

CITY COUNCIL REGULAR MEETING

SEPTEMBER 6, 2016

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

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

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; Fire Chief Danny Kistner; Chief of Police Greg Conley; Police Department - Lari Weaver and Rusty May; Director of Strategic Services Chandler Merritt; Fire Department - Chief Brian Judd and Dennis Guinn; Planning Manager Jennifer Arnold; McKinney Economic Development Corporation President Darrell Auterson; Airport Executive Director Ken Wiegand Engineering - Gary Graham and Nicolas Ataie; IT Desktop Support Technician Nicholas Martin; Interim Finance Director Mark Holloway; Budget - Trevor Minyard, Donna Chamberlain, and Eric Corder; Purchasing - Lisa Littrell, Ian Coubrough and Tonya Hall; Police Corporal Melissa Taylor; Housing and Community Development - Janay Tieken, Shirletta Best, and Cristel Todd; and Human Resources - Ike Obi and Joe Mazzola. There were approximately 45 guests present.

Mayor Loughmiller called the meeting to order at 6:00 p.m. after determining a quorum was present. Invocation was given by Senior Pastor Myron Bradford, New Jerusalem Baptist Church. Mayor Loughmiller led the Pledge of Allegiance.

16-887 Presentation of Achievement of Excellence in Procurement Award. Interim Chief Financial Officer Mark Holloway presented the Achievement of Excellence in Procurement Award to Mayor Loughmiller and recognized the Purchasing Department Staff for all that they do to deserve this award.

16-888 Blood Cancer Awareness Proclamation. Mayor Loughmiller presented the Blood Cancer Awareness Proclamation to Mr. Roy Ponder.

Mayor Loughmiller called for Citizen Comments.

Mr. Tim Anders, 8168 CR 859, McKinney spoke about the Walnut Grove annexation and their request for an extension.

Mr. Tim Biggio, 8108 CR 859, McKinney spoke about the Walnut Grove annexation and their request for an extension.

Ms. Valerie New, 308 Northwood Drive, McKinney spoke against the North Texas Gay Pride Event.

The following individuals spoke in favor of agenda item 16-898 regarding the proposed Community Revitalization Plan:

Ms. Juli Smith, 3206 St. Pierre, McKinney

Ms. Sandy Escamilla, 1200 N. Tennessee Street, McKinney

Ms. Amathist Escamilla, 1200 N. Tennessee Street, McKinney

Mr. LaShadion Shemwell, 1200 N. Tennessee Street, McKinney

Ms. Bethany Shalis, 114 N. Bowden Avenue, Anna

Mr. Layne Killingsworth, 1200 N. Tennessee Street, McKinney

Ms. Nacole Tate, 1200 N. Tennessee Street, McKinney

Ms. Roslyn Miller, 1200 N. Tennessee Street, McKinney

Mr. Gary Kesler, 4894 CR 862, McKinney did not wish to speak but wanted his support for the proposed Community Revitalization Plan entered into the record.

Ms. Roslyn Miller, 1200 N. Tennessee Street, McKinney spoke for Chang Coleen who was unable to attend but wanted her concerns regarding public housing for seniors over 55 and public transportation in McKinney entered into the record.

Council unanimously approved the motion by Council member Ussery, seconded by Council member Branch, to approve the following consent items:

- 16-889** Minutes of the City Council Work Session of August 15, 2016
- 16-890** Minutes of the City Council Regular Meeting of August 16, 2016
- 16-891** Minutes of the City Council Special Meeting of August 22, 2016
- 16-686** Minutes of the Board of Adjustment Meeting of June 22, 2016
- 16-781** Minutes of the Community Grants Advisory Commission Meeting of June 16, 2016

- 16-848** Corrected Minutes of the Library Advisory Board Meeting of June 16, 2016
- 16-847** Minutes of the Library Advisory Board Meeting of July 21, 2016
- 16-788** Minutes of the Main Street Board Meeting of July 14, 2016
- 16-795** Minutes of the McKinney Armed Services Memorial Board Meeting of July 13, 2016
- 16-798** Minutes of the McKinney Arts Commission Meeting of July 27, 2016
- 16-840** Corrected Minutes of the McKinney Arts Commission Meeting of April 21, 2016
- 16-864** Minutes of the McKinney Community Development Corporation Meeting of July 28, 2016
- 16-801** Minutes of the McKinney Economic Development Corporation Meeting of July 19, 2016
- 16-802** Minutes of the McKinney Economic Development Corporation Special Meeting of August 9, 2016
- 16-892** Minutes of the McKinney Housing Authority Meeting of June 28, 2016
- 16-793** Minutes of the Planning and Zoning Commission Regular Meeting of July 26, 2016
- 16-863** Minutes of the Planning and Zoning Commission Regular Meeting of August 9, 2016
- 16-862** Minutes of the Planning and Zoning Commission Work Session of August 9, 2016
- 16-811** Minutes of the Tax Increment Reinvestment Zone Number One Meeting of May 17, 2016
- 16-814** Minutes of the Tax Increment Reinvestment Zone Number Two Meeting of January 19, 2016
- 16-824** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract and All Necessary Change Orders with Wall Enterprises for the McKinney On-Street Bicycle Treatment Project (GR1412) Contingent upon Receipt of Written Concurrence from the

Texas Department of Transportation. Caption reads as follows:

RESOLUTION NO. 2016-09-130 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$249,968.00 WITH WALL ENTERPRISES FOR THE MCKINNEY ON-STREET BICYCLE TREATMENT PROJECT AND AUTHORIZING ALL NECESSARY CHANGE ORDERS UNDER SAID CONTRACT UP TO AN AGGREGATE CONTRACT AMOUNT, INCLUSIVE OF ANY CHANGE ORDERS, NOT TO EXCEED \$260,000, SUBJECT TO THE SUBSEQUENT CONCURRENCE OF THE TEXAS DEPARTMENT OF TRANSPORTATION

- 16-893** Consider/Discuss/Act on a Resolution Approving the Sixth Amended and Restated Bylaws of McKinney Economic Development Corporation.

Caption reads as follows:

RESOLUTION NO. 2016-09-131 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, APPROVING THE SIXTH AMENDED AND RESTATED BYLAWS OF THE MCKINNEY ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING AN EFFECTIVE DATE

- 16-894** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract with Rich Leidl, P.C. for Federal Legislative Services.

Caption reads as follows:

RESOLUTION NO. 2016-09-132 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR FEDERAL LEGISLATIVE CONSULTING SERVICES FROM RICH LEIDL, P.C. OF WASHINGTON, DC

- 16-895** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract with Lee Engineering for Professional Engineering Services for the Enhancement of the City's Traffic Crash Database and Any Necessary Supplemental Agreements. Caption reads as follows:

RESOLUTION NO. 2016-09-133 (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH LEE ENGINEERING FOR PROFESSIONAL ENGINEERING SERVICES FOR THE ENHANCEMENT OF THE CITY'S TRAFFIC CRASH DATABASE AND ANY NECESSARY SUPPLEMENTAL AGREEMENTS UNDER SAID CONTRACT UP TO AN AGGREGATE CONTRACT

AMOUNT, INCLUSIVE OF SAID SUPPLEMENTAL
AGREEMENTS, NOT TO EXCEED \$90,000

END OF CONSENT

16-896 Mayor Loughmiller called for the Second Public Hearing on Proposed Tax Rate for Fiscal Year 2016-17. Interim Chief Financial Officer Mark Holloway stated that this is the second public hearing on the tax rate. The tax rate is proposed at \$0.5770 with existing values increasing 9% over FY16 values and new values accounting for 3.5% of the taxable roll which brings the total taxable roll up 12.5%. Our taxable value has increased from \$15.2 billion in FY16 to \$17.1 billion in FY17. Staff looked at additional options to further reduce the tax rate. With a partial delay of the Fire Station Alerting System, we could reduce the tax rate to \$0.5745 and a rate of \$0.5730 with a full delay of the Fire Station Alerting System. In order to achieve a rate of \$0.5650 we would need to make additional cuts in the proposed budget. At the September 20th meeting, Council will adopt the budget, adopt the fee schedule and take two votes on the tax rate. City Manager Grimes stated that as a matter of policy, we propose a conservative sales tax rate revenue. Mayor Loughmiller called for public comments.

The following individuals spoke in opposition of the proposed tax rate:

Mr. Mike Giles, 3213 Gillespie Road, McKinney

Ms. Laura Ludtek, 2901 Cedar Ridge Drive, McKinney

Ms. Juanita Horne, 2580 Collin McKinney, McKinney spoke about the cost of apartment rent in McKinney.

Council unanimously approved the motion by Council member Ussery, seconded by Council member Day, to close the public hearing.

Mayor Loughmiller stated that he would like for Council to focus on the \$0.5730 tax rate as this rate does not implicate cutting back on staffing needs. By statute, our reserves must be at 25% and in order to maintain

our AAA bond rating we must be greater than 30%. In order to lower that reserve rate, we would have to change the reserve policy early in the budget cycle. With the City's rapid growth and the need for infrastructure, it is difficult to lower the tax rate without impacting the future development of McKinney. Council member Branch stated that we are preparing for the future now more than we have in the past. This helps us set our priorities for the budget as we move forward toward increasing our sales tax revenue base. Mr. Holloway stated that at the September 20th meeting, Council will adopt the budget first so staff will proceed with changes and notifications to set the tax rate at \$0.5730.

16-897 Mayor Loughmiller called for the First Public Hearing on the Budget Appropriation Ordinance for FY 2016-17. Interim Chief Financial Officer Mark Holloway stated that this is the first public hearing on the budget. All of the component units have adopted their budgets and are waiting on Council's final approval. We will adopt a budget of \$409 million that includes all funds. The General fund revenues are made up of 55% from property taxes, 17% from sales tax, 11% from franchise fees, 7% from licenses and permits, and 6% from charges and fines. Expenditures are made up from 47% for public safety, 18% for general government, 10% for parks and libraries, 9% for public works, and 8% for development services. There are 44 new positions requested with 35 being in public safety which includes 18 fire personnel for Fire Station No. 9. The second public hearing on the budget will be held September 20th. The adoption of the budget and the tax rate will be considered that evening. Mayor Loughmiller called for public comments.

The following individuals spoke against the proposed budget:

Mr. Mike Giles, 3213 Gillespie Road, McKinney

Mr. LaShadion Shemwell, 1200 N. Tennessee Street, McKinney

Council unanimously approved the motion by Council member Ussery, seconded by Council member Branch, to close the public hearing.

16-205Z2 Mayor Loughmiller called for a Public Hearing to Consider/Discuss/Act on a Request to Rezone the Subject Property from "PD" - Planned Development District to "PD" - Planned Development District, Generally to Modify the Development Standards, Generally Located Approximately 445 Feet North of Wilmeth Road, on the East Side of Hardin Boulevard, and South of County Road 164 (Future Bloomdale Road), and Accompanying Ordinance. Director of Planning Brian Lockley stated the applicant is requesting to rezone the property to modify the development standards by removing the lot coverage requirements. The subject property is governed by two PDs; Tract 1 by Ordinance 2001-08-094 and Tracts 2, 3 and 4 by Ordinance 2002-06-069. Both Ordinances include a 50% lot coverage requirement. By removing this requirement, we will bring the PD into accord with the other developments in the area. Colin Helffrich, 5225 Village Creek Drive, Plano, stated that he was present to answer questions on behalf of the applicant and there were none. Mayor Loughmiller called for public comments and there were none. Council unanimously approved the motion by Council member Ussery, seconded by Council member Day, to close the public hearing and approve an Ordinance rezoning the subject property from "PD" - Planned Development District to "PD" - Planned Development District, generally to modify the development standards, generally located approximately 445 feet north of Wilmeth Road, on the east side of Hardin Boulevard, and south of County Road 164 (Future Bloomdale Road). Caption reads as follows:

ORDINANCE NO. 2016-09-070

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AMENDING THE ZONING MAP OF THE CITY OF MCKINNEY, TEXAS; SO THAT AN APPROXIMATELY 197.109 ACRE PROPERTY, LOCATED APPROXIMATELY 445 FEET NORTH OF WILMETH ROAD, ON THE EAST SIDE OF HARDIN BOULEVARD, AND SOUTH OF COUNTY ROAD 164 (FUTURE BLOOMDALE ROAD), IS REZONED FROM "PD" - PLANNED DEVELOPMENT DISTRICT TO "PD" - PLANNED DEVELOPMENT DISTRICT, GENERALLY TO MODIFY THE DEVELOPMENT STANDARDS; 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

16-898 Mayor Loughmiller called for Discussion on Information to City Council and Receive Feedback on a Proposed Community Revitalization Plan for the Redevelopment of Merritt Homes. Housing and Community Development Manager Janay Tieken presented the Community Revitalization Plan (CRP). The Plan is a way of dealing with and addressing the below-market rate housing needs in McKinney. The Texas Department of Housing and Community Affairs (TDHCA) allows cities to designate revitalization areas, outside of “high opportunity areas”, in which developments may be eligible to receive additional points on the competitive 9% Low-Income Housing Tax Credit (LIHTC) application. The 9% competitive LIHTC funds provide for greater investor equity into an affordable housing development (thus decreasing the need for outside funding) versus the 4% non-competitive, tax exempt bonds. The proposed boundaries of the CRP include Merritt Homes and other McKinney Housing Authority properties to be redeveloped. If directed by Council, the Community Revitalization Plan (CRP) will be brought back to City Council for final approval before the end of 2016. City Council does not have to support developments simply because they are within the boundaries of the CRP. The CRP outlines what needs to be done in order to make the redevelopment of Merritt eligible for the 9% tax credits and brings in a greater amount of equity into the project which results in a lower gap. Ms. Tieken stated that the CRP must address 5 of 8 factors. Of those 8 factors, McKinney addresses 5 of those in revitalizing the east side: adverse environmental conditions, either natural or man-made; presence of blight which may include obsolete land use; presence of inadequate transportation or infrastructure; lack of accessibility and/or presence of inadequate health care facilities; and lack of local businesses

providing employment opportunities. Merritt Homes would like to apply for the 9% tax credits in the upcoming 2017 funding cycle. Any developments within the CRP will have an advantage to obtaining the 9% tax credit and the property is supported by City Council. The CRP establishes a zone that can be competitive for the 9% tax credits. For the City's support, the City Council would consider a Resolution of support for a project. Council members Day and Ussery stated they both support this item. Mayor Loughmiller stated that he does not want to have competing areas in McKinney for affordable housing. He would like to see the waiting listing for affordable housing by zip code so that we can know how many individuals are outside of McKinney versus residents of McKinney. Council would like to see what other cities in Collin County are doing to provide affordable housing. Ms. Roslyn Miller, Director of the McKinney Housing Authority, stated that there are two Collin County Housing Authorities, Frisco Housing Authority and Plano Housing Authority. Ms. Miller stated that applicants can apply for affordable housing anywhere. She stated the majority of their residents apply locally because that is where we advertise and they are able to stay in a 50 mile radius because they may not find units in this area. Council's consensus is to move forward with a Resolution creating the Comprehensive Revitalization Plan and then move forward to adopt a Resolution supporting the 9% tax credits for Merritt Homes.

Mayor Loughmiller called for Citizen Comments.

The following individuals spoke regarding the revitalization of Merritt Homes.

Mr. LaShadion Shemwell, 1200 N. Tennessee Street, McKinney

Ms. Nacole Tate, 1200 N. Tennessee Street, McKinney

Ms. Connie Crosby, 612 N. Wood Street, McKinney

Mayor Loughmiller called for Council and Manager Comments.

Council member Branch stated on August 31, 2016, a citizen witnessed a baby being left alone in the car and proceeded to break the window and called for assistance.

Once the first responders arrived on the scene, they measured the temperature inside the car at 130 degrees. Mr. Branch expressed his appreciation to the citizen for stepping up and saving the baby. Mr. Branch stated that he appreciates when people are willing to step up and take action when necessary.

Council member Day did not have any comments.

Council member Ussery thanked staff for what they do day in and day out. Mr. Ussery applauded Mr. Grimes during his inaugural period and your engagement with the community. You are off to a wonderful foundation.

Mayor Loughmiller stated that he recently attended the McKinney Convention and Visitors Bureau and the McKinney Housing Authority meetings.

City Manager Grimes gave a shout out to Empress Drane and the Old Settler's Recreation Center and her efforts and volunteer work she did until the late hours of the evening for a back to school event on Sunday, August 21st called "Committed to the Kids." The event was put on by 3e McKinney and over 200 kids were served with back to school supplies. It was a very successful event and Empress Drane was a fundamental part of the event's success. Mr. Grimes congratulated the Purchasing Department for their well-deserved Procurement Award. This award exemplifies the quiet professionalism that our staff brings each day. Mr. Grimes stated that planning is underway for this year's Oktoberfest that will be held September 23 – 25 in downtown McKinney. The City is celebrating the America's PreparAthon. The City of McKinney is encouraging residents to take the Preparedness Pledge, to Do-One-Thing to better prepare themselves for all hazards. Residents who take the Preparedness Pledge will have their names entered to win a NOAA Weather Radio.

Mayor Loughmiller wished Council member Ussery a happy birthday. Mayor Loughmiller stated that the City of McKinney is currently working on a transportation plan. The City has already passed a Resolution to pursue an Urban Transit District which allows us to access some funds through the State for public transportation. We have also been working with the North Texas Council of Governments and the Regional Transportation Commission on the Direct Recipient status which would give us the ability to negotiate with providers that can provide transit services. Whatever the City

does, it will be very limited and will include on demand services and not fixed routes due to being cost prohibitive.

Mayor Loughmiller recessed the meeting into executive session at 7:55 p.m. per Texas Government Code Section 551.071 (2) Consultation with City Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items (as needed), Section 551.071 (1) (A). Litigation / Anticipated Litigation, Section 551.072 Discuss Real Property, Section 551.074 Discuss Personnel Matters, and Section 551.087 Discuss Economic Development Matters as listed on the posted agenda. Mayor Loughmiller recessed to the open session at 8:55 p.m.

Council unanimously approved the motion by Council member Ussey, seconded by Mayor Loughmiller, to adjourn. Mayor Loughmiller adjourned the meeting at 8:55 p.m.

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary