

DRAFT
OFFICIAL ACTIONS OF THE
ADDISON CITY COUNCIL
REGULAR MEETING & WORK SESSION

September 8, 2020

**Addison TreeHouse,
14681 Midway Rd., Addison, TX 75001
6:30 p.m. Work Session
7:30 p.m. Regular Meeting**

The Addison City Council conducted its Regular Council Meeting on Tuesday, September 8, 2020 at the Addison TreeHouse with a quorum of the City Council physically present. Limited seating for members of the public was available using CDC recommended social distancing measures. The Town utilized telephone and videoconferencing to facilitate participation in the meeting. Interested parties were able to make public comments and address the Council via emailed comments submitted to the City Secretary at iparker@addisontx.gov by 3:00 pm on the meeting day. Members of the public were also entitled to participate remotely via Toll-Free Dial-in Number: 877.853.5247; Meeting ID: 409.327.0683 Participant ID: #. Detailed instructions on how to participate in this meeting were available on the Town's website on the Agenda Page. The meeting was live streamed on Addison's website at www.addisontexas.net.

Present: Mayor Joe Chow; Mayor Pro-Tempore Lori Ward; Deputy Mayor Pro-Tempore Guillermo Quintanilla; Council Member Tom Braun; Council Member Ivan Hughes; Council Member Paul Walden; Council Member Marlin Willesen

Call Meeting to Order: Mayor Chow called the meeting to order.

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance

WORK SESSION

1. **Present and Discuss Naming of the Future Parks located at the Addison Grove Development.**

Janna Tidwell, Director of Parks and Recreation presented this item. She reviewed that on January 26, 2016 Council approved a letter of intent with Beltline Beltway Investments, Ltd. and Urban

Intownhomes, LLC for the redevelopment of the former Sam's Club property for an amount not to exceed \$6.5 million for the construction of public infrastructure as part of the development. Included in that funding was the construction of public parkland which includes three parks and two parklets. The developer has assigned temporary names to the three parks to help reference them through design and construction. The two parklets have not been assigned a temporary name. The names assigned to the three parks are the Grove Park, the Commons Park, and the Plaza Park. Ms. Tidwell advised that construction of the parks is beginning to mobilize, and staff would like direction from Council regarding the permanent names of the parks / parklets.

Ms. Tidwell provided site drawings for the parks and advised the parklets are smaller landscaped entryways into the new Addison Grove development. She advised that the developer suggested the name the Commons Park as it will be used for smaller group gatherings. The Grove Park was named because of a grove of trees there. It also has a larger lawn area and the site will be surrounded by homes. The Plaza Park will be predominately paved with less green space. Ms. Tidwell suggested this would be a good location for use by the Town's day camp as it also has a pavilion. The parklets are referred to as No. 1 and No. 2.

Ms. Tidwell reviewed that the Naming & Recognition Policy states named facilities should utilize predominant characteristics related to the Town's natural environment, physical features, or history. Ms. Tidwell requested Council direction regarding the suggested names and whether the parklets should be named. Following Council discussion, it was determined to use the developer's suggested park names and to not name the parklets. Ms. Tidwell advised she will put an action item on a future Council agenda.

2. Present and Discuss an Update on the Restructuring of the Management, Operation, and Real Estate Services at Addison Airport.

Consultant Lisa Pyles presented this item. She reviewed that in January 2020 the Council was briefed on a recommendation to change the structure of the Addison Airport management from a third-party provider to be in-sourced to the Town of Addison. The Council approved a contract with Landrum and Brown, Inc. (L&B) to negotiate contracts for this long-range goal of the airport management being a Town function. On January 28, 2020, the Council approved the early termination of the airport management and operations contract with AECOM and agreed to pay an early termination fee.

Dan Benzon with Landrum and Brown, Inc. was present via teleconference and updated the Council on actions taken since January to further this transition. Since then, L&B and Town staff came to the opinion that bringing the asset management and leasing management functions into the Town's structure would have a positive impact on reducing the airport's costs by eliminating the need for a management fee and incentive bonus, while not negatively affecting the efficiency of the real estate function. This would also provide stronger institutional knowledge within the Town and less risk of disruption to the real estate services.

After discussions with the City Manager, L&B and staff spoke with the airport asset manager and leasing manager who expressed a desire to become Town employees. Subsequently, through

discussions between the real estate manager and the airport director, and analysis by L&B and staff, a recommendation emerged to in-source the real estate manager position at this time as well. This recommendation is based on the critical nature of the real estate manager's daily interaction with the airport director and the rest of the airport staff.

Ms. Pyles provided an updated cost comparison between the contractual costs and the cost of all 14 of the airport employees becoming Town employees. This analysis included salaries, benefits, termination fee, and equipment costs. The in-sourcing of all the operations, management, and real estate functions at the airport reduces the annual cost of management of the airport by \$550,862. Ms. Pyles advised that the on-boarding process will be complete by September 30, 2020. She confirmed that approval of this change will occur with the adoption of the FY20-21 budget.

3. Present and Discuss the Format for the Town Meeting on October 26, 2020.

Council Member Ivan Hughes suggested a discussion regarding the Town Hall meeting planned for October possibly being postponed due to the COVID pandemic. Council discussion followed with a consensus to hold the next meeting in April 2021. Several Council members spoke in favor of producing a video for October that would be published on the Town website. The focus would be to review what the Town has accomplished this past year, and to present it in an upbeat, positive manner.

REGULAR MEETING

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Public Comment: *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to **three (3) minutes**, unless otherwise required by law. To address the Council, please fill out a **City Council Appearance Card** and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

Addison resident, Liz Oliphant, 14700 Marsh Lane #313, Addison spoke regarding the public comment opportunities at Council meetings and social media that people may use to address the City Council members, and the use of those platforms as it impacts the Council and those who contribute their opinions.

Consent Agenda: *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

4. Consider Action to Approve the Minutes from the August 25, 2020 Regular Meeting.

5. **Consider Action on a Resolution to Approve the North Dallas County Water Supply Corporation Operating Fund Budget for the Fiscal Year Beginning October 1, 2020 and Ending September 30, 2021.**
6. **Consider Action on a Resolution to Approve an Interlocal Agreement with Dallas Area Rapid Transit (DART) for Enhancements of Areas Along the Cotton Belt/Silver Line Alignment and Authorize the City Manager to Execute the Agreement in an Amount Not to Exceed \$43,660.16.**
7. **Consider Action on a Resolution to Approve the Third Amendment to the Concourse Plaza II, LTD., Ground Lease for the Property Located at 16051 Addison Road at Addison Airport, and Authorize the City Manager to Execute the Agreement.**
8. **Consider Action on a Resolution Approving the Sale of 0.4332 Acres of Surplus Right-of-Way at the Southeast Corner of the Intersection of Vitruvian Way and Spring Valley Road and Authorizing the City Manager to Execute the Special Warranty Deed.**
9. **Consider Action on a Resolution Authorizing the Sale of 0.1470 Acres of Surplus Right-of-Way at the Southwest Corner of the Intersection of Vitruvian Way and Spring Valley Road and Authorizing the City Manager to Execute the Deed.**
10. **Consider Action on a Resolution to Approve an Interlocal Agreement with the Trinity River Authority for the Monitoring of Wastewater for Certain Industrial Uses and Authorize the City Manager to Execute the Agreement in an Amount Not to Exceed \$9,500.**

Mayor Chow asked if there were any requests to remove an item from the Consent Agenda for separate discussion. City Manager Pierson requested to pull Item 6 and Council Member Willesen requested to pull Item 7.

CONSENT ITEM #6: City Manager Pierson advised that after the Interlocal Agreement was added to the Consent Agenda, DART conducted another review with additional changes to the agreement. He advised that staff has not had an opportunity to review those changes and requested this item be tabled until a future meeting.

MOTION: Council Member Braun moved to approve Consent Agenda Items 4, 5, 8, 9 and 10 as submitted, and to table Item 6. Mayor Pro Tempore Ward seconded the motion. Motion carried unanimously.

******* Consent Item 7 *******

Council Member Willesen stated that a 30-year lease extension had been done previously and questioned why a six-year extension is being requested. Airport Real Estate Manager Bill Dyer reviewed that in 2018 this tenant presented a renovation plan at a cost of \$1.5 million and requested a 30-year extension to their lease, which Council approved. The actual cost of the renovations was

nearly \$2 million. Mr. Dyer stated that if it were known the renovation cost was going to be this much, the 2018 extension would likely have been for 40 years, which is the statutory limit. He added that the tenant has done everything they were obligated to do. Council Member Hughes asked whether the lease amounts being paid by the tenant have any scheduled increases over the term of the lease. City Manager Pierson responded that the lease rate in the 2018 contract is the baseline and after that, there is a CPI increase bi-annually that will continue through the additional six years.

MOTION: Council Member Hughes moved to approve Item 7. Mayor Pro Tempore Ward seconded the motion. Motion carried with a vote of 6-1. Council Member Willesen voted against the motion.

Resolution No. R20-062: North Dallas County Water Supply Corporation Operating Fund Budget for the Fiscal Year Beginning October 1, 2020

Resolution No. R20-063: Third Amendment to the Concourse Plaza II LTD., Ground Lease for 16051 Addison Road

Resolution No. R20-064: Approve Sale of 0.4332 Acres of Surplus Right-of-Way at the Southeast Corner of the Intersection of Vitruvian Way and Spring Valley Road

Resolution No. R20-065: Authorize Sale of 0.1470 Acres of Surplus Right-of-Way at the Southwest Corner of the Intersection of Vitruvian Way and Spring Valley Road

Resolution No. R20-066: Interlocal Agreement with the Trinity River Authority for the Monitoring of Wastewater for Certain Industrial Uses

Regular Items

Mayor Chow advised that Item 12 would be addressed prior to Item 11.

12. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance of the Town of Addison, Texas Approving and Adopting the Annual Budget for the Fiscal year Beginning October 1, 2020 and Ending September 30, 2021, and Making Appropriations for Each Office, Department, Agency and Project of the Town, Providing That Expenditures for Said Fiscal Year Shall Be made in Accordance with the Adopted Budget, Unless Otherwise Authorized by an Ordinance Adopted By the City Council; Providing for Emergency Expenditures and Expenditures as Otherwise Allowed By Law.**

Steven Glickman, Chief Financial Officer presented this item. He advised this is the second public hearing and adoption of the Fiscal Year 2020-2021 budget. He presented an overview of the Town's proposed staffing and a General Fund overview that included anticipated ad valorem and sales tax revenue totals and total expenses. An overview of anticipated revenues and expenses was provided for all funds including Self-funded Projects Fund, Hotel Fund, Economic Development Fund, Utility Fund, Stormwater Operating Fund, and Airport Fund. A list of capital improvement projects was provided. Mayor Chow inquired if the Utility Fund information includes the proposed rate increase that will be considered later in this agenda. Mr. Glickman advised that has been included in the calculations.

Mayor Chow opened and closed the public hearing with no one wishing to speak.

MOTION: Council Member Walden moved to approve as presented. Council Member Hughes seconded the motion. Motion passed unanimously by roll call vote as follows:

Name	Yea	Nay	Absent	Present & Not Voting
Mayor Joe Chow	X			
Mayor Pro-Tempore Lori Ward	X			
Deputy Mayor Pro-Tempore Guillermo Quintanilla, Jr.	X			
Council Member Tom Braun	X			
Council Member Ivan Hughes	X			
Council Member Paul Walden	X			
Council Member Marlin Willesen	X			

Ordinance No. O20-41: Adopt Budget for Fiscal Year Beginning October 1, 2020 and Ending September 30, 2021.

11. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance to Levy Taxes for the Town of Addison, Texas, and to Fix and Adopt the Tax Rate of \$0.608676 for the Town on All Taxable Property for the Fiscal Year Beginning October 1, 2020 and Ending September 30, 2021.

Steven Glickman, Chief Financial Officer presented this item. He provided a review of the tax rate approval process and provided the dates notices were published and public hearing dates. He reviewed the current property tax rate of \$.583500 per \$100 valuation and the proposed property tax rate of \$.608676 per \$100 valuation. Mr. Glickman reviewed the No-New-Revenue rate (previously referred to as the Effective rate), the Voter-approval rate (previously referred to as the Rollback rate), and the Proposed rate for fiscal years 2019, 2020, and 2021.

Mr. Glickman advised that the total tax revenue as projected for Fiscal Year (FY) 2021 is \$28,933,627, which is a 6.6 percent increase over FY2020. He provided a graph showing the history of Addison's property tax rates for the past ten years, a graph reflecting the FY2021 tax rates for Addison's Comparison cities, and a graph reflecting other Dallas County cities' proposed rates. An example calculation for an average home value and the taxes that will be imposed under the proposed tax rate was provided. Mr. Glickman also provided the FY2021 Combined Property Tax Rate of \$2.532311 that includes rates for the Town of Addison, Dallas County, Dallas Independent School District, Dallas County Community College District, and Parkland Hospital.

Mayor Chow opened and closed the public hearing with no one wishing to speak.

Council Member Willesen commented that in the future Council should be cognizant of the fact that much of the property tax in Addison is generated by businesses. He referenced other cities to the north of Addison along the Dallas North Tollway that have a lower rate. City Manager Pierson responded that Addison differs from other cities and expressed that the quality of life and amenities offered in Addison also are considered when businesses decide where to locate. Mayor Pro Tempore Ward spoke in agreement.

MOTION: Council Member Hughes made the following motion: *“I move that the property tax rate be increased by the adoption of a tax rate of \$0.608676 per \$100 valuation, which does not exceed the no-new revenue tax rate”*. Council Member Willeesen seconded the motion. Motion passed unanimously by roll call vote as follows:

Name	Yea	Nay	Absent	Present & Not Voting
Mayor Joe Chow	X			
Mayor Pro-Tempore Lori Ward	X			
Deputy Mayor Pro-Tempore Guillermo Quintanilla, Jr.	X			
Council Member Tom Braun	X			
Council Member Ivan Hughes	X			
Council Member Paul Walden	X			
Council Member Marlin Willeesen	X			

Ordinance No. O20-40: Adopt Tax Rate for Fiscal Year Beginning October 1, 2020 and Ending September 30, 2021.

13. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Changing the Zoning on a 4.40-acre Property Located at 3990 Vitruvian Way, Which Property is Currently Zoned PD, Planned Development, Through Ordinance O07-034, as Previously Amended by Ordinances O13-026, O16-017, and O19-06, by Changing the Density of the Residential Development. Case 1817-Z/UDR Fiori.

Charles Goff, Director of Development Services presented this item. He advised that this property is the Fiori multifamily development and is part of Vitruvian Park. The applicant, UDR, also the property owner and operator of the multifamily development, has re-evaluated some of the amenities on the property and found that one of the amenity spaces was significantly underutilized. As a result, they are requesting to convert this amenity space into a one dwelling unit, however, because this changes the total number of residential units on the property, as previously approved by Ordinance O11-032, this action requires a zoning process.

Mr. Goff advised the space has 819 square feet and will be converted into a one-bedroom residential unit. This increases the total number of units by one to 392. The only exterior change being proposed is an addition of a patio door on the south facade, the rest of the facades will remain unchanged.

The Planning and Zoning Commission met virtually on August 18, 2020 and voted to recommend approval subject to building conditions.

Mayor Chow opened and closed the public hearing with no one wishing to speak.

MOTION: Council Member Willeesen moved to approve this item as presented. Council Member Quintanilla seconded the motion. Motion carried unanimously.

Ordinance No. O20-42: Zoning Change 3990 Vitruvian Way

14. **Present, Discuss, and Consider Action on an Ordinance Granting a Meritorious Exception for Prestonwood Place, Located at 5290 Belt Line Road, from the Code of Ordinances, Chapter 62 Section 62-184. – Setback, effective area and height, and Section 62-185- Specifications, in Order to Permit Two Pylon Signs Exceeding the Allowed Area and Setback Requirements.**

Charles Goff, Director of Development Services presented this item. He provided the location for the Prestonwood Place shopping center. He advised that the center is currently undergoing a major renovation. Mr. Goff said that there are currently two pylon signs on the property that are non-conforming due to size and set-back. One of the signs was damaged during a recent storm and the property owner is requesting to update the design of the signs. The base structures would be left as is. Mr. Goff reviewed the ordinance requirements.

Mr. Goff reviewed the applicant's request for an exception to add an additional 20 square feet of signage area, and to keep the existing set back.

MOTION: Council Member Braun moved to approve as presented. Council Member Willesen seconded the motion. Motion carried unanimously.

Ordinance No. O20-43: Meritorious Exception for Prestonwood Place, 5290 Belt Line Road

15. **Present, Discuss, and Consider Action on a Resolution to Approve a Professional Services Agreement with Cobb, Fendley and Associates for a Utility Capacity Assessment Related to Future Development Adjacent to the Addison Transit Center and Silver Line Rail Station in an Amount Not to Exceed \$123,565.**

Charles Goff, Director of Development Services presented this item. He advised that the Town is currently in the process of working with DART and the private landowners to prepare a solicitation for development on Cotton Belt/Silver Line Corridor. One step in that process is to understand the current infrastructure and utility capacities in the area compared with what will be needed when future development occurs. He advised this will be useful in determining what improvements the Town may need to make to prepare the sites for development or to require of potential developers. Staff is proposing to use Cobb, Fendley and Associates to conduct such an assessment. For this assessment, Cobb Fendley will conduct the following studies: Stormwater Impact Analysis; Potable Water Impact Analysis; Wastewater Impact Analysis; Franchise Utility Impact Analysis; and Traffic Impact Analysis.

In each case, Cobb Fendley will document existing conditions, estimate the impact of future development to each system, and provide high level design considerations along with estimated construction costs related to any improvements that will be needed to accommodate future development based on the approved aspirational concept plan. This information will be shared with potential developers as part of the solicitation process. This will help reduce the level of risk associated with submitting a proposal since the Town and the developers will have a common understanding of any capacity limitations and needed improvements.

Mr. Goff advised that this professional services agreement is in an amount not to exceed \$123,565. The funding for this will be from the Fiscal Year 2021 budget and will be split between the Utility Fund (\$74,139) and the Self-Funded Project Fund (\$49,426).

MOTION: Council Member Walden moved to approve as presented. Mayor Pro Tempore Ward seconded the motion. Motion carried unanimously

Resolution No. R20-068: Agreement with Cobb, Fendley and Associates for a Utility Capacity Assessment

16. Present, Discuss, and Consider Action on an Ordinance Amending Chapter 82 (Utilities), Section 82-76 and Section 82-77 of the Code of Ordinances of the Town by Amending Sewer Rates and Water Rates for All Customer Classifications; Providing that the Changes to the Sewer Rates and Water Rates Made Herein Shall be Applied to Monthly Customer Bills Beginning with the November 2020 Billing Cycle.

Steven Glickman, Chief Financial Officer presented this item. He advised that this is item is for approval of an ordinance amending the water and sewer rates with a 6 percent increase. He said this is in line with the budget that was approved earlier.

Mayor Chow reviewed that Council discussed this at a previous work session. He advised that this year's rate will increase by 6 percent and in 2021 the increase will be 2.5 percent.

MOTION: Council Member Hughes moved to approve this item as presented. Council Member Braun seconded the motion. Motion carried unanimously.

Ordinance No. O20-44: Amend Chapter 82 (Utilities), Section 82-76 and Section 82-77 of the Code of Ordinances

17. Present and Discuss the Finance Department Quarterly Financial Report of the Town of Addison for the Fiscal Year 2020 Third Quarter Ended June 30, 2020.

Steven Glickman, Chief Financial Officer presented this item. He advised that the Town of Addison's financial policies requires the publication of a financial report 60 days after the end of each fiscal quarter. This report covers the financial performance through the third quarter for Fiscal Year 2020 (October 1, 2019 - June 30, 2020). The report is a high-level look at some of the key financial indicators along with more detailed exhibits that demonstrate the current financial position for the various funds. The report includes information for the following funds: General, Hotel, Economic Development, Airport, Utility, and Stormwater funds. Mr. Glickman reviewed the following:

Key highlights for the third quarter include:

- General Fund revenue totaled \$35.2 million, which is 89.9 percent of the fiscal year budget.

- General Fund expenditures totaled \$29.3 million, which is 68.0 percent of the fiscal year budget.
- Sales tax collections totaled \$10.9 million, which is 79.5 percent of the fiscal year budget.
- The Hotel Fund had revenue of \$3.2 million and expenditures of \$3.3 million, which are below historical averages.
- Performing Arts expenditures are at 100.0 percent due to the final payment of the Water Tower Theatre grant.
- Special Events revenues totaled 8.9 percent, and expenses totaled 18.3 percent of the fiscal year budget. This is because of the cancellation of events due to COVID-19.
- Airport Fund operating revenue totaled \$5.4 million or 76.8 percent, and operating expenditures totaled \$3.9 million or 69.0 percent of the fiscal year budget.
- Utility Fund operating revenue totaled \$8.0 million or 60.9 percent, and expenditures totaled \$8.8 million or 67.4 percent of the fiscal year budget. With a one-month lag in the collection of utility revenues, 66.7 percent of the fiscal year has expired. The year-to-date revenue and percent of budget is in line with prior year. Wastewater treatment expenses are high due to the timing of payments and will continue to be monitored throughout the fiscal year.
- Stormwater Fund revenue totaled \$1.7 million or 69.7 percent, and expenditures totaled \$793 thousand or 53.3 percent of the fiscal year budget. With a one-month lag in the collection of stormwater revenues, 66.7 percent of the fiscal year has expired.

Mr. Glickman provided a monthly sales tax collections comparison as well as details of 2020 collections versus 2019 collections. He also provided an Investment Report Summary that included the book and market values of the Town's investments, total investment interest earned, and the weighted average investment return on the portfolio.

Mr. Glickman noted that revenues should show improvement next quarter as hotel occupancy is improving slightly. The impacts of the COVID-19 pandemic were discussed. Mayor Chow expressed that he is beginning to see more people out in restaurants, for example, and expects the next quarter to be better. He expressed concern for the larger hotels' inability to hold conferences.

Council Member Hughes complimented the staff on the high quality of materials and information being provided to the Council.

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary