

CITY COUNCIL REGULAR MEETING

AUGUST 1, 2016

The City Council of the City of McKinney, Texas met in regular session in the Council Chambers of the Municipal Building on August 1, 2016 at 6:00 p.m.

Council Present: Mayor Brian Loughmiller, Mayor Pro Tem Randy P. Pogue, Council members: Chuck Branch, Tracy Rath, Rainey Rogers, and Travis Ussery. Absent: Council member Don Day.

Staff Present: City Manager Paul Grimes; Deputy City Manager Jose Madrigal; Assistant City Manager Barry Shelton; City Attorney Mark Houser; City Secretary Sandy Hart; Planning Director Brian Lockley; Executive Director of Development Services Michael Quint; Director of Engineering Mark Hines; Director of Parks and Recreation Rhoda Savage; Assistant Director of Parks and Recreation Ryan Mullins; Chief of Police Greg Conley; Planning Manager Matt Robinson; McKinney Community Development Corporation President Cindy Schneible; CIP and Transportation Engineering Manager Gary Graham; IT Desk Supervisor Amy Greer; Crime Awareness Officer Randy Haak; Community Services Administrator Shirletta Best; Interim Chief Financial Officer Mark Holloway; and Officer Adrian Guzman.

There were twenty two guests present.

Mayor Loughmiller called the meeting to order at 6:00 p.m. after determining a quorum was present. Invocation was given by Carol Wood, Founder & Co-Director, City Church Youth. A Boy Scout from Troop 406 led the Pledge of Allegiance.

16-749 National Night Out Proclamation. Mayor Loughmiller presented the National Night Out Proclamation to Chief of Police Greg Conley and Crime Awareness Officer Randy Haak.

Mayor Loughmiller called for Citizen Comments.

Ms. Sue Bailey, 4700 S. Ridge Road, McKinney, spoke about the future Restaurant Row in McKinney and where all the current fast food restaurants are at Ridge and Eldorado Parkway.

Council unanimously approved the motion by Mayor Pro Tem Pogue, seconded by Council member Branch, to approve the following consent items:

16-750 Minutes of the City Council Work Session of July 18, 2016

- 16-751** Minutes of the City Council Regular Meeting of July 19, 2016
- 16-784** Minutes of the City Council Work Session of July 25, 2016
- 16-785** Minutes of the City Council Budget Work Session of July 27, 2016
- 16-673** Minutes of the Main Street Board Meeting of June 9, 2016
- 16-678** Minutes of the McKinney Armed Services Memorial Board Meeting of June 8, 2016
- 16-716** Minutes of the McKinney Economic Development Corporation Meeting of June 16, 2016
- 16-682** Minutes of the Parks, Recreation and Open Space Advisory Board Meeting of June 9, 2016
- 16-669** Minutes of the Planning and Zoning Commission Work Session of June 28, 2016
- 16-670** Minutes of the Planning and Zoning Commission Regular Meeting of June 28, 2016
- 16-752** Consider/Discuss/Act on an Ordinance Amending Section 62-106 of the Code of Ordinances to Concur with the Texas Transportation Commission which Established the Speed Limit on the Central Expressway (US 75) Main Lanes and Frontage Roads. Caption reads as follows:

ORDINANCE NO. 2016-08-062

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS AMENDING SECTION 62-106 OF THE CODE OF ORDINANCES TO CONCUR WITH THE TEXAS TRANSPORTATION COMMISSION WHICH ESTABLISHED A SPEED LIMIT ON THE CENTRAL EXPRESSWAY (US 75) MAIN LANES AND FRONTAGE ROADS IN MCKINNEY; AMENDING THE CODE OF ORDINANCES, CITY OF MCKINNEY, TEXAS; PROVIDING FOR PUBLICATION OF THE CAPTION OF THE ORDINANCE, EFFECTIVE DATE HEREOF AND A PENALTY CLAUSE

- 16-753** Consider/Discuss/Act on a Resolution Authorizing an Interlocal Agreement with Collin County for Jail Services. Caption reads as follows:

RESOLUTION NO. 2016-08-112 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF MCKINNEY AND COLLIN COUNTY FOR JAIL SERVICES

END OF CONSENT

Council member Pogue stepped down from the dais for the following agenda item.

- 16-754** Mayor Loughmiller called for Consideration/Discussion/Action on a Resolution Authorizing the Acquisition of a Permanent Sanitary Sewer Easement and Associated Temporary Construction Easements in Exchange for the Waiver of Future Applicable Pro Rata Sewer Charges Associated with the City's Construction of the Bloomdale Sanitary Sewer Line in Such Easement. Council approved the motion made by Council member Ussery, seconded by Council member Branch, to approve a Resolution authorizing the acquisition of a permanent sanitary sewer easement and associated temporary construction easements in exchange for the waiver of future applicable pro rata sewer charges associated with the City's construction of the Bloomdale Sanitary Sewer Line in such easement, with a vote of 5-0-1, Mayor Pro Tem Pogue abstaining. Caption reads as follows:

RESOLUTION NO. 2016-08-113 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, APPROVING AN EASEMENT AGREEMENT WITH POGUEROSA INVESTMENTS, II, LP FOR DEDICATION OF AN ± 1.142 ACRE SANITARY SEWER EASEMENT AND ASSOCIATED TEMPORARY CONSTRUCTION EASEMENTS IN EXCHANGE FOR WAIVER OF FUTURE PRO RATA SANITARY SEWER CHARGES ASSOCIATED WITH CONSTRUCTION OF THE BLOOMDALE SANITARY SEWER LINE PROJECT

Mayor Pro Tem Pogue returned to the dais.

- 16-755** Mayor Loughmiller called for a Public Hearing to Consider/Discuss/Act on a Resolution Approving the 2016-2017 Community Development Block Grant (CDBG) Annual Action Plan. Community Services Administrator Shirletta Best presented the Community Development Block Grant

(CDBG) Annual Action Plan for CDBG funding. The Community Grant Advisory Commission conducted public hearings and received requests for funding at their May 11th, May 12th, and June 16th meetings. The anticipated funding allocation of \$692,482 will be available during program year October 1, 2016 through September 30, 2017. The Resolution under consideration tonight will be submitted with our application for HUD approval. Ms. Best stated that the \$428,344 for rehabilitation programs for small, major or emergency home repairs, and lead-based paint remediation benefiting low-to-moderate income homeowners includes a combination of staffing and equipment activities in addition to the repairs. There is an additional \$283,536 to assist micro-enterprise activities with façade improvements, equipment, or technical assistance to help them improve their business. A micro-enterprise activity is a low-to-moderate business with fewer than five employees. These are located primarily along and east of Highway 5. The notice to apply for the CDBG funding is posted on the City's website as well as outreach through the PRIDE communities and the Chambers of Commerce located within Collin County. The allocation for funding of the items listed in the Resolution comes from HUD and we do meet the criteria for that funding. Any funding not used in the current year is reallocated back into Housing and Community Development. Ms. Best stated that HUD is provided information on the City's leveraging in terms of City resources which includes community support grants and anything relating to the improvement of the City in the area of Housing and Community Development. Mayor Loughmiller called for public comments and there were none. Council unanimously approved the motion by Mayor Pro Tem Pogue, seconded by Council member Branch, to approve a Resolution approving the 2016-2017 Community Development Block Grant (CDBG) Annual Action Plan. Caption reads as follows:

RESOLUTION NO. 2016-08-114 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF

MCKINNEY, TEXAS, APPROVING THE COMMUNITY
DEVELOPMENT BLOCK GRANT 2016-2017 ACTION PLAN,
AND PROVIDING AN EFFECTIVE DATE

16-092SP2 Conduct a Public Hearing to Consider/Discuss/Act on a Site Plan for a Multi-Family Development (The Kinstead), Located on the Northeast Corner of McKinney Place Drive and State Highway 121 (Sam Rayburn Tollway). Planning Manager Matt Robinson stated this request is for a site plan for a multi-family development on approximately 12.6 acres. Site plans are typically approved by staff, however, the applicant is requesting to reduce the amount of enclosed parking from 50% to 30%. In lieu of the 50% enclosed parking, the applicant is proposing an enhanced plaza with additional public spaces which are connected through pedestrian-friendly pathways. Applicant has also included amenities above those required, including a resident's club room, additional swimming pool, bicycle court, more open space, additional pedestrian walkways, and others as noted in the staff report. Mr. Robinson stated that he recalls three projects where the enclosed parking requirements were reduced from 50% to 30%, however, these were granted through the planned development and not through the site plan process. Through the site plan process, they must provide an additional level of exceptional quality in order to be granted the reduction. Staff feels they are meeting that requirement. This development is located in the area known previously as the Regional Employment Center (REC) which includes urbanized zoning. The zoning in this area is Planned Development and allows for multi-family. If the variance is denied, they will still be able to construct the multi-family development. Applicant, Mr. Levi Wild, 2000 N. McDonald Street, Suite 200, McKinney, stated that the three types of enclosed parking structures are tucked-in, stand-alone, and vertical parking structures. The stand-alone garages tend to become off-site storage instead of garages for parking cars. The developer feels the complex will be more attractive without the stand-

alone garages. Without the variance, we will have to build more stand-alone units scattered throughout the parking lot. This community is a \$50 million investment that will rent at \$1.56 per square foot. This will be the highest rent/dollar community in McKinney. If the variance is not granted, the developer will proceed with the development but will balance the ratio of larger apartments to smaller apartments in order to allow for more stand-alone garages. Mr. Martin Sanchez, 2000 N. McDonald, Suite 200, McKinney, stated that the 1.4 acres previously designated as a detention pond can be developed into an open urban space area along the roadway. Mayor Loughmiller called for public comments and there were none. Council unanimously approved the motion by Council member Ussery, seconded by Council member Pogue, to close the public hearing. Mayor Loughmiller stated that perhaps the City Ordinance needs to be revisited to change the requirement from 50% to 30% enclosed parking. The amenities are nice but perhaps we should place more requirements on the architectural features of the development. Council member Branch stated he would like to see the City be more intentional with the REC, specifically in how it relates to commercial. Mayor Pro Tem Pogue stated that the amenities proposed by this development as a trade for the variance are amenities that should be done to attract the clientele they require in this community. He would rather see a commercial development along this Highway 121 corridor. Council member Ussery stated that he would also like to see the required percentage for enclosed parking revisited. Council approved the motion by Council member Branch, seconded by Mayor Pro Tem Pogue, to deny the Site Plan for a multi-family development (The Kinstead) located on the northeast corner of McKinney Place Drive and State Highway 121 (Sam Rayburn Tollway) with a vote of 4-2-0, Council members Ussery and Rogers voting against.

15-297SP2 Mayor Loughmiller called for a Public Hearing to Consider/Discuss/Act on a Site Plan for CRWC Type IV Landfill, Located Approximately 2,000

Feet East of Farm to Market 1827 and on the South Side of U.S. Highway 380 (University Drive). Planning Manager Matt Robinson stated that the proposed site plan is a request to construct a 1,000 square foot office for material unloading, separation, sorting and storage for a Class IV landfill on 10 acres. Site plans are normally approved by Staff, however, as part of the settlement, the site plan is required to be approved by City Council. City Council previously approved a site plan in May of 2002, but the layout of the site plan has changed and is required to come before the City Council for approval. Applicant, Mr. Levi Wild, 2000 N. McDonald, Suite 200, McKinney, stated that a second point of access on US 380 was allowed with the 2004 site plan approval. To keep that configuration would be detrimental to traffic as the circulation of large trucks coming in and out of the property would cause backups on US 380. This site plan alleviates that scenario. Mayor Loughmiller called for public comment and there were none. Council unanimously approved the motion by Councilwoman Rath, seconded by Mayor Pro Tem Pogue, to close the public hearing. Council unanimously approved the motion by Councilwoman Rath, seconded by Council member Rogers, to approve a Site Plan for CRWC Type IV Landfill located approximately 2,000 feet east of Farm to Market 1827 and on the south side of U.S. Highway 380 (University Drive).

16-175SP2 Mayor Loughmiller called for a Public Hearing to Consider/Discuss/Act on a Site Plan for Additional Tennis Courts, Modifying the Center Court and Adding Parking (Gabe Nesbitt Community Park), Located Approximately 1,400 Feet South of Eldorado Parkway and on the East Side of Alma Road. Planning Manager Matt Robinson stated this site plan is for the expansion of the tennis courts at Gabe Nesbitt Park for the addition of new courts as well as landscaping and parking improvements. The City is proposing to expand the tennis complex at Gabe Nesbitt Park by constructing 12 new tennis courts and adding an elevated seating area to

the center court. Staff recommends approval as it meets all requirements. Mayor Loughmiller called for public comments and there were none. Council unanimously approved the motion by Council member Ussery, seconded by Council member Rogers, to approve closing the public hearing and approve a Site Plan for additional tennis courts, modifying the Center Court and adding parking (Gabe Nesbitt Community Park), located approximately 1,400 feet south of Eldorado Parkway and on the east side of Alma Road.

16-147SU2 Mayor Loughmiller called for a Public Hearing to Consider/Discuss/Act on a Specific Use Permit Request for a Private Club (Big Tony's Pizza Tavern), Located at 1705 West University Drive, and Accompanying Ordinance. Planning Director Brian Lockley stated this request is for a Specific Use Permit for a location known as Big Tony's Pizza. Specific Use Permits for a private club are granted to the ownership and do not run with the property. Because there is a change in ownership, a new Specific Use Permit has to be approved by City Council. The food to beverage ratio for a private club is 65% food to 35% alcohol. Applicant, Mr. William Cothrum, Masterplan, 600 Jackson Street, Suite 640, Dallas, stated that there are no changes other than ownership to the Specific Use Permit approved for the previous owner. Mayor Loughmiller called for public comment and there was none. Council unanimously approved the motion by Council member Branch, seconded by Mayor Pro Tem Pogue, to approve an Ordinance granting a Specific Use Permit request for a Private Club (Big Tony's Pizza Tavern) located at 1705 West University Drive. Caption reads as follows:

ORDINANCE NO. 2016-08-063

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AMENDING THE ZONING MAP OF THE CITY OF MCKINNEY, TEXAS; PROVIDING FOR A SPECIFIC USE PERMIT FOR A PRIVATE CLUB (BIG TONY'S TAVERN), LOCATED AT 1705 WEST UNIVERSITY DRIVE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INJUNCTIVE RELIEF, PROVIDING FOR NO VESTED INTEREST; PROVIDING FOR THE PUBLICATION OF THE CAPTION OF THIS ORDINANCE; PROVIDING FOR A PENALTY FOR THE VIOLATION OF THIS

ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE
HEREOF

16-756 Mayor Loughmiller called for Consideration/Discussion/Action on Fiscal Year 2016-17 Proposed Tax Rate, Take Record Vote and Set Public Hearing and Adoption Dates. Interim Chief Financial Officer Mark Holloway stated that tonight the Council will take a record vote and schedule two public hearings on the tax rate. The vote tonight will set a ceiling or a cap for the tax rate for fiscal year 2017. The \$0.5770 proposed rate exceeds the effective tax rate but does not exceed the rollback rate. Mr. Holloway stated that the rate has two parts: (1) the Interest and Sinking Fund, or debt service rate, which is set to match the amount required to meet our debt service in a given year, and (2) the Maintenance and Operation rate, which is the money in the general fund to cover salaries and operations expenses. This is the part that is subject to the effective and rollback calculations. On August 22nd, we will have our first public hearing on the tax rate and no action will be taken. On September 6th, we will have our second public hearing on the tax rate and our first public hearing on the budget. Council will take no action at that time. On September 20th, Council will adopt the budget, take action on the tax rate, and adopt our fee schedule. Council will have the opportunity to discuss any changes to the tax rate or the budget at the upcoming meetings. Any discussion or changes to the tax rate will not affect the schedule for adoption. Mayor Loughmiller requested that Council be advised of the effect on the budget if the tax rate were lowered by a quarter or half of a cent. Mr. Holloway stated that each cent reduction in the tax rate would result in approximately \$1.7 million less to the general fund, so half a cent would equal about \$850,000 less to the general fund, and a quarter of a cent about \$425,000 less. During the budget work session, Council had requested additional information. Staff is working on that information and will send it to Council later this week.

Council unanimously approved the motion by Council member Rogers, seconded by Councilwoman Rath, to adopt a Fiscal Year 2017 Total Tax Rate of \$.05770, which is higher than the Fiscal Year 2017 Effective Tax Rate of \$.0534543, and call for two public hearings; the first public hearing to be held on August 22, 2016 at 6:00 p.m., and the second public hearing to be held on September 6, 2016 at 6:00 p.m. Further, a Record Vote on the tax rate adoption will be held on September 20, 2016 at 6:00 p.m. at the regular City Council meeting. All meetings will be held at City Hall in the City Council Chambers at 222 North Tennessee Street, McKinney, Texas 75069, with the following record vote:

Mayor Loughmiller – For

Mayor Pro Tem Pogue – For

Council member Rogers – For

Councilwoman Rath – For

Council member Ussery – For

Council member Branch – For

Council member Day – Absent

Mayor Loughmiller called for Citizen Comments.

Mr. Alonzo Tutson, P. O. Box 1584, McKinney, stated that the Police Department does not have many minorities and that there are more stops and arrests on the east side of McKinney. Mr. Tutson also mentioned that the east side residents feel that there is taxation without representation.

Mayor Loughmiller called for Council and Manager Comments.

Council member Branch reminded everyone that tomorrow night is National Night Out. He stated that he is looking forward to it as both an individual and as a Council member and he looks forward to the events that help unify us as a community.

Council member Rogers welcomed the new City Manager Paul Grimes. He stated that the Council looked long and hard to find him and they have great expectations. You will have big shoes to fill from our Interim City Manager Tom

Muehlenbeck who guided us for the last two plus years. We look forward to working with you. Mr. Rogers welcomed Mr. Grimes and his family to McKinney.

Councilwoman Rath stated that we are very excited to have Mr. Grimes in McKinney and look forward to a long tenure with the City. Ms. Rath stated that several Council members attended the Fire Department promotional ceremony last Thursday. Ms. Rath noted that in the incoming class of the Fire Department there were three women. It has been 10 years since a female Firefighter has been sworn in at the City of McKinney. We are looking forward to everyone in that class being successful and finishing and graduating to become a McKinney Firefighter.

Council member Ussery expressed his thanks to Staff for what they do. Mr. Ussery expressed appreciation to Interim Chief Financial Officer Mark Holloway for his hard work on putting together a financial vision for the future of McKinney. Mr. Ussery welcomed Mr. Grimes to the City of McKinney and he expressed his willingness to assist him to succeed in his role as City Manager within the confines of the City Charter.

Mayor Pro Tem Pogue welcomed Mr. Grimes to the City of McKinney. Mr. Pogue expressed his appreciation for Mr. Grimes' belief in McKinney and willingness to come in from the outside and take the reins. He stated that he looks forward to the future with Mr. Grimes as City Manager.

Mayor Loughmiller announced that today is the first day for Paul Grimes as our new City Manager. He was preceded by Tom Muehlenbeck who served as Interim City Manager for the last 2.5 years. Mr. Grimes is from Orland Park, Illinois. Mr. Loughmiller stated that he is looking forward to working with him over his last year as Mayor. We appreciate your interest in our community and moving your family here. It is a risk for City Managers to move your wife and family to a new City where new people hold your destiny. Mr. Loughmiller expressed his appreciation for Mr. Grimes taking that chance. Mr. Loughmiller stated that he is looking forward to all the events tomorrow night at National Night Out.

City Manager Grimes thanked the Mayor and Council and expressed how pleased he is to be in McKinney. Mr. Grimes stated that staff and the Assistant City Managers sitting in the audience have been very gracious to him and helping him get acclimated. Mr. Grimes stated that his family is thrilled to be here and as they drive

around each day they discover something new. We recognize why McKinney is ranked #1 which speaks to the execution and vision over a number of years. Mr. Grimes thanked Tom Muehlenbeck for being very good to him and providing good information that was either requested or he provided to assist me in getting acclimated and up to speed into the Community and the role of City Manager. Mr. Muehlenbeck's shoes are hard to fill and I am honored to serve after him. He is a legend in City Management and I am humbled.

Council unanimously approved the motion by Council member Ussery, seconded by Mayor Pro Tem Pogue, to adjourn. Mayor Loughmiller adjourned the meeting at 7:32 p.m.

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary