages of \$67,744 per year.
- Large contiguous office spaces have become scarce in Addison, but the construction of a new 200,000 SF office tower in 2015 by Cawley Partners will help.
- Office buildings account for a little over 9.3 Million square feet of space in Addison.

### Vacancy Rate



Source: COSTAR, January 2015

**Retail Market:**

- Retail vacancy rates continued to decline in 2014 by another 1.4% compared to the start of 2013.
- The Town ended the year with a 7.1% vacancy rate which is slightly lower than the entire North Texas Region’s 7.4%.
- Not since the third quarter of 2006 had vacancy rates declined below the 8% mark.
- Fueling the retail growth has been Village on the Parkway redevelopment which saw major anchor tenants open in 2014 and a strong cluster of new restaurants. Addison Town Center also saw a major tenant—Crunch Fitness (20,000 SF)—open at the center and Kroger extend its lease.
- Retail space accounts for over 2.2 Million square feet of industrial space in Addison.

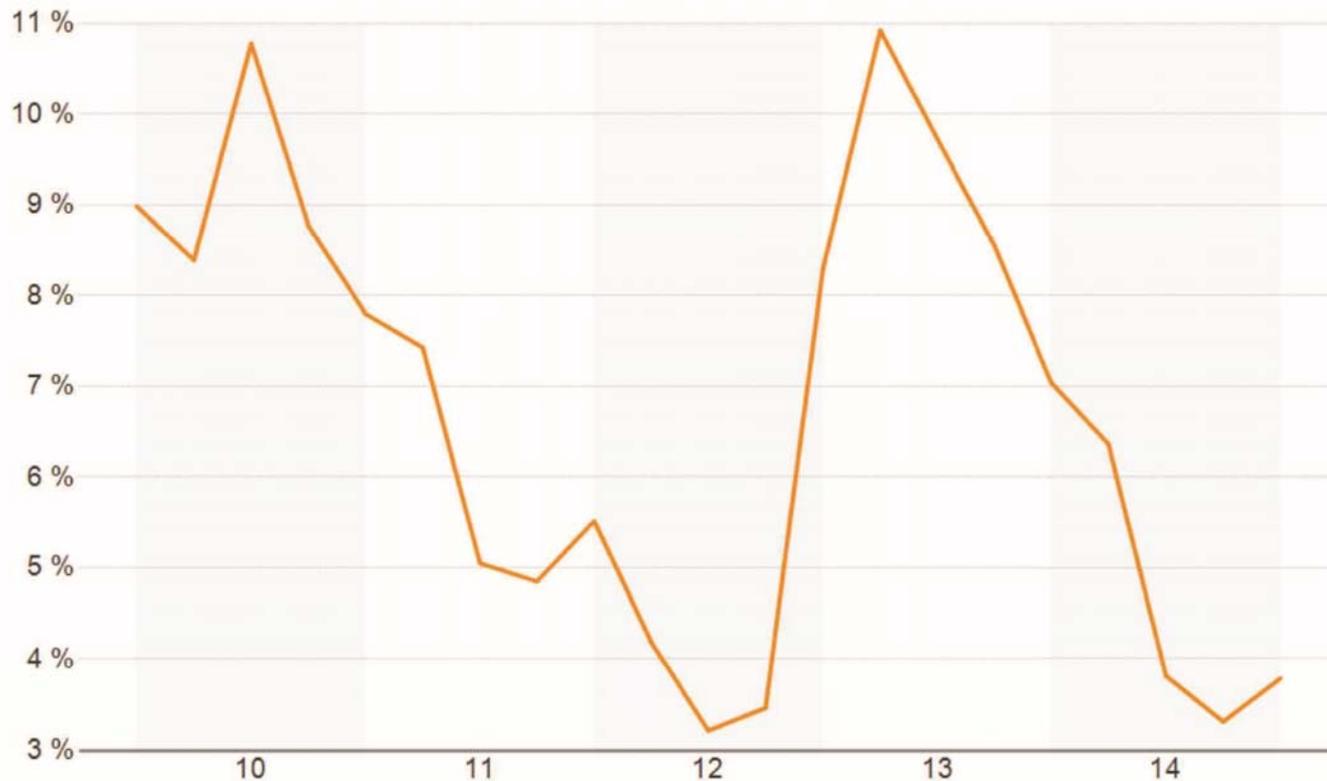


Source: Costar, January 2015

## Multifamily Market:

- With nearly 80% of residents living in multifamily developments, the multifamily market remains a strong commercial sector in our local economy fueled by the young, creative labor force of our corporate companies.
- In 2013 the market saw a large increase in apartment vacancies to 10.9% with the almost simultaneous opening of Fiori, Addison Keller Springs, and last phase of Allegro which collectively added about 1,000 units to the market.
- Despite the increase in units in 2013, absorption continued a strong trajectory for the remainder of 2013 and 2014.
- The multifamily market ended 2014 with a vacancy of only 3.8% which is consistent with the entire North Texas market.
- Addison has about 7,200 units in the market today.

### Vacancy Rate



Source: COSTAR, January 2015

**Combined Meeting**

**WS3**

**Meeting Date:** 03/10/2015

**Department:** City Manager

**Council Goals:** N/A

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**AGENDA CAPTION:**

Discussion and review of the Town Hall Meeting scheduled for March 23, 2015.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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**Combined Meeting**

**R2a**

**Meeting Date:** 03/10/2015

**Department:** City Manager

**Council Goals:** N/A

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**AGENDA CAPTION:**

Approval of the Minutes for the February 24, 2015 City Council Meeting and Work Session.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

Minutes 02-24-2015

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# **DRAFT**

## **OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL WORK SESSION**

February 24, 2015

6:00 PM

Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:00 PM Work Session | 7:30 PM Regular Meeting

Present: Arfsten; Carpenter; Clemens; DeFrancisco; Heape; Mayor Meier; Moore

## **OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL REGULAR MEETING**

February 24, 2015

6:00 PM Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254

6:00 PM Work Session | 7:30 PM Regular Agenda

Posted by: Chelsea Gonzalez, February 20, 2015, 5:00pm

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### **WORK SESSION**

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WS1 Presentation and discussion regarding a proposed code enforcement program.

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WS2 Presentation and discussion of Single Audit Report including management comments from the Town's independent auditors, Weaver, LLP.

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### **REGULAR MEETING**

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**Pledge of Allegiance**

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Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

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Consent Agenda.

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- R2a Approval of the Minutes for the February 10, 2015 City Council Meeting and Work Session.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Mayor Meier, Moore

Passed

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- R2b Approval of and authorizing the City Manager to award a bid to ServiceMaster by Eagle Maintenance Company Inc., for custodial services at Town Hall, Finance, Service Center, Police & Police sub-station, Central Fire, Station #2, Athletic Club, Conference & Theatre Centre (Stone Cottage & Pavilion), Visit Addison and The TreeHouse facilities in the amount of \$215,530.00.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Mayor Meier, Moore

Passed

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- R2c Approval of a resolution requesting the members of the 84th Legislative Session of the State of Texas to support legislation that increases funding for the Texas Recreation and Parks Account and Large County and Municipality Recreation and Parks Account and Parks Account Local Park Grant Programs, and the Texas State Park System.

RECOMMENDATION:

Administration recommends approval.

Motion made by Clemens to approve, as submitted,  
Seconded by Moore

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Mayor Meier, Moore

Passed

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R2d Approval of a resolution of the Town of Addison in opposition to a revenue cap and legislative interference with local services.

RECOMMENDATION:

Administration recommends approval.

Mayor Meier pulled item R2d from the consent agenda for further discussion.

Motion made by Mayor Meier to approve, as submitted,  
Seconded by Clemens

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Mayor Meier, Moore

Passed

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### Regular Items

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R3 Presentation and discussion of Single Audit Report including management comments from the Town's independent auditors, Weaver, LLP.

Item R3 was pulled from the agenda.

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R4 Discussion and take action regarding the appointment of a member to the Planning and Zoning Commission.

Item R4 was pulled from the agenda.

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R5 Present, discuss, consider and take action regarding an ordinance providing for a Meritorious Exception to the wall sign requirements in Section 62-289(b)8. (part of the sign standards for Village on the Parkway) by providing for two signs on the west facade and for a sign on the south facade with a logo 5 feet in height on application from Lazy Dog Restaurants, represented by Mr. Jared Taylor for the

property located at 5100 Belt Line Road Suite 500.

**RECOMMENDATION:**

Administration recommends denial.

Charles Goff, Assistant Director of Development Services, spoke regarding this item.

Jared Taylor, representative of Lazy Dog Restaurant, also spoke regarding this item.

Motion made by DeFrancisco to approve, two signs on the west facade and a sign with a paw logo of 36 inches.

The motion received no second. The motion failed.

Motion made by Moore to deny, as submitted,

Seconded by Carpenter

**Voting** AYE: Arfsten, Carpenter, Clemens, Heape, Mayor Meier,  
Moore

NAY: DeFrancisco

Passed

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- R6 Present, discuss, consider and take action approving amendment #7 to the Program/Project Management Professional Services agreement between the Town of Addison and R.H. Shackelford, Inc., in an amount not to exceed \$570,000.

**RECOMMENDATION:**

Administration recommends approval.

Lisa Pyles, Director of Infrastructure, spoke regarding this item.

Motion made by Arfsten to approve, as submitted,

Seconded by DeFrancisco

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Mayor Meier, Moore

Passed

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- R7 Presentation and discussion regarding housing in Addison, including types and alternatives, as well as the special area study findings and recommendations regarding future development of the properties located within the Town generally bounded on the north by Belt Line Road, on the east by Midway Road, on the south by an Oncor utility easement located approximately 250 feet north of Proton Drive and on the west by the Midway Meadows, Towne Lake, and Pecan Square neighborhoods.

Karen Walz with Strategic Community Solutions presented and spoke regarding this item.

Charles Goff, Assistant Director of Development Services, Lea Dunn, City Manager, and Brenda McDonald, also spoke regarding this item.

There was no action taken on this item.

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- R8 Presentation and discussion regarding the progress of the Addison Airport Master Plan.

Lisa Pyles, Director of Infrastructure and Development Services, presented and spoke regarding this item.

There was no action taken on this item.

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- R9 Presentation and discussion regarding the Town of Addison 2014 Racial Profiling report.

Ron Davis, Chief of Police, spoke regarding this item.

There was no action taken on this item.

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- R10 Discussion regarding establishing a policy to govern public information requests.

Cheryl Delaney, Deputy City Manager, Lea Dunn, City Manager, and Brenda McDonald, City Attorney, spoke regarding this item.

There was no action taken on this item.

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Executive Session

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- ES1 Closed (Executive) session of the Addison City Council pursuant to Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects.

The City Council entered executive session at 10:07 pm.

The City Council closed executive session at 10:40 pm.

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- ES2 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to conduct a private consultation with its attorney(s) on a matter in which the duty of the attorney(s) 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, pertaining to the ponds or lakes at Vitruvian Park, located within the vicinity and east of the intersection of Vitruvian Way and Ponte Ave., and Farmers Branch Creek.

The City Council entered executive session at 10:07 pm.

The City Council closed executive session at 10:40 pm.

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#### Regular Items Continued

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- R11 Discuss, consider, and take action regarding a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic development negotiations, and/or regarding the offer of a financial or other incentive to such business prospect or business prospects.

#### RECOMMENDATION:

Motion made by Moore to approve, as discussed in executive session subject to City Manager and City Attorney approval,  
Seconded by DeFrancisco

**Voting** AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape,  
Mayor Meier, Moore

Passed

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Adjourn Meeting

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\_\_\_\_\_  
Mayor-Todd Meier

Attest:

\_\_\_\_\_  
City Secretary-Chelsea Gonzalez

## Combined Meeting

R2b

**Meeting Date:** 03/10/2015

**Department:** Parks & Recreation

**Council Goals:** Create raving fans of the Addison Experience.  
Mindful stewardship of Town Resources.  
Maintain and enhance our unique culture of creativity and innovation.  
Raise property values  
Attract new businesses to Addison  
Infrastructure improvement and maintenance  
Implement bond propositions  
Promote Sustainability  
Enhance Public Safety

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to enter into an easement agreement with BKK Enterprises, Ltd. for their property located along Landmark Boulevard and identified through the attached exhibits.

### **FINANCIAL IMPACT:**

Budgeted: Yes

Funding Source: Proposition 6 of the 2012 Bond Election

Amount: \$10.00

### **BACKGROUND:**

This agreement will allow the Town of Addison to install the proposed pedestrian lighting for South Quorum as a part of the Town's Pedestrian Connectivity Project which is funded by Proposition 6 of the 2012 Bond Election. An attached map identifies the property that this easement will address.

The easements, identified as 10' sidewalk, pedestrian access & public art easements will also provide potential locations for the installation of public art, bus shelters and other items identified in the Quorum Art Walk master plan. There are a total of 13 easements required to complete the lighting in South Quorum.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Attachments**

Easement Map

# Easement Agreement

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BELT LINE ROAD



**BKK ENTERPRISES, LTD.**  
 PROPOSED EASEMENTS FOR  
 PEDESTRIAN ENHANCEMENTS



# South Quorum Lighting REQUIRED EASEMENTS

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

**After Recording Return To:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Addison, Texas 75001

**EASEMENT AGREEMENT**

**DATE:**   FEB 11  , 2015

**GRANTOR:** BKK ENTERPRISES, LTD.  
14840 Landmark Blvd., Suite 200  
Dallas, Texas 75254  
(Dallas County, Texas)

**GRANTEE:** Town of Addison, Texas  
5300 Belt Line Road  
Dallas, Texas 75254  
(Dallas County, Texas)

**GRANTOR'S LIENHOLDER(S):** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CONSIDERATION:**

Ten and No/100 Dollars (\$10.00), the benefits flowing to each of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Grantor.

**EASEMENT PROPERTY:**

See Exhibit "A" attached hereto and incorporated herein by reference.

**EASEMENT PURPOSE:** For pedestrian connectivity purposes, including the construction, installation, operation, improvement, use, inspection, repair, maintenance, reconstruction, replacement, relocation and removal of sidewalks (including, without limitation, the use of such sidewalk for pedestrian traffic), landscaping, lighting, benches, canopies, shelters, water fountains, irrigation, signs, and related and customary uses and purposes attendant thereto; and for the installation use, inspection, repair, maintenance, reconstruction, replacement, relocation and removal of art, including without limitation sculptures, monuments, statues, posters, and other artforms (all of the above being, collectively, the "Facilities").

## **EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

All validly existing and recorded easements, rights-of-way, prescriptive rights, restrictions, reservations, covenants, conditions, rights of parties in possession, leases, oil and gas leases, mineral severances and other instruments that affect the Easement Property; rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts or shortages in area or boundary lines; and any encroachments or overlapping of improvements.

GRANTEE ACCEPTS THE EASEMENT PROPERTY "AS IS, WHERE IS AND WITH ALL FAULTS" AND WITH ALL LATENT OR PATENT DEFECTS. GRANTEE ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE EASEMENT PROPERTY IS BEING SOLD "AS IS, WHERE IS AND WITH ALL FAULTS." IN ADDITION, GRANTOR WILL HAVE NO OBLIGATION TO PROVIDE ANY REPAIRS, ALTERATIONS OR IMPROVEMENTS TO THE EASEMENT PROPERTY. GRANTEE SPECIFICALLY ACKNOWLEDGES AND AGREES THAT GRANTEE IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, FROM GRANTOR OR ANY PARTNER, MEMBER, MANAGER, SHAREHOLDER, OFFICER OR DIRECTOR OF GRANTOR OR FROM ANY EMPLOYEE, ATTORNEY, AGENT OR REPRESENTATIVE OF GRANTOR AS TO ANY MATTER CONCERNING THE EASEMENT PROPERTY INCLUDING, WITHOUT LIMITATION (1) THE QUALITY, NATURE, HABITABILITY, MERCHANTABILITY, USE, OPERATION, VALUE, MARKETABILITY, ADEQUACY OR PHYSICAL CONDITION OF THE EASEMENT PROPERTY OR ANY ASPECT OR PORTION THEREOF, (2) THE ZONING OR OTHER LEGAL STATUS OF THE EASEMENT PROPERTY OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON THE USE OF THE EASEMENT PROPERTY, (3) THE COMPLIANCE OF THE EASEMENT PROPERTY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS OR RESTRICTIONS OF ANY GOVERNMENTAL AUTHORITY OR OF ANY OTHER PERSON OR ENTITY (INCLUDING, WITHOUT LIMITATION, THE AMERICANS WITH DISABILITIES ACT), OR (4) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS ON, IN, UNDER, ABOVE OR ABOUT THE EASEMENT PROPERTY OR ANY ADJOINING OR NEIGHBORING EASEMENT PROPERTY.

**GRANT OF EASEMENT:** Grantor, for the Consideration described above and subject to the Exceptions to Conveyance and Warranty, GRANTS, SELLS, and CONVEYS to Grantee and Grantee's heirs, successors, and assigns an easement and right-of-way in, on, over, under, through, and across the Easement Property for the Easement Purpose, together with all and singular the rights and appurtenances thereto in any way belonging (collectively, the "Easement"), TO HAVE AND TO HOLD the Easement to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors and assigns to WARRANT AND FOREVER DEFEND the title to the Easement in Grantee and Grantee's heirs, successors and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part of the Easement, except as to the Exceptions to Conveyance and Warranty.

**TERMS AND CONDITIONS:** Except as otherwise set forth herein, the following terms and conditions apply to the Easement granted by this instrument:

1. *Character of Easement.* The Easement is exclusive, and is for the benefit of Grantee and Grantee's successors and assigns.

2. *Duration of Easement.* The duration of the Easement is perpetual, except however that it shall terminate in the event of future abandonment of the Facilities by Grantee. For purposes hereof, and for so long as Grantee is the Town of Addison, the Facilities shall be deemed abandoned by Grantee solely upon Grantee's adoption and approval of an ordinance specifically abandoning the Easement and the rights of Grantee set forth herein.

3. *Reservation of Rights.* Grantor reserves for Grantor and Grantor's heirs, successors and assigns the right to use all or part of the Easement Property (including, without limitation, the right to use the Facilities in the same way that members of the public may use the Facilities) in conjunction with Grantee as long as such use by Grantor and Grantor's heirs, successors, and assigns does not interfere with or interrupt the use or enjoyment of the Easement and the Easement Property for the Easement Purpose by Grantee and Grantee's heirs, successors, and assigns.

4. *Improvement and Maintenance of Easement Property.*

Grantee has the right to eliminate any encroachments into the Easement Property, including, without limitation, the right to remove any and all fencing, paving, trees and undergrowth, and other obstructions that may injure or damage or tend to injure or damage the Facilities, or interfere with the installation, construction, reconstruction, maintenance, replacement, repair, upgrading, alteration, protection, inspection, operation, use, or removal thereof. However, before exercising that right, Grantee shall give Grantor written notice thereof ("encroachment notice"), which encroachment notice shall describe the encroachment to be eliminated, and Grantor shall have 10 days after the encroachment notice is delivered to Grantor to provide written notice to Grantee of any objections that Grantor has to such elimination. If Grantor gives such written notice, Grantee shall reasonably consider such objections prior to eliminating the encroachment that is the subject of the notice and, to the extent practicable as determined by Grantee, shall modify its plan of elimination to seek to address Grantor's objections. The requirement of an encroachment notice do not apply to Grantee's initial installation and construction of the Facilities.

Grantor agrees, for the consideration set forth herein, not to construct or place within the Easement Property any buildings, structures, fences, property, or other improvements of any nature whatsoever, or any shrubs, trees or other growth of any kind, or otherwise interfere with the Easement, without the prior written consent of Grantee, which consent shall not be unreasonably withheld. Grantee shall have the right to remove, and keep removed, all or parts of any building, structure, fence, property, or other improvement, or any shrub, tree, or other growth, of any character that is located within the Easement Property and which, in the judgment of Grantee, may endanger or in any way interfere with the construction, efficiency, or convenient and safe operation and maintenance of the Facilities described herein or the exercise of Grantee's rights hereunder. Grantee shall at its sole cost and expense maintain and keep the Facilities in good order, condition and repair.

5. *Equitable Rights of Enforcement.* This Easement may be enforced by restraining orders and injunction (temporary or permanent) prohibiting interference and commanding compliance. Restraining order and injunctions will be obtainable on proof of the existence of interference or threatened interference, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by the parties to or those benefited by this agreement; provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law, in equity, or otherwise.

6. *Binding Effect.* This agreement binds and inures to the benefit of the parties and their respective heirs, successors, and permitted assigns.

7. *Choice of Law.* This agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for all suits, matters, claims, or proceedings hereunder lies exclusively in Dallas County, Texas.

8. *Counterparts.* This agreement may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

9. *Waiver of Default.* It is not a waiver of or consent to default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this agreement does not preclude pursuit of other remedies in this agreement or provided by law.

10. *Entire Agreement.* This agreement, together with the exhibits attached hereto, contains the entire agreement and understanding between Grantor and Grantee with respect to the subject matter herein and cannot be varied except by written agreement of the parties. The parties agree that there are no oral agreements, representations, or warranties that are not expressly set forth in this agreement.

11. *Legal Construction.* If any provision in this agreement is for any reason unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability will not affect any other provision hereof, and this agreement will be construed as if the unenforceable provision had never been a part of the agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Article and section headings in this agreement are for reference only and are not intended to restrict or define the text of any section. This agreement will not be construed more or less favorably between the parties by reason of authorship or origin of language.

12. *Notices.* Any notice required or permitted under this agreement must be in writing. Any notice required by this agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. As of the date of this agreement and pending further notice, notices shall be sent to the following addresses:

**To Grantor:** BKK ENTERPRISES, LTD.  
14840 Landmark Blvd., Suite 200  
Dallas, Texas 75254

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

**To Grantee:** Town of Addison, Texas  
5300 Belt Line Road Dallas,  
Texas 75254 Attention:  
City Manager

13. *Time.* Time is of the essence. Unless otherwise specified, all references to “days” mean calendar days. Business days exclude Saturdays, Sundays, and legal public holidays. If the date for performance of any obligation falls on a Saturday, Sunday, or legal public holiday, the date for performance will be the next following regular business day.

14. *Authorized Persons.* The undersigned persons are the properly authorized representatives of each of the respective parties and have the necessary authority to execute this agreement on behalf of the parties hereto.

**MISCELLANEOUS:**

When the context requires it, singular nouns and pronouns include the plural.

**EXECUTED** effective as of the date first written above.

**GRANTOR**

BKK ENTERPRISES, LTD., a Texas limited  
partnership

--

BKK Enterprises I, Inc., a Texas  
corporation, its general partner

By:   
Typed Name: C. MIKE KIM

Title: PRESIDENT

**GRANTEE**

**TOWN OF ADDISON, TEXAS**

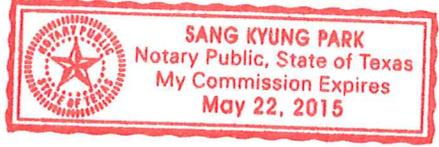
By: \_\_\_\_\_  
Lea Dunn, City Manager

STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

Before me, the undersigned Notary Public, on this day personally appeared C. MIKE KIM, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 11<sup>th</sup> day of Feb., 2015 .

[SEAL]



[Signature]  
Notary Public, State of Texas

Print Name: Sang Kyung Park

Commission expires: May 22, 2015

STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

Before me, the undersigned Notary Public, on this day personally appeared Lea Dunn, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 201 .

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

Print Name: \_\_\_\_\_

Commission expires: \_\_\_\_\_

**Consent and Subordination by Lienholder**

Lienholder, the undersigned \_\_\_\_\_ (formed and operating under the laws of the State of \_\_\_\_\_), whose address is \_\_\_\_\_, as the holder of [a] lien[s] on the Easement Property, consents to the terms of the above grant of Easement, including the terms and conditions of the grant and all provisions of this Easement for Utilities, and Lienholder hereby subordinates its lien[s] to the rights and interests of Grantee (and Grantee's heirs, successors and assigns), so that a foreclosure of the lien[s] (or transfer in lieu of foreclosure, or Lienholder's succession to the interests of Grantor, its successors and assigns, by other means) will not extinguish the rights and interests of the Grantee, its heirs, successors and assigns. The person signing on behalf of Lienholder hereby represents that the person has authority and is duly authorized to sign this Consent and Subordination by Lienholder on behalf of and to bind Lienholder.

**LIENHOLDER:**

\_\_\_\_\_

By: \_\_\_\_\_

Typed/printed name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS        §  
                                     §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned authority, 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 (s)he executed the same for the purposes and consideration therein expressed.

[SEAL]        Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 201 .

\_\_\_\_\_  
Notary Public, State of Texas

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**EXHIBIT "A"**

*[description of the Easement Property]*

10' SIDEWALK, PEDESTRIAN ACCESS & PUBLIC ART EASEMENT  
PART BLOCK 2, QUORUM WEST  
J. PANCOAST SURVEY, ABSTRACT NO. 1146  
CITY OF ADDISON, DALLAS COUNTY, TEXAS

ORIGINAL

Being a tract or parcel of land situated in the J. Pancoast Survey, Abstract No. 1146, City of Addison, Dallas County, Texas, being part of a tract of land conveyed to BKK Enterprises, LTD. by Assumption Special Warranty Deed recorded in Volume 96183, Page 3278, Deed Records, Dallas County, Texas, and being a part of Block 2, Quorum West, an addition to the City of Addison according to the plat recorded in Volume 81005, Page 1454, Deed Records, Dallas County, Texas, and being more particularly described as follows:

**BEGINNING** at a 1/2" iron rod with yellow plastic cap stamped "RLG INC" set for corner on the east line of Landmark Boulevard (80 foot right-of-way), said rod being the southwest corner of said BKK Enterprises tract and the northwest corner of Block 2, Quorum West Addition, an addition to the City of Addison according to the plat recorded in Volume 84113, Page 1816, Deed Records, Dallas County, Texas;

**THENCE** North 01° 58' 41" East along the east line of said Landmark Boulevard a distance of 234.78 feet to a 1/2" iron rod with yellow plastic cap stamped "RLG INC" set for corner, said rod being the northwest corner of said BKK Enterprises tract and the southwest corner of a tract of land conveyed to Firewalls Real Estate, Ltd. by Special Warranty Deed recorded in Volume 2004250, Page 5989, Official Public Records, Dallas County, Texas;

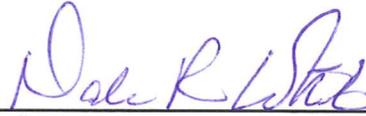
**THENCE** North 87° 58' 37" East, departing the east line of said Landmark Boulevard, along the common line between said Firewalls Real Estate tract and said BKK Enterprises tract a distance of 10.02 feet to a 1/2" iron rod with yellow plastic cap stamped "RLG INC" set for corner;

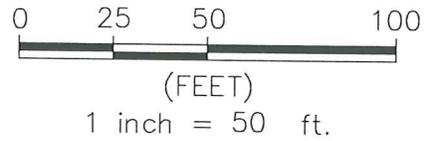
**THENCE** South 01° 58' 41" West, 10 feet east of and parallel to the east line of said Landmark Boulevard, a distance of 234.78 feet to a 1/2" iron rod with yellow plastic cap stamped "RLG INC" set for corner on the common line between said Block 2 and said BKK Enterprises tract;

**THENCE** South 87° 58' 35" West along the common line between said Block 2 and said BKK Enterprises tract, a distance of 10.02 feet to the **POINT OF BEGINNING** and containing 2,348 square feet or 0.054 acres, more or less.

BASIS OF BEARINGS: STATE PLANE COORDINATES, TEXAS NORTH CENTRAL ZONE, NAD 83, REAL-TIME KINEMATIC OBSERVATION USING CITY OF ADDISON CONTROL POINT NO. COA-5.



  
Dale R. White R.P.L.S. No. 4762  
11/25/2014

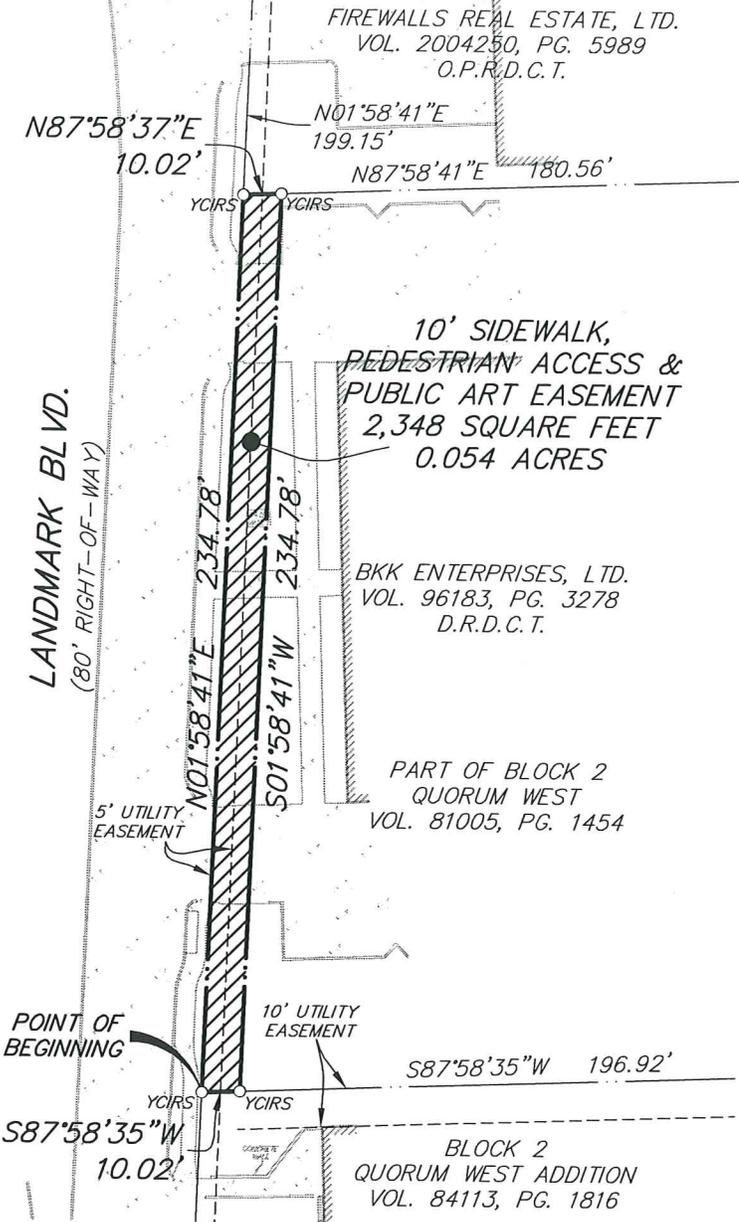


*Dale R. White*

DALE R. WHITE R.P.L.S. NO. 4762  
11/25/2014

**LEGEND**

- ..... PROPERTY LINE
- ..... EASEMENT LINE
- ..... BUILDING
- ..... ASPHALT
- ..... CONCRETE
- IRS / IRF ..... IRON ROD SET / FOUND
- CMS / CMF ..... CHISELED "X" SET / FOUND
- YCIRS ..... YELLOW CAPPED IRON ROD SET
- D.R.D.C.T. .... DEED RECORDS, DALLAS COUNTY, TX
- O.P.R.D.C.T. .... OFFICIAL PUBLIC RECORDS, DALLAS COUNTY, TX
- INST. NO. .... INSTRUMENT NUMBER
- VOL. .... VOLUME
- PG. .... PAGE



BASIS OF BEARINGS: STATE PLANE COORDINATES, TEXAS NORTH CENTRAL ZONE, NAD 83, REAL-TIME KINEMATIC OBSERVATION USING CITY OF ADDISON CONTROL POINT NO. COA-5.

CONTROLLING MONUMENTS: CMF AT THE NORTHEAST CORNER OF LOT 1, BLOCK 3, QUORUM PER PLAT RECORDED IN INST. NO. 200600064801, O.P.R.D.C.T. AND 1/2" IRF AT THE SOUTHWEST CORNER OF PLAZA AT THE QUORUM II PER PLAT RECORDED IN VOLUME 81172, PAGE 273, D.R.D.C.T.

RAYMOND L. GOODSON JR., INC.  
5445 LA SIERRA, STE 300, LB 17  
DALLAS, TX. 75231-4138  
214-739-8100  
rlg@rlginc.com  
TEXAS PE REG #F-493  
TBPLS REG #100341-00

**10' SIDEWALK, PEDESTRIAN ACCESS & PUBLIC ART EASEMENT**  
PART OF BLOCK 2, QUORUM WEST  
J. PANCOAST SURVEY, ABSTRACT NO. 1146  
CITY OF ADDISON, DALLAS COUNTY, TEXAS

SCALE	1" = 50'	DATE	10-31-2014	SHEET	2 OF 2
JOB NO.	13054.10	E-FILE	13054ex6.dwg	DWG NO.	26,106X

## **Combined Meeting**

**R2c**

**Meeting Date:** 03/10/2015

**Department:** General Services

**Council Goals:** Mindful stewardship of Town Resources.

Define, measure, evaluate, and improve success for all Town businesses

Look for Operational Efficiencies without cutting services

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### **AGENDA CAPTION:**

Approval of a resolution approving the assignment of the fleet services contract from G4S Integrated Fleet Services, LLC to Centerra Fleet Services, LLC for the Interlocal agreement between the Town of Addison and the City of Carrollton for fleet maintenance services.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

The Town of Addison outsourced all fleet service operations to G4S Integrated Fleet Services, LLC in June of 2011 through an interlocal agreement with the City of Carrollton. On November 24, 2014, G4S Integrated Fleet Services, LLC was acquired in whole by an American owned company, Centerra Fleet Services, LLC.

Throughout the past 54 years, G4S has grown in both size and complexity to become a stable and consistent service provider to the US government and other critical infrastructure customers. G4S' diversity of services and its stellar past performance made G4S and its subsidiaries highly attractive for acquisition. This coupled with the desire of G4S to divest itself of certain US operations, has presented an exciting opportunity for G4S to be acquired by a US private equity firm.

The acquisition of G4S is a 100% stock purchase, keeping the entity intact. The acquisition will not affect management, operations, key personnel or the entity itself. The Federal Employer Identification Number (FEIN), Commercial and Government Entity (CAGE) code and the Dun & Bradstreet (DUNS) numbers of the company will remain the same.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Attachments**

G4S-Centerra Resolution

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**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING THE ASSIGNMENT OF THE G4S INTEGRATED FLEET SERVICES, LLC, CONTRACT TO CENTERRA INTEGRATED SERVICES, LLC; AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTION NECESSARY TO COMPLY WITH THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas (“Town”) outsourced all fleet service operations to All Star Fleet Services, LLC pursuant to a maintenance and services agreement approved by the City Council in June of 2011 (“Agreement”); and

**WHEREAS**, All Star Fleet Services, LLC merged with another company and changed its name to G4S Integrated Fleet Services, LLC (a subsidiary of G4S Integrated Services, Inc (G4S IS)) in November, 2011; and

**WHEREAS**, on November 24, 2014, G4S Integrated Services, Inc was acquired in whole by an American owned company, A&M Capital-GP, LP; and

**WHEREAS**, G4S Integrated Services, Inc changed its name to Centerra Integrated Services, LLC; and

**WHEREAS**, G4S Integrated Fleet Services, LLC has requested that the Agreement be assigned to Centerra Integrated Services, LLC, its parent company for continuity; and

**WHEREAS**, section 32.12 of the Agreement provides that an assignment, including the acquisition of more than 50% of the company, requires approval by the City; and

**WHEREAS**, the assignment will not affect management, operations, key personnel or the services provided; and

**WHEREAS**, the City desires to continue to receive services under the Agreement and believes it is in the best interest of the City to approve the assignment of the Agreement.

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

**SECTION 1.**

The above and foregoing premises are true and correct and are incorporated herein and made part hereof for all purposes.

**SECTION 2.**

The City Council of the Town of Addison, Texas, hereby approves of the assignment of the Agreement to Centerra Integrated Services, LLC.

**SECTION 3.**

The City Manager is authorized to take those steps reasonable and necessary to comply with the intent of this Resolution.

**SECTION 4.**

This resolution shall take effect immediately from and after its passage.

**DULY PASSED AND APPROVED** by the City Council of the Town of Addison, Texas, this 10th of March, 2015.

**TOWN OF ADDISON, TEXAS**

\_\_\_\_\_  
Todd Meier, Mayor

**ATTEST:**

\_\_\_\_\_  
Chelsea Gonzalez, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Brenda McDonald, City Attorney

## Combined Meeting

R2d

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** Implement bond propositions

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### **AGENDA CAPTION:**

Approval of and authorizing the City Manager to execute purchase agreements for a Utility and Sidewalk easement at 4080 Belt Line Road in the amount of \$17,777; 3825 Belt Line Road for \$34,612; and 4151 Belt Line Road for \$60,000.

### **FINANCIAL IMPACT:**

Budgeted: Yes

Funding Source: Funds are available in the 2012 Belt Line Road Utility Undergrounding bond project.

Amount: 4080 Belt Line Road in the amount of \$17,777; 3825 Belt Line Road in the amount of \$34,612; and 4151 Belt Line Road in the amount of \$60,000.

### **BACKGROUND:**

In 2012, the citizens of Addison approved bonds to fund the undergrounding of the utilities on Belt Line Road. The project requires the acquisition of parcels of property along the roadway that consist, for the most part, of small areas to expand the current right-of-way or to accommodate the switch gear and transformer equipment needed for the project.

On March 11, 2014, the Council passed a resolution authorizing the City Manager to execute such instruments as may be necessary or required to document and to consummate the agreements and to cause the expenditure of city funds for the acquisition and related costs as long as the cost did not exceed the appraisal amounts.

The initial offer and final offers for each property has been communicated to the property owners. The property owners at 4080 Belt Line Road and 3825 Belt Line Road have made counter offers for the Town's consideration. The property owners have submitted information supporting their counterclaim that have been reviewed by the property acquisition team and staff and found to be reasonable.

The Town's initial total offer for the property at 4080 Belt Line was \$9,415.00 and the counteroffer is \$17,777.

The Town's initial total offer for the property at 3825 Belt Line was \$28,085 and the counteroffer is \$34,612.

The Town's initial total offer for the property at 4151 Belt Line was \$49,516 and the

is counteroffer \$60,000.

In order to avoid costly eminent domain proceedings, staff recommends that the counter offers be accepted.

**RECOMMENDATION:**

Administration recommends approval.

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## Combined Meeting

R2e

**Meeting Date:** 03/10/2015

**Department:** Finance

**Council Goals:** Mindful stewardship of Town Resources.  
Identify opportunities for improved governance

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### **AGENDA CAPTION:**

Approval of an ordinance amending the Town's investment policy set forth in Chapter 2, Article IV, Division 3 of the Town's Code of Ordinances.

### **FINANCIAL IMPACT:**

There is no financial impact associated with the approval of the investment policy amendment.

### **BACKGROUND:**

The Town's current investment policy requires that investments are collateralized at 100% of an investment's value less applicable FDIC insurance. This leaves the Town susceptible to potential under collateralized investments as a result of market fluctuations in collateralized instruments. Administration recommends a change to our investment policy to require a minimum collateralization level of 102% of an investment's value less applicable FDIC insurance. A minimum collateralization level of 102% is considered a best practice by the Government Treasurer's Association of Texas and will help protect the Town's principal investments against potential loss due to default. When the Town invests with an institution that institution must certify, in writing, that they have received and will adhere to the Town's investment policy. For this reason, requiring collateralization above 102% may make the procurement of suitable investments increasingly difficult.

### **RECOMMENDATION:**

Administration recommends approval.

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## **Attachments**

Investment Policy

Investment Policy Ordinance

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**TOWN OF ADDISON**

**INVESTMENT POLICY**

**For**

**FY 2014-15**

Revised and Adopted:  
March 10, 2014

# **TOWN OF ADDISON, TEXAS INVESTMENT POLICY**

## **I. SCOPE**

The Public Funds Investment Act, Chapter 2256, Texas Government Code, prescribes that each Town is to adopt rules governing its investment practices and to define the authority of the investment officer. The following Investment Policy addresses the methods, procedures, and practices which must be exercised to ensure effective and judicious fiscal management of the Town's funds. This Policy shall not apply to the selection, retention or other issues concerning the depositories of the Town's funds in demand and time deposits as provided under Chapter 105 of the Local Government Code.

This Policy shall apply to the investment and management of all funds of the Town under its control, other than those expressly excluded herein or by applicable law or valid agreement. This Policy shall not supersede the restrictions on investment and use applicable to any specific fund and, in the event of any conflict between this Policy and the requirements of any fund subject hereto, the specific requirement applicable to such fund shall be followed as well as all other provisions of this Policy other than those in conflict. The Employees Deferred Compensation Agency Fund is excluded from coverage under this Policy.

This Policy also requires the formal adoption of an "Investment Strategy Statement" that specifically addresses each of the Town's fund groups. Each Investment Strategy Statement will describe its objectives concerning:

- a) Suitability of investment type
- b) Preservation and safety of principal
- c) Liquidity
- d) Marketability of each investment
- e) Diversification of the portfolio
- f) Yield

In order to make effective use of the Town's resources, all monies shall be pooled into one investment bank account, except for those monies required to be accounted for in other bank accounts as stipulated by applicable laws, bond covenants or contracts. The income derived from this pooled investment account shall be distributed in accordance with the Town's internal procedures.

## **II. OBJECTIVES**

The Town's principal investment objectives in order of priority are:

1. Conformance with all Federal regulations, State of Texas statutes and other legal requirements including the Town Charter and Town Ordinances, including this Policy
2. Preservation of capital and the protection of investment principal
3. Maintenance of sufficient liquidity to meet anticipated disbursement and cash flows
4. Diversification to avoid incurring unreasonable risks regarding securities owned
5. Attainment of a market rate of return equal to or higher than the performance measure established from time to time by the Chief Financial Officer of the Town which is commensurate with the acceptable risk and liquidity objectives of this Policy

### **III. DELEGATION OF AUTHORITY**

The City Manager appoints the Chief Financial Officer (CFO) and the Chief Financial Officer's designee(s) as the "Investment Officers" of the Town. Direct management responsibility for the investment program is delegated by the City Council to the Chief Financial Officer (hereinafter referred to as the "CFO"). The Investment Officers' authority will at all times be limited by all applicable laws and regulations in effect from time to time and this Policy. The Investment Officers shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

With written approval from the City Manager, the CFO may delegate any phase of the investment management program to any of the Investment Officers. Such approval shall state specifically the functions such person is authorized to perform or that the person is authorized to perform all activities of the CFO under this Policy. The CFO shall obtain and maintain, at the Town's expense, fidelity bonds for himself and each of his designees in amounts determined adequate by the CFO (which shall not be less than five percent of the amounts subject to this policy) for each fiscal year as shown by the approved budget. No person may engage in an investment transaction except as provided under the terms of this Policy and the internal procedures established by the CFO. A current list of persons authorized to transact investment business and wire funds on behalf of the Town shall be maintained by the CFO.

The CFO shall develop and maintain written administrative procedures for the operation of the investment program consistent with this Policy. The controls shall be designed to prevent, identify and control losses of public funds arising from deviation from this Policy, fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees and officers of the Town.

In the discretion of the City Council and in any event upon the termination or reassignment of any Investment Officer authorized to conduct transactions for the Town pursuant to this Policy, the authority of such person shall be revoked and such revocation of authority shall be immediately communicated by the CFO orally and in writing to each and every depository, broker/dealer, investment advisor, custodian and other agency or entity with whom the Town has any existing or continuing relationship in the management of its investments.

The CFO and all Investment Officers shall attend at least one training session relating to the treasurer's or officer's responsibilities within 12 months after taking office or assuming duties; and attend a training session not less than once in a two-year period that begins on the first day of the Town's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of training. Such training from an independent source shall be approved or endorsed by the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, Texas Municipal League, or the North Central Texas Council of Governments to include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

### **IV. INVESTMENT ADVISORS**

The Town may, in the discretion of the CFO, and the approval of the City Council, appoint one or more Investment Advisors to assist the Town's financial staff in the management of the Town's funds. The Investment Advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an Investment Advisor. To be eligible for consideration, an Investment Advisor shall demonstrate to the CFO knowledge of, and experience in, the management of public funds. The CFO will satisfy himself as to the Advisor's qualifications by all appropriate means, including reference checks with the Advisor's other clients, the State Securities Board and the Securities and Exchange Commission. An appointed Investment Advisor shall act solely in an advisor and administrative capacity, within the guidelines of this Investment Policy and without any discretionary authority to transact business on behalf of the Town.

Each Investment Advisor, appointed by the Town, shall agree that its investment advice shall at all times be given with the judgment and care, under circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence, in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

Appointment of an Investment Advisor shall otherwise be according to the Town's normal purchasing procedures for selecting professional services. Any approved investment advisor may be terminated with the approval of the City Manager, if in the opinion of the CFO, the advisor has not performed adequately. The term of any Investment Advisor contract may not exceed five years. Any renewal or extension of the Investment Advisor contract must be made by the City Council by resolution.

## **V. STANDARD OF CARE**

As provided for in the Public Funds Investment Act, the standard of care for the Town's investments shall be that such "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The CFO and the Investment Officers shall recognize that the investment activities of the Town are a matter of public record.

The CFO and the Investment Officers, acting in accordance with written procedures and exercising the proper standard of care, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that this Policy and the CFO's procedures were followed. In determining whether the CFO or an Investment Officer has exercised the proper standard of care, all investments over which the individual had responsibility will be considered rather than a single investment.

## **VI. AUTHORIZED SECURITIES INVESTMENTS**

Subject to any limitations otherwise imposed by applicable law, regulations, bond indentures or other agreements, (including but not limited to Chapter 2256 Texas Government Code, the Public Funds Investment Act), the following securities and deposits are the only ones permitted as investments for the Town's funds:

- a. Direct obligations of the United States government with a maturity not to exceed five (5) years from the date of purchase; U.S. Treasury Bills, U.S. Treasury Notes, U.S. Treasury Bonds, and U.S. Treasury Strips (book entry U.S. Treasury securities whose coupon has been removed).
- b. Senior debt obligations with a maturity not to exceed five (5) years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). Mortgage-backed securities may be held as collateral although principal-only and interest-only mortgage-backed securities as well as all types of collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs) are expressly prohibited.
- c. Bonds or other interest bearing obligations of which the principal and interest are guaranteed by the full faith and credit of the United States government, or fully insured by the Federal Deposit Insurance Corporation (FDIC), with a stated maturity not to exceed five (5) years from the date of purchase.
- d. Time Certificates of Deposit with a maturity not to exceed three (3) years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in depository institutions that have a main office or a branch office in the state of Texas which have been approved by the Town in accordance with Section XI of this Investment Policy.

In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD federally insured may be purchased through a broker that has its main office or a branch office in Texas and is selected from a list adopted by the City Council, or from a depository institution with its main office or branch office in Texas. The broker or depository shall act as the custodian for the various certificates on behalf of the Town.

e. **Prime commercial paper** with an original maturity of one hundred eighty (180) days or less which at the time of purchase, is rated at least:

A-1 by Standard & Poor's,  
P-1 by Moody's or  
F1 by Fitch

(1) At the time of purchase, the commercial paper must be rated by at least two (2) of the above stated ratings agencies at the above stated minimum credit rating.

(2) If more than two (2) of the above stated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.

(3) If the commercial paper issuer has senior debt\* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least:

A-1 by Moody's,  
A+ by Standard and Poor's and  
A+ by Fitch

\*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year.

If the commercial paper issuer is given a "plus (+) rating", the maximum maturity of 270 days or less will be allowed.

f. Eligible Bankers Acceptances with original maturities not exceeding 180 days, issued on domestic banks operating under the banking laws of the United States, whose senior long term debt is rated, at the time of purchase, A-1 or higher by Moody's, A+ by Standard and Poor's, or A+ by Fitch.

g. Repurchase agreements with a defined termination date of 90 days or less on U.S. Treasury and Federal Agency securities listed in items "a" and "c" above, collateralized initially at a minimum market value of 102% of the dollar value of the transaction, with the accrued interest accumulated on the collateral included in the calculation. An exception to the maturity may be made for bond proceeds, provided the repurchase agreement allows for multiple draws at the Town's discretion and the maturity date does not exceed the expected final expenditure date.

If the market value of the collateral falls below 101 percent the dollar value of the transaction, the collateral will be required to be brought up to the 102 percent initial maintenance level. A Repurchase Agreement is defined as a simultaneous agreement to buy, hold for 90 days or less, and then sell back an obligation described in item (g) above, the principal and interest of which are guaranteed by the United States.

Repurchase Agreements shall be entered into only with dealers who: 1) are recognized as primary reporting dealers with the Market Reports Division of the Federal Reserve Board of New York; and 2) have an executed, Town approved Master Repurchase Agreement. Collateral (purchased securities) shall be held by the Town's custodian bank or in a segregated account registered in the name of the Town of Addison with an approved third-party safekeeping agent and the market value of the collateral securities shall be marked-to-the market no less than weekly.

For the purpose of item "g" of this section, the term "collateral" shall mean "purchased securities" under the terms of the Town approved Master Repurchase Agreement. Collateral bearing no coupon will have a maturity not to exceed five (5) years. All other eligible collateral shall have a maturity limit of 10 years.

The term repurchase agreements include reverse repurchase agreements. The term of a reverse repurchase agreement shall not exceed 90 days and any investments acquired with the proceeds from the reverse repurchase agreement shall not exceed the term of that agreement.

h. Money Market Funds meeting the following criteria:

- (1) Registered with, and regulated by the Securities and Exchange Commission;
- (2) Providing the Town with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- (3) Charging no commission fee on the purchase or sale of shares;
- (4) Stating a fund objective to maintain a constant daily net asset value of \$1.00 per share;
- (5) Limiting fund assets to those securities listed in paragraphs “a”, “b”, “c” and “g” above; and
- (6) Having a maximum stated maturity of 13 months and dollar weighted average portfolio maturity of not more than 60 days. A list of Town approved Money Market Funds shall be kept by the CFO.

i. State investment pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council.

j. Local investment pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council.

k. Direct obligations of the State of Texas or its agencies rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent with a maturity not to exceed two (2) years from the date of purchase.

l. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States with a maturity not to exceed two (2) years from the date of purchase.

## **VII. OTHER INVESTMENT GUIDELINES**

The Town seeks active management of its portfolio assets. In the effort of meeting the objectives of this Policy, the Town may from time to time sell securities that it owns in order to better position its portfolio assets. Sales of securities prior to maturity shall be documented and approved by the CFO before such a transaction is consummated. Sales of securities, yielding net proceeds less than 98 percent of the book value of the securities, must be approved in advance and in writing by both the City Manager and the CFO.

Each investment transaction must be based upon competitive quotations received from at least three (3) broker/dealers who have been approved by the Town in accordance with Texas law.

The purchase and sale of all securities shall be on a delivery-versus-payment or payment-versus-delivery basis (i.e. for securities purchases, monies will not be released by the Town’s safekeeping bank until securities are received at the Federal Reserve Bank for further credit to the Town’s safekeeping bank. In the case of securities sales, monies will be received by the Town’s safekeeping bank via the Federal Reserve Bank, as the securities are simultaneously released to the purchaser). In this manner, the Town will always have possession of either its securities or its monies.

An investment that requires a minimum credit rating does not qualify as an AUTHORIZED SECURITIES INVESTMENT during the period the investment does not have the minimum credit rating even if the investment had the appropriate rating at the time of purchase. The Investment Officers shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

## **VIII. PORTFOLIO MATURITIES**

Maturities shall be selected which provide for both stability of income and reasonable liquidity.

At all times, the Town shall maintain 10 percent of its total investment portfolio in instruments maturing in 90 days or less. The weighted average maturity of all securities and certificates of deposit in the Town's total investment portfolio at any given time (not including cash or demand deposits) shall not exceed 18 months.

In the case of callable securities, the first "call" date may be used as the "maturity" date for investment purposes in this section if in the opinion of the CFO there is little doubt that the security will be called prior to maturity. At all times the stated final maturity shall be used in portfolio average life calculations and reported as outlined in this Policy.

Investment of bond proceeds shall be invested in the investment types listed in Section VI. "a", "b", "c", "h", "i", and "j" for a period of time not to exceed five (5) years. Additionally, bond proceeds may be invested in a repurchase agreement that exceeds 90 days if reductions are allowed from the agreement without penalty for legitimate bond proceeds expenditures and the final maturity is within the "temporary period" as defined by the Internal Revenue Service (this arrangement is commonly referred to as a "flexible repurchase agreement").

## **IX. INVESTMENT LIMITS**

It is the policy of the Town to avoid concentration of assets in a specific maturity, a specific issue, or a specific class of securities, with the exception of U.S. Treasury issues listed in Section VI "a." The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the securities markets.

The Town will not exceed the following maximum limits as a percentage of the total portfolio for each of the categories listed below:

- 20 percent in Money Market Funds as outlined in Section VI "h"
- 50 percent in Certificates of Deposit
- 30 percent in Commercial Paper
- 30 percent in Bankers Acceptances
- 40 percent in Local Government Investment Pools as authorized in Section VI "h" and "j"
- 70 percent in State Government Investment Pools as authorized in Section VI "i"
- 70 percent in Instrumentality securities described in Section VI "b"

In addition to the limitations set forth above the Town's investment in any single money market fund shall never exceed 10 percent of the total assets of the money market fund.

The CFO and investment officers shall evaluate how each security purchased fits into the Town's overall investment strategy.

Bond proceeds shall be exempt from the maximum limitation stated above for State Government Pools, but only for the period of time required to develop a comprehensive draw-down schedule for the project for which the proceeds are intended, the maximum being 60 days, at which time the funds representing bond proceeds must be prudently diversified.

## **X. SELECTION OF BROKER/DEALERS**

The Town shall maintain a list of approved security broker/dealers maintaining minimum capital of \$10,000,000 and being in business for at least five years. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Securities may only be purchased from those authorized institutions and firms identified in the above list.

Broker/dealers and other financial institutions will be selected by the CFO on the basis of expected financial stability, experience in selling fixed income securities to other local governments as well as perceived ability to service the Town's account. Each broker/dealer authorized to conduct business with the Town, shall be required to submit a Broker/Dealer questionnaire as well as updated financial statements. In addition, all firms shall provide a detailed resume of the firm's primary sales representative, appropriate references and wiring instructions. The CFO shall maintain a file on each firm containing the most recent information.

The CFO shall review the quality of service and financial stability of each broker/dealer and financial institution approved under this Section at least annually. Any approved broker/dealer or financial institution may be removed from the list of approved broker/dealers with the approval of the CFO, if in the opinion of the CFO, the firm has not performed adequately or its financial condition is considered inadequate. The City Council shall, at least annually, review, revise, and adopt the list of qualified broker/dealers and financial institutions which are authorized to engage in investment transactions with the Town.

All business organizations eligible to transact investment business with the Town shall be presented a written copy of this Policy. The qualified representative of the business organization seeking to transact investment business with the Town shall execute a written instrument substantially to the effect that the qualified representative has:

- 1) Received and thoroughly reviewed this Policy, and
- 2) Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the Town.

The Town shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above. In addition, each Investment Advisor appointed by the Town shall execute the written instrument described above.

If the City Council has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the Town. The advisor shall determine selection criteria. The advisor shall annually present a list of its authorized broker/dealers to the Town for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the Town's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the Town. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the Town as part of its standard trade documentation.

## **XI. SELECTION OF DEPOSITORIES**

Certificates of Deposit (CD) may be placed with banking institutions doing business in the state of Texas which offer competitive and documented interest rates, both at or above interest rates available on government securities to similar maturity dates. All deposits exceeding the current FDIC deposit insurance amount shall be fully collateralized in order to be eligible as Town investments.

In addition to maintaining proper collateral, bank financial positions shall be considered to best assure prudent investment. Relevant criteria shall include capital ratios, liquidity, profitability and asset growth. Information sources for financial data may include [www.bankrate.com](http://www.bankrate.com) and the FDIC website at [www.fdic.gov](http://www.fdic.gov). Because the financial condition of banks may change rapidly, primary focus shall be on maintaining adequate levels of collateral to support deposit amounts. If the Town utilizes the services of an investment advisor, the advisor shall assist in the evaluation of both the financial institution and assigned collateral.

## **XII. SAFEKEEPING AND CUSTODY**

Investment securities purchased for the Town will be delivered by either book entry or physical delivery and shall be held in third-party safekeeping by a Federal Reserve Member financial institution designated as the Town's safekeeping and custodian bank. The Town may designate more than one (1) custodian bank. In no event shall the Town's custodial or safekeeping institution also be the counterparty (broker or dealer) to the purchase or sale of those

securities. The Town shall execute a written Safekeeping Agreement with each bank prior to utilizing the custodian's safekeeping services. Only a state or national bank located within the State of Texas may be utilized as a custodian of securities pledged to secure certificates of deposit. The safekeeping agreement must provide that the safekeeping bank will immediately record the receipt of purchased or pledged securities in its books and promptly issue and deliver a signed safekeeping receipt showing the receipt and the identification of the security, as well as the Town's perfected interest.

The CFO shall maintain a list of designated custodian banks and a copy of the Safekeeping Agreement executed with each custodian bank.

The Town must approve release of securities, in writing, prior to their removal from the custodial account. A telephonic facsimile of a written authorization shall be sufficient if the custodian orally confirms receipt of the transmission and an exact copy of the document is retained in the Town's files.

All securities shall be confirmed in the name of the Town and delivered to an approved custodial bank or carried at a Federal Reserve Bank in the name of the Town. The Custodian shall not otherwise deposit purchased or pledged securities. All book entry securities, owned by the Town, shall be evidenced by a safekeeping receipt issued to the Town and signed by the appropriate officer at the custodian bank stating that the securities are held in the Federal Reserve system in a CUSTOMER ACCOUNT naming the Town as the "customer". In addition, the custodian bank will, when requested, furnish a copy of the delivery advice received by the custodian bank from the Federal Reserve Bank.

The original safekeeping receipt for each transaction including purchased securities under a repurchase agreement and collateral securing deposits will be forwarded to the CFO or his designee and held in a secured file by the Town.

Securities delivered as part of a repurchase agreement may be held with an independent third-party safekeeping agent, provided that they are fully registered in the Town's name, segregated in account designated in the name of the Town and governed by a fully executed custodial agreement.

### **XIII. RECORDKEEPING AND REPORTING**

A record shall be maintained of all bids and offerings for securities transactions in order to ensure that the Town receives competitive pricing. All transactions shall be documented by the person authorizing the transaction in a form that shows that person's name, the party instructed to execute the transaction, the date, a description of the transaction and a brief statement of the reason(s) for the transaction.

Each depository institution of the Town's funds and purchased securities shall maintain separate, accurate and complete records relating to all deposits of the Town's funds, the securities pledged to secure such deposits and all transactions relating to the pledged securities. Each approved custodian shall maintain separate, accurate and complete records relating to all securities received on behalf of the Town, whether pledged, purchased or subject to repurchase agreement, as well as all transactions related to such securities. In addition, each depository shall file all reports required by the Texas State Depository Board. Each depository and custodian shall agree to make all the records described in this paragraph available to the CFO's designee and the Town's auditors at any reasonable time.

At least once each quarter, the CFO or investment officers shall verify that all securities owned by the Town or pledged to the Town are held in safekeeping in the Town's custodial bank with proper documentation. At least annually the Town's investment program, including the records of custodians and depositories, shall be audited by independent certified public accountants selected by the City Council. This annual audit shall include a compliance audit of the management controls on investments and adherence to the Town's Investment Policy and strategies.

All broker/dealers, custodians, depositories, and investment advisors shall maintain complete records of all transactions that they conducted on behalf of the Town and shall make those records available for inspection by the CFO or other representatives designated by the City Council or City Manager.

All sales of securities for less than the book value of the security shall be approved by the CFO and reported to the City Council at the next regular meeting. Sales of securities for less than 98 percent of the book value of the securities must be approved by both the City Manager and the CFO.

All contracted Investment Advisors shall report at least monthly on the straight-line book value, the market value of investment holdings, and total earnings yield and such other information required by the CFO. Unrealized profits or losses in the Town's investment portfolio will be disclosed but will not be used in the calculation of income earned for the month. Contracted Investment Advisors shall provide monthly reports to the CFO no later than 15 business days following receipt of all depository bank statements, investment pool statements and money market fund statements as necessary to provide a full accounting of the Town's investment and cash position.

An investment report shall be prepared by the CFO within 60 days of the quarter end that:

- a) Describes in detail the investment position of the Town;
- b) States the reporting period beginning book and market values, additions or changes to the book and market values during the period and ending book and market values for the period of each pooled fund group;
- c) States the reporting period beginning book and market value and ending book and market value for each investment security by asset type and fund type;
- d) States the maturity date of each investment security;
- e) States the fund for which each investment security was purchased;
- f) States fully accrued interest for the reporting period;
- g) States the compliance of the investment portfolio with the Town's Investment Policy, Investment Strategy Statement and the Public Funds Investment Act;
- h) Summarizes quarterly transactions, including a detailed list of the gains and losses recognized; and
- i) Explains the total earnings yield during the previous quarter and compares the portfolio's performance to other benchmarks of performance.

This report will be presented to the City Council and signed by all of the Town's Investment Officers. .

Market valuations of investments shall be provided by the Investment Advisor on a monthly basis. The Investment Advisor shall use independent market pricing sources including, but not limited to, Interactive Data Corporation (IDC) and Bloomberg, to monitor the market price of investments acquired with the Town's funds.

Within 60 days after the end of the Town's fiscal year the CFO shall prepare, sign and deliver to the City Manager and the City Council an annual report on the Town's investment program and investment activity which has also been signed by each officer and employee of the Town authorized to conduct any of the Town's investment activity. The annual report shall include full year earnings yield. Such annual report shall include an analysis of the compliance with this Policy as well as changes in applicable laws and regulations during the previous year and may include any other items of significance related to the investment program.

If the Town places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council.

#### **XIV. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees of the Town involved in the investment process shall refrain from personal business activity that involves any of the Town's approved custodians, depositories, broker/dealers, or investment advisors and shall refrain from investing in any security issue held by the Town. Employees and officers shall not utilize investment

advice concerning specific securities or classes of securities obtained in the transaction of the Town's business for personal investment decisions, shall in all respects subordinate their personal investment transactions to those of the Town particularly with regard to the timing of purchases and sales and shall keep confidential all investment advice obtained on behalf of the Town, and all transactions contemplated and completed by the Town, except when disclosure is required by law.

All Investment Officers of the Town shall file with the Texas Ethics Commission and the City Council a statement disclosing any personal business relationship with business organization seeking to sell investments to the Town or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the Town.

## **XV. COLLATERAL REQUIREMENTS**

Any and all deposits, including both principal as well as any and all interest that is directly applied to the security, shall be collateralized at the minimum margin of 102%, less applicable FDIC insurance, over the life of the security. Deposits shall be collateralized by securities listed in items "a" and "b" below, and the collateral shall be held by a third party custodian bank approved by the Town.

- a. Direct obligations of the United States government; U.S. Treasury Bills, U.S. Treasury Notes, U.S. Treasury Bonds, and U.S. Treasury Strips (book entry U.S. Treasury securities whose coupon has been removed).
- b. Senior debt obligations issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). Mortgage-backed securities are eligible as collateral, but principal-only and interest-only mortgage-backed securities and collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs) are expressly prohibited.

Consistent with the requirements of State law, the Town requires all bank and savings bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as Town depositories will be required to sign a Security Agreement with the Town and the Town's custodian. The agreement shall define the Town's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- a. The Agreement must be in writing;
- b. The Agreement has to be executed by the Depository and the Town contemporaneously with the acquisition of the asset;
- c. The Agreement must be approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to the Town; and
- d. The Agreement must be part of the Depository's "official record" continuously since its execution.

## **XVI. POLICY REVISIONS**

The Investment Policy and Investment Strategy Statements will be reviewed at least annually by the CFO and the City Council and may be amended as conditions warrant by the City Council.

**TOWN OF ADDISON, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS FINDING THAT THE CITY COUNCIL OF THE TOWN HAS REVIEWED THE TOWN'S INVESTMENT POLICIES AND INVESTMENT STRATEGIES, AND PROVIDING FOR CHANGES THERETO AS SET FORTH HEREIN; AMENDING SECTION 2-216 OF THE CODE OF ORDINANCES REGARDING THE MINIMUM MARGIN OF COLLATERAL AS A PERCENTAGE OF ANY AND ALL PRINCIPLE AND INTEREST OF SECURITIES HELD BY THE TOWN; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas ("City") has adopted a written investment policy and a separate written investment strategy in accordance with Section 2256.005, Tex. Gov. Code, and the policy and the strategy are included in Chapter 2, Article IV, Division 3 of the Code of Ordinances of the City; and

**WHEREAS**, Section 2256.005(e) provides that the governing body of an investing entity must review its investment policy and investment strategies not less than annually, and adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies, and the written instrument must record any changes made to either the investment policy or investment strategies; and

**WHEREAS**, the Texas Legislature, during its 83<sup>rd</sup> regular session (2013), adopted Senate Bill No. 581 that amended portions of Chapter 2257 of the Texas Government Code (the Public Funds Collateral Act); and

**WHEREAS**, the City Council has reviewed the City's investment policy and investment strategy, and, in accordance with Senate Bill No. 581, makes changes thereto as set forth in this Ordinance.

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

Section 1. Investment Policy, Investment Strategy Reviewed. The City Council of the Town of Addison, Texas has reviewed the City's investment policy and investment strategy included in Chapter 2, Article IV, Division 3 of the Code of Ordinances of the City. The only changes to the same are included in Section 2 of this Ordinance, below.

Section 2. Amendments. The Code of Ordinances ("Code") of the City is amended as set forth below, and all other chapters, articles, divisions, sections, phrases and words of the Code are not amended hereby (additions to the Code are underlined; deletions are ~~struck through~~):

A. Section 2-216 (Collateral requirements) of the Code is amended in part to read as follows:

~~Any deposits exceeding FDIC insurance limits shall be fully collateralized by~~ Any and all deposits, including both principal as well as any and all interest that is directly applied to the security, shall be collateralized at the minimum margin of 102%, less applicable FDIC insurance, over the life of the security. Deposits shall be collateralized by securities listed in items "a" and "b" below, and the collateral shall be held by a third party custodian bank approved by the Town.

Section 3. Recitals. The above and foregoing recitals to this Ordinance are true and correct and are incorporated into and made a part of this Ordinance for all purposes.

Section 4. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances, and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or any penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 5. Severability. The provisions of this Ordinance are severable, and if any section, subsection, sentence, paragraph, phrase, word, or provision of this Ordinance or the application of any section, subsection, sentence, paragraph, phrase, word, or provision hereof to any person, firm, corporation, entity, situation or circumstance is for any reason adjudged invalid or held unconstitutional by the valid judgment or decree of a court of competent jurisdiction, the same shall not affect the validity of any other section, subsection, phrase, word, or provision of this Ordinance or the application of any other section, subsection, sentence, paragraph, phrase, word, or provision to any person, firm, corporation, entity, situation or circumstance, and the City Council declares that it would have adopted the valid portions of this Ordinance adopted herein without the invalid or unconstitutional section, subsection, sentence, paragraph, phrase, word, or provision, and to this end the remainder of this Ordinance shall remain in full force and effect.

Section 6. Effective Date. This Ordinance shall become effective from and after its passage and approval and its publication as may be required by law, including but not limited to the City Charter and ordinances.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Todd Meier, Mayor

**ATTEST:**

By: \_\_\_\_\_  
Chelsea Gonzalez, City Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Brenda McDonald, City Attorney

**Combined Meeting**

**R2f**

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** N/A

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**AGENDA CAPTION:**

Approval of a resolution of the City Council of the Town of Addison, Texas confirming and ratifying the execution by the City Manager of an amendment application to Water Use Permit no. 5383a filed with the Texas Commission on Environmental Quality in February, 2015; Providing an effective date.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

In order to amend the Town's Water Rights Permit No. 5383A, the Texas Commission on Environmental Quality requires that the application be signed by a duly authorized official. This action confirms the authority of the City Manager to sign the application on the behalf of the Town.

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

Authorization Resolution

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**TOWN OF ADDISON, TEXAS**

**RESOLUTION NO. R15-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS CONFIRMING AND RATIFYING THE EXECUTION BY THE CITY MANAGER OF AN AMENDMENT APPLICATION TO WATER USE PERMIT NO. 5383A FILED WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY IN FEBRUARY, 2015; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas (the "City") is in the process of amending its Water Use Permit No. 5383A (the "Application", a copy of which without attachments is attached hereto as Exhibit A) with the Texas Commission on Environmental Quality ("TCEQ");

**WHEREAS**, the rules of the TCEQ (30 Tex. Admin. Code §295.14(5)) require that the Application be signed by a duly authorized official;

**WHEREAS**, the City Manager, Lea Dunn, signed the Application on behalf of the City; and

**WHEREAS**, the City Council desires by this Resolution to confirm the authority of the City Manager to sign the Application on behalf of the City.

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

Section 1. The above and foregoing recitals to this Resolution are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The City Council hereby acknowledges the filing of the Application with the TCEQ and the execution of that application by the City Manager, Lea Dunn. The City Council does hereby confirm the authority of the City Manager to execute the Application on behalf of the City, and does hereby ratify her execution of that Application.

Section 3. This Resolution shall take effect upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the 10th day of March, 2015.

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Todd Meier, Mayor

ATTEST:

By: \_\_\_\_\_  
Chelsea Gonzalez, City Secretary

APPROVED TO FORM:

By: \_\_\_\_\_  
Brenda McDonald, City Attorney

EXHIBIT A  
TO RESOLUTION NO. R15-\_\_\_\_\_

*[Attach copy of Application for Amendment to Water Use Permit No. 5383A w/out attachments]*

## **Combined Meeting**

**R3**

**Meeting Date:** 03/10/2015

**Department:** Fire

**Council Goals:** N/A

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### **AGENDA CAPTION:**

Presentation honoring Deputy Chief Jones' recent graduation from the National Fire Academy's Executive Fire Officer Program and newly sworn in firefighters/paramedics.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

Deputy Chief Jones graduated and received his certificate of completion from the National Fire Academy's Executive Fire Office Program. The National Fire Academy's (NFA) Executive Fire Officer Program (EFOP) provides senior fire officers with a broad perspective on various facets of fire and emergency services administration. The EFOP curriculum and research framework examines how senior authority figures can exercise leadership when dealing with difficult, adaptive problems within their jurisdictions. The program is a four year commitment, with a two-week residence course each year and an applied graduate level research project after each course.

The newly sworn in officers include Battalion Chief, Larry Swartz, and Firefighters/Paramedics Erik Rivas, Deborah Schwartz, Tommy Williams and Curt Sanders.

### **RECOMMENDATION:**

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**Combined Meeting**

**R4**

**Meeting Date:** 03/10/2015

**Department:** Finance

**Council Goals:** Mindful stewardship of Town Resources.

---

**AGENDA CAPTION:**

Presentation and discussion of Audit Report including management comments from the Town's independent auditors, Weaver, LLP.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

Our auditor has supplied two letters related to the fiscal year 2014 independent audit. The Finance Department reviewed this report and provided responses to all auditor's findings. The second letter provides certain information to the Council as required by professional standards.

**RECOMMENDATION:**

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**Attachments**

2014 Weaver Views

COR-903 Communication with Those Charged with Govern

Town of Addison 2014 Single Audit

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Presentation to

# TOWN OF ADDISON

Town Council Meeting | March 10, 2015

# WeaverViews

- Introduction
- Audit Process
- Audit Results
- Required Auditor Communications
- GAGAS Report on Internal Control over Financial Reporting
- Financial Highlights
- Other Matters
- Standards Required to be Implemented in FY2015
- Questions

# Introductions





## **Jerry Gaither, CPA, CGFM**

Partner, Assurance Services

Partner-in-Charge, Public Sector Industry

## **Aracely Rios, CPA**

Senior Manager, Assurance Services

## Town of Addison

**Jerry Gaither, CPA, CGFM**  
Public Sector Leader

### Audit

**Aracely Rios, CPA**  
Audit Senior Manager

**Bimpe McMillon**  
Audit Senior Associate

### Consulting

**Marlon Williams, CPA**  
ACL Data Specialist

**Brittany Teare, CISA**  
IT Advisory Services Manager

- Largest independent accounting firm in the Southwest
  - Founded in Fort Worth in 1950
  - Seven offices across all major Texas markets
  - Approximately 500 professionals and 60+ partners
- Consistently ranked as a top firm nationally and regionally



# Audit Process



# Engagement Timeline

Initial Audit  
Planning

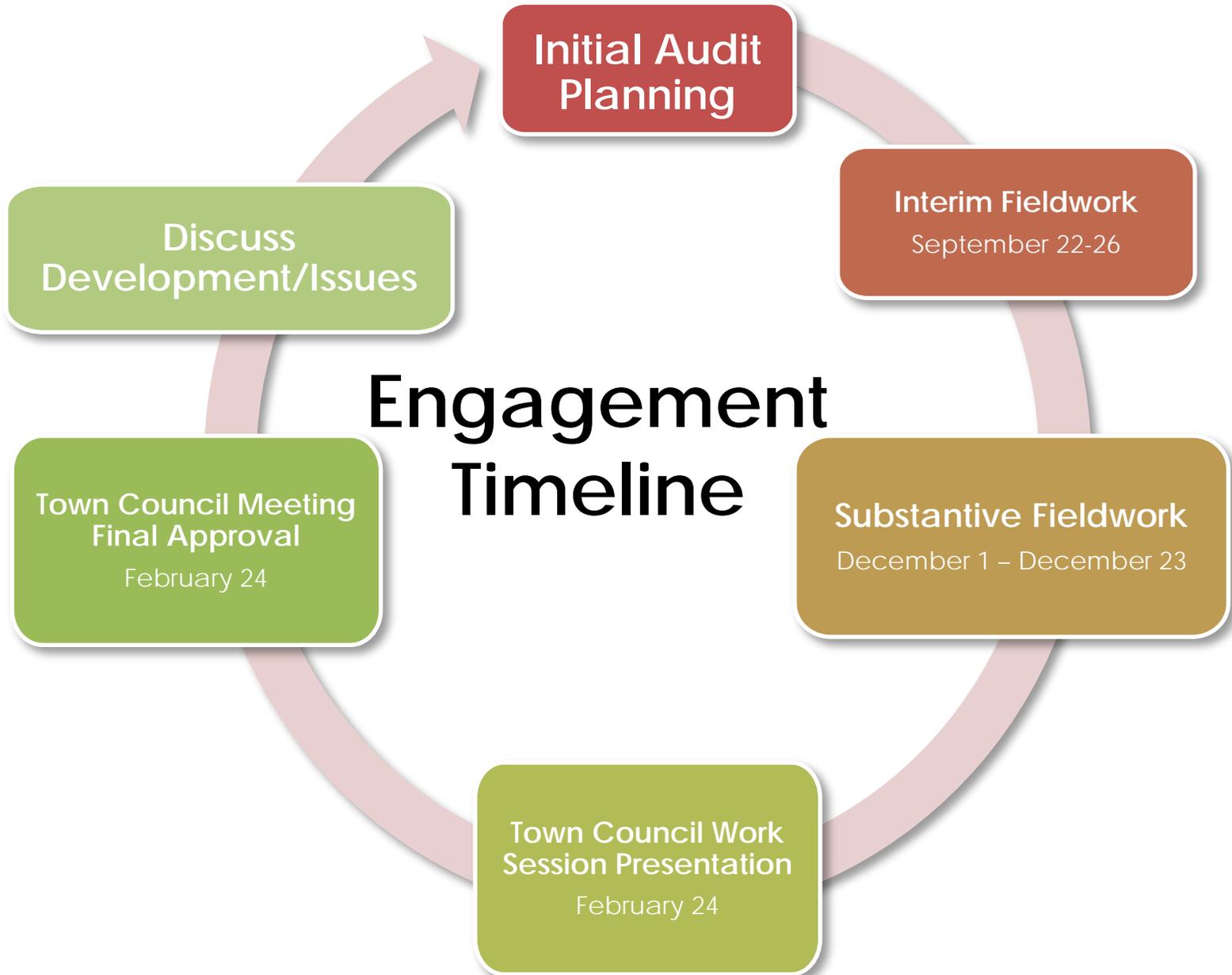
Interim Fieldwork  
September 22-26

Substantive Fieldwork  
December 1 – December 23

Town Council Work  
Session Presentation  
February 24

Town Council Meeting  
Final Approval  
February 24

Discuss  
Development/Issues





- The audit was performed in accordance with General Accepted Auditing Standards (GAAS), Generally Accepted Government Auditing Standards (GAGAS), and the Single Audit Act (U.S. Office of Management and Budget (OMB Circular A-133)
- The audit process was a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements . We tailored our audit programs and resources to address these risks.
  - Risk areas identified:
    - Payables, accrued liability and expenditures
    - Revenues, receivables, billing and collections
    - Capital projects, purchasing, and compliance with bidding procedures
    - State and Federal revenues and expenditures and compliance requirements related thereto



- Interim audit planning and scheduling began September 2014
- Interim fieldwork and risk assessment was performed in September 2014 including:
  - Walkthrough of accounting controls over significant transaction cycles:
    - A. Cash Disbursements
    - B. Payroll
    - C. Cash Receipts
    - D. Utility Billing
  - Test of accounting controls over:
    - A. Payroll
    - B. Cash Disbursements
    - C. Utility Billing
  - Identification of major federal financial assistance program and test controls over compliance

# Auditor Results





- We issued the Independent Auditor's Report on the financial statements
  - ✓ Unmodified Opinion
- We issued the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
  - ✓ No material weaknesses noted.
  - ✓ Two significant deficiencies noted.
- We issued the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133
  - ✓ Unmodified Opinion
  - ✓ No findings noted

# Auditor Communications

for the year ended September 30, 2014

## Communication

Auditor's responsibility under generally accepted auditing standards (GAAS)

## Results

The financial statements are the responsibility of the Town. Our audit was designed in accordance with GAAS in the U.S. and provide for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

An unmodified opinion was issued.

## Communication

Auditor's Responsibility under Government Auditing Standards

## Results

In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our reports do not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issue a written reports on the results of these procedures; however, our report does not express an opinion on compliance. Significant deficiencies in internal control over financial reported were noted.

## Communication

Auditor Responsibility under OMB Circular A-133

## Results

Our testing includes all major federal financial assistance programs. We report on such testing, and disclose significant deficiencies in internal control over compliance, including material weaknesses we identify. Our report does not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing an opinion on whether major federal financial assistance programs have been administered in compliance with applicable laws and regulations.

The audit of the fiscal year 2014 major federal financial assistance programs has been completed and we issued a clean opinion.



# Required Communications to Those in Charge of Governance

## Communication

Unusual transactions and the adoption of new accounting principles

## Results

The significant accounting policies used by the Town are described in Note 1 to the financial statements.

The new GASB pronouncement implemented in 2015 was GASB Statement No. 65. The impact of the implementation of GASB 65 is described in note IV.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus.



# Required Communications to Those in Charge of Governance

Communication	Results
Fraud and illegal acts	No material errors, irregularities, or illegal acts were noted.
Material weakness in internal control	No material weaknesses noted. Two significant deficiencies in internal control over financial reporting were noted.
Other information contained in documents containing audited financial statements	We provided an "in relation to opinion" on supplementary information accompanying the financial statements. We performed limited procedures on the RSI. We did not provide any assurance on this information. The Introductory and Statistical sections were both unaudited.
Management judgments and accounting estimates	Management's estimates of allowance for uncollectible taxes, estimate of other postemployment benefits which were calculated based on the annual required contribution, an amount actuarially determined in accordance with parameters of GASB Statement 45 and estimated useful lives for capital assets were evaluated and determined to be reasonable in relation to the financial statements as a whole.



# Required Communications to Those in Charge of Governance

Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We will request certain representation from management that will be included in the management representation letter.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.
Auditor independence	No independence issues noted.
Audit adjustments	Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were a number of entries prepared by management after fieldwork began and we proposed two entries- an entry to accrue court costs and an entry to record Oktoberfest revenues collected in October. There are no passed adjustments to report.



# Required Communications to Those in Charge of Governance

Communication	Results
Other material written communications between Weaver and Tidwell, L.L.P., and the Town	None

# GAGAS Report On Internal Control Over Financial Reporting

for the year ended September 30, 2014



A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The following were identified as significant deficiencies:

## **Investment Allocation and Collateral**

As of September 30, 2014, the Town's portfolio held 36% in Certificates of Deposit which were above the applicable limits set by the Town's policy. The concentration occurred during the last quarter of fiscal year 2014. During the first three quarters of the year, the Town maintained an investment allocation within the Town's limits. At September 30, 2014, the Town was under collateralized by \$1,169. During the first three quarters of the year, the Town maintained deposits fully collateralized.



## **Investment Allocation and Collateral- Continued**

It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's current investments are Instrumentality securities- 70%, Commercial paper- 30%, Certificate of Deposits- 30%, Local government investment pools- 40%. In addition, the Town's deposits exceeding FDIC deposit insurance amount shall be fully collateralized. The financial condition of banks may change rapidly, therefore the Town should maintain adequate levels of collateral to support deposit amounts.

The Town should evaluate the Town's overall investment strategy before an investment purchase is made in order to avoid a concentration of credit risk. The Town should monitor deposits and collateral held to maintain deposits fully collateralized.

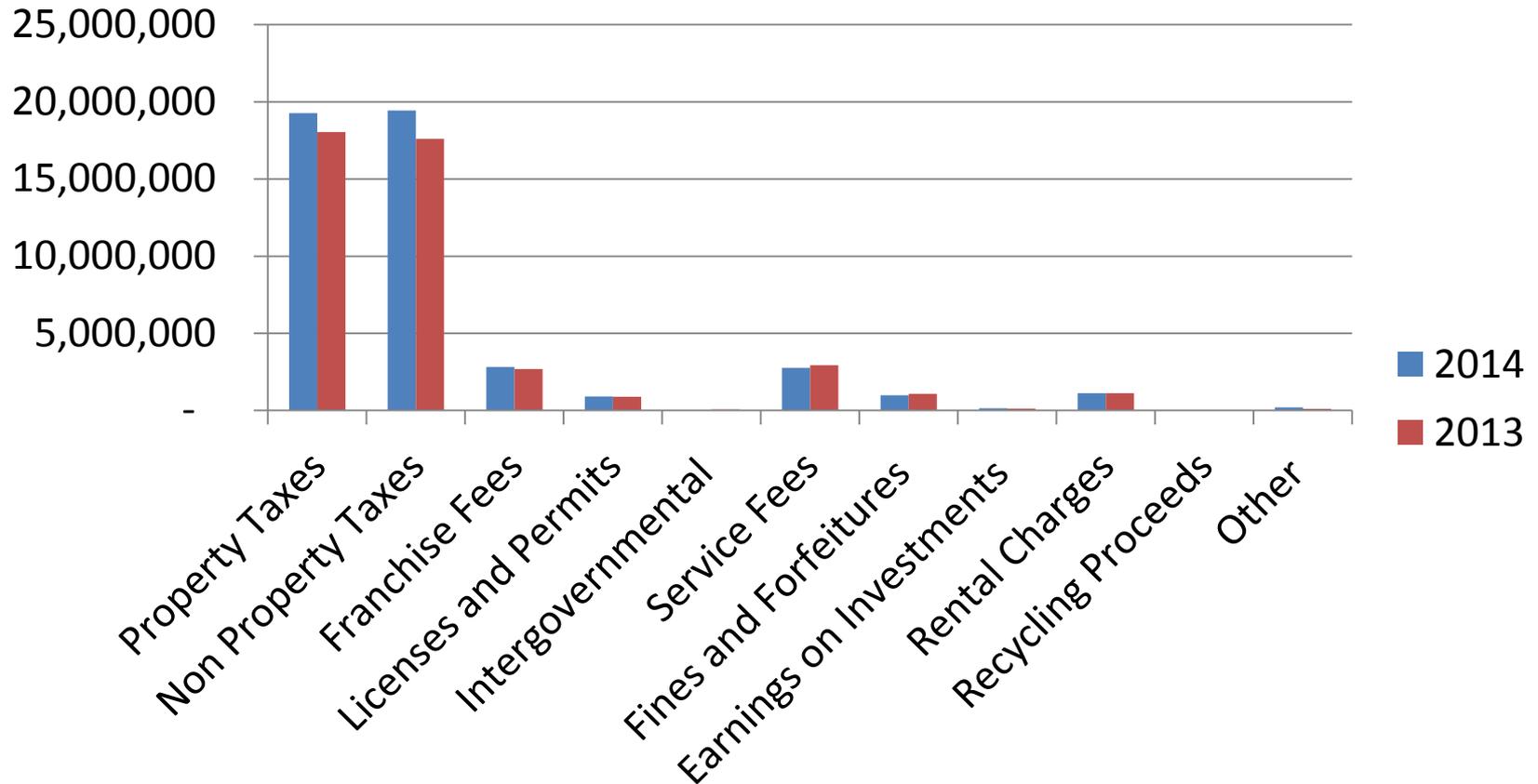
## **Financial Close Process**

During our audit, we noted that the Town did not accrue a municipal court liability for the state criminal cost and fees. We noted a comprehensive period ending close checklist was not utilized which would help ensure all transactions were reflected in the proper period. The Town's liabilities were understated by approximately \$95,000. We recommend that the Town should maintain a comprehensive period end closing checklist in order to ensure financial information is complete and accurate.

# Financial Highlights

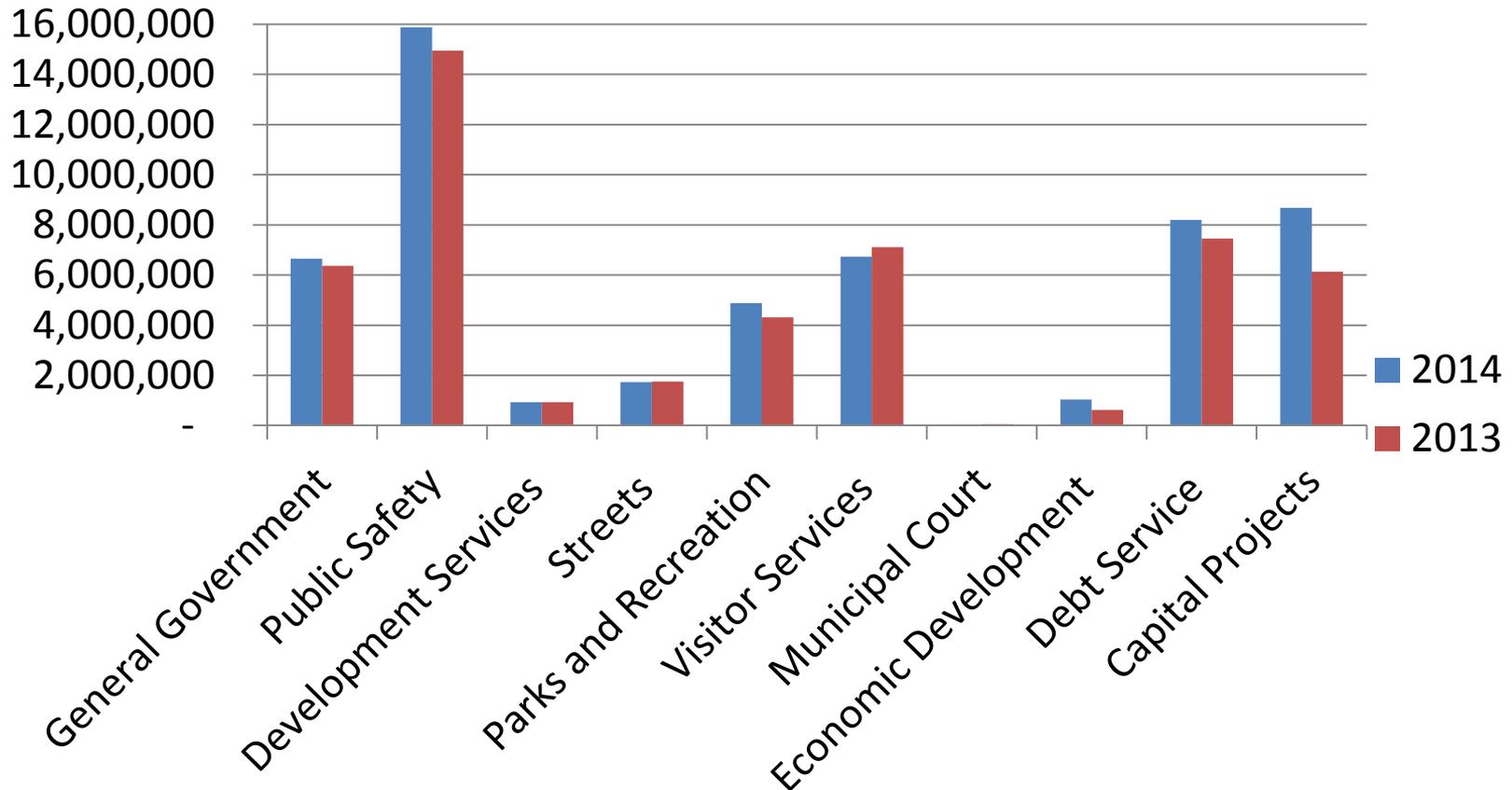


# Comparison of Governmental Revenue



Revenues for FY 2014 totaled \$47.7 million, an increase of \$3.0 million. The increase is primarily due to an increase in property tax and non property tax revenues of \$3.0 million. There was an increase of property tax revenues of \$1.2 million due to an increase in assessed property valuations and increase of \$1.8 million in non property taxes.

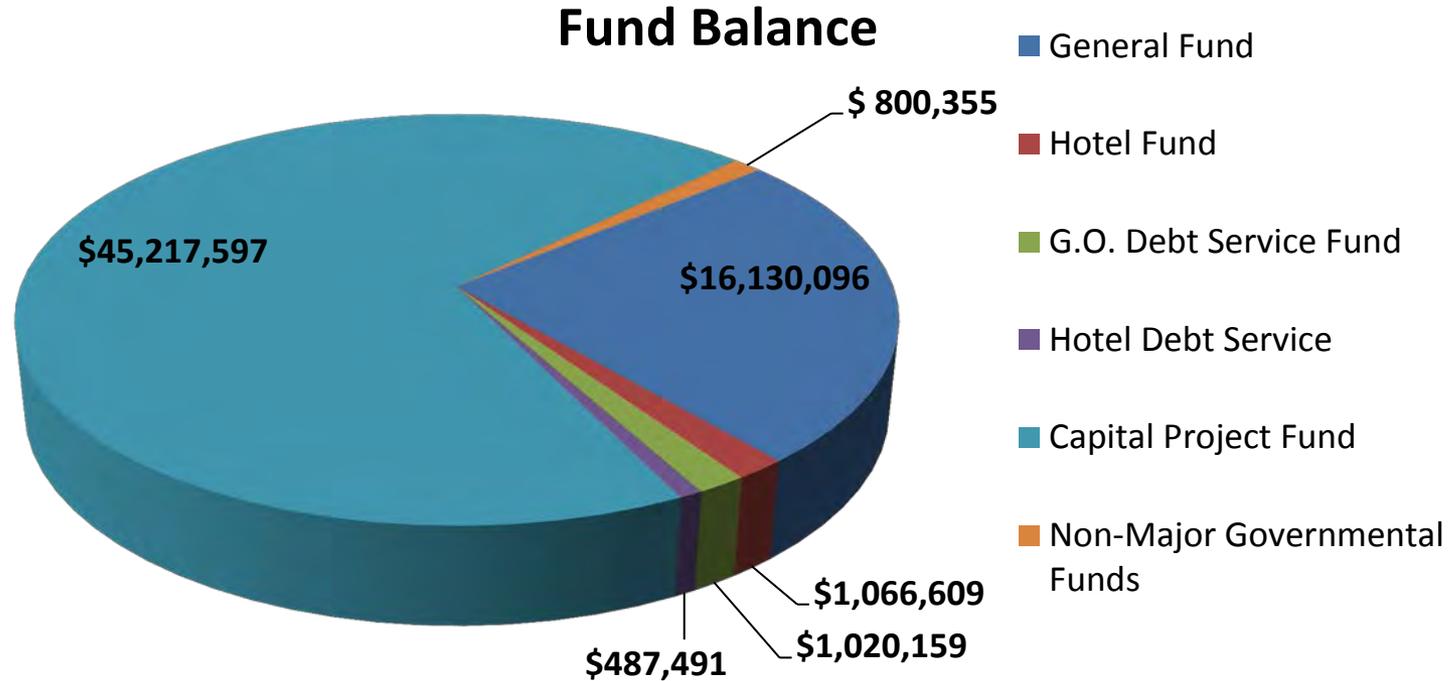
# Comparison of Governmental Fund Expenditures



Expenditures for FY 2014 totaled \$54.8 million, a \$5 million increase.

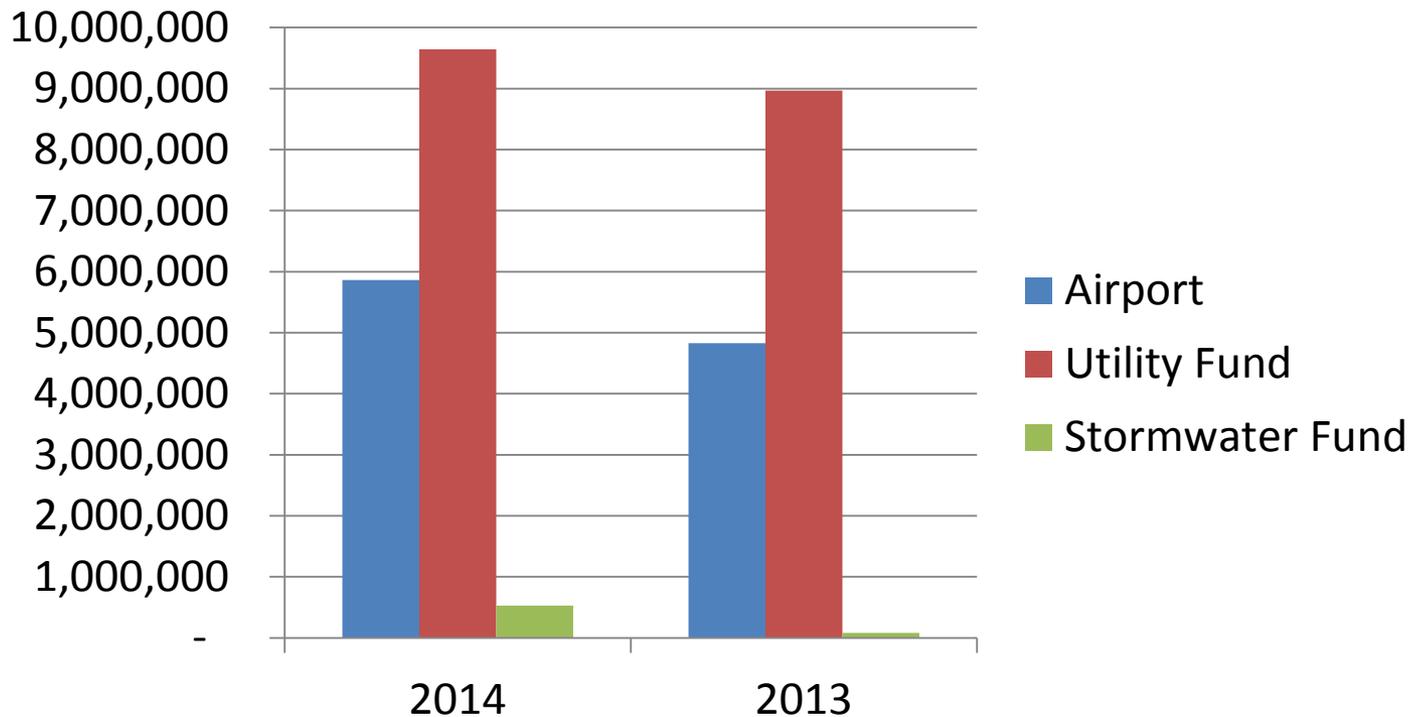
- Public Safety had a \$931k increase due primarily to a budgeted increase in payroll.
- Parks and recreation had a \$558k increase primarily due to an increase in maintenance of \$263k and contractual services of \$187k related to new, large landscaping projects and increased service costs.
- Economic Development had a \$406k increase due to the Addison Treehouse Project.
- Capital Projects had a \$2.5 million increase primarily due to the radio replacement project.

# Governmental Funds' Fund Balances



The Town's governmental funds reported in FY 2014 a combined ending fund balance of \$64.7 million. A net increase in fund balance of \$5 million, primarily relates to an increase of \$2.2 million in the General Fund and a \$3.5 million increase in the Capital Projects Fund. During FY 14 there was a \$12 million issuance of bonds.

# Comparison of Business Type Expenditures by Fund



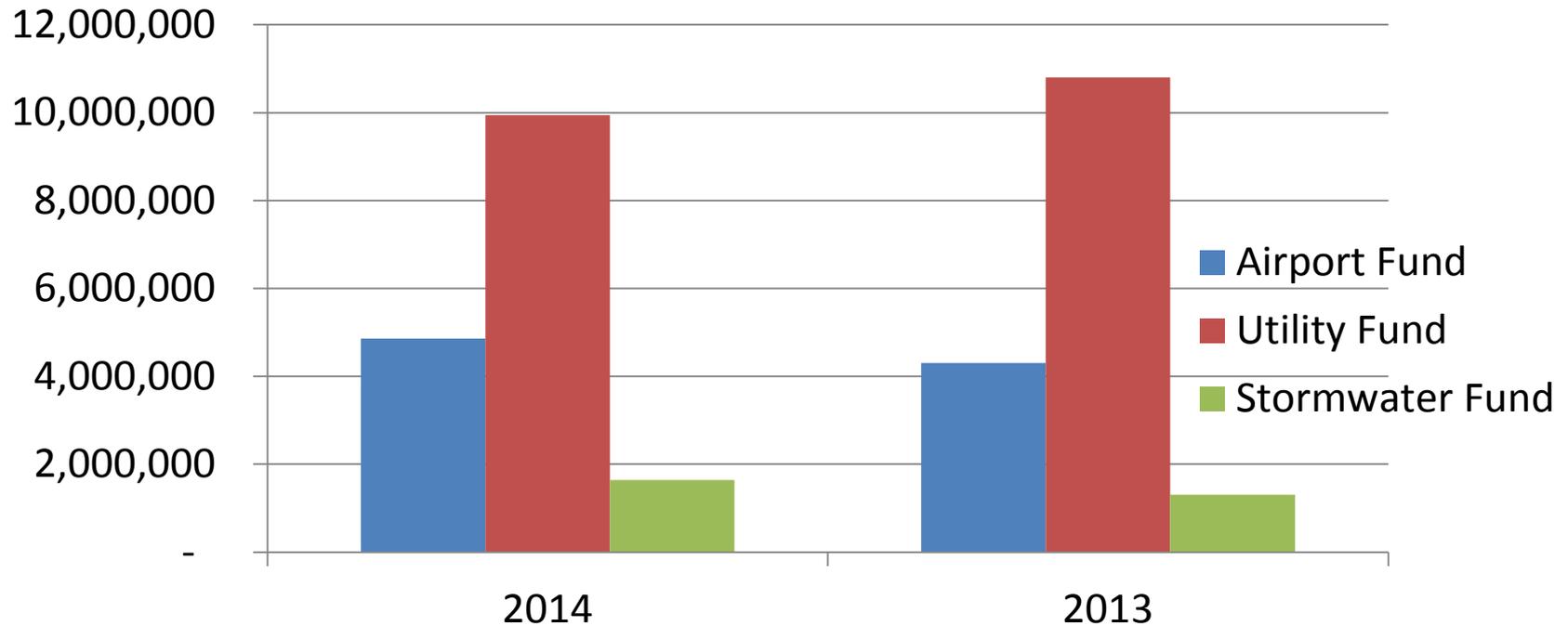
Expenditures for FY 2014 totaled \$16 million, a \$2.1 million increase. The Airport had a \$839k increase in expenditures primarily due to an increase in airport management expenses of \$418k, \$270k in expenditures related to a wildlife study and airport master plan funded by the airport grant.

The Utility fund had \$745k increase in expenditures due to

- a net increase of \$235k in water purchases and sewer treatment due to a decrease in water costs of \$99k and an increase in sewer costs of \$334k
- an increase of \$534k in utility and sewer plant repair.

The Storm water fund had an increase of \$531k which was primarily due to feasibility studies for the Hutton Branch Basin and drainage studies.

# Comparison of Business Type Revenue by Fund

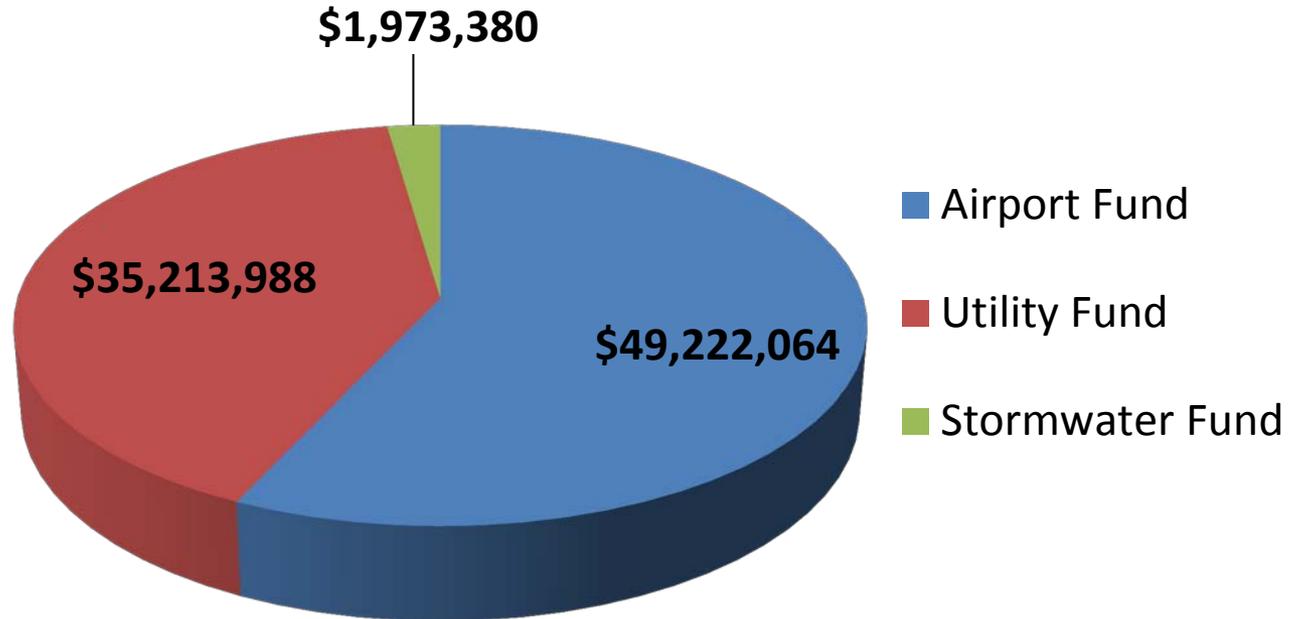


Operating revenues for the FY 2014 totaled \$16.4 million, a decrease of approximately \$172k.

- The decrease is due to a \$858k decrease in the utility fund due to a 12% decrease in water consumption
- An increase in the airport fund of \$352k – primarily due to an increase in hangar lease income
- An increase in the storm water fund of \$333k – due to an increase in storm water fees, 2014 was the first full year of storm water fee collections.

# Proprietary Funds' Fund Balances

## Fund Balance



The Town's combined proprietary fund balance in FY 2014 reported a net increase in net position of \$11.6 million. The increase primarily relates to the Airport Improvement grant and capital contributions of \$12.3 million received and of \$897k increase in the Stormwater Fund, this fund was established during FY 2013 and FY 2014 was the first full year of operations.



# OTHER MATTERS

- 30 day revenue recognition policy
- Infrastructure depreciation

# New Standards

For Fiscal Years 2014 through 2015



Effective for the year ended September 30, 2014

- GASB 65 – Items Previously Reported as Assets and Liabilities
  - *Objective*: establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities.
  - *Effect*:
    - Gain/loss on refunding – reported as deferred outflow/inflow
    - Debt issuance costs – expensed in the current period, except prepaid insurance costs
    - Sales leaseback – gain/loss on sale of property reported as deferred inflow/outflow
    - In non-exchange transactions, such as a receipt of property taxes before levy period, in which the district is unable to recognize revenue under GASB 33 would be treated as deferred inflows.
    - Major Fund calculation will combine assets and deferred outflows and combine liabilities and deferred inflows, which could result in a change in the number of major funds presented for financial reporting purposes.



Effective for the year ended September 30, 2014 (continued)

- GASB 66 – Technical Corrections – an amendment of GASB No. 16 and 62
  - *Objective:* to improve accounting and financial reporting by resolving conflicting guidance caused by the issuance of two recent pronouncements, GASB No. 54 and 62.
  - *Effect:* No significant effect to the Town



Effective for the year ended September 30, 2015

- GASB 67/68 – Accounting and Financial Reporting for Pensions
  - *Objective:* to improve financial reporting by state and local governmental pension plans
  - *Effect:* GASB 67 only impacts the accounting and financial reporting of pension plans and not the employers or participants of plans. GASB 68 will require the recognition of net pension liabilities of employers in financial statements prepared on the accrual basis.
- GASB 69 – Government Combinations and Disposals of Government Operations
  - *Objective:* establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.
  - *Effect:* No significant effect on the Town



Effective for the year ended September 30, 2015

- GASB 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees
  - *Objective*: requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is *more likely than not* that the guarantor will be required to make a payment to the obligation holders under the agreement
  - *Effect*: No significant effect to the Town

- Proposed Single Audit Changes
  - Increase threshold to \$750,000
  - Increase major program determination threshold to \$500,000
  - Modify coverage requirements
  - Decrease number of compliance requirements to be tested
  - Likely effective for fiscal year ended 2015

# Questions





## **Jerry Gaither**

Engagement Partner  
Jerry.Gaither@Weaver.com  
972.448.6918

## **Aracely Rios**

Senior Manager  
Aracely.Rios@Weaver.com  
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## **Visit our website**

[www.weaver.com](http://www.weaver.com)

# Contact Us



February 20, 2015

To the Town Council  
Town of Addison

We have audited the financial statements of the Town of Addison (The Town) as of and for the year ended September 30, 2014, and have issued our report thereon dated February 20, 2015. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 25, 2014, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Town solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in the Notes to the financial statements. No other significant changes in accounting policies were noted. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the liability for workers' compensation claims incurred but not reported is based on the historical claims rated provided by the third party administrator and a third party actuarial study.
- Management's estimate of the allowance for uncollectible property taxes is based on the historical collection rates.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

The financial statement disclosures are neutral, consistent and clear.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Town's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated February 20 2015.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and financial reporting matters.

We were informed that management has engaged various consulting firms to review and evaluate certain areas of the Town's internal controls and we have been provided the reports relative to these projects.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Town, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Town's auditors.

### **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Town's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, with respect to the supplementary information accompanying the financial statements we have made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in related to our audit of the financial statements. We compared and reconciled supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Town Council and management of the Town and is not intended to be and should not be used by anyone other than these specified parties

Yours truly,



WEAVER AND TIDWELL, L.L.P.

**TOWN OF ADDISON, TEXAS**  
**FEDERAL SINGLE AUDIT REPORT**  
**YEAR ENDED SEPTEMBER 30, 2014**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and  
Members of the Town Council  
Town of Addison, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Addison (the Town), which comprise the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 20, 2015, which included an emphasis paragraph on the implementation of a new accounting standard.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 14-01 and 14-02 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

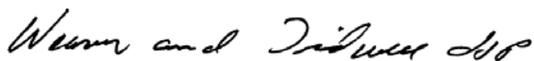
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The Town's Response to Findings**

The Town's responses to the findings identified in our audit are described in the accompanying, Schedule of Findings and Questioned Costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 20, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-  
133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Honorable Mayor and  
Members of the Town Council  
Town of Addison, Texas

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Addison, Texas (the Town) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended September 30, 2014. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements.

We issued our report thereon dated February 20, 2015, which contained unmodified opinions on those financial statements, which included an emphasis paragraph on the implementation of a new accounting standard. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Weaver and Tidwell LLP".

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 20, 2015

**TOWN OF ADDISON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2014**

**I. Summary of the Auditor's Results:**

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
  - Significant deficiency(ies) identified that are not considered a material weakness?   X   Yes    \_\_\_\_\_ No
- c. Noncompliance material to financial statements noted \_\_\_\_\_ Yes      X   No

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
  - Significant deficiency(ies) identified that are not considered a material weakness? \_\_\_\_\_ Yes      X   No
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133. \_\_\_\_\_ Yes      X   No
- g. Identification of major programs:
- 20.106    Airport Improvement Plan
- h. The dollar threshold used to distinguish between Type A and Type B programs.   \$300,000
- i. Auditee qualified as a low-risk auditee?   X   Yes    \_\_\_\_\_ No

**TOWN OF ADDISON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2014**

**II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.**

**Finding 14-01 Investment Allocation and Collateral**

Type of Finding: Significant deficiency in internal control over financial reporting

Questioned Cost: Not Applicable

**CRITERIA OR SPECIFIC REQUIREMENT:**

It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's current investments are Instrumentality securities- 70%, Commercial paper- 30%, Certificate of Deposits- 30%, Local government investment pools- 40%. In addition, the Town's deposits exceeding FDIC deposit insurance amount shall be fully collateralized. The financial condition of banks may change rapidly, therefore the Town should maintain adequate levels of collateral to support deposit amounts.

**CONDITION AND CONTEXT:**

As of September 30, 2014, the Town's portfolio held 36% in Certificates of Deposit which were above the applicable limits set by the Town's policy. The concentration occurred during the last quarter of fiscal year 2014. During the first three quarters of the year, the Town maintained an investment allocation within the Town's limits. At September 30, 2014, the Town was under collateralized by \$1,169. During the first three quarters of the year, the Town maintained deposits fully collateralized.

**CAUSE:**

Town Management did not evaluate how security purchases fit into the Town's overall investment strategy and did not evaluate collateral for its deposits held.

**EFFECT:**

The Town is operating with an increased concentration of credit risk and with under collateralized deposits.

**RECOMMENDATIONS:**

The Town should evaluate the Town's overall investment strategy before an investment purchase is made in order to avoid a concentration of credit risk. The Town should monitor deposits and collateral held to maintain deposits fully collateralized.

**TOWN OF ADDISON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2014**

**Finding 14-01 Investment Allocation and Collateral – Continued**

**MANAGEMENT RESPONSE:**

The Town's Investment Policy was updated in October 2014 to allow up to 50% of the Town's portfolio to be Certificates of Deposit. Additionally, in FY 2015 the Town has implemented mitigating controls that allow for calculation of the impact a security purchase will have related to concentration of assets in a specific maturity, a specific issue, and a specific class. Since the end of FY 2014 the Town has obtained adequate collateralization related to the security in question. However, the Town does agree that financial conditions at banks can change rapidly and considers the Town's current Investment Policy inadequate to adjust to these potential changes. Town staff plans to modify the Town's Investment Policy to require 102% collateralization of purchased securities to prevent under collateralization (the Town's current policy requires 100% collateralization). Additionally, in FY 2015 the Town has implemented mitigating controls that allow staff to monitor collateralization levels more effectively.

**Finding 14-02 Financial Close Process**

Type of Finding: Significant deficiency in internal control over financial reporting

Questioned Cost: Not Applicable

**CRITERIA OR SPECIFIC REQUIREMENT:**

The Town should maintain a comprehensive period end closing checklist to ensure financial information is complete and accurate.

**CONDITION AND CONTEXT:**

The Town did not accrue a municipal court liability for the state criminal cost and fees. During the fiscal year end close a financial close checklist was not utilized which led to the understatement of liabilities.

**CAUSE:**

Due to the business office turnover over the past three years, the Town did not maintain a financial close checklist to ensure financial information is complete and accurate.

**EFFECT:**

The Town's liabilities were understated by approximately \$95,000.

**TOWN OF ADDISON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2014**

**Finding 14-02 Financial Close Process – Continued**

**RECOMMENDATIONS:**

The Town should maintain a comprehensive period end closing checklist in order to ensure financial information is complete and accurate.

**MANAGEMENT RESPONSE:**

The Town does maintain a financial close process, but does agree that the process should be reviewed and updated to be more comprehensive to meet the Town's current needs. Additionally, key Town staff were added during the early stages of the audit which directly affected the timeliness in which some end of year procedures were completed. The Town plans to have a more comprehensive financial close process implemented prior to the FY 2015 audit.

**III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f Above**

None were noted in current year.

**TOWN OF ADDISON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal grantor/pass-through grantor/program title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Program Number</u>	<u>Federal Expenditures</u>
Federal Aviation Agency			
Pass-through Texas Department of Transportation			
Airport Improvement Program	20.106	n/a	\$ 7,514,757
Total Federal Aviation Agency			<u>7,514,757</u>
<b>Total Federal Assistance Expended</b>			<u><u>\$ 7,514,757</u></u>

**TOWN OF ADDISON  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. BASIS OF ACCOUNTING**

Federal grant funds were accounted for in the proprietary fund types. Grant expenditures are recognized in the accounting period when the liability is incurred.

**NOTE 2. PERIOD OF AVAILABILITY**

The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement - Provisional 6/97.

**NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying schedule may not agree with amounts reported in the related federal financial reports since the Town used the modified accrual basis of accounting in preparing the schedule and the cash basis in preparing the federal financial reports.

**Combined Meeting**

**R5**

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** Create and implement a Comprehensive Land Use/Revitalization Plan

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**AGENDA CAPTION:**

Discussion and take action regarding the appointment of a member to the Planning and Zoning Commission.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

In accordance with the Town's Charter, Ivan Hughes' seat on the Planning and Zoning Commission was vacated when he filed as a candidate for City Council. The appointment belongs to Mayor Meier.

**RECOMMENDATION:**

---

**Attachments**

Debra Morgan's Resume

Debra Morgan's Bio

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# DEBRA H. MORGAN

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3805 Park Place  
Addison, TX 75001  
M: 972.467.8959  
[dmorgan@c3cp.com](mailto:dmorgan@c3cp.com)

## PROFESSIONAL EXPERIENCE

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### **C-III ASSET MANAGEMENT LLC** Irving, TX

May 2010 – Present

#### Managing Director, Team Leader

- Responsible for overseeing and managing the large loan group within the special servicing division. Manage a \$7 billion portfolio of performing and non-performing commercial mortgage (CMBS) loans to institutional real estate investors. Activities encompass all aspects of loan management and resolution, including restructuring, foreclosing, deed-in-lieu, bankruptcy, note sale, discounted pay-off and assumption.
- Devise and coordinate asset resolution strategies with C-III's equity owner, Island Capital. Direct, implement and execute resolution strategies developed in concert with equity owner, with a goal of maximizing investor returns.

### **CLMG CORP., a Beal Bank affiliate** Plano, TX

April 2009 – May 2010

#### Vice President

- Manage portfolio of performing and non-performing loans acquired through note sales from failed institutions and one-off transactions. Manage analytical team and provide direction to portfolio managers on workout strategy and department policies and procedures. Assist with special projects including the formation of CLMG – pricing, operations, staffing; the implementation of two servicing systems; bank exams and asset reviews/loan classifications; and the internal and external communications associated with participations (lead and non-lead). Active participant on the CLMG Corp. executive management committee.

### **SAXTON MORGAN REALTY ADVISORS** Addison, TX

May 2006 – March 2009

#### Principal

- Provided institutional investors and loan servicers with portfolio, asset management and underwriting services; rating agency approvals; real estate management tools; and securitization and reporting packages. In addition, provided direction to borrowers seeking assistance with special servicing requests – sale and assumption packages, lease negotiations and approvals, forbearance agreements and restructures.

### **J.E. ROBERT COMPANIES** Dallas, TX

September 1992 – March 2006

#### Vice President /Senior Asset Manager (August 1996 – March 2006)

- Managed a \$400+ billion portfolio of specially serviced commercial loans and real estate with the responsibility of achieving or exceeding underwritten performance in an efficient manner, the communication of timely, credible and consistent information to the investment community and senior management, and the calculation and collection of servicing income and fees.
- Personally managed a \$125 to \$200 million portfolio comprised of loans and real estate in various stages of performing, non-performing or REO status, located throughout the US, Canada and in the Caribbean.
- Solicited and engaged service providers for capital projects, design and purchasing, management and brokerage, appraisal, environmental and legal counsel. Coordinated the development and implementation of a customized asset management servicing and reporting system for the CMBS group that increased efficiency, reporting and record-keeping.
- Negotiated and closed servicing agreements and loan documents for special servicing and B-piece acquisitions.

- Reviewed and approved fee bills, reporting packages, business plans and asset management recommendations; served as loan committee co-chair and voting member.
- Supervised team of underwriters, asset managers, accounting and subcontracting professionals.

Asset Manager (September 1982 – August 1996)

- Managed \$145+ million in non-performing loans through payoffs, modifications, bankruptcy reorganizations and foreclosures. Engaged and managed legal counsel and other third parties to assist in asset management and recovery.
- Underwrote and inspected commercial real estate for acquisition.
- Represented JER as special servicer in the negotiation and closing of the \$1.9 billion Confederation Life securitization and servicing contract, which was the largest loan securitization as of 1996.
- Organized and maintained the CMBS department's policies and procedures manuals, including preparing guidelines and establishing industry standard reporting in business plans and recovery recommendations.
- Managed JER's responsibilities under a FDIC contract and achieved a successful and timely resolution.
- Coordinated and closed JER's first third-party, CMBS non-performing note sale package. This required solicitation and engagement of a loan sale advisor, creation of a bid package and obtaining internal and external (FDIC) approval for the sale.

**NATIONWIDE CAPITAL, a subsidiary of HomeFed Bank of CA**  
Dallas, TX

September 1991 – September 1992

Asset Administrator (Analyst)

- Assisted the Portfolio Manager/Vice President and two Asset Managers in the management of a \$175 million loan portfolio secured by multifamily and office properties located in the southwestern United States.
- Prepared lease abstracts, proposed modification terms, and analyzed borrowers' operating statements.
- Drafted committee presentations and quarterly loan classifications on non-performing assets.
- Monitored borrowers' compliance under loan documents, cash collateral orders, and forbearance agreements.

**SUNBELT SAVINGS, FSB**  
Dallas, TX

April 1987 – September 1991

Asset Administrator (Analyst)

- Spread operating statements, wrote committee presentations and conducted site inspections for a \$100 million loan portfolio secured by multifamily and office product in the southern United States.
- Monitored borrower's performance under financial and operating covenants in loan documents.
- Solicited and summarized capital improvement recommendations for properties slated for foreclosure.

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**EDUCATION & PROFESSIONAL AFFILIATIONS**

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UNIVERSITY OF TEXAS      1995  
Dallas, TX  
Bachelor of Arts – Interdisciplinary Studies

Principles of Real Estate I and II, 2009  
Risk Management and Finance Essentials for Non-Profit Leaders, 2008  
CMBS 101 and CRE CDO 101, 2007  
Real Estate Contracts and Texas Law of Agency, 1998  
CI – 201, Market Analysis, 1998  
CI – 602, Presentation by Objective, 1997  
CI – 301, Decision Analysis for Commercial Investment Real Estate, 1997  
CI – 101, Financial Analysis for Commercial Real Estate, 1993

The Real Estate Council Foundation – Board Member & Foundation Committee Chair (2010)  
CREW (Commercial Real Estate Women) – Board Member (CFO & Community Projects Director 2008 & 2007)

**Debra H. Morgan – Managing Director, C-III Asset Management LLC**

Debra Morgan joined C-III in May 2010 and has held a variety of responsibilities with the firm. In addition to portfolio management, Ms. Morgan has been responsible for a large loan portfolio, a bankruptcy and litigation portfolio, and a significant amount of non-performing loan/property sales to opportunistic funds. As part of the bankruptcy portfolio, Ms. Morgan's team resolved approximately 25 real estate and individual bankruptcies during a 24 month period, achieving creditor-driven resolutions without one cram-down. With over \$10 billion in commercial mortgage loan resolutions, Ms. Morgan believes that communication and creative thinking are critical to maximizing recovery. Prior to joining C-III, Ms. Morgan served as Vice President for a Beal Bank affiliate managing loan administration and participations, assisting with bank exams and loan reviews/classifications and the creation and implementation of a commercial loan servicing group. During 2006 to 2009, Ms. Morgan was a principal with Saxton Morgan Realty Advisors and provided a variety of real estate portfolio services including management, underwriting, securitization and rating agency review/applications for funds, private investors and loan servicers. From 1993 to 2006, Ms. Morgan was with J.E. Robert Companies and served as a Vice President of Special Servicing with the responsibilities of serving on the credit committee, negotiating pooling and servicing agreements and overseeing the management of commercial loans and real estate for 40+ CMBS transactions with a combined par value in excess of \$40 billion. Ms. Morgan received a Bachelor of Arts – Interdisciplinary Studies from The University of Texas at Dallas in 1995. Ms. Morgan serves on the Greenhill School's Fund Committee, the Town of Addison's Board of Zoning Adjustments, and the Educational Committee for the CRE Financial Council and the CREFC's High Yield Distressed Realty Assets Forum; she is a frequent commercial real estate speaker.

## Combined Meeting

R6

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** Brand Protection and Enhancement

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### **AGENDA CAPTION:**

Present, discuss, consider and take action regarding an ordinance providing for a Meritorious Exception to the attached sign requirements in Chapter 62 Division 3 by allowing a mural on the east facade on application from Ida Claire, represented by Ms. Tania Inigo for the property located at 5001 Belt Line Road.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

Ida Claire restaurant is requesting a meritorious exception to allow for the installation of a mural along the main eastern facing facade of the building. This mural would be 60'-9" wide by 17'-5" tall for a total area of approximately 1058 square feet. The allowable area for a sign on this facade is 92 square feet.

Although an art mural, staff believes that this mural meets the Code's definition of a sign and thus is regulated by the Sign Code. The Sign Code permits granting Meritorious Exceptions under two circumstances: innovative signage that makes a positive contribution to the visual environment and in situations that, by reason of exception circumstances or surroundings, constitute a practical difficulty or unnecessary hardship. The Council could approve a meritorious exception for this sign, if it feels that this mural makes a positive contribution to the visual environment.

Staff has some concern about the durability of this mural. The applicant is proposing to use a new 3M print wrap film product that will adhere to the side of the building. This is a relatively new technology and there is little information available about how this product will hold up over time. If approved, this will be something that Town staff will need to monitor.

### **RECOMMENDATION:**

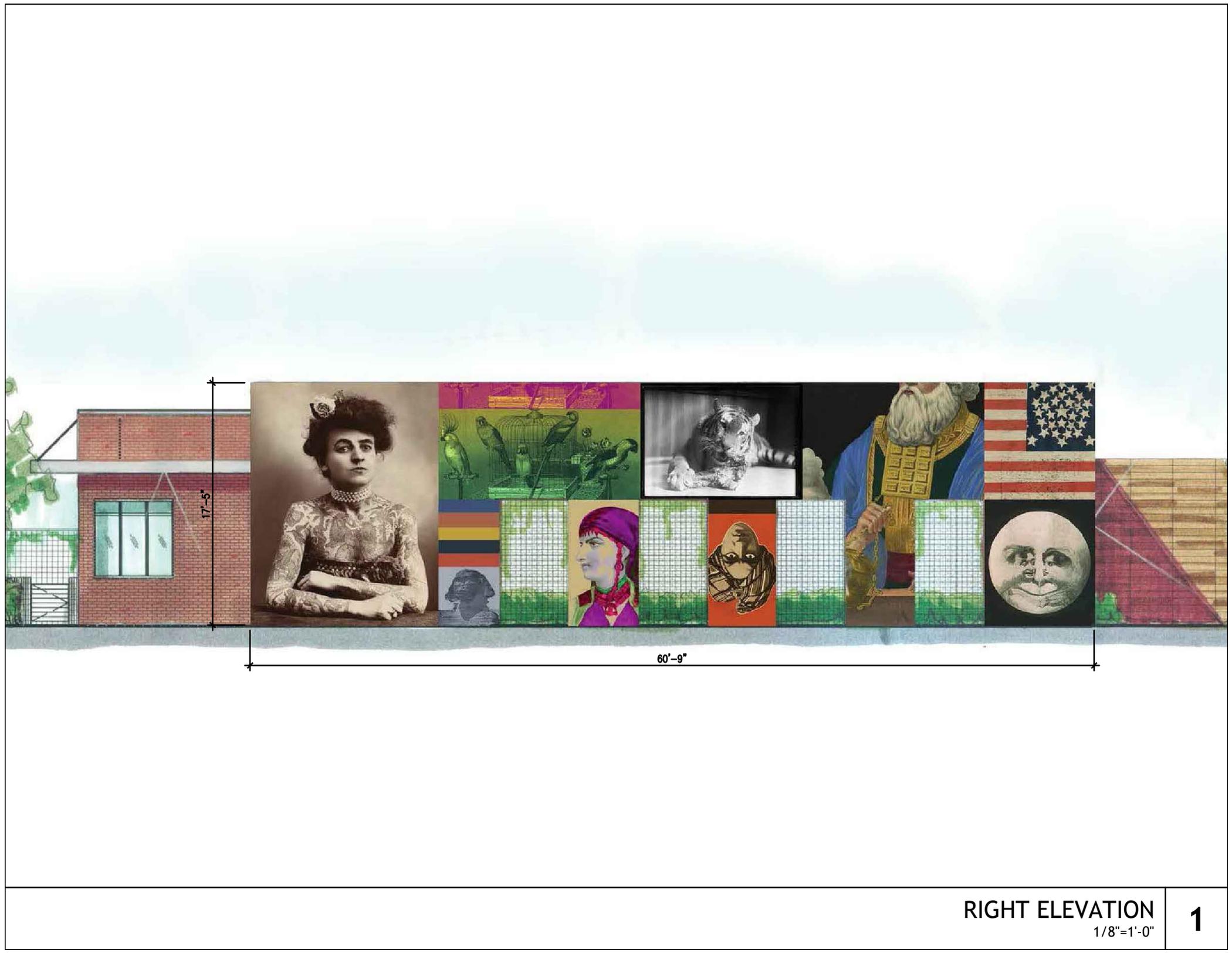
Administration recommends denial.

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## **Attachments**

Ida Claire Meritorious Exception Council Packet





17'-5"

60'-9"

RIGHT ELEVATION  
1/8"=1'-0"



**Combined Meeting**

**R7**

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** Create and implement a Comprehensive Land Use/Revitalization Plan

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**AGENDA CAPTION:**

Present, discuss, consider, and take action regarding a housing policy for Addison, including types and alternatives.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

This is an action item corresponding with the work session item regarding the housing policy discussion.

**RECOMMENDATION:**

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**Attachments**

Revised Housing Direction Policy Memo - red lined

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STRATEGIC  
COMMUNITY  
SOLUTIONS

# memo

<b>Strategic Community Solutions LLC</b>	
To:	Addison Mayor and City Council
From:	Karen Walz
Date:	March 5, 2015
Re:	Housing Direction

The text below was provided to the Addison City Council for their discussion on February 24, 2015. Edits in 'track changes' reflect the agreements reached during that discussion and proposed responses to Council comments.

### **Housing Choice Terminology**

The housing choices are shown in Table 1 below. Each housing choice is characterized by its housing type (the physical characteristics of the unit) as well as its housing tenure (the ownership status of the unit). These are the terms Addison will use to describe housing choices in this community. Note that units which are individually owned are not necessarily owner-occupied; the unit owner may rent these units to a tenant.

*Table 1: Housing Choices for Addison*

#	Housing Choice	Housing Type	Housing Tenure
1	Detached Home	Single unit in a building with yards on some or all sides	Each unit is individually owned
2	Townhome/ Rowhouse	Multi-story unit on its own lot that shares a wall with at least one other unit.	Each unit is individually owned. The land on which the unit is located may or may not be individually owned.
3	Flat	Single story unit in a multi-story building that includes other residential and non-residential uses.	Each unit is individually owned.
4	Garden Apartment	Unit in a 2 or 3 story residential building.	Building owner(s) rent individual units to residents.

#	Housing Choice	Housing Type	Housing Tenure
5	Urban Apartment	Unit in a multi-story building that includes other residential and non-residential uses.	Building owner(s) rent individual units to residents.
6	Extended Stay Hotel Room	Hotel structure with cooking facilities in rooms.	Hotel owner(s) rent individual rooms to guests; in some instances, these guests are essentially long-term residents.
7	Independent/ Assisted Housing Unit	Unit in a building that includes common areas and services to assist residents in daily life activities.	Building owner(s) rent individual units to residents.

**Council Direction on Housing Issues:** The items listed below reflect the Addison City Council’s direction, as we understand it. They describe the housing choices that are part of the future City Council desires for this community.

1. Whenever possible, the Town should establish plans for revitalization and development for districts or special study areas, instead of considering plans on a site-by-site basis. A process like the one used for the Sam’s Club Special Study Area should be followed.
2. For study areas and individual developments, the Town encourages mixed use designs that integrate residential and non-residential components.
3. Mixed use developments in Addison should include a mix of housing choices, ~~not simply a single residential option~~ in order to expand Addison’s available housing options and increase Addison’s ability to respond to changing residential market demands over time.
4. Since the housing choices of garden apartments and urban apartments comprise a significant share of Addison’s current housing stock, rezonings that include apartments should:
  - a. Occur through a Planned Development (PD) or similar process
  - b. Include other housing choices (i.e., not a rezoning for apartments alone)
  - c. Be necessary to the economic feasibility of the project as a whole
  - d. Propose a project design and density that support or enhance Addison’s urban character and walkability
  - e. Be consistent with other aspects of this housing policy
- 4.5. The Town encourages development that makes more individually owned housing choices available in Addison. Desired ownership units include detached homes, townhome/rowhouse and flats, so a wide range of residential densities support this objective and may be approved.
- 5.6. At the property or project scale, Addison will consider the highest and best use of the property and the ‘best fit’ mix of uses and housing choices for that property within the context of the entire Addison community.

6.7. Addison will continue to insist on high quality building and site design that creates or enhances neighborhoods; an inviting public realm; and trails or sidewalks that connect ~~each~~ buildings and neighborhoods with the rest of the Addison community.

7.8. Addison views independent and/or assisted housing as housing choices which address the demands of the growing 55+ age group and as a potential fit with this community's character. Since there are no assisted housing units in Addison today, the Town will conduct research and investigation to understand how this housing could or should be included in Addison's future.

**Combined Meeting**

**R8**

**Meeting Date:** 03/10/2015

**Department:** City Manager

**Council Goals:** Attract new businesses to Addison  
Create and implement a Comprehensive Land Use/Revitalization Plan

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**AGENDA CAPTION:**

Present, discuss, consider and take action regarding the special area study findings and recommendations regarding future development of the properties within that area of the Town generally bounded on the north by Belt Line Road, on the east by Midway Road, on the south by an Oncor utility easement located approximately 250 feet north of Proton Drive, and on the west by the Midway Meadows, Towne Lake, and Pecan Square neighborhoods.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

N/A

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**Attachments**

Sam's Club Special Area Study Council Memo

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STRATEGIC  
COMMUNITY  
SOLUTIONS

# memo

TO:	Mayor and City Council Town of Addison, Texas
FROM:	Karen Walz, FAICP, Principal, Strategic Community Solutions LLC Mark Bowers, AICP, Kimley-Horn, Inc. Bill Cunningham, Ricker-Cunningham, Inc.
DATE:	March 5, 2015
RE:	Sam's Club Site Special Study

## Background

The Sam's Club Site Special Study was initiated by the City Council last year in accordance with the 2013 Comprehensive Plan, which identifies this study area as an important redevelopment location for the Town. While the Comprehensive Plan recommended a study so Addison could be prepared if or when Sam's Club decided to relocate, this study has actually occurred during the time Sam's Club has been in the process of selling this site. The Council-appointed Committee for the study met three times in late 2014 and worked with the staff and consultant team to develop a preferred concept plan, which was presented to City Council on December 8, 2014.

Since that briefing on the Sam's Club Site Special Study, the Council has had two discussions about housing policy for the entire Addison community. Those discussions have clarified some of this Council's objectives and concerns about new housing in Addison. In addition, a Community Workshop on the Sam's Club Site Special Study was held on Monday, March 2, 2015. The workshop gave Addison residents and other interested individuals an opportunity to learn about the Committee's recommendations and to provide additional feedback.

At the City Council meeting on March 10, 2015, the Addison City Council will have the opportunity to consider several options related to the recommendations received from the Sam's Club Site Study Committee:

- The Council may choose to take no action on these recommendations.
- The Council may choose to approve the Concept Plan as recommended by the Committee. In this case, the action to be taken is to direct Addison staff to prepare a Comprehensive Plan amendment reflecting this Concept Plan and take it through the process for considering such amendments.
- The Council may choose to approve the recommended Concept Plan, but with modifications. Again, Council's decisions on March 10<sup>th</sup> should provide the necessary direction so staff can process a Comprehensive Plan amendment.

This memo summarizes the Committee's work, staff and consultant research and input from the Community Workshop. It provides background information for Council's review prior to discussion of this recommended Concept Plan.

It's important to recognize that this is intended as a conceptual plan only. The detailed decisions on site and building design will be made when an owner is ready to seek a zoning or other development approval. So details such as the curvature of streets or the particular features of a public open space will be addressed at that later stage of development. Also, this Concept Plan does not represent a single development that could be completed in the next year or two. This study area has many owners, existing uses at varying levels of success and with different commitments to existing tenants. We expect that any development will occur over a longer period of time, and in phases. The purpose of the Concept Plan is to provide guidance to the individual property owners and developers, and to the Addison community, about the pattern of development that the Town seeks to support if and when this key area redevelops.

### **Community Workshop**

Approximately 100 people attended the Community Workshop, held on Monday, March 2, 2015 at the Addison Conference Center. Participants included residents from all parts of Addison, with most representation from the neighborhoods closest to the study area. Exhibits 1 and 2 show where workshop participants live. Exhibit 1 shows representation from all parts of the Town, while Exhibit 2 shows the area closest to this Study Area.

A presentation about the study area and Concept Plan provided background information to workshop participants. After the presentation, participants provided input at 5 stations, each focused on a particular aspect of the Concept Plan's recommendations. Comment forms were also used to provide input about the study area.

Attachment 1 contains the input received at each of the stations. It also include the comments received on comment forms. Finally, it provides the workshop sign-in sheets.

All comments received at the Community Workshop were reviewed by the consultant team. There is agreement on many aspects of the Concept Plan that are desirable additions to the Addison community. Other aspects of the Concept Plan received comments expressing concern as well as comments voicing support. Also, a number of comments asked for additional information about the project, past performance of various development types, the anticipated market in the future, and the impact the Town can have on the Sam's Club's decision-making process. The next several sections of this memo address these comments and questions.



Exhibit 1: Home Locations of Participants



## Key Features of the Concept Plan

### *Committee Objectives*

The Sam's Club Site Special Study Committee determined that future development of this site should achieve the following ten objectives:

- This is a prime location within Addison; its development should provide a good return on investment for the owner and the Town.
- We need to recognize that Addison is an urban community. We need to insist on mixed use development with an appropriate scale, density and diversity.
- High quality design is an Addison characteristic that needs to continue here.
- The Concept Plan should be able to succeed in phases.
- There should be an organic expansion of existing neighborhoods into study area.
- Redevelopment of the Study Area should add housing choices that aren't easily found in Addison today, particularly for 'aging in place'.
- Redevelopment of the Study Area should create new employment locations.
- The area's redevelopment should provide retail, service, and health/wellness businesses that serve nearby residents.
- The designs for future development must include people places and sidewalk / trail connections to the rest of Addison.
- The Committee's desired connections from these new neighborhoods to the existing Addison community allow for removal of the wall that currently exists on the south side of the Sam's Club property.

The Concept Plan created by the Committee is intended to be a general description of the land uses and intensities that are envisioned for this area over the long term. It recognizes that the property owners may choose to continue their existing uses or pursue other development that is consistent with existing zoning and development agreements, none of which are changed by an amendment to the Town's Comprehensive Plan. But this Concept Plan, if incorporated in the Comprehensive Plan, provides clearer policy guidance about the development the Town would like to see over time. As current or future property owners contemplate changes in the buildings and uses that exist today, the Comprehensive Plan is the primary statement of the Town's preferred direction for redevelopment. For this reason, it can play an important role in changing the future character of this part of Addison.

*Development Program*

Exhibit 3 presents the development mix and character proposed in the Concept Plan. The ultimate Concept Plan is shown in Exhibit 4.

Land Area	50.37 acres
Total Development, Based on Concept Plan	
• Retail/Restaurant	123,500 SF <sup>1</sup>
• Office/Flex Employment (includes Medical and Wellness)	312,000 SF new 58,000 SF existing
• Townhome/Rowhouse	138 units (10.3% of total)
• Urban Flats	371 units (27.8% of total)
• Urban Apartments	825 units (61.8% of total)
• Parking Spaces Provided	3,617 (per Town codes)
Total Project Cost	\$311,112,061
Total Development Value at Build-Out	\$313,976,250
Funding Margin/Gap	\$2,864,189 (0.9%)
Approximate Population, Ultimate	1,800 new residents
Approximate Employment, Ultimate	1,300 new employees

*Exhibit 3: Development Program, Ultimate Concept Plan*

*Addison Goals*

This Concept Plan achieves the Committee's objectives stated above. It also supports several other goals of the Addison City Council. Currently, much of the retail and restaurant activity along Belt Line occurs to the east of the Dallas North Tollway. The Town has sought ways to draw this vibrant scene to the west side of the Tollway. This concept plan, particularly the mixed use development along Belt Line itself, helps to achieve this goal because it provides locations for new retail and restaurant sites, it adds new customers because of the residential density and new population generated by the study area's redevelopment, and it proposes a human-scale development pattern that will create a much more pedestrian-friendly experience along Belt Line than a person experiences today.

Addison has made significant investments in the infrastructure along Belt Line as well. Those investments will enhance the environment for new private development on these properties and will contribute to a desirable, walkable character for the area. This concept plan takes advantage of these public improvements and creates supportive development on the private properties.

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<sup>1</sup> SF = square feet



**Preferred Development Concept, Ultimate**

Sam's Club Special Study



Kimley-Horn



BioLogic Consulting

Exhibit 4: Ultimate Concept Plan

### *Community Workshop Input*

Many comments from participants at the Community Workshop supported important aspects of Concept Plan. These features of the Concept Plan were supported by comments from the workshop participants:

- It's good to have a plan to refresh an aging area.
- The open spaces and parks were a positive aspect of the plan.
- Participants liked the walkability and connectivity within the study area.
- They also liked the connections to the rest of the Town and to the Town's overall trail systems.
- Comments supported efforts to add more ownership residential units in Addison.
- Most comments favored the mixed use character of the proposal overall.

Other features of the Concept Plan received mixed comments. The features described below received comments expressing disagreement or concern from some participants, but agreement and support from other participants.

- Most comments supported the overall density but some felt it was not appropriate.
- Some comments advocated keeping the wall that currently exists on the south side of the Sam's Club property while other comments supported the wall's removal as shown in the Concept Plan.
- The inclusion of rental residential units received comments on both sides, from people who felt that was appropriate and necessary for the project's economics and from people who do not want any more rental units in Addison.

Participants also asked questions about various aspects of the Concept Plan, such as its economic viability. Other comments related to specific design details – for example, a desire to retain all of the Office in the Park or a concern about the width of the landscape buffer adjacent to existing homes. The most frequent questions are addressed in this memo; the other questions can be addressed if the City Council chooses to amend the Comprehensive Plan to reflect this Concept Plan (or a modification of it).

### **Market & Economic Issues**

This study process included an analysis of the real estate market because it sought to create a plan that could be economically feasible for property owners and future developers. Ricker-Cunningham, Inc. defined a trade area and evaluated the market potential for all uses based on 10-year projections for that market area. They found that the trade area for this study is expected to enjoy "significant growth over the next 10 years among all of the primary land uses and many of the product types within them". An analysis of Addison's demographics shows that, compared to the trade area, Addison's typical household is smaller and Addison's population is younger, yet median household income is comparable. These characteristics "indicate a high concentration of higher-income singles and/or young married couples". The area's psychographics further suggest that people who are likely to be attracted to Addison

(and thus to new housing in this study area) tend to be higher income, with higher disposable income and a preference for urban housing types.

The Concept Plan recommended by the Committee provides the mixed use, urban setting desired by these markets and the urban housing products that appeal to them. It recognizes, though, that this development will not happen overnight or all at once. The Concept Plan assumes that development will occur over 10 years or longer, and so should be supported by the market over that long period of time.

At the Community Workshop, some participants questioned whether there was sufficient market support for the land uses proposed in this plan. Their concerns were based on perceptions of the current market and the sense that Addison has high vacancy rates for retail, office, and multi-family uses even without adding new development here. To address these concerns, Addison's Economic Development Department researched the 2014 vacancy rates for these uses. Attachment 2 contains the report of this analysis. It concludes that Addison's vacancy rates have dropped substantially since the peak of the recession and are now comparable to, or lower than, the vacancy rates throughout the region. Even with a significant number of new apartment units coming on line in 2013, the level of demand is high enough that they were absorbed quickly and the multi-family vacancy rate at the end of 2014 is only 3.8%. This current information supports the Concept Plan's expectation that its future development can be supported by market trends over time.

### **Residential Component of the Concept Plan**

As shown in Exhibit 3, the ultimate development envisioned by this Concept Plan includes a mix of housing choices. Exhibit 5 uses the same set of housing choices defined through Addison's recent discussion of housing issues. It shows the number of units, by housing choice, which exist in all of Addison today. Then it adds the housing units envisioned in the ultimate Concept Plan for this study area. Development according to this Concept Plan would add less than 13% to Addison's current housing supply. Since the Concept Plan has a higher share of ownership units (detached homes, townhomes and flats) than Addison's current average, the addition of the Concept Plan reduces the share of rental units in Addison.

Housing Choice	Current Addison Units	% of Units	Ultimate Concept Plan Units	% of Units	Total Units	% of Total Units
Detached Home	1,467	13.9%	0	0.0%	1,467	12.4%
Townhome/ Rowhouse	555	5.3%	138	10.3%	693	5.8%
Flat	345	3.3%	371	27.8%	716	6.0%
Garden Apartment	3,600	34.2%	0	0.0%	3,600	30.3%
Urban Apartment	3,624	34.4%	825	61.8%	4,449	37.5%
Extended Stay Hotel Room	945	9.0%	0	0.0%	945	8.0%
Independent/ Assisted Living	0	0.0%	0	0.0%	0	0.0%
Total Units	10,536	100.0%	1,334	100.0%	11,870	100.0%
Individual Ownership Units		22.5%		38.2%		24.2%

*Exhibit 5: Addison and Concept Plan Housing*

The mix of housing units assumed here is shaped by the current strong market for urban rental product. If development occurred today under this concept plan, we expect that the housing in the mixed use buildings along Belt Line would be largely rental urban apartments. However, the form and character of the urban residential buildings envisioned in this Concept Plan do not dictate whether the units are owned individually or are rented. Strong standards for design – of the buildings and sites – should enable these units to retain their value. If the market for flats increases over time, as is expected, the units in those urban residential buildings could be converted to ownership.

### **Conclusion/Recommendation**

As noted earlier, the Addison City Council may consider several options related to the recommendations received from the Sam's Club Site Study Committee:

- The Council may choose to take no action on these recommendations.
- The Council may choose to approve the Concept Plan as recommended by the Committee.
- The Council may choose to approve the recommended Concept Plan, but with modifications.

The consultant team believes that the Concept Plan developed by the Committee represents an approach to redevelopment of this key location that achieves the Town's goals and provides an economically-feasible pattern for changes in property use over time. The team supports the recommended Concept Plan. Given the discussions that have occurred since the last Committee meeting, however, the consultant team is also prepared to work with the City

Council and staff to refine the Concept Plan prior to its consideration as an amendment to the Addison Comprehensive Plan.

**Attachments**

The following attachments provide additional background information about the Concept Plan and its relationship to current and expected future markets.

1. Input from the March 2<sup>nd</sup> Community Workshop
2. Report on Current Vacancy Rates in Addison

**Attachment 1:**  
**Input from the March 2<sup>nd</sup> Community Workshop**



- Special Study Areas
- Town Boundary
- Airport Boundary

- ### KEY TO FEATURES
- #### Addison Airport Decibel Contours
- 65 dB
  - 70 dB
  - 75 dB

- #### Roads
- Highways
  - Secondary Roads

- Access Roads
- Local Roads
- Incomplete Roads



0 5  
1 inch





# ROLE IN ADDISON'S FUTURE

Growth in residents - upper-middle  
income

access to a variety of services  
↳ Self sustaining

Need more owners - not more renters -  
we are way out of balance

Need parking available for  
both townhomes & retail

Parking availability and efficiency should be top priority - this is where  
the shops at Legacy failed. If there is to be a parking garage, place it as  
centrally as possible.

# FLEX OFFICE

## GOOD FIT?

self at Regus type  
set up great for  
entrepreneurs.

Mix use ~~flats~~  
Flats & Terraces  
Let the CORNER  
ON Bettaline be  
Retail

sees greater value  
in office over  
mixed-use w/renters

ext  
ten

Da  
egg

How's

Hard

Com  
vac  
in su  
level  
area



# EX OFFICE

## GOOD FIT?

if it Regus type set up great for entrepreneurs.

Mix use ~~Flats~~ Flats & Townhomes  
Let the **CORNER** ON **Beltline** be Retail

sees greater value in office over mixed-use w/renters

## CONCERNS?

These tend to remain empty for extended periods of time between tenants.

I agree too many empty offices now

How's the office doing now? Not good.

Hard to keep filled - not good

Concerned about vacancy rates in **Summit** single level retail in area!



Easel Pad  
Tableau à feuilles mobiles  
Block de Hojas Reponibles

Super Sticky  
Super Collant  
Super Adhesivos

5.2 in (2.5 ft x 2.08 ft)  
5.2 in (2.5 ft x 2.08 ft)  
Cont. 1 block de 30 hojas

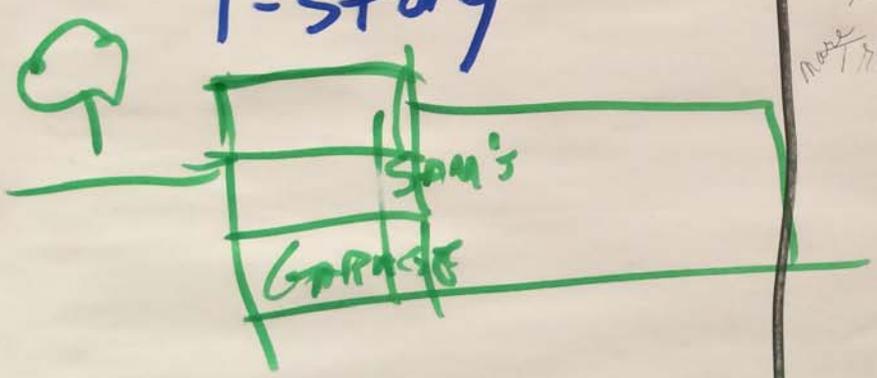
# TOWN HOME

## GOOD FIT?

GOOD -

Like the idea. Esp with connectivity to trails parks etc

yes if they're  
1-story



## CONCERNS?

FOR SALE

NO CONDOS

Not interested in apartments for rent.

Town home concept a good one.

Worried about traffic congestion on Beltway

No more - need mixed use environment  
more traffic on Beltway.



# MIXED USE

## GOOD FIT?

MKT ST. Super MKT  
CENTRAL MKT

Outdoor artisan's market in the park area - 1 or two weekends per month, first come first serve table rentals (preference to Addison residents) 3 to 5% of sales go back to town in lieu of rental fee

Yes. if done well.

Brand New Starbucks

No rental residences

## CONCERNS?

NONE

Depends on type Whom - Brands vs Startups - if establish Biz great!

EMPTY RETAIL  
MUST BE VISIBLE/  
VIABLE

Concern about housing over retail  
→ no apartments

GARAGES FOR SENIOR APTS, SINGLE STORY OR FLATS W/E LEVATORS

# URBAN RESIDENTIAL

## GOOD FIT?

LOOKS GREAT -

Yes only if economic work,

Yes. Limited # of units

## CONCERNS?

As a homeowner in Towne Lake, ~~we~~ I'm concerned about the 50 of units for renters. Most surrounding neighborhoods are single family homeowners and I'm concerned about traffic, noise and people congestion.

Who is this? Type clients/customers income

The types of residents this would attract are transients and would have no vested interest in the longevity of the AEA.

URBAN RES

GOOD FIT?

LOOKS GREAT -

yes only if economic work,

yes. limited # of units

# CONCERNS?

As a homeowner in Towne Lake, ~~for~~ I'm concerned about the % of units for renters. Most surrounding neighborhoods are single family homeowners and I'm concerned about traffic, noise and people congestion.

Who is this? Type Clients/Customers income?

The types of residents this would attract are transitional and would have no vested interest in the longevity of the AREA.

# CONCEPT PLAN - COMMENTS

LIBRARY - 'yes'.

GOOD PLAN - NO CONDOS

NO CONDOS/NO APARTMENTS

ALSO PLEASE KEEP OFFICE IN THE PARK  
AS OFFICE BLDG. I LIVE IN TOWNE LAKE  
AND OFFICE IN OFFICE IN THE PARK  
AND HATE IDEA OF LOSING OUR OFFICE  
AND THE OPEN SPACE IN THE BACK OF  
OFFICE IN THE PARK. DONT WANT TO BACK  
UP TO MORE NEIGHBORS!

Addison has too much retail vacancy now. Building  
more wont fix it. ECONOMICS DONT WORK

No more apartments. We need owner-  
occupied housing choices. Zero lot, condo flats,  
townhomes - BUT single story only.  
Consider duplex, 4-plex also.

# CAPTURE THE RIGHT MARKET?

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- Skeptical about too many small bus. residences
- More flex office?
- Like medical
- Like to see age curve flatten - attract young + aging in place
- Ingenious plan
- Low med. age, high med. income
- Like idea of anyone able to walk
- Want Addison to be self-contained
- P. 9 - check #'s
- Drive people from Plano + Carrollton

- Will seniors ~~imp~~ ownership affect tax base?
- Move toward even more ownership
- How can retail work when extg. retail is vacant? 23.6% vacant
- Need decent grocery store - Market St. / Central Market / HEB
- Sr. demographic has fixed income - not good to support the retail, etc.
- But... this is disposable income
- Cost-effective artists' mkt. for Addison artists - goes for young & senior markets
- Duplex/row/4plex can be more dense - less yard but affordable

- Ownership 'flat' market here is much stronger than this
- HEB would be awesome
- Have a Trader Joe's Market.



Easel Pad  
Tableau à feuilles mobiles  
Block de Hojas Reposicionables

Super Sticky  
Super Collant  
Super Adhesivos

12 1/2" x 18" x 200 sheets  
5.2 g/100 (2.5 g/100 x 2.08 g/100)  
Color: 1 block in 10 days

3M

## ANY OTHER COMMENTS

Colorado MJ (SO?)  
(first to go wet...)  
Senior Residential

- Sports therapy / senior therapy  
if senior residential

I LIKE IT - MUST BE  
ECONOMICAL - NOT  
VACANT - DON'T PUSH  
IT.

Don't miss another opportunity  
like we did on intercontinental property

Another Vitruvian development

Get good directional signage  
all over addison



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal, as a place to live, work & play?

*Removal of Motel 8 + "strip look" retail*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

*Mixed use, open spaces, more single family units*

What changes to the Committee's concept plan would improve it, from your perspective?

*Less straight line design*

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

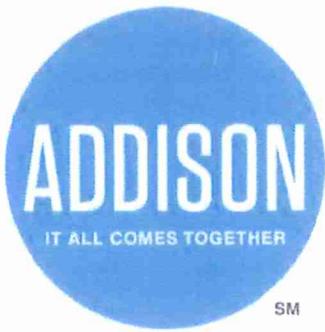
Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgooff@addisontx.gov](mailto:cgooff@addisontx.gov).



COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

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What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

Ownership - townhomes  
get rid of the wall  
More trails & connectivity  
Current land owners will not sell at reasonable price. #s won't work.  
We don't want city to fill the gap

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Good concepts but economies don't work. More retail doesn't work (Addison already has high vacancy)

What changes to the Committee's concept plan would improve it, from your perspective?

make the #s work  
OK, but not fixed income seniors.  
How about Kohls?  
Focus on ownership. SR housing  
Limit the grand floor retail

What other recommendations do you have about the Sam's Club Study Area?

Do something quickly to immediate area so not a dead corner for long

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Diane Chavez  
Email Address: dmc5302@yahoo.com  
Company/Organization (if any): JPMorgan  
Mailing Address:  
City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



## COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

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What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

I think a mix of condos and businesses (retail) would provide the highest ROI as well as furthering government objectives.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Condos/flats, Addison has a legitimate public interest in promoting home ownership.

What changes to the Committee's concept plan would improve it, from your perspective?

I don't think the variable of Sam's Club is well enough understood. Should the new owners be withing city guidelines, it could negate the entire development plan.

What other recommendations do you have about the Sam's Club Study Area?

I think the health spa/day surgery has no place so close to a residential area.

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Ryan Scanlan

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

I LIKE THE IDEA OF MOVING THE WALL & INTEGRATING WITH THE SURROUNDING NEIGHBORHOOD

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

PLANNED COMMUNITY THAT PROVIDES DIVERSITY OF SERVICES & PRODUCTS TO APPEAL TO YOUNGER PEOPLE <sup>TO</sup> MOVE IN BUT ALSO WANT TO STAY

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

BRILLIANT BALANCE OF MIXED USE  
~~RES~~ RESIDENTIAL OPTIONS TO OWN OR RENT  
OPTIONS FOR PEOPLE TO "AGE IN PLACE"

What changes to the Committee's concept plan would improve it, from your perspective?

NONE - STAY ON TRACK !!

I HOPE WE WILL SEE NO MORE GLASS & STEEL - BETTER = BRICKS + MORTAR + LANDSCAPING  
PROVIDE AMPLE DRIVE THRU AND DRIVE AROUND LANES + PARKING TO RELIEVE TRAFFIC ON MIDWAY + BECT LINE

"BRAND" THE AREA - MAKE IT A DESTINATION

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: AL ANGELL

Email Address: al-angello@sbccglobal.net

Company/Organization (if any):

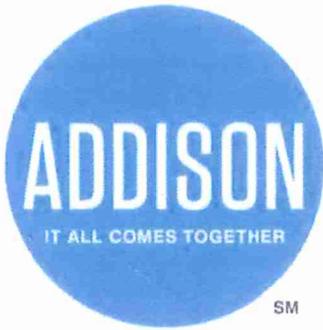
Mailing Address: 14540 WINNWOOD ROAD

City, State Zip: DALLAS (ADDISON) TX 75254

Please return your comments at the registration table this evening. Also, comments can be submitted through

email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).

FURTHER THOUGHT: LEARN FROM BOTH SUCCESSSES MISTAKES AT THE CIRCLE & VITRUVIAN.



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

Mixed Use - Flats / European Style / Ground - 2-3 Story <sup>Flats</sup> / Parking either under or garage parking, brand hotel -

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Mixed Use - I like "most" of the Proposal. More Ownership

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

~~Not mandatory to follow the plan /~~ Convert as much commercial to Mixed Use -

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: *BW [Signature]*

Email Address: *on file*

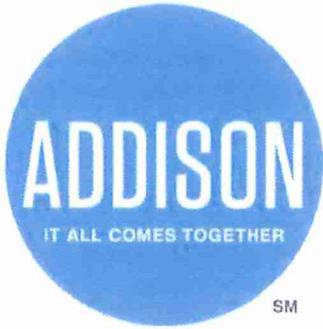
Company/Organization (if any):

Mailing Address:

City, State Zip:

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6



## COMMENT SHEET

### Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

Retail <sup>vacancies</sup> is already one of the highest in the city 28%+, Dallas average is 9.8%, how can you add more when you can't support what is here.

Mixed use is hard to pull off. Good location for it but others have been difficult & take a while to pull off

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

trying to improve a ~~trans~~ tired aged area.

What changes to the Committee's concept plan would improve it, from your perspective?

no plan that doesn't have a gap this town cannot continue to give hand outs

What other recommendations do you have about the Sam's Club Study Area?

good retailer we don't have near us ... Kohl's, Lowe's, Home Depot (might be too close)

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Denise L. Fansler

Email Address: dfansler@mail.com

Company/Organization (if any):

Mailing Address: 3725 Chatham Court Drive

City, State Zip: Addison, TX 75001

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

Plan an emphasis on transportation within the study area  
+ also to go to + from the area.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

Keeping the area urban

What changes to the Committee's concept plan would improve it, from your perspective?

I think more emphasis should be on the retail  
not so much the residential

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



COMMENT SHEET

Sam's Club Site Special Study Community Workshop

March 2, 2015

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

*do not want high density rental units!*

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

*owner occupied townhomes/condos/villas*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

*more residential (owned) + parks + trails*

What changes to the Committee's concept plan would improve it, from your perspective?

*No rental units  
concept of medical office space not realistic for  
this area.*

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

INDEPENDENT LIVING / ASSISTED LIVING FACILITIES.

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

IMFILL LOOKS GOOD. RE-DO AGING FACILITIES  
A GOOD FIT.

What changes to the Committee's concept plan would improve it, from your perspective?

LESS OFFICE SPACES - HOUSING NEEDS TO BE  
MUCH MORE UPSCALE.

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

*concept plan - or prototype*  
*Keep the wall - ability to walk thru.*

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

*concept plan*  
*residential -> no outlet on Midway other than*  
*Full Way - too much danger for accident*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name:

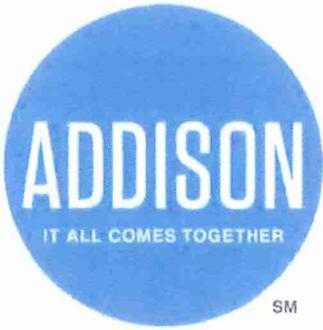
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Company/Organization (if any):

Mailing Address:

City, State Zip:

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**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

KEEP the wall up

because of pedestrians

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

~~MORE STORES - better studio~~

more retail stores or better studio

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

No ~~more~~ rental apt

most be buyers

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

yard sale sight on the inside you pay  
for your slot or indoor dog park

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: Daniel Simmons

Email Address: dts945@gmail.com

Company/Organization (if any):

Mailing Address: 4202 Rush Circle

City, State Zip: Addison, TX 75002

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).



**COMMENT SHEET**

**Sam's Club Site Special Study Community Workshop**

**March 2, 2015**

Please use this form to provide comments, suggestions and concerns about the future of this important part of the Town of Addison.

What future development here will do the most to enhance Addison's appeal as a place to live, work & play?

*NOT APTS - Townhomes / OWNER OCCUPIED RESIDENCES*

What features of the Committee's concept plan are most desirable for the Town of Addison, in your view?

*DIRECTION but CONCERN that too MANY VARIOUS OWNERS  
would delay plans too far out*

What changes to the Committee's concept plan would improve it, from your perspective?

What other recommendations do you have about the Sam's Club Study Area?

(Optional) Please provide your contact information if you'd like to receive updates about this Special Study.

Name: *Shelby Barkofsky*

Email Address:

Company/Organization (if any):

Mailing Address:

City, State Zip:

Please return your comments at the registration table this evening. Also, comments can be submitted through email to Charles Goff at [cgoff@addisontx.gov](mailto:cgoff@addisontx.gov).

February 28, 2015

My name is Tarea Doty. As a 12 year Addison business owner, a 10 year Addison resident, and a 3 year Addison homeowner I **love** Addison and plan on being here with my husband and first child due in August for years to come. I am, however, deeply concerned with the draft preferred plan for the Sam's Club Study Area.

I have a unique concern in that I'm a homeowner on the southwest perimeter of Towne Lake that backs up to the Office in the Park parking lot, and I also own a business and rent office space in Office in the Park (14679 Midway Rd) which is the building closest to our home. This means that from the back gate of our house on 4144 Towne Green Cir, we have a 18 second walking commute across the parking lot to our office building - a building which is proposed to be torn down and replaced with multi-family residential units in the draft preferred plan. I understand my needs are unique and economic development cannot cater around one individual, but I do believe there are some strong reasons to consider why Office in the Park should remain an employment district, why multi-family residential should be avoided or greatly reduced in all three phases, and lastly why the Beltway privacy wall should be maintained.

## **Why the entire Office in the Park should remain an employment district:**

- As the name suggests – with lush landscaping, mature trees, plentiful green space, tennis courts and a gazebo - **Office in the Park really is a unique commercial property with broad appeal** especially to a younger generation who are avoiding “cookie cutter” spaces. It truly feels like you're working in a park setting.
- As you drive into this office community, you really don't get a sense you're in an office building complex. **It feels very historic and very in line with Addison's traditional red brick look.**
- Even though Dovie's restaurant is closed, **preserving and maintaining a historic property – the former home of Audie Murphy - should be considered.** It would be a great loss if this house was destroyed.
- From the March 5, 2014 Addison Magazine article discussing Office in the Park , **“you'll come across a building with a collegiate look about it. In fact, according to Orlando Campos, Director of Addison's Economic**

## Why multi-family residential should be avoided or greatly reduced in all three phases:

- By rezoning and transitioning this space into multi-family residential the **congestion from more cars and people would greatly diminish the quality of quiet residential homeowner living** which I believe is a major contributing factor why so many homeowners choose to buy in our neighborhoods and why our property values keep increasing.
- **Midway Meadows and Towne Lake as well as all the Addison neighborhoods sandwiched between Proton and Marsh are older, established, SINGLE FAMILY, upscale neighborhoods.** I do not feel like the majority of the homeowners in these communities would welcome 2000+ people (potentially more with 1115 proposed units – the majority of which proposed are condos and apartments which means renters) sharing their walking trails, dog parks, children's parks and other amenities.
- **The draw to all of these great amenities, which I might add as homeowners we pay a good deal in taxes for, is that they are not crowded and are a little off the beaten path.** For example, before we bought in Towne Lake I lived in Post Addison Circle as a renter for 7 years. I frequently went to the Addison Athletic Club. However, it was not until I bought my home in Towne Lake and was exploring my "backyard" (the parking lot of Office in the Park), that I discovered the dog park and the whole system of walking trails west of the dog park. I was so excited I discovered this hidden gem and would like to keep it that way for all the homeowners.
- **With an additional 2000+ people, mostly renters, having close access to all these amenities – especially the parks and walking trails, safety becomes a huge concern.**
- **Noise congestion is huge concern. Renters live different lifestyles than homeowners.** As much as I like visiting, for example, The Shops of Legacy in Plano, I would not want to live there as a homeowner. It is still very noisy on a weekend night at 10pm. Renters attract young people and people that like to party and stay up late. I've been there. But again, we're talking about older established single family neighborhoods with an average home price over \$300,000. This is a totally different demographic with different needs and desires versus renters.

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## COMMENTS ON SAM'S CLUB SITE SPECIAL STUDY DRAFT REPORT

Judye and Lance Murray (3884 Weller Run Ct)

March 4, 2015

- Initial impression of the expanded site redevelopment concept is favorable. What's not to like about a low-rise European style integrated flex office/specialty shop/restaurant/pub/townhome/park neighborhood artfully landscaped with off-street parking and a high degree of walking connectivity within itself and with adjacent Addison areas.
- Prefer that residences be owner homesteads not rental. The ratio of rental to owner occupied residences in Addison is becoming alarmingly high.
- The draft plan will significantly increase residence density. It does not appear that gap expenditures required to support the added population have been adequately considered. These would include costs for expansion of utilities, sewers, streets, parks, Athletic Club, police, fire/Ems, etc.
- Impacts on adjacent neighborhoods in terms of additional traffic, noise, skyline intrusions, etc. need to be further studied.
- It has been proposed that a senior living facility be included. This needs to be further studied before inclusion. This is a specialty business with all sorts of issues and gap costs unfamiliar to Addison planning. Note that UDR at Vitruvian has expressed zero interest in such a facility for their development.
- We are concerned about how the study might be used in redevelopment decisions for the Sam's site area. Too aggressive and inflexible approach by Addison P&Z, Council, Staff could result in legal reaction by land owners and developers that would be costly to the city. Suggest that the study should encourage more options and flexibility. For example, a higher proportion of flex office development might be preferable. Although it might shift the study concept, it might be preferable to developers and reduce residential density.

**Attachment 2:**  
**Report on Current Vacancy Rates in Addison**

## 2014 Results:

### Office Market:

- Office vacancy rates continued to decline in 2014 by another full percentage point compared to the start of 2013.
- The Town ended the year with a 15.8% vacancy rate which is slightly lower as compared to the entire North Texas Region.
- Not since the fourth quarter of 2007 had vacancy rates declined below the 16% mark.
- The major accomplishment in 2014 was turning the vacant Aberdeen Building around. With support from Addison, building owners helped close three deals including National Bankruptcy Services, Bottle Rocket Apps, and the Republic Group. Collectively, these companies absorbed approximately 206,479 SF of space, created 1,400 jobs with weighted average wages of \$67,744 per year.
- Large contiguous office spaces have become scarce in Addison, but the construction of a new 200,000 SF office tower in 2015 by Cawley Partners will help.
- Office buildings account for a little over 9.3 Million square feet of space in Addison.

### Vacancy Rate



Source: COSTAR, January 2015

## Retail Market:

- Retail vacancy rates continued to decline in 2014 by another 1.4% compared to the start of 2013.
- The Town ended the year with a 7.1% vacancy rate which is slightly lower than the entire North Texas Region's 7.4%.
- Not since the third quarter of 2006 had vacancy rates declined below the 8% mark.
- Fueling the retail growth has been Village on the Parkway redevelopment which saw major anchor tenants open in 2014 and a strong cluster of new restaurants. Addison Town Center also saw a major tenant—Crunch Fitness (20,000 SF)—open at the center and Kroger extend its lease.
- Retail space accounts for over 2.2 Million square feet of industrial space in Addison.

### Vacancy Rate

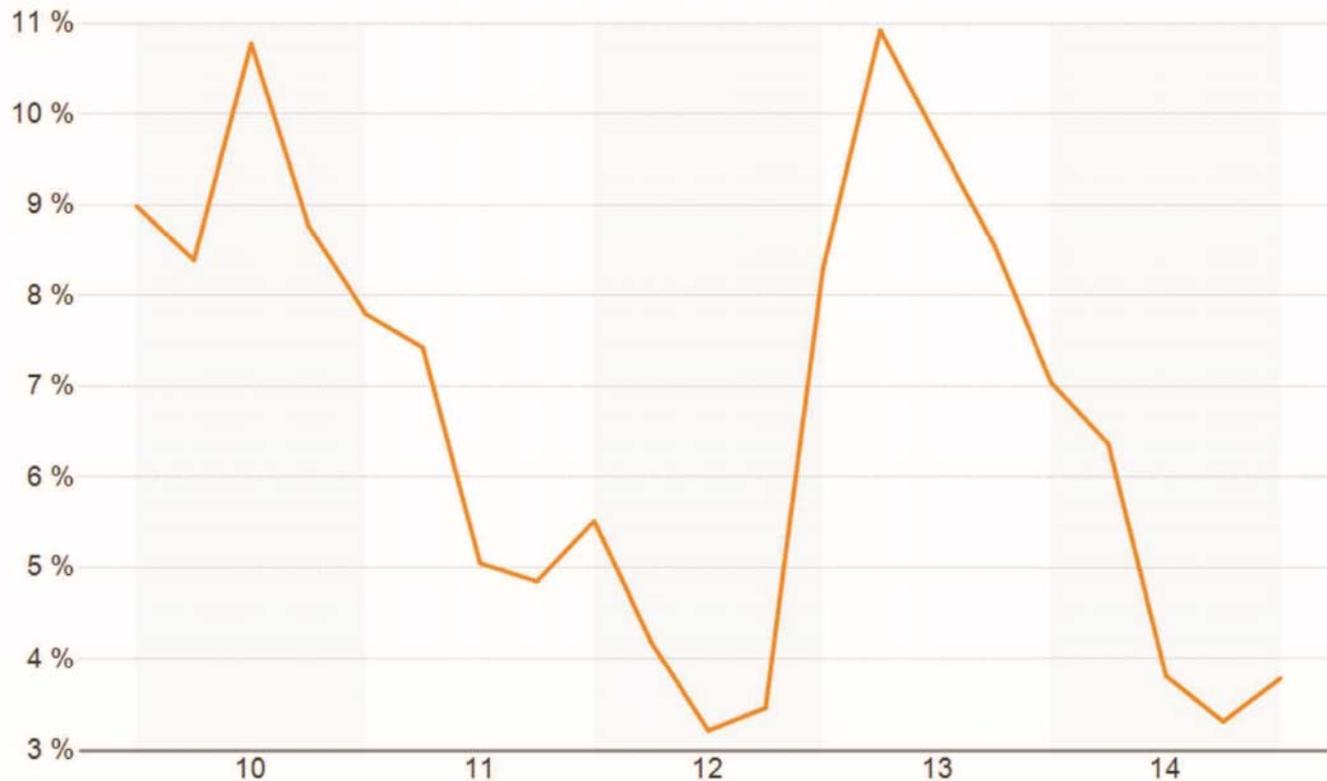


Source: Costar, January 2015

## Multifamily Market:

- With nearly 80% of residents living in multifamily developments, the multifamily market remains a strong commercial sector in our local economy fueled by the young, creative labor force of our corporate companies.
- In 2013 the market saw a large increase in apartment vacancies to 10.9% with the almost simultaneous opening of Fiori, Addison Keller Springs, and last phase of Allegro which collectively added about 1,000 units to the market.
- Despite the increase in units in 2013, absorption continued a strong trajectory for the remainder of 2013 and 2014.
- The multifamily market ended 2014 with a vacancy of only 3.8% which is consistent with the entire North Texas market.
- Addison has about 7,200 units in the market today.

### Vacancy Rate



Source: COSTAR, January 2015

**Combined Meeting**

**R9**

**Meeting Date:** 03/10/2015

**Department:** Infrastructure- Development Services

**Council Goals:** Raise property values  
Brand Protection and Enhancement  
Enhance sense of community for all stakeholders/Expand  
Volunteer Opportunities

---

**AGENDA CAPTION:**

Present, discuss, consider and take action authorizing the addition of two full-time positions in the Infrastructure and Development Services Department related to the creation of a Code Enforcement Program.

**FINANCIAL IMPACT:**

Budgeted: No. This will require a budget amendment.

Funding Source: General Fund

Amount: \$131,000

**BACKGROUND:**

On February 24th, staff proposed to council the creation of a code enforcement program to address code compliance issues in town. Council directed staff to move forward with the creation of the program. The first step is to authorize the two positions so that staff can begin the recruitment process. One position will be for the Code Enforcement Officer and the other position is for the administrative assistant.

Because this program was not contemplated in the FY15 budget, it will require a budget adjustment. The full program costs will be presented to council as a budget adjustment later in the fiscal year. The budget adjustment is estimated to be \$131,000 from the General Fund and will include the salaries and benefits for each position, administrative costs such as office supplies, training, uniforms, and a vehicle and related maintenance costs.

**RECOMMENDATION:**

Administration recommends approval.

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**Attachments**

Code Enforcement Presentation

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# **Proposed Code Enforcement Program**

February 24, 2015



# Why a Code Enforcement Program?

- To help create and maintain a safe and healthy environment
- To prevent physical and aesthetic deterioration of the community
- To protect property values of residents and businesses
- To reduce vandalism and deter crime
- To publish standards for compliance that are based on reasonable and consistent enforcement of state and local laws and ordinances
- To establish a framework for community involvement to resolve public nuisances



# What is Code Enforcement?

- The process of preventing, inspecting, and mitigating nuisances on public and private premises relating to health, safety, and general welfare.
  - Defined by federal/state law and local ordinances
- Code enforcement does not regulate aesthetics, taste, civil disputes, or HOA violations.



# Code Enforcement Program Goal

- To encourage both residential and commercial property owners to voluntarily resolve code violations on their property in order to ensure that Addison remains a community that is a clean and safe place to live, work, and play.



# Which Codes and Violations are Part of a Code Enforcement Program?

- Zoning / Land Use
- Property Maintenance Standards
- Environmental codes
- Sign code
- Junk vehicles
- Building codes
- Substandard fences
- High weeds and grass
- Outside storage, trash accumulation



# Which Codes and Violations are **NOT** Part of the Program?

- Abandoned vehicles (Police)
- Moving violations and parking (Police)
- Dumping - Class A (Police)
- Animal Control (Police)
- Landscaping (Parks)
- Food safety (health inspectors)
- Mold inspection and testing (3<sup>rd</sup> party)



# Code Enforcement Process

- Identification
  - Complaint received or issue identified
  - Case created
  - Violation evaluated
- Voluntary compliance
  - Courtesy call to violator
  - Site visit with violator
  - Friendly letter to violator asking for compliance
- Legal process
  - Official notice sent by certified mail
  - Site re-inspection
  - Civil citation or criminal action if not corrected
  - Site re-inspection
  - Abatement of violation and filing of lien



# Code Enforcement Current Practice

- Addison's current code enforcement procedure
  - No dedicated staff; decentralized; addition to regular duties
  - This is adequate to handle most complaints that are able to be resolved voluntarily
  - As Town ages, though, complaints are more numerous and complex
  - Building inspectors (2) are primary code inspection team
  - Also responsible for same-day building inspections
    - Customer service goal – same day service for requested inspection
    - Average 30 inspections each day
    - Leaves little time to conduct fair and impartial code enforcement program



# Common Code Violations

- Illegal signs and lighting
  - Bandit signs
  - Banners/flags/balloons
  - Awning signs
  - Exterior lighting that changes colors
  - Skeleton lighting





# Common Code Violations

- Trash Accumulation
  - No or improper screening
  - Over filling dumpster
  - Dumpster in right-of-way
  - Junk vehicles
  - Trailers / Boats etc
  - Improper screening of materials
  - Building and construction materials
  - POD and storage containers





# Common Code Violations

- Substandard Fencing
  - Deteriorated fence materials
  - Leaning sections
  - Improper fencing materials
  - Canvas tarps
  - Barbed wire not to code





# Common Code Violations

- Weeds and grass
  - High weeds and grass
  - Accumulation of dirt - ungraded
  - Accumulation of brush and dead trees





# Common Code Violations

- Property Maintenance
  - Broken windows
  - Sign maintenance
  - Deteriorated exterior materials
  - Exposed electrical wiring
  - Deteriorated decks and balconies
  - Accumulated trash





# Code Enforcement Proposal

Three pronged comprehensive program

1. Education and communication
2. Organization-wide and Community Support
3. Traditional Code Enforcement Program Enhancements



# Education and Communication

1. Education and Communication
  - a) Collateral materials – brochures, door hangars, etc, to educate; printed and electronic
  - b) Website and smart phone apps – public access to report problems, track progress of complaint, learn about procedures
  - c) Public outreach – HOA presentations, business group meetings



# Organization-wide and Community Support

2. Organization-wide and Community Support
  - a) Identify violations – train staff and others to recognize and report violations; would not confront property owner directly; report only
  - b) Distribute collateral – staff that is routinely out of the office could distribute when appropriate
  - c) Address certain violations directly – those that are always violations and do not require interaction with the property owner; signs in the right-of-way



# Traditional Code Enforcement Program Enhancements

## 3. Traditional Code Enforcement Program Enhancements

- a) Code enforcement officer - New position  
Licensed, experienced
- b) Administrative staff - New position; answer phones, track cases, correspondence, records retention, court filings
- c) Review Ordinances – revise those that are outdated or need additional revisions



# Code Enforcement Proposal - Costs

- Salaries and benefits: \$121,000
- Miscellaneous administrative program costs: \$46,000
- Vehicle and maintenance costs: \$32,000
  
- One-time: \$57,000
- Recurring: \$142,000
  
- **Total Year One Program Costs: \$199,000**



## Direction Needed

- How should staff proceed?
  - Continue procedures currently in place
  - Begin some elements of the proposed program
    - Training, community outreach
    - Identified issues may not be able to be addressed in a timely manner
  - Begin development of program; materials, staffing
    - Will require a mid-year budget adjustment of approximately \$131,000
  - Bring forward during FY2016 budget process

**Combined Meeting**

**R10**

**Meeting Date:** 03/10/2015

**Department:** City Manager

**Council Goals:**

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**AGENDA CAPTION:**

Discuss, consider and take action establishing a Finance Committee, its purpose, responsibilities, and meeting frequency.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

The Finance Committee's proposed guidelines are included with the agenda item.

**RECOMMENDATION:**

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**Attachments**

Finance Committee Guidelines

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## **PURPOSE**

To assist the **City Council** in fulfilling its responsibilities pertaining to the Town's finances in accordance with the City Charter, Code of Ordinances, and applicable laws and regulations. The City Council will, at least one time each year, review whether or not the Finance Committee should be continued, with such review to occur at the first meeting in June or as soon thereafter as practicable.

## **RESPONSIBILITIES**

The **Finance** Committee shall serve solely in an advisory capacity to the City Council. Among other matters that may be requested from time to time by the Council, the Finance Committee may review and make recommendations to the City Council regarding the following matters:

- quarterly financial reports prepared by the Town's chief financial officer that have been or are to be provided to the City Council;
- the Town's comprehensive financial annual report, the annual audit of the Town's finances, and the Town auditor's management letter or report on internal control, prior to their presentation and submission to the City Council;
- the long term debt capacity of the Town;
- engagement or re-engagement of one or more independent accounting firms to audit the financial statements for the then-current fiscal year or to provide other audit-related services; and
- the adequacy and implementation of any internal audit function.

Review and recommendations regarding the foregoing shall be informed by the financial policies, rules, and regulations of the Town, and by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework as applicable. The Committee shall provide regular reports to the City Council of the activities of the Committee.

It is anticipated that a process will be established to allow reporting by Town employees and third-party contractors of suspected financial fraud within the Town, and that such reporting will be made to the City Attorney. The City Attorney will provide a monthly summary to the chair of the Finance Committee of any reports received.

## **COMPOSITION**

The **Finance** Committee will consist of three members of the City Council. It is anticipated that members will be appointed to the Committee at the first regular meeting of the City Council in June of each year or as soon thereafter as practicable. Committee membership will be for a period of one year, subject to the member's removal, resignation, or termination of the member's position as a member of the City Council. Members currently serving on the Finance Committee at the time these guidelines are approved by the City Council shall, subject to their removal, resignation, or termination of the member's position as a member of the City Council, continue to serve as members of the Committee until, and may be reappointed to the Committee at, the first regular meeting in June 2015 or as soon thereafter as practicable.

Each member is to be nominated by the Mayor, and the Council will consider each nomination and vote to approve or disapprove the same. It is the intent of these guidelines that each Committee member be financially literate, with members, if available on the Council, having a demonstrated financial background such as in banking, accounting, and/or finance.

The City Council will make a determination each year as to whether or not the Committee should be continued, which determination shall be made at the first regular meeting of the City Council in June of each year or as soon thereafter as practicable and prior to the Council's annual appointment of Committee members.

The Committee may be terminated or discontinued by the City Council at any time and for any reason or for no reason, at which time the membership of each then-current member shall terminate.

### **MEETINGS**

The **Finance** Committee will meet at least quarterly (each quarterly meeting being a regular meeting), and may convene additional meetings as it deems appropriate. Such meetings will be on dates and at times as approved by all of the member of the Committee. All Committee members are expected to attend each meeting, in person or via tele- or video-conference, but it is understood that a member may miss a meeting for illness or emergency (as reasonably determined by the Committee member), and may otherwise be excused from a meeting by the Committee. The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

A quorum of the Committee shall consist of a majority of the entire membership of the Committee. The affirmative vote of a majority of the members of the Committee present at a Committee meeting shall be necessary to adopt or approve any matter or to take any action.

## Combined Meeting

R11

**Meeting Date:** 03/10/2015

**Department:** City Manager

**Council Goals:** COSO Initiative

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### **AGENDA CAPTION:**

Discussion and update regarding the whistleblower program and services.

### **FINANCIAL IMPACT:**

N/A

### **BACKGROUND:**

During the COSO update on February 10, 2014, staff discussed the implementation of a whistleblower program. Initially, it was planned to utilize the program to include reporting of fraud, ethics and personnel complaints. However, upon discussions with the Town's attorneys it was determined that personnel issues conflicted with state government code chapter 614 (Peace Officers and Firefighters) and Town policies. Given this fact, the program has been modified to **only** address fraud and ethics reporting.

Addison has contracted with Lighthouse, a third party ethics and fraud hotline provider, to handle this process. This process is designed to provide an avenue for staff and vendors to report fraudulent or unethical activities. Here is how it will work:

- 24/7 hotline reporting tools will be provided to employees and vendors to report fraudulent activities by utilizing toll free hotline, fax, internet, or email
- Lighthouse will intake and communicate report to City Attorney
- City Attorney will review report findings and coordinate investigation with City Manager
- Investigation results will be reported to the City Attorney
- Finance committee will be provided monthly summary reports of filed cases
- Reports will remain anonymous to the extent law permits

Over the next two weeks, management will begin communications to staff and vendors which will communicate how they can access the hotline. A communication plan, including posters, emails and meetings will be conducted to explain program. Employees we will also be required to view an ethics video. Letters with the hotline number will be sent directly to vendors.

Employees who wish to report human resource complaints will continue to use the

processes outlined in Addison's Employee Handbook (Section 7.02).

**RECOMMENDATION:**

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**Combined Meeting**

**ES1**

**Meeting Date:** 03/10/2015

**Department:** City Manager

**Council Goals:** N/A

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**AGENDA CAPTION:**

Closed Session in accordance with Texas Government Code, Section 551.071, consultation with 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 the Texas Open Meetings Act: to receive legal advice regarding evaluation of the City Manager.

**FINANCIAL IMPACT:**

N/A

**BACKGROUND:**

N/A

**RECOMMENDATION:**

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