

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

May 16, 2022

6:00 p.m. Regular Meeting

Addison Town Hall
5300 Beltline Road, Dallas, TX 75254

The Addison City Council conducted its Regular Council Meeting on Monday, May 16, 2022, at Addison Town Hall with a quorum of the City Council physically present. Limited seating for members of the public was available. 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. The meeting was live streamed on Addison's website at www.addisontexas.net

Present: Mayor Joe Chow; Mayor Pro Tempore Guillermo Quintanilla; Deputy Mayor Pro Tempore Paul Walden; Council Member Lori Ward; Council Member Kathryn Wheeler; Council Member Marlin Willesen.

Council Member-Elect Darren Gardner; Council Member-Elect Eileen Resnik

Absent: Council Member Tom Braun

*****At this time Mayor Chow addressed the Election Items*****

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

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance

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.

Resident Nancy Watson addressed the Council regarding a storm drain and requested it be made safer for the ducks living at the nearby pond.

Election Items

1. Present, Discuss, and Consider Action on an Ordinance Canvassing the Returns of the May 7, 2022 General Election for Three (3) Council Members.

City Secretary Irma Parker advised that a copy of the ordinance presented for adoption has been provided to each Council Member. She read the following Official Results as provided by Dallas County Elections:

Candidate	Total	Vote %	EV-In Person	EV Mail	Election Day	EV-ED Provisional
Guillermo Quintanilla	685	29.76%	336	61	285	3
Randy Smith	253	10.99%	118	31	104	0
Darren Gardner	667	28.97%	326	62	276	3
Eileen Resnik	697	30.28%	343	76	275	3
TOTAL VOTES CAST	2,302	100.00%	1,123	230	940	9

MOTION: Council Member Willesen moved to approve. Council Member Wheeler seconded the motion. Motion carried unanimously.

Ordinance No. O22-15: Canvass Election Returns for the May 7, 2022 General Election

2. Presentation to Outgoing Council Members Paul Walden and Marlin Willesen.

Mayor Chow offered his appreciation to Deputy Mayor Pro-Tempore Paul Walden and Council Member Marlin Willesen for their service. Both Council members spoke of their experiences and appreciation for their years on the Town Council. City Manager Wes Pierson offered thanks and appreciation to both outgoing Council members.

Mayor Chow presented service plaques, photos and personalized street signs to Deputy Mayor Pro-Tempore Walden and Council Member Willesen.

3. Administer the Oath of Office to the Three (3) Council Members Elected at the May 7, 2022 General Election.

Mayor Chow and City Secretary Parker administered the Oath of Office to newly re-elected Council Member Guillermo Quintanilla and Council Members-Elect Eileen Resnick, and Darren Gardner.

4. **Present Certificates of Election to the Three (3) Council Members Elected at the May 7, 2022 General Election.**

Mayor Chow presented newly re-elected Council Member Guillermo Quintanilla and Council Members-Elect Eileen Resnick, and Darren Gardner with a Certificate of Election. Each took their place at the dais.

5. **Present, Discuss, and Consider Action on Nominations and Appointment of the Mayor Pro-Tempore and Deputy Mayor Pro-Tempore.**

Mayor Chow reviewed the roles and responsibilities of the Mayor Pro Tempore and Deputy Mayor Pro Tempore. He nominated Council Member Kathryn Wheeler as Mayor Pro Tempore and Council Member Lori Ward as Deputy Mayor Pro Tempore. Mayor Chow called for a motion to approve his nominations.

MOTION: Council Member Resnik moved to approve Mayor Chow's nomination. Council Member Quintanilla seconded the motion. Motion carried unanimously.

**** *Recess* ****

*****Announcements and Public Comments*****

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.*

6. **Consider Action on Change Order #2 to Jacobs Engineering Group Inc. for the Keller Springs Road and Airport Parkway Design Projects and Authorize the City Manager to Execute the Change Order in an Amount Not to Exceed \$135,110.**

7. **Consider Action to Reject Bids Received in Response to Bid #22-72 for Bella Lane North Connector – Vitruvian Park Public Infrastructure Project.**

8. **Consider Action on a Resolution Denying Oncor Electric Delivery Company LLC's Application for Approval of a Distribution Cost Recovery Factor.**

City Manager Pierson advised the Council that the Ordinance attached to the agenda for Item 8 was a draft and Council has now been provided the final version at their places at the dais.

Mayor Chow asked if there were any requests to remove an item from the Consent Agenda for separate discussion. There were none.

MOTION: Council Member Quintanilla moved to approve Consent Agenda Items 6, 7, and 8 as submitted. Deputy Mayor Pro Tempore Ward seconded the motion. Motion carried unanimously.

Resolution No. R22-025: Deny Oncor Electric Delivery Company LLC's Application for Approval of a Distribution Cost Recovery Factor

Regular Items

Mayor Chow read Items 9 and 10 and advised there will be one presentation for both.

9. Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Approving a Special Use Permit (SUP) for Property Located at 5280 Belt Line Road that is Currently Zoned Local Retail (LR), to Allow a Portion of the Building to be Used as a Restaurant. Case 1847-SUP/5280 Belt Line Road (Sweetgreen).

Ken Schmidt, Director of Development Services, provided the presentation for Items 9 and 10. Both are located at the same address. He noted each will require its own public hearing and vote.

Mr. Schmidt advised this request includes approval of a Special Use Permit for a restaurant (Sweetgreen) and approval of a Special Use Permit for a restaurant with the sale of alcoholic beverages for on-premises and off-premises consumption (Postino). He advised that the building is currently occupied by Meso Maya restaurant.

Mr. Schmidt advised that Sweetgreen is a “fast-casual” restaurant that will not serve alcohol, and Postino is a casual sit-down restaurant that will serve alcohol. The property owner proposes to subdivide the building to create these two tenant spaces. Sweetgreen would occupy the eastern, 3,200 square foot tenant space, which would be comprised of 2,150 square feet of interior floor area and a 1,050 covered patio created from space that is currently interior to the building. Sweetgreen provides seating for 38 diners (20 interior/18 patio seats). The interior floor plan is predominately comprised of kitchen and service area, with a single row of bar seating lining the new storefront delineating the patio from the interior space.

Postino would occupy the western, 5,546 square foot tenant space, which would be comprised of 4,446 square feet of interior floor area and a 1,000 covered patio. This proposed floor plan would reclaim a portion of the existing Meso Maya patio space at the western façade. Postino will provide seating for 160 diners, which will be comprised of 110 interior seats and 50 patio seats

Mr. Schmidt advised that this proposed plan will not add any additional floor area. As one of the more physically constrained properties in Addison, improvements to parking, landscape, and pedestrian connectivity are difficult to achieve without detrimentally impacting the economic viability of the property. Currently, the site provides the minimum required parking supply but does not comply with handicapped parking requirements. Two parking spaces were removed to add one additional handicapped parking space to bring the site into better compliance. The site does not currently comply with landscape area or buffer requirements. A small amount of landscape area will be added, and parking lot and base landscape will be enhanced on site to bring the site into better compliance. The applicant intends to modify the façade to reflect two distinct tenant spaces. The façade plan complies with Town codes.

Mr. Schmidt advised notices were sent to seven (7) adjacent property owners with no responses received. He advised the Planning and Zoning Commission voted unanimously to approve both requests at its April meeting. Staff is recommending approval of the requests, with the conditions that the applicant shall not use any terms or graphic depictions that relate to alcoholic beverages in any exterior signage, and the Meso Maya SUP Ordinance O16-042 (as amended by O18- 007) is repealed upon issuance of a CO for either Sweetgreen or Postino.

Mayor Pro Tempore Wheeler inquired about the timeline for the project. Mr. Schmidt responded that the interior remodeling is the responsibility of the tenant, and the exterior is the responsibility of the property owner. He advised it would likely be next spring before completion.

Mr. Schmidt advised that the applicant for these requests is not local and requested that the Council table the item in the event there are any issues with the items, allowing time to communicate with the applicant.

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

MOTION: Deputy Mayor Pro Tempore Ward moved to approve. Council Member Quintanilla seconded the motion. Motion carried unanimously.

Ordinance No. O22-16: Special Use Permit for a Restaurant, Case 1847-SUP/5280 Belt Line Road (Sweetgreen)

10. **Hold a Public Hearing, Present, Discuss, and Consider Action on an Ordinance Approving a Special Use Permit (SUP) for Property Located at 5280 Belt Line Road that is Currently Zoned Local Retail (LR), to Allow a Portion of the Building to be used as a Restaurant with the Sale of Alcoholic Beverages for On-Premises and Off-Premises Consumption. Case 1848-SUP/5280 Belt Line Road (Postino).**

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

MOTION: Mayor Pro Tempore Wheeler moved to approve with Conditions as recommended by staff. Council Member Resnick seconded the motion. Motion carried unanimously.

Ordinance No. O22-17: Special Use Permit for a Restaurant with Alcohol Sales, Case 1848-SUP/5280 Belt Line Road (Postino)

11. **Present, Discuss, and Consider Action on an Ordinance Granting a Meritorious Exception to Chapter 62 of the Code of Ordinances for Jakes Burgers, a Restaurant Located at 14920 Midway Road, to Exceed the Permitted Maximum Letter Height for an Attached Commercial Tenant Identification Sign. Case MR2022-06/Jakes Burgers.**

Ken Schmidt, Director of Development Services, presented this item. He advised that Jakes Burgers is a restaurant chain currently renovating a restaurant space located at 14920 Midway

Road, formerly known as Blue Goose Cantina. As the project nears completion, the owner has begun the permitting process for signage for the site, which includes an identification sign located above the entry of the building. During the permit review process, staff determined that the proposed attached wall sign did not comply with the Town's sign code.

The proposed sign has a maximum letter height of 30 inches tall and its location on the building faces diagonally towards the corner of Midway Road and Beltway Road with setbacks of 112 feet from Midway, 84 feet from Beltway, and 122 feet from the corner of the intersection. Due to the setback from Beltway, the proposed letter height for the sign is greater than Town code allows.

The applicant is seeking a meritorious exception to allow for the signage setback to be based off the setback from Midway Road. If measured this way, the setback would be 112 feet and allow for the letter/logo height to be 24 inches with 50% of the letters allowed to be an additional 25% in height, making the maximum allowable letter height of 30 inches, which is depicted on the plan.

The applicant is pursuing a Meritorious Exception to the sign code in accordance with the code provisions stated below:

Town of Addison Code of Ordinances, Chapter 62 (Signs)
Section 62-33. – Meritorious exceptions.

(d)(3) The council may consider appeals on the basis that such regulations and/or standards will, by reason of exceptional circumstances or surroundings, constitute a practical difficulty or unnecessary hardship or on the basis that the proposed improvement although falling under the definition of a "sign," constitutes art that makes a positive contribution to the visual environment.

Mr. Schmidt advised that staff believes that the exceptional circumstances or surroundings criteria is met for the proposed sign. Due to most of the restaurant's customers entering and exiting from Midway Road staff believes that it is appropriate to allow for the signage to be based off of Schedule B of the Sign Code, allowing for 50% of the letters to be 30 inches in height to increase visibility from Midway. In this case only the letter "J" would be 30 inches in height.

Mayor Chow and several Council members spoke in favor of this item.

MOTION: Council Member Resnick moved to approve. Council Member Gardner seconded the motion. Motion carried unanimously.

Ordinance No. O22-18: Meritorious Exception for a Sign, Case MR2022-06/Jakes Burgers.

12. Present and Discuss the Proposed 2022 General Obligation Bonds and 2022 Certificates of Obligation.

Steven Glickman, Chief Financial Officer, advised that the Town's proposed 2022 bond issuance program includes a total issuance in the amount of \$23,518,000 consisting of \$10,518,000 in General Obligation Bonds and \$13,000,000 in Certificates of Obligation.

Since 2012, Addison voters have approved several bond programs to fund various projects

throughout Town. Once voter approval is secured, the City Council is authorized to issue general obligation bonds to pay for projects.

The proposed 2022 General Obligation Bond issuance totals \$10,518,000 and consists of the following:

- The final \$5,000,000, from the authorized \$16,000,000 (\$11,000,000 issued to date), from Proposition 1 of the 2012 Bond Election for reconstruction of Midway Road. Council awarded a construction contract to Tiseo Construction on December 8, 2020. The project is currently under construction with an anticipated completion date in Fiscal Year 2024.
- \$3,213,000, from the authorized \$6,723,000 (\$3,510,000 issued to date), from Proposition C of the 2019 Bond Election for parks and recreation improvements and facilities. The funds would be used for improvements to Les Lacs Pond. A design contract for this project is anticipated to be brought before Council in late spring or early summer of 2022.
- \$2,305,000, from the authorized \$7,395,000 (\$5,090,000 issued to date), from Proposition D of the 2019 Bond Election for improvements to existing municipal buildings. The funds would be used for phase two of facilities improvements projects which includes roof, HVAC, and ADA improvements, with design anticipated to begin during the summer of 2022. It is anticipated that all phase one projects will be completed by the end of Fiscal Year 2022.

The proposed 2022 Certificates of Obligation issuance totals \$13,000,000 and consists of the following:

- \$10,000,000 for the reconstruction of Midway Road. On November 13, 2018 Council directed the City Manager to proceed with the issuance of Certificates of Obligation for this project. Council awarded a construction contract to Tiseo Construction on December 8, 2020. The project is currently under construction with an anticipated completion date in Fiscal Year 2024.
- \$3,000,000 for Utility Fund capital improvement projects supported and serviced by Utility Fund revenue.

Mr. Glickman provided an overview of the tax rate impact, which is lower than originally anticipated for the bond issuances. He provided a timeline that begins with Council considering a resolution on June 14, 2022 stating the Intent to Issue Certificates of Obligation and ending with a sale for both the Certificates of Obligation and the General Obligation bonds on August 9, 2022. In response to Mayor Chow's question, Mr. Glickman advised that General Obligation bonds are those that are approved by voters, and Certificates of Obligation are issued on the authority of Council.

13. Present and Discuss the Finance Department Quarterly Financial Report of the Town of Addison for the Fiscal Year 2022 Second Quarter Ended March 31, 2022.

Steven Glickman, Chief Financial Officer, presented this item. He advised that the Town of Addison's financial policies require the publication of a financial report 60 days subsequent to the end of each fiscal quarter. This report covers the financial performance through the second quarter

for Fiscal Year 2022 (January 1, 2022 - March 31, 2022). An executive dashboard providing a high-level look at some key financial indicators along with more detailed exhibits was provided. The report includes information for the following funds: General, Hotel, Economic Development, Airport, Utility, and Stormwater funds.

Key highlights for the second quarter include:

- General Fund revenue totaled \$32.5 million, which is 79.7 percent of the fiscal year budget.
- General Fund expenditures totaled \$18.7 million, which is 45.9 percent of the fiscal year budget.
- Sales tax collections totaled \$8.3 million, which is 60.6 percent of the fiscal year budget.
- The Hotel Fund had revenue of \$2.0 million, an increase of \$1.2 million from this time a year ago, and expenditures of \$1.6 million.
- Performing Arts expenditures are at 99.6% percent due to the full payment of the WaterTower Theatre grant.
- Special Events revenues totaled 23.1 percent, and expenses totaled 5.7 percent of the fiscal year budget due to timing of events.
- Airport Fund operating revenue totaled \$3.3 million or 46.1 percent, and operating expenditures totaled \$2.5 million, or 48.3%.
- Utility Fund operating revenue totaled \$6.9 million or 47.6 percent, and operating expenditures totaled \$7.5 million, or 51.1%.
- Stormwater Fund revenue and expenditures are in line with historical averages.

The Quarterly Investment Report for Quarter 2 of Fiscal Year 2022 was provided for informational purposes.

Brief discussion followed among Council regarding sales tax cycles and hotel occupancy that is increasing.

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