

**MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
February 21, 2017**

The City Council of the City of Gainesville, Texas met in regular session on February 21, 2017 at 6:30 p.m. with the following persons in attendance.

MEMBERS PRESENT: Mayor Jim Goldsworthy, Keith Clegg, Mary Jo Dollar, Carolyn Hendricks, Ken Keeler, Steve Gordon, Tommy Moore

STAFF PRESENT: Barry Sullivan, City Manager; Bill Harris, City Attorney; Caitlyn Huddleston, City Secretary; Kevin Phillips, Police Chief; Julie Smith, Community Services Director; Arleene Loyd, Gainesville Economic Development Corporation Director; Dana Herr, Main Street Coordinator; Karen Dixon, Controller

OTHERS PRESENT: Karla Vessels, Lucy Sutton, Ed Barlow, Shelli Selby, Jeff James, Rod Tyler, Nikki King, Megan Grey-Hatfield, Paula Moore, Office Tom Reynolds, Julie Clanton, Mary Jo Gaustad, Peter J. Bozarth, Mike Gordon, Debbie Armstrong, Jessica McAfee, Diane Rigler, Lynda Cray, Sabrina Kirchenbaur, Jessica Gomez, Tony Dresser (Videographer)

CALL TO ORDER

Mayor Jim Goldsworthy called the meeting to order at 6:30 p.m.

INVOCATION & PLEDGE OF ALLEGIANCE

Father Jeff Stubbs, St. Paul's Episcopal Church, gave the invocation. Mayor Jim Goldsworthy led the pledge to the flag.

PROCLAMATION/RECOGNITIONS

Karla Vessels of the Finance Department was named February 2017 Employee of the Month. Karla was recognized for her helpfulness and dedication. Karla often serves as "back-up" to the Human Resources Department and is always quick to respond to messages or requests for information. Karla was also commended for her outgoing personality and perpetual good mood and positive attitude. Karla is very supportive of City-related activities and always participates in employee events. City Manager Barry Sullivan read and presented the recognition certificate to Vessels along with a certificate for an additional one day of vacation.

REPORTS

Report and Discussion of Branding Campaign Research Including Survey and Focus Groups

Arleene Loyd, Gainesville Economic Development Corporation (GEDC) Director, introduced Ed Barlow, Senior Vice President, Director of Strategic Planning with North Star Destination Strategies, and explained that they are at the half-way point of their efforts for a new branding campaign for Gainesville.

Mr. Barlow gave an in-depth presentation of the plan for rebranding Gainesville and responses received from surveys completed by community members and surrounding areas. (City Council approved hiring North Star in September 2016 for marketing and branding services for the City, Gainesville Independent School District, Gainesville Economic Development Corporation, and Gainesville Area Chamber of Commerce.) Mr. Barlow noted that the impressions from respondents outside of the city of Gainesville were not as negative as what respondents inside the city

anticipated. Based on positive attributes of the city and aspects that draw visitors, the “DNA Statement” created by North Star for Gainesville is: For those interested in a charming town, close but not too close to the DFW area, Gainesville, located on I-35 where Texas greets Oklahoma, is the only Medal of Honor city nationwide, which is emblematic of the community’s hard work, respect, and commitment to the patriotic fabric of our American character so we inspire the heroes among us.

North Star will move forward with the branding campaign based on this statement.

CONSENT AGENDA

Council reviewed the Minutes of the regularly scheduled City Council Meeting of February 7, 2017 and approved them as written.

Councilmember Dollar **moved to approve the consent agenda**, seconded by Councilmember Keeler, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 – APPROVING THE ACTIONS OF THE GEDC WHICH APPROVED THE FACADE GRANT SUBMITTED BY THE MAIN STREET BOARD FOR IMPROVEMENTS OF THREE DOWNTOWN BUSINESSES.

CONSIDERATION OF AND ACTION ON A RESOLUTION APPROVING THE ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH APPROVED THE FACADE GRANT SUBMITTED BY THE MAIN STREET BOARD FOR IMPROVEMENTS OF THREE DOWNTOWN BUSINESSES.

Council approved the GEDC’s actions to approve three façade grants submitted by the Main Street Board for improvements to three downtown businesses. The grants are paid when improvements are completed and reimburses 50% of the cost of the improvement. The businesses are Dustins Office Products, Sarah’s on the Square, and Amelia’s Attic. Mayor Goldsworthy added that this administrative business to be caught up on from the last twelve months after leadership changed at the Chamber of Commerce and Main Street Organizations.

First reading consideration took place at the February 7, 2017 meeting.

Councilmember Clegg **moved to approve the resolution**. The motion was seconded by Councilmember Moore and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 A – APPROVING THE ACTIONS OF THE GEDC WHICH APPROVED ORTEQ ENERGY TECHNOLOGIES AS AN ECONOMIC DEVELOPMENT PROJECT AND APPROVED THE PURCHASE OF 20 ACRES OF REAL PROPERTY AS AN ECONOMIC DEVELOPMENT INCENTIVE TO ORTEQ ENERGY FOR AN EXPANSION.

CONSIDERATION OF AND ACTION ON A RESOLUTION APPROVING THE ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH APPROVED ORTEQ ENERGY TECHNOLOGIES AS AN ECONOMIC DEVELOPMENT PROJECT AND APPROVED THE PURCHASE OF 20 ACRES OF REAL PROPERTY AS AN ECONOMIC DEVELOPMENT INCENTIVE TO ORTEQ ENERGY FOR AN EXPANSION.

Council approved Orteq Energy Technologies as an economic development project as approved by the GEDC and approved the purchase of twenty acres as real property as an economic development incentive to Orteq Energy Technologies for an expansion. The expansion will be a manufacturing facility of at least 20,000 square feet, and expandable up to 50,000 square feet, with a capital investment of at least \$6 million, which could exceed \$20 million. Ten new jobs will be created and Orteq expects to create between 40 and 50 new jobs in two years, as the energy market dictates. City Manager Barry Sullivan added that the jobs will have a minimum wage of \$16.50 per hour.

First reading consideration took place at the February 7, 2017 meeting.

Councilmember Gordon **moved to approve the resolution.** The motion was seconded by Councilmember Clegg and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

ORDINANCE 1406-02-2017 – CONVEYING 20.003 ACRES OF THE GAINESVILLE MUNICIPAL AIRPORT TO THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE CONVEYING 20.003 ACRES OF THE GAINESVILLE MUNICIPAL AIRPORT TO THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A FINDINGS OF FACT; AND MAKING AN OPEN MEETING FINDING.

Adopted an ordinance allowing the City Council to convey 20.003 acres of the Gainesville Municipal Airport to the GEDC. City Manager Sullivan explained that because the land is being sold to an economic development corporation, the City did not have to request bids for the sale, but it had to be at fair market value. An appraisal of the property indicated a fair market value of \$10,000 to \$15,000 per acre; the City settled at \$12,500 per acre, for a total of \$250,000. This amount was confirmed within the last week to be accurate as the original appraisal was made in 2015. Because the land was donated from the state and federal governments, the process to obtain approval to sell the land was lengthy. Mayor Goldsworthy noted that proceeds from the sale shall go to the Airport.

Councilmember Clegg **moved to Suspend the Charter requirement of three readings,** seconded by Councilmember Keeler, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

Councilmember Clegg **moved to Adopt the Ordinance on the First Reading,** seconded by Councilmember Keeler, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 B – AWARDING BID NO. 2017-01 TO EZ-GO GOLF CAR COMPANY FOR THE LEASE OF TWENTY-FIVE (25) GOLF CARTS FOR THE GAINESVILLE MUNICIPAL GOLF COURSE.

CONSIDERATION OF AND ACTION ON A RESOLUTION AWARDING BID NO. 2017-01 TO EZ-GO GOLF CAR COMPANY FOR THE LEASE OF TWENTY-FIVE (25) GOLF CARTS FOR THE GAINESVILLE MUNICIPAL GOLF COURSE FOR A PERIOD OF FORTY-EIGHT (48) MONTHS AT A COST OF SEVENTY-EIGHT THOUSAND FIVE HUNDRED SIXTY-FOUR DOLLARS AND NO CENTS (\$78,564.00).

Council voted to award bid number 2017-01 for the lease of golf carts at the Gainesville Municipal Golf Course. The lease is for 48 months at a cost of \$78,564.00. Sealed bids were opened on February 7, 2017. City Manager Sullivan added that one company submitted a bid lower than that of EZ-GO, but the amount did not include maintenance costs during the lease. Staff reviewed the expected maintenance cost and found that EZ-GO's bid was ultimately lower over the course of the lease.

Councilmember Hendricks **moved to approve the resolution.** The motion was seconded by Councilmember Gordon and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 C – APPROVING REVISION OF THE CITY RATES FEE SCHEDULE FOR FISCAL YEAR 2016-2017 AND PROVIDING AN EFFECTIVE DATE.

CONSIDERATION OF AND ACTION ON A RESOLUTION APPROVING REVISION OF THE CITY RATES FEE SCHEDULE FOR FISCAL YEAR 2016-2017 AND PROVIDING AN EFFECTIVE DATE.

Council voted to revise the Fiscal Year 2016-2017 fee schedule to remove the weekly Adult Softball League registration fees and add a flat fee of \$300 to help offset costs associated with

running a sanctioned USSSA League. Previously, the fees were tiered based on signup time. USSSA will promote the City of Gainesville Parks and Recreation Department's adult softball leagues and tournaments.

Councilmember Keeler **moved to approve the resolution.** The motion was seconded by Councilmember Dollar and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 D – AUTHORIZING AN AGREEMENT WITH COOKE COUNTY TO PROVIDE VOTING MACHINE(S) FOR THE MAY 2017 GENERAL ELECTION.

CONSIDERATION OF AND ACTION ON A RESOLUTION AUTHORIZING AN AGREEMENT WITH COOKE COUNTY TO PROVIDE VOTING MACHINE(S) FOR THE MAY 2017 GENERAL ELECTION.

Council authorized a lease agreement between the City and Cooke County for rental of voting machine(s) as required by law for the City's election in May 2017. The County charges no rental fee to the City for use of the voting machine and will consider this agreement at their meeting on February 27, 2017. City Manager Sullivan thanked Cooke County for their providing of the machine.

Councilmember Keeler **moved to approve the resolution.** The motion was seconded by Councilmember Dollar and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 E – AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH GISD, NTMC, AND NCTC TO SHARE A POLLING LOCATION IN CERTAIN VOTING PRECINCTS FOR THE GENERAL ELECTION ON MAY 6, 2017.

CONSIDERATION OF AND ACTION ON A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE GAINESVILLE INDEPENDENT SCHOOL DISTRICT, THE NORTH TEXAS MEDICAL CENTER, AND THE NORTH CENTRAL TEXAS COLLEGE TO SHARE A POLLING LOCATION IN CERTAIN VOTING PRECINCTS FOR THE GENERAL ELECTION ON MAY 6, 2017.

Council authorized an agreement to share the polling location at the Civic Center between the City, GISD, NTMC, and NCTC for Elections to be held on May 6, 2017. This agreement is approved each year. A central polling location is easier and more convenient for voters within the city of Gainesville.

Councilmember Hendricks **moved to approve the resolution.** The motion was seconded by Councilmember Gordon and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

PUBLIC HEARING ON AN ORDINANCE REZONING FROM RESTRICTED COMMERCIAL (C-1) TO SINGLE FAMILY TWO DISTRICT (SF-2) THE ENTIRETY OF THE AREA BORDERED ON THE NORTH BY LANIUS STREET, ON THE EAST BY SOUTH CLEMENTS STREET, ON THE SOUTH BY ANTHONY STREET, ON THE WEST BY SOUTH GRAND AVENUE TO TYLER STREET THEN BY SOUTH MORRIS TO LANIUS STREET.

PUBLIC HEARING ON THE FIRST READING OF AN ORDINANCE AMENDING ORDINANCE 1219-12-2008; THE ZONING ORDINANCE OF THE CITY OF GAINESVILLE, AUTHORIZING THE CITY TO REZONE FROM RESTRICTED COMMERCIAL (C-1) TO SINGLE FAMILY TWO DISTRICT (SF-2) THE ENTIRETY OF THE AREA BORDERED ON THE NORTH BY LANIUS STREET, ON THE EAST BY SOUTH CLEMENTS STREET, ON THE SOUTH BY ANTHONY STREET, ON THE WEST BY SOUTH GRAND AVENUE TO TYLER STREET THEN BY SOUTH MORRIS TO LANIUS STREET.

Mayor Goldsworthy opened the Public Hearing at 7:23 p.m. and called for public comment on the proposed rezoning.

Sabrina Carpenter, 1106 South Morris, spoke in support of the rezoning. She explained that her home caught fire and was deemed unlivable. As it was declared more than 50% damaged, the home cannot be rebuilt because it is a legal, nonconforming building. Ms. Carpenter voiced her disappointment that businesses can continue to operate as nonconforming buildings as long as they are not closed for six months, but she is not able to repair and move back into her home. She summarized her address by stating that they had made improvements to the home and had memory trees of loved ones lost on the property, and made a final plea to council to rezone the property to residential.

Diane Rigler, owner of Calla Lily Garden Center at 1207 South Grand, spoke in opposition of the rezoning and advised she went through the Planning and Zoning Commission to rezone her property to commercial. She also noted she was told her property was grandfathered but was under the impression it could only be sold as a garden center. Ms. Rigler said that she was advised she could not currently development the neighboring lot as an expansion of her business or duplexes.

Julie Clanton, 1423 South Clements, spoke in support of the rezoning. Her main concern was for the safety of the area if it was to remain commercial and be developed as such since the area is currently predominantly single-family residences with children and is close to the walking trail.

Debbie Armstrong, owner of R. J.'s Conoco Station at 1200 South Grand, voiced her concern for approval of the rezoning. She requested reassurance that the commercial property would be allowed to remain commercial and that the property value would not decrease due to the zoning change when the property is sold in the future.

Lynda Cray, 304 South Morris, spoke in support of the rezoning. She said that the two properties adjoining hers are intentionally damaging her property to so that it would be deemed more than 50% damaged, restricting her from rebuilding the home. Her concern with the area remaining commercially zoned was for the changing hands of property owners.

Diane Rigler addressed council once more to note that at a recent Planning and Zoning Commission meeting, Bill Williams, P & Z Commission member, brought up taking the businesses south of Moss St, RJ's Conoco, Calla Lily Garden Center, and Helton's Plumbing, out of the rezoning consideration to be left zoned commercial. She noted she was advised this might be a possibility by Julie [Smith, Community Services Director], but didn't know it would save or change anything. Rigler said, "When I sell it, I want it to be commercial, no matter what, and do not want the city to be able to say this is what you can sell it for. I'm having a hard time with that."

Mary Jo Gahlsted, Robson Ranch, mother of Julie Clanton, spoke in support of the rezoning. She advised they searched for a year for a place for her daughter to live. She repeated that they love Gainesville and support it, but do not wish for the neighboring property to be commercial.

With no further discussion, Councilmember Dollar moved to close the Public Hearing, with second by Councilmember Moore, and the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent. The Public Hearing was closed at 7:34 p.m.

ORDINANCE 1407-02-2017 – REZONING FROM RESTRICTED COMMERCIAL (C-1) TO SINGLE FAMILY TWO DISTRICT (SF-2) THE ENTIRETY OF THE AREA BORDERED ON THE NORTH BY LANIUS STREET, ON THE EAST BY SOUTH CLEMENTS STREET, ON THE SOUTH BY ANTHONY STREET, ON THE WEST BY

SOUTH GRAND AVENUE TO TYLER STREET THEN BY SOUTH MORRIS TO LANIUS STREET.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE AMENDING ORDINANCE 1219-12-2008; THE ZONING ORDINANCE OF THE CITY OF GAINESVILLE, AUTHORIZING THE CITY TO REZONE FROM RESTRICTED COMMERCIAL (C-1) TO SINGLE FAMILY TWO DISTRICT (SF-2) THE ENTIRETY OF THE AREA BORDERED ON THE NORTH BY LANIUS STREET, ON THE EAST BY SOUTH CLEMENTS STREET, ON THE SOUTH BY ANTHONY STREET, ON THE WEST BY SOUTH GRAND AVENUE TO TYLER STREET THEN BY SOUTH MORRIS TO LANIUS STREET.

Council adopted an ordinance rezoning an area along South Grand to Single-Family Two (SF-2) from Restricted Commercial (C-1). The area is bounded by Lanius Street on the north, South Clements on the east, Anthony Street on the South, and on the west by Grand Avenue and South Morris.

At the time the entire city was rezoned in 2008, the City anticipated the area growing as a commercial corridor similarly to North Grand. Consequently, it was recommended to rezone it to Restricted Commercial (C-1) to encourage low impact commercial uses such as restaurants, beauty shops, professional offices, etc. However, this anticipated development has not occurred. The area is still dominated by single-family homes that have been grandfathered in as residential uses.

After the last rezoning request, the Planning and Zoning Commission discussed the potential of rezoning the corridor back to SF-2. There was general agreement that the development demand for the area was for single-family homes and not for commercial businesses. Furthermore, the Commission did not believe there would be any demand for commercial uses in the foreseeable future other than those already existing that would be grandfathered in. Given the demand for single family homes in the corridor as well as the effort and cost related to rezoning the area parcel by parcel, the Commission asked staff to investigate rezoning the entire area back to SF-2. The Planning and Zoning Commission unanimously recommended City Council amend the zoning ordinance to change this area from C-1 to SF-2.

Julie Smith, Community Services Director, noted that all properties in the area are legal but non-conforming with the exception of a hair salon. The businesses previously mentioned, Calla Lily's and R.J.'s Conoco, are technically classified as Outdoor Commercial (C-3) type businesses and if they were not grandfathered, would not be allowed to operate in their current location because it is zoned C-1. Mayor Goldsworthy clarified that if the rezoning under consideration was approved, the businesses would not operate any differently than they do now. Smith further noted that as long as the business is not vacant for more than six months, it can continue as legal, non-conforming.

To clarify Ms. Rigler's earlier comments, City Manager Sullivan asked if the Calla Lily property could only operate as a garden center specifically, or if it could be any business allowed within the C-3 zone if sold. Smith advised that any use allowed within the C-3 zone would be permitted at the location if the property were to be sold and not be vacant for more than six months. Smith also counseled that duplexes could not be built in the area because they are considered Multi-Family (MF-1) developments, and would not be allowed within the proposed SF-2 zone, or the current C-1 zone.

Smith pointed out that Ms. Rigler was correct that she could not expand her business per the current zoning as her business is considered legal, non-conforming. This is similar to a previous rezoning request made by DEF Recycling who wished to expand their business location, but were grandfathered and legal, non-conforming. Smith again pointed out that all businesses in the area in

question are operating illegally but have been grandfathered with the exception of the hair salon. She further explained that if the homes and businesses, excluding the hair salon, were “wiped out” more than 50% of their tax roll value, they would not be allowed to rebuild. She agreed that because the properties are not zoned for single family residences or outdoor commercial as is applicable, they are difficult to sell. By rezoning the area to SF-2, Smith said that the “problem is solved for the homeowners, but not the businesses.”

Mayor Goldsworthy commented that he was surprised this had not been considered by council before. He instructed staff to consult with legal aide to determine if the businesses could be zoned for their current use and to take this opportunity to fix the zoning concerns in the area.

Councilmember Keeler **moved to Suspend the Charter requirement of three readings**, seconded by Councilmember Moore, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

Councilmember Keeler **moved to Adopt the Ordinance on the First Reading**, seconded by Councilmember Gordon, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 F – AWARDING BID NO. 2017-02 TO LYNN VESSELS CONSTRUCTION FOR SUMP BID PACKAGE I.

CONSIDERATION OF AND ACTION ON A RESOLUTION AWARDING BID NO. 2017-02 TO LYNN VESSELS CONSTRUCTION FOR SUMP BID PACKAGE I.

Council awarded bid number 2017-02 for the SUMP Package I, Culberson Street. The City received two bids – the lowest was from Lynn Vessels Construction, LLC of Sherman, Texas. Lynn Vessels has completed several street and utility maintenance projects for the City of Gainesville. The street will be straightened, narrowed to 35 feet, and go from California Street to just short of US Highway 82.

Jeff James, Kimley-Horn and Associates Engineer, commended the City’s planning efforts and complemented City Manager Barry Sullivan on a presentation given recently at a conference. Several other cities, including Frisco, have approached Kimley-Horn to emulate the City of Gainesville’s planning efforts.

Councilmember Clegg **moved to approve the resolution**. The motion was seconded by Councilmember Keeler and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 02-21-2017 G – AUTHORIZING CHANGE ORDER NO. 2 TO THE CONTRACT WITH GRACON CONSTRUCTION FOR THE WASTEWATER TREATMENT PLANT PHASE II IMPROVEMENTS PROJECT.

CONSIDERATION OF AND ACTION ON A RESOLUTION AUTHORIZING CHANGE ORDER NO. 2 TO THE CONTRACT WITH GRACON CONSTRUCTION FOR THE WASTEWATER TREATMENT PLANT PHASE II IMPROVEMENTS PROJECT.

Council authorized change order number two to the bid awarded to Gracon Construction for the Wastewater Treatment Plant Phase II Improvements project for an amount of \$58,582.20. Engineers and staff recommended approval of the change. The change order was necessary due to a previous value engineering savings of over \$2 million, which changed the depth of the Sequential Batch Reactor (SBR). The current change order is required to match other components of the plant to the SBR.

Councilmember Moore **moved to approve the resolution**. The motion was seconded by Councilmember Keeler and carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

ADJOURN

With no further business to come before the City Council, the meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Caitlyn Huddleston, City Secretary

Jim Goldsworthy, Mayor