



City of Mesquite, Texas

Minutes - Final City Council

Tuesday, September 4, 2018

4:30 PM

City Hall | Council Chamber
757 N. Galloway | Mesquite, Texas

Present: Mayor Stan Pickett and Councilmembers Dan Aleman, Tandy Boroughs, Robert Miklos, Jeff Casper, Bruce Archer and Greg Noschese, City Manager Cliff Keheley and City Secretary Sonja Land.

PRE-MEETING - TRAINING ROOMS A&B - 4:30 P.M.

AGENDA REVIEW

STAFF PRESENTATIONS

- 1 Receive briefing regarding annual investment activity and proposed changes to the City's Investment Policy.

EXECUTIVE SESSION - EXECUTIVE CONFERENCE ROOM - 4:45 P.M.

Mayor Pickett announced that the City Council would meet in Executive Session pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with its attorney related to pending or contemplated litigation; a settlement offer; and issues in which there exists a duty of the City Attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Kathy Dyer and Robert Dyer, Individually and as Representative of the Estate of Graham Dyer v. City of Mesquite, Texas; Jack Fyall; Richard Houston; Alan Gafford; Zachary Scott; William Heidelberg; Paul Polish; Joe Baker; Bill Hedgpeth); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 4:55 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

CITY COUNCIL/STAFF WORK SESSION - CITY COUNCIL CHAMBER - 6:20 P.M.

- 2 Receive Neighborhood Services quarterly report covering April 1, 2018, through June 30, 2018.

Raymond Rivas, Director of Neighborhood Services, stated that the third quarter statistics for Fiscal Year (FY) 2017-18 are consistent with the third quarter of FY 2016-17. With staff changes and less precipitation received this year, there has been a decline in complaints submitted by residents and a reduction in properties contracted due to violations corrected by voluntary compliance. Mr. Rivas stated that there has been an increase in citations issued in residential areas. For residents who experience physical limitations or a financial hardship, staff refers the residents to the Addressing Mesquite Day, HOME (Helping Others in Mesquite Everyday) or Community Development Block Grant (CDBG) programs as well as volunteer services. Citizens are encouraged to contact their code enforcement officer when additional time is needed or extenuating

circumstances are present. Mr. Rivas reviewed citation dispositions, the top four code violations, the Code Ambassador program and the Vacant Property Maintenance program.

The work session ended at 6:52 p.m.

EXECUTIVE SESSION - EXECUTIVE CONFERENCE ROOM - 6:54 P.M.

Mayor Pickett announced that the City Council would meet in Executive Session pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with its attorney related to pending or contemplated litigation; a settlement offer; and issues in which there exists a duty of the City Attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Agenda Item No. 20); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 7:01 p.m., the City Council reconvened in Open Session.

See Agenda Item No. 20 for executive action taken.

REGULAR CITY COUNCIL MEETING - CITY COUNCIL CHAMBER - 7:09 P.M.

INVOCATION

Rev. Tom Palmer, Senior Pastor, First United Methodist Church, Mesquite, Texas.

PLEDGE OF ALLEGIANCE

Rev. Tom Palmer, Senior Pastor, First United Methodist Church, Mesquite, Texas.

PRESENTATIONS

- 3 Presentation of update to the Open Government Mesquite transparency portal.

Cliff Keheley, City Manager, stated that at the 2015 Policy Retreat, the City Council set a goal for Mesquite to become a transparent city. On October 17, 2016, City staff introduced and launched the Government Transparency portal on the City's website. The Open Budget and Open Checkbook transparency platforms were debuted providing up-to-date financial information on revenues, expenditures and checkbook transactions. Staff has also been working on achieving the Texas Comptroller's Texas Transparency Stars areas of financial transparency. The Transparency Stars program has five areas of financial information – traditional finances, contracts and procurement, economic development, public pensions and debt obligations – that include various required components. These five areas provide clear and meaningful financial information beyond traditional accounting statements and reports. Mr. Keheley stated that the City of Mesquite has been awarded all five transparency stars from the Texas State Comptroller's office and is one of six cities in Texas to receive all five stars.

Mr. Keheley recognized Ben Stevenson, Senior Accountant; Diana George, Senior Procurement Specialist; Zak LaJoie, Director of Information Technology; Jeannie Kao, Website and Systems Developer; Debbie Mol, Director of Finance;

Sheree Haynes, Manager of Accounting; Ryan Williams, Manager of Purchasing; Myra Rogers, Manager of Budget and Financial Analysis; Jimmy Martin, Finance Coordinator; and Zakir Afridi, Senior Budget Analyst, for their efforts in making this financial transparency achievement possible. Mr. Keheley presented the Transparency Stars award to the Mayor and City Council.

SPECIAL ANNOUNCEMENTS

(1) Mr. Miklos encouraged residents to attend a Range/Town East neighborhood meeting on Thursday, September 6, 2018, at 6:30 p.m., at St. Marks United Methodist Church, 3117 Motley Drive, to discuss potential development on Gus Thomasson Road.

(2) Mr. Archer expressed appreciation for hard-working City employees.

(3) Mr. Archer invited citizens to "Meet Your Councilmember" on Saturday, September 8, 2018, at 9:00 a.m., at McDonalds, located at US Highway 80 and Belt Line Road.

(4) Mr. Aleman encouraged residents to attend an IH-20 neighborhood meeting on Tuesday, September 18, 2018, at 7:00 p.m., at the Texas A&M Engineering Extension Service (TEEX) building.

(5) Mayor Pickett announced that the Mesquite Symphony Orchestra Gala will be held on Saturday, September 15, 2018, at 7:30 p.m., at the Mesquite Arts Center, Rehearsal Hall, 1527 North Galloway Avenue, and invited everyone to attend.

CONSENT AGENDA

Approval of the Consent Agenda

Mr. Casper moved to approve the items on the Consent Agenda, as follows. Motion was seconded by Mr. Archer and approved unanimously.

- 4 Minutes of the regular City Council meeting held August 20, 2018, and the special City Council meeting held August 21, 2018.

Approved on the Consent Agenda.

- 5 An ordinance amending Chapter 9 of the City Code adding new school zones for Rutherford Elementary School, effective on and after September 10, 2018.

Approved on the Consent Agenda.

Ordinance No. 4590, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING CHAPTER 9, SECTION 9-147(1)(a) OF THE CODE OF THE CITY OF MESQUITE, TEXAS, AS AMENDED, BY DELETING THE CURRENT SCHOOL ZONES FOR RUTHERFORD ELEMENTARY SCHOOL IN THEIR ENTIRETY AND ADDING NEW SCHOOL ZONES FOR RUTHERFORD ELEMENTARY SCHOOL; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY NOT TO EXCEED FIVE HUNDRED (\$500.00) DOLLARS FOR EACH OFFENSE; AND DECLARING AN EFFECTIVE DATE THEREOF. (Ordinance No. 4590 recorded in Ordinance Book No. 112.)

- 6 An ordinance amending Chapter 14 of the City Code regarding commercial solid waste collection rates, effective October 1, 2018.

Approved on the Consent Agenda.

Ordinance No. 4591, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS AMENDING CHAPTER 14 OF THE CODE OF THE CITY OF MESQUITE, TEXAS, AS

AMENDED, BY DELETING THE RATE TABLE (CHART) IN SECTION 14-45 IN ITS ENTIRETY AND ADDING A NEW RATE TABLE (CHART) IN SECTION 14-45 THEREBY AMENDING THE COMMERCIAL SOLID WASTE COLLECTION RATES; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE THEREOF. (Ordinance No. 4591 recorded in Ordinance Book No. 112.)

7

An ordinance, on first reading, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corporation, Mid-Tex Division ("Company") regarding the Company's 2018 Rate Review Mechanism filings; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the Company to reimburse ACSC's reasonable ratemaking expenses; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this ordinance to the Company and the ACSC's legal counsel.

Approved on the Consent Agenda.

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORPORATION, MID-TEX DIVISION ("COMPANY") REGARDING THE COMPANY'S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

8

RFP No. 2018-028 - Mesquite Police Department Pre-Employment Physical Abilities Test Study and Validation.

(Authorize the City Manager to finalize and execute a contract with Human Performance Development Group, LLC, in an amount not to exceed \$57,500.00.)

Approved on the Consent Agenda.

9

RFQ No. 2018-091 - KidsQuest Replacement & Expansion Project, Design Services.

(Authorize the City Manager to finalize and execute a contract with La Terra Studio, Inc., in the amount of \$88,500.00.)

Approved on the Consent Agenda.

- 10** Bid No. 2018-100 - Annual Supply of Police Officer Uniforms.
(Staff recommends award to Galls, LLC, through an Interlocal Cooperative Purchasing Agreement with the City of Frisco, in an amount not to exceed \$98,000.00.)

Approved on the Consent Agenda.

- 11** Authorize the City Manager to finalize and execute an agreement with the Texas Department of Public Safety to allow the City of Mesquite to administer Commercial Driver License skills tests to City employees on behalf of the State of Texas.

Approved on the Consent Agenda.

- 12** Authorize an expenditure in the amount of \$161,513.79 to the Mesquite Independent School District to acquire new studio production equipment for the operation of the City's Educational Access Channel in accordance with Ordinance No. 4132 (Interlocal Agreement/Operation of Educational Access Channel) and authorize the City Manager to execute payment upon receipt of an itemized invoice.

Approved on the Consent Agenda.**PUBLIC HEARINGS AND CONSIDER PASSAGE OF THE FOLLOWING ORDINANCES
RELATING TO THE FISCAL YEAR 2018-19 BUDGET:**

- 13** Conduct a public hearing to receive input from citizens regarding the proposed Fiscal Year 2018-19 budget.

A public hearing was held to receive input from citizens regarding the proposed Fiscal Year (FY) 2018-19 budget.

Mr. Archer requested that the City Council spend additional time reviewing line items during the FY 2019-20 budget process.

No one appeared regarding the proposed Fiscal Year 2018-19 budget.

- 14** Conduct a public hearing regarding the proposed 2018-19 ad valorem tax rate of \$0.734 per \$100 valuation.

A public hearing was held regarding the proposed 2018-19 ad valorem tax rate of \$0.734 per \$100 valuation.

Mayor Pickett stated that the maximum ad valorem tax rate has been set at \$0.734 per \$100 valuation, which is an increase due to the voters approval of a \$125 million street bond issuance at the November 3, 2015, Special Election.

No one appeared regarding the proposed 2018-19 ad valorem tax rate of \$0.734 per \$100 valuation.

Mayor Pickett announced "The City Council will vote on the proposed ad valorem tax rate for Fiscal Year 2018-19 on September 17, 2018, at 7:00 p.m., in the City Council Chamber at Mesquite City Hall, 757 North Galloway, Mesquite,

Texas.”

15

An ordinance providing funds for Fiscal Year 2018-19 by adopting and approving the budget for said period and appropriating and setting aside the necessary funds out of the general and other revenues of the City for said fiscal year for the maintenance and operation of various departments and activities of the City, for capital and other improvements of the City and for all other expenditures included in said budget.

Councilmembers expressed concern regarding the tax rate and requested a more detailed budget review during the FY 2019-20 budget process. Mayor Pickett stated that the City Council has not raised the effective tax rate, with the exception of the Street Bond tax increase, since 2008.

Mr. Casper moved to approve Ordinance No. 4592, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, PROVIDING FUNDS FOR THE FISCAL YEAR 2018-19 BY ADOPTING AND APPROVING THE BUDGET FOR SAID PERIOD AND APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES OF THE CITY FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF VARIOUS DEPARTMENTS AND ACTIVITIES OF THE CITY, FOR CAPITAL AND OTHER IMPROVEMENTS OF THE CITY AND FOR ALL OTHER EXPENDITURES INCLUDED IN SAID BUDGET; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY. Motion was seconded by Mr. Boroughs and approved unanimously. (Ordinance No. 4592 recorded in Ordinance Book No. 112.)

16

An ordinance ratifying the increase in property tax revenue reflected in the Fiscal Year 2018-19 budget.

Mr. Casper moved to approve Ordinance No. 4593, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, RATIFYING THE INCREASE OF PROPERTY TAX REVENUE REFLECTED IN THE 2018-19 FISCAL YEAR BUDGET FOR SAID PERIOD; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY. Motion was seconded by Mr. Boroughs and approved unanimously. (Ordinance No. 4593 recorded in Ordinance Book No. 112.)

PUBLIC HEARINGS

17

Conduct a public hearing and consider a resolution approving the terms and conditions of a program (Chapter 380 Agreement) to promote economic development and stimulate business and commercial activity in the City and authorizing the City Manager to finalize and execute an agreement for such purposes with G-MAN Properties, LLC, Gardner Telecommunications, LLC, and The Pickle Juice Company, LLC, for a proposed new industrial development at 3325 Innovative Way, Mesquite, Texas, and authorizing the City Manager to administer the agreement on behalf of the City.

(This item was postponed at the August 20, 2018, City Council meeting.)

A public hearing was held to consider a Chapter 380 agreement with G-MAN Properties, LLC, (G-MAN) Gardner Telecommunications, LLC, (GTI) and The Pickle Juice Company, LLC, regarding a proposed new industrial development at 3325 Innovative Way, Mesquite, Texas.

Kim Buttram, Assistant Director of Economic Development, stated that G-MAN is

proposing 100,000 square feet of new industrial space to be constructed on an 8.7-acre tract which is adjacent to the GTI facility. The total investment is approximately \$13 million and the proposed incentive payments will consist of 50 percent rebate of City of Mesquite ad valorem taxes for a period of five years, not to exceed \$200,000 and the project will create a minimum of 25 new jobs by December 31, 2019.

Mr. Miklos moved to approve Resolution No. 47-2018, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROGRAM TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE AN AGREEMENT FOR SUCH PURPOSES WITH G-MAN PROPERTIES, LLC, GARDNER TELECOMMUNICATIONS, LLC, AND THE PICKLE JUICE COMPANY, LLC, FOR A PROPOSED NEW INDUSTRIAL DEVELOPMENT AT 3325 INNOVATIVE WAY, MESQUITE, TEXAS; AND AUTHORIZING THE CITY MANAGER TO ADMINISTER THE AGREEMENT ON BEHALF OF THE CITY. Motion was seconded by Mr. Aleman and approved unanimously. (Resolution No. 47-2018 recorded in Resolution Book No. 54.)

18

Conduct a public hearing and consider an ordinance for Application No. Z0718-0053, submitted by Dick Demien of HHW Solutions, for a change of zoning from Industrial to Industrial with a Conditional Use Permit to allow Storage and Aggregation of Chemicals, located at 844 Dalworth Drive, Suite 7.

(No responses in favor or in opposition to the application have been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends approval of the application.)

Mr. Boroughs left the meeting.

A public hearing was held for Application No. Z0718-0053.

Jeff Armstrong, Director of Planning and Development Services, stated that the applicant proposes to open a business which contracts with municipalities for the collection of hazardous household chemicals including paint and cleaning supplies from a customer's home. Once collected, the product will be stored on the subject property, aggregated and transported to an appropriate location for reuse or disposal.

Applicant Dick Demien stated that HHW Solutions is a start-up company that will offer a chemical collection service for residents within certain cities for a fee. Approximately 85 percent of all stored chemicals in the 800-square-foot space will be latex paint in the original containers with lids.

Debbie David, Mesquite, expressed concern regarding the safety of storing chemicals at this location.

Mr. Demien stated that the Texas Commission on Environmental Quality (TCEQ) monitors the types of chemicals and how they can be stored which is a maximum of 180 days. Mr. Demien identified the property, the TCEQ accepted the property as a viable site and the landlord requested the applicant's \$2 million insurance policy. The TCEQ also requires a \$100,000 post-closure bond.

No others appeared regarding the application.

Mr. Archer moved to approve Application No. Z0718-0053, as recommended by the Planning and Zoning Commission, and to approve Ordinance No. 4594, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING THE MESQUITE ZONING ORDINANCE ADOPTED ON SEPTEMBER 4, 1973, AND RECODIFIED ON NOVEMBER 21, 1988, SO AS TO APPROVE A CHANGE OF ZONING FROM INDUSTRIAL TO INDUSTRIAL WITH A CONDITIONAL USE PERMIT ON PROPERTY LOCATED AT 844 DALWORTH DRIVE, SUITE 7 THEREBY ALLOWING STORAGE AND AGGREGATION OF HOUSEHOLD CHEMICALS; REPEALING ALL ORDINANCES IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY NOT TO EXCEED TWO THOUSAND (\$2,000.00) DOLLARS FOR EACH OFFENSE; AND DECLARING AN EMERGENCY. Motion was seconded by Mr. Noschese. On call for a vote on the motion, the following votes were cast:

Ayes: Archer, Noschese, Pickett, Miklos, Casper, Aleman,

Nays: None

Abstentions: Boroughs

Motion carried. (Ordinance No. 4594 recorded in Ordinance Book No. 112.)

19

Conduct a public hearing and consider an ordinance for Application No. Z0718-0054, submitted by Jose Martinez, for a change of zoning from Commercial to Commercial with a Conditional Use Permit to allow used tire sales, located at 1616 Range Drive, Suite 100.

(One response in favor and none in opposition to the application have been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends approval of the application with a certain stipulation.)

Mr. Boroughs entered the meeting.

A public hearing was held for Application No. Z0718-0054.

Jeff Armstrong, Director of Planning and Development Services, stated that the applicant operates a vehicle State inspection business on the subject property and has requested to add used tires to his business model. There will be no outdoor storage or display of tires. A Certificate of Occupancy will not be issued until the building is painted to match the remainder of the building.

The applicant was not present. No one appeared regarding the proposed application.

Mr. Noschese moved to postpone consideration of Application No. Z0718-0054 to the September 17, 2018, City Council meeting. Motion was seconded by Mr. Archer and approved unanimously.

20

Conduct a public hearing for Application No. Z0718-0057, submitted by Manuel Rosales on behalf of Iglesia Cristiana Canaan, for a change of zoning to remove two tracts of land from the Skyline Logistics Hub Overlay District, to allow for the construction of a church, located at 4600 and 4636 Samuell Blvd.

(No responses in favor or opposition to the application have been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends denial of the application.)

A public hearing was held for Application No. Z0718-0057.

Jeff Armstrong, Director of Planning and Development Services, stated that the undeveloped subject property consists of two tracts and is located in the Skyline Logistics Hub Overlay District (SLHOD) which was created in 2015. The previous Commercial zoning on the property allowed religious organizations; however, the SLHOD prohibits membership organizations, including religious organizations such as churches.

Applicant Manuel Rosales stated that the church purchased the property in 2011 with the intent to build a church which was allowed at that time. The church would be constructed on one parcel and a children's recreational facility would be constructed on the second parcel. Mr. Rosales stated that he plans to begin construction in six months.

David Rosales, representing the applicant, reviewed the proposed plans for the 100,000-square-foot church.

Delia Rios, 927 S. Hampton Road, Dallas, spoke in favor of the application. No others appeared regarding the proposed application.

Mr. Miklos moved to approve Application No. Z0718-0057 to remove two tracts of land from the Skyline Logistics Hub Overlay District located at 4600 and 4636 Samuell Blvd. Motion was seconded by Mr. Archer. On call for a vote on the motion, the following votes were cast:

Ayes: Miklos, Archer, Pickett, Aleman

Nayes: Casper, Noschese, Boroughs

Motion carried. (An ordinance will be presented to the City Council at the September 17, 2018, City Council meeting for consideration.)

21

Conduct a public hearing and consider an ordinance for Application No. Z0518-0036, submitted by Travis Boghetich on behalf of Scyene Rodeo, LTD, for a change of zoning from Planned Development-Townhomes, Light Commercial, Commercial and Planned Development-Light Commercial within the Mesquite Arena Rodeo Overlay District to Planned Development-Light Commercial and Planned Development-Residential within the Mesquite Arena Rodeo Overlay District to allow a development with residential uses and commercial uses including retail, restaurant, entertainment, and indoor recreational uses, located at 1900 and 2000 West Scyene Road, 21713 and 21717 IH 635, 1703 and 1705 Rodeo Drive and 417 Rodeo Center Drive.

(Five responses in favor and four responses in opposition to the application have been received from property owners within the statutory notification area. The Planning and Zoning Commission recommends approval of the application.)

Mr. Miklos left the meeting.

A public hearing was held for Application No. Z0518-0036.

Jeff Armstrong, Director of Planning and Development Services, reviewed the details of the proposed project including the types of housing, elevations, screening wall locations, signage requirements and stated that a Traffic Impact

Analysis will be required.

Thomas Fletcher, Kimley-Horn, representing the applicant, stated that the proposed 56-acre project is a mixed-use community containing 338 single-family residential home sites, 130,000 square feet of retail, restaurants and entertainment, 4.5 acres of creek, ponds, trails, open space and park amenities, decorative masonry and metal walls, residential landscaping maintained by the Home Owners Association (HOA) and the Covenants, Conditions and Restrictions (CC&Rs) regulating property maintenance. Mr. Fletcher reviewed the site plan, landscape plan and the community standards. The villas will consist of two-story homes with 1,800-3,000 square feet, 90 percent brick or stone masonry and two-car garages. The bungalows will consist of one or two-story homes with 1,250-2,000 square feet, 90 percent brick or stone masonry and two-car garages. The rear entry townhomes will consist of two-story homes with 1,200-2,000 square feet, 90 percent brick or stone masonry and two-car garages. The urban row homes will consist of three-story homes with 1,200-2,000 square feet, 90 percent brick or stone masonry and two-car garages. The water feature will be maintained by the Property Owners Association, which will consist of commercial property owners in the development. Mr. Fletcher reviewed the connectivity to the existing neighborhood and throughout the development.

Mehrdad Moayed, representing the applicant, stated that 75 percent of the homes constructed in the development will contain more than the minimum square footage required. The Mesquite Rodeo will receive a facelift and, therefore, will continue to be a destination.

Kirk Thomas, representing the applicant, stated that the average selling price for the villas will be \$310,000, the bungalows will be \$288,900, the row homes will be \$256,800 and the town homes will be \$235,400.

The following persons spoke in opposition to the proposed application: (1) Mickey East, 2020 Catskill Drive, and (2) Tom Hubacek, 1324 Fernwood Drive. No others appeared regarding the proposed application.

Mr. Noschese moved to approve Application No. Z0518-0036, as recommended by the Planning and Zoning Commission, with the following stipulations, and adding Stipulation Nos. 6 and 7, as follows:

1. Except as provided herein, the plat and site plan for the property shall conform substantially to the Concept Plan (Exhibit "B" of the ordinance), Landscape Concept Plan (Exhibit "C" of the ordinance), and Planned Development ("PD") Development Standards (Exhibit "D" of the ordinance).
2. The façade of all residential homes shall conform substantially to the Elevations presented and are to be included in the PD Ordinance as shown in Exhibit "E" of the ordinance.
3. District screening shall be provided in accordance with the PD Development Standards and as shown on the Screening Plan (Exhibit "F" of the ordinance).
4. No off-premise signs shall be permitted. Pole signs shall be prohibited. All signs shall share a common architecture in design and materials as permitted by the Mesquite Sign Ordinance.
5. A Traffic Impact Analysis (TIA) is required. As part of the TIA, recommended measures to minimize and/or mitigate the anticipated impacts and determine the adequacy of the development's planned access points. Mitigation measures shall be acceptable to the City Engineer and may include, without limitation: an

access management plan; transportation demand management measures; street improvements on or off the site; placement of pedestrian, bicycle or transit facilities on or off the site; or other capital improvement projects such as traffic calming infrastructure or capacity improvements. The developer is responsible for making the improvements recommended by the TIA and approved by the City that are necessitated by and proportional to the development.

6. Senior living residential uses dedicated to adults age 55 years and older shall be provided on the Property and those areas shown as "Senior Targeted Area" on the Concept Plan.

7. Seventy-five percent of all residential homes must exceed the minimum square footage specified in the Concept Plan and Development Standards.

And to approve Ordinance No. 4595, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING THE MESQUITE ZONING ORDINANCE ADOPTED ON SEPTEMBER 4, 1973, AND RECODIFIED ON NOVEMBER 21, 1988, SO AS TO APPROVE A CHANGE OF ZONING FROM PLANNED DEVELOPMENT – TOWNHOMES, LIGHT COMMERCIAL, COMMERCIAL AND PLANNED DEVELOPMENT – LIGHT COMMERCIAL WITHIN THE MESQUITE ARENA RODEO OVERLAY DISTRICT TO PLANNED DEVELOPMENT – LIGHT COMMERCIAL AND PLANNED DEVELOPMENT – RESIDENTIAL WITHIN THE MESQUITE ARENA RODEO OVERLAY DISTRICT ON PROPERTY LOCATED AT 1900 AND 2000 WEST SCYENE ROAD, 21713 AND 21717 IH-635, 1703 AND 1705 RODEO DRIVE, AND 417 RODEO CENTER DRIVE; THEREBY ALLOWING THE CONSTRUCTION OF A COMMERCIAL AND RESIDENTIAL DEVELOPMENT; REPEALING ALL ORDINANCES IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY NOT TO EXCEED TWO THOUSAND (\$2,000.00) DOLLARS FOR EACH OFFENSE; AND DECLARING AN EMERGENCY. Motion was seconded by Mr. Boroughs. On call for a vote on the motion, the following votes were cast:

Ayes: Noschese, Boroughs, Pickett, Casper, Archer, Aleman

Nays: None

Abstentions: Miklos

Motion carried. (Ordinance No. 4595 recorded in Ordinance Book No. 112.)

OTHER BUSINESS

22

Conduct a public hearing to consider testimony regarding the proposed assessments to be levied against assessable property within the Heartland Town Center Public Improvement District, pursuant to the provisions of Chapter 372 of the Texas Local Government Code. The property is approximately 121.282 acres of vacant land situated in the Martha Music Survey, Abstract Number 312, in Kaufman County, Texas, and is generally located south of Interstate Highway 20, east of FM 741 and north of Heartland Parkway, within the extraterritorial jurisdiction of the City of Mesquite.

(Public hearing continued from August 20, 2018, City Council meeting.)

A public hearing was held to consider testimony regarding the proposed assessments to be levied against assessable property within the Heartland Town Center Public Improvement District.

Ted Chinn, Managing Director of Financial Services, stated that on December 18, 2017, the City Council adopted Resolution No. 80-2017 creating the Heartland

Town Center Public Improvement District (PID) to finance certain authorized public improvements that confer a special benefit to property located within the PID. The City will issue special assessment revenue bonds (PID bonds) to finance a portion of the authorized public improvements and will levy assessments on a parcel-by-parcel basis in an amount sufficient to pay debt service on the bonds. Under the terms of the Heartland Town Center Development Agreement, the maximum aggregate principal amount of PID bonds to be issued for the development is \$14 million. He stated this Series has a principal amount of \$5,410,000 for Phase #1 and \$1,835,000 for Phase #2 Major Improvements, for a total of \$7,245,000. Proceeds of the bond sales will be used to reimburse the developer for construction of authorized public improvements that benefit properties located within the PID. Mr. Chinn added that a Service and Assessment Plan (SAP) is required by statute and defines the annual indebtedness and projected costs for PID-eligible improvements, and includes: (1) Plan Description; (2) Property included in the PID; (3) Description of Authorized Improvements; (4) a Service Plan; (5) an Assessment Plan; (6) an Assessment Methodology and Allocation; (7) Terms of the Assessments; and (8) an Assessment Roll. PID assessments are liens against the assessed property and are superior to all liens except those for state, county, school district or municipal ad valorem taxes.

Mr. Chinn stated that assessment liens become a personal liability of the property owner and run with the property. Assessments are used to pay the debt service of the PID bonds, reimburse the developer for costs pursuant to the PID Reimbursement Agreement, and cover administrative expenses and other costs authorized by the PID Act. The SAP also describes how 62.5 percent of the City's property tax revenue will be collected in the Tax Increment Reinvestment Zone (TIRZ) fund as an annual credit applied to reduce the annual assessments to property owners. He noted that PID bonds will never constitute an indebtedness or general obligation of the City, but are special obligations of the City payable solely from the assessments on each property owner, the City has no legal or moral obligation to repay the bonds from any source other than these pledged revenues, and unlike traditional bond sales, proceeds of the PID bonds and interest income will be held by The Bank of New York Mellon Trust Company, as trustee.

Mr. Chinn stated that as improvements are completed and accepted by the City Engineer, the Developer will request reimbursement to the City's finance department and through David Taussig & Associates, PID Administrator, in accordance with the bond Indenture of Trust and the SAP. Construction of infrastructure is expected to begin Fall 2018. Bond documents have been updated to reflect actual bond maturities, principal and interest rates. The bond ordinance approves the form and content of the final Limited Offering Memorandum – typically finalized and posted within seven business days. Closing of the bond sale should occur on or before September 27, 2018. Mr. Chinn stated that tonight's public hearing was a continuance from the August 20, 2018, City Council meeting and is required by State law to allow property owners within the PID an opportunity to provide written or oral objections to any proposed assessment. At the conclusion of the public hearing, Council will consider an ordinance approving the SAP and Assessment Roll. He concluded by noting that the levy and liens on the property become effective immediately upon passage of the ordinance.

No one appeared regarding the proposed assessments. Mayor Pickett declared the public hearing closed.

23

An ordinance approving a Service and Assessment Plan and Assessment Roll for Phase #1 Improvements and Phase #2 Major Improvements for the Heartland Town Center Public Improvement District (the "District"), making a finding of Special Benefit to certain property in the District, levying special assessments against certain property within the District and establishing a lien on such property, providing for payment of the assessment in accordance with Chapter 372, Texas Local Government Code, as amended, providing for the method of assessment and the payment of the assessments, providing penalties and interest on delinquent assessments, providing for severability and providing an effective date.

Mr. Casper moved to approve Ordinance No. 4596, AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR PHASE #1 IMPROVEMENTS AND PHASE #2 MAJOR IMPROVEMENTS FOR THE HEARTLAND TOWN CENTER PUBLIC IMPROVEMENT DISTRICT (THE "DISTRICT"); MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE. Motion was seconded by Mr. Archer. On call for a vote on the motion, the following votes were cast:

Ayes: Casper, Archer, Pickett, Aleman, Noschese, Boroughs

Nayes: None

Abstentions: Miklos

Motion carried. (Ordinance No. 4596 recorded in Ordinance Book No. 113.)

24

An ordinance approving and authorizing the issuance and sale of the City of Mesquite Special Assessment Revenue Bonds, Series 2018 (Heartland Town Center Public Improvement District Phase #1 Project), approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, Limited Offering Memorandum, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith, making findings with respect to the issuance of such bonds, and providing an effective date.

Ted Chinn, Managing Director of Financial Services, stated that the bond ordinance approves the form and content of the final Limited Offering Memorandum which is posted and finalized within seven business days. The bond sale should occur on or before September 27, 2018.

Jason Hughes, Hilltop Securities, stated that two series of 30-year bonds will be sold - Phase #1 for infrastructure improvements for 5.55 percent interest and Phase #2 for major infrastructure improvements for 5.85 percent interest - and reviewed the pricing summary for the proposed bond sale.

Mr. Archer moved to approved Ordinance No. 4597, AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF MESQUITE SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (HEARTLAND TOWN

CENTER PUBLIC IMPROVEMENT DISTRICT PHASE #1 PROJECT); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE. Motion was seconded by Mr. Boroughs. On call for a vote on the motion, the following votes were cast:

Ayes: Archer, Boroughs, Pickett, Casper, Aleman, Noschese

Nays: None

Abstentions: Miklos

Motion carried. (Ordinance No. 4597 recorded in Ordinance Book No. 113.)

25

An ordinance approving and authorizing the issuance and sale of the City of Mesquite Special Assessment Revenue Bonds, Series 2018 (Heartland Town Center Public Improvement District Phase #2 Major Improvement Project), approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, Limited Offering Memorandum, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith, making findings with respect to the issuance of such bonds, and providing an effective date.

Mr. Aleman moved to approve Ordinance No. 4598, AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF MESQUITE SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (HEARTLAND TOWN CENTER PUBLIC IMPROVEMENT DISTRICT PHASE #2 MAJOR IMPROVEMENT PROJECT); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE. Motion was seconded by Mr. Noschese. On call for a vote on the motion, the following votes were cast:

Ayes: Aleman, Noschese, Pickett, Casper, Archer, Boroughs

Nays: None

Abstentions: Miklos

Motion carried. (Ordinance No. 4598 recorded in Ordinance Book No. 113.)

26

A resolution approving a Reimbursement Agreement relating to the Heartland Town Center Public Improvement District Phase #1 Project.

Mr. Archer moved to approve Resolution No. 48-2018, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS APPROVING A REIMBURSEMENT AGREEMENT RELATING TO THE HEARTLAND TOWN CENTER PUBLIC IMPROVEMENT DISTRICT PHASE #1 PROJECT. Motion was seconded by Mr. Aleman. On call for a vote on the motion, the following votes were cast:

Ayes: Archer, Aleman, Pickett, Casper, Noschese, Boroughs

Nays: None

Abstentions: Miklos

Motion carried. (Resolution No. 48-2018 recorded in Resolution Book No. 54.)

27

A resolution setting dates, times and places for public hearings on the voluntary

petition submitted by D.R. Horton - Texas, LTD, Diecieseis, LLC, and CADG Kaufman 146, LLC, for the proposed annexation by the City of Mesquite of approximately 121.2 acres located in the Mesquite extraterritorial jurisdiction, Martha Music Survey, Abstract No. 312, Kaufman County, Texas, at the southeast corner of IH-20 and FM 741, and authorizing and directing the City Secretary to publish notice of such public hearings.

Mr. Aleman moved to approve Resolution No. 49-2018, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, SETTING DATES, TIMES AND PLACES FOR PUBLIC HEARINGS ON THE VOLUNTARY PETITION SUBMITTED BY D.R. HORTON – TEXAS, LTD, DIECIESEIS, LLC, AND CADG KAUFMAN 146, LLC, FOR THE PROPOSED ANNEXATION BY THE CITY OF MESQUITE OF APPROXIMATELY 121.2 ACRES LOCATED IN THE MESQUITE EXTRATERRITORIAL JURISDICTION, MARTHA MUSIC SURVEY, ABSTRACT NO. 312, KAUFMAN COUNTY, TEXAS, AT THE SOUTHEAST CORNER OF IH-20 AND FM 741; AND AUTHORIZING AND DIRECTING THE CITY SECRETARY TO PUBLISH NOTICE OF SUCH PUBLIC HEARINGS. Motion was seconded by Mr. Noshese. On call for a vote on the motion, the following votes were cast:

Ayes: Aleman, Noschese, Pickett, Casper, Archer, Boroughs

Nays: None

Abstentions: Miklos

Motion carried. (Resolution No. 49-2018 recorded in Resolution Book No. 54.)

EXECUTIVE SESSION - EXECUTIVE CONFERENCE ROOM - 10:11 P.M.

Mr. Miklos entered the meeting.

Mayor Pickett announced that the City Council would meet in Executive Session pursuant to Section 551.071 of the Texas Government Code to conduct a private consultation with its attorney related to pending or contemplated litigation; a settlement offer; and issues in which there exists a duty of the City Attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas (Petition of the Cities of Garland, Mesquite, Plano and Richardson appealing 2018 Wholesale Water Rates implemented by North Texas Municipal Water District, PUC Docket No. 47863 (Appealing Wholesale Water Rates for 2018); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 10:22 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

EXECUTIVE SESSION - EXECUTIVE CONFERENCE ROOM - 10:22 P.M.

Mayor Pickett announced that the City Council would meet in Executive Session pursuant to Section 551.072 of the Texas Government Code to discuss the purchase, exchange, lease or value of real property (Discuss the potential lease of a portion of the property at the northeast corner of Faithon P. Lucas, Sr., Boulevard and McKenzie Road); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 10:31 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

EXECUTIVE SESSION - EXECUTIVE CONFERENCE ROOM - 10:31 P.M.

Mayor Pickett announced that the City Council would meet in Executive Session pursuant to Section 551.087 of the Texas Government Code to consider commercial or financial information regarding business prospects or projects (Consider economic development incentives for a prospect seeking to locate south of Town East Boulevard, north of Towne Centre Drive, east of Gus Thomasson Road and west of IH-635 in the City of Mesquite, Texas); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 10:52 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

EXECUTIVE SESSION - EXECUTIVE CONFERENCE ROOM - 10:52 P.M.

The City Council met in Executive Session pursuant to Section 551.074 of the Texas Government Code to consider the appointment, evaluation, employment, reassignment, duties, discipline or dismissal of the City Manager, City Attorney, Municipal Court Judge, City Secretary, members of the various City boards and commissions, and City officers or other City employees (Discuss the proposed terms of an employment contract between the City of Mesquite and David Paschall for the position of City Attorney); whereupon, the City Council proceeded to meet in the Executive Conference Room. After the closed meeting ended at 11:45 p.m., the City Council reconvened in Open Session.

No executive action was necessary.

ADJOURNMENT

Mr. Aleman moved to adjourn the meeting. Motion was seconded by Mr. Archer and approved unanimously. The meeting adjourned at 11:45 p.m.

Attest:

Approved:

Sonja Land, City Secretary

Stan Pickett, Mayor