

**MINUTES  
CITY OF GAINESVILLE  
CITY COUNCIL MEETING  
200 South Rusk  
Gainesville, Texas 76240  
July 18, 2017**

The City Council of the City of Gainesville, Texas met in regular session on July 18, 2017 at 6:30 p.m. with the following persons in attendance.

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

**MEMBERS ABSENT:** Steve Gordon

**STAFF PRESENT:** Barry Sullivan, City Manager; Bill Harris, City Attorney; Caitlyn Huddleston, City Secretary; Kevin Phillips, Chief of Police; Dan Parker, Finance Director; Arlene Loyd, Gainesville Economic Development Corporation Executive Director; Julie Smith, Community Services Director; Susan Kleven, Frank Buck Zoo Director

**OTHERS PRESENT:** Mark Mask, Mike Gordon, Daron Fredrickson, Steve Schmitz, Ken Leach, Karen Estes, Megan Kennedy, Trish Wagner, Kathi Stokes, Amanda Arnold, Rebekah Schimp, Katie Evans, Morgan Beeman, Laura Patterson, Katie Krantz, Sarah Seabaugh, Rachel Hughes, Nikki King, Jason Streeter, Shari Strobel, Nancy Moore, Boogie Collum, Mike Todd, Amanda Neelley, Justin Harris, Angie Hare, John Hare, Stephanie Payeur, Bill Payeur, Nate Payeur, Shelby Payeur, Tess Payeur, Tony Dresser (Videographer)

**CALL TO ORDER**

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

**INVOCATION & PLEDGE OF ALLEGIANCE**

John Hare, First Presbyterian Church, gave the invocation. Mayor Jim Goldsworthy led the pledge to the flag.

**RECOGNITIONS & PROCLAMATIONS**

**Employee of the Month, July 2017**

Stephanie Payeur, Public Services Secretary, was named the July 2017 Employee of the Month in recognition and appreciation for dedication to the City of Gainesville and its citizens. Recently, a City resident called in to the Public Services Department to complain that the City had torn up her front yard. Stephanie answered this phone call and took the resident's complaint, telling the resident she would find out what had occurred. Stephanie checked with the Street and Water work crews who informed her they had not done any work in the resident's yard. Stephanie then took it upon herself to find out who had been working in the resident's yard. Stephanie did not have the resident's phone number to be able to contact the resident to report what she had found, so she had a note hand-delivered to the resident's address with the information. The resident was very impressed with Stephanie's courtesy, her willingness to find out who was responsible, and also her thoughtfulness in making sure the resident was notified of that information. The resident was able to contact the workers who tore up her yard and have them make it right and called the City to offer praise for Stephanie "going the extra mile." Stephanie's assistance to this resident is a

demonstration of her care and dedication she has for the people of the City of Gainesville. City Manager Barry Sullivan read and presented the recognition certificate to Payeur along with a certificate for an additional one day of vacation.

**National Zookeepers Appreciation Week, July 16-22, 2017**

Mayor Pro Tem Keith Clegg read and presented a proclamation declaring the week of July 16-22, 2017, as National Zookeeper Week in Gainesville, recognizing zookeepers for their role in animal conservation and education, and encouraging citizens to visit the Frank Buck Zoo. Zoo staff and members of the Frank Buck Zoological Society were in attendance to receive the proclamation.

**CONSENT AGENDA**

Council reviewed the Minutes of the City Council budget workshop session of June 20, 2017 and the regularly scheduled City Council Meeting of June 20, 2017 and approved them as written.

Councilmember Clegg **moved to approve the consent agenda**, seconded by Councilmember Moore, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

The following actions were taken by Council:

**2016 ANNUAL DRINKING WATER QUALITY REPORT PRESENTATION AND PUBLIC PARTICIPATION OPPORTUNITY REGARDING REPORT.**

2016 ANNUAL DRINKING WATER QUALITY REPORT PRESENTATION AND PUBLIC PARTICIPATION OPPORTUNITY REGARDING REPORT.

Mark Mask, Water Supervisor, reviewed the 2016 Annual Drinking Water Quality Report, also called the Consumer Confidence Report (CCR). The City water supply was issued a “Superior” rating by the Texas Commission on Environmental Quality (TCEQ) for exceeding minimum standards for a public water supply. He explained that haloacetic acid levels were high following flooding in 2016, but measures have been taken to permanently fix this issue. City Manager Sullivan added that there were a number of other cities who experienced the same problem, but the City was already taking part in a multi-year, \$7.5 million upgrade to the Water Treatment Plant, which included the installation of a sodium permanganate system, which would have resolved the high numbers for organic matter during the heavy rains. Mask also advised that Spanish-speaking citizens may call the Public Services Department with questions. All City water customers receive the Consumer Confidence Report by mail.

A public hearing was held to provide for public participation opportunity regarding the annual report. None were present to speak.

**PUBLIC HEARING ON AN ORDINANCE DESIGNATING A CERTAIN AREA AS REINVESTMENT ZONE NUMBER 19 (NINETEEN); PROVIDING FOR ELIGIBILITY REQUIREMENTS FOR TAX ABATEMENT WITHIN ZONE; PROVIDING TERMS FOR ABATEMENT WITHIN THE ZONE; PROVIDING REQUIREMENTS FOR TAX ABATEMENT AGREEMENTS.**

PUBLIC HEARING ON AN ORDINANCE DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR COMMERCIAL TAX ABATEMENT; ASSIGNING THE NAME “REINVESTMENT ZONE NUMBER 19 (NINETEEN) OF THE CITY OF GAINESVILLE, TEXAS” TO SAID ZONE; DESCRIBING THE BOUNDARIES THEREOF; PROVIDING FOR ELIGIBILITY REQUIREMENTS FOR TAX ABATEMENT WITHIN SAID ZONE; PROVIDING TERMS FOR ABATEMENT WITHIN THE ZONE; PROVIDING REQUIREMENTS FOR TAX ABATEMENT AGREEMENTS.

Mayor Goldsworthy opened the Public Hearing at 6:41 p.m. and called for public comment on the proposed rezoning.

With no further discussion, Councilmember Keeler moved to close the Public Hearing, with second by Councilmember Dollar, and the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon). The Public Hearing was closed at 6:42 p.m.

**ORDINANCE 1412-07-2017 – DESIGNATING A CERTAIN AREA AS REINVESTMENT ZONE NUMBER 19 (NINETEEN); PROVIDING FOR ELIGIBILITY REQUIREMENTS FOR TAX ABATEMENT WITHIN ZONE; PROVIDING TERMS FOR ABATEMENT WITHIN THE ZONE; PROVIDING REQUIREMENTS FOR TAX ABATEMENT AGREEMENTS.**

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR COMMERCIAL TAX ABATEMENT; ASSIGNING THE NAME “REINVESTMENT ZONE NUMBER 19 (NINETEEN) OF THE CITY OF GAINESVILLE, TEXAS” TO SAID ZONE; DESCRIBING THE BOUNDARIES THEREOF; PROVIDING FOR ELIGIBILITY REQUIREMENTS FOR TAX ABATEMENT WITHIN SAID ZONE; PROVIDING TERMS FOR ABATEMENT WITHIN THE ZONE; PROVIDING REQUIREMENTS FOR TAX ABATEMENT AGREEMENTS.

Council voted to adopt an ordinance designating a certain area of land, identified as 4321 N I-35, formerly the Outlet Mall, as Reinvestment Zone No. 19, and providing eligibility requirements for tax abatement within the zone as described in Exhibit A of the ordinance. The reinvestment zone must be created prior to any tax abatement being given on the property.

Councilmember Keeler **moved to Suspend the Charter requirement of three readings**, seconded by Councilmember Moore, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

Councilmember Keeler **moved to Adopt the Ordinance on the First Reading**, seconded by Councilmember Moore, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**RESOLUTION 07-18-2017 – APPROVING A TAX ABATEMENT AGREEMENT WITH GAINESVILLE NORTHTOWN PLAZA, LLC WITHIN THE REINVESTMENT ZONE 19.**

CONSIDERATION OF AND ACTION ON RESOLUTION APPROVING AN AGREEMENT WITH GAINESVILLE NORTHTOWN PLAZA, LLC; PROVIDING FOR AD VALOREM TAX ABATEMENT FOR SAID BUSINESS WITHIN THE REINVESTMENT ZONE 19 OF THE CITY OF GAINESVILLE, TEXAS.

Council approved a tax abatement agreement between the City of Gainesville and Gainesville Northtown Plaza, LLC in Reinvestment Zone No. 19, located at 4321 N I-35, Gainesville, Texas, formerly the Outlet Mall. City Manager Barry Sullivan said the tax abatement agreement allows a staggered exemption from taxation, beginning at 50% for year one, 60% for year two, 70% for year three, 80% for year four, 90% for year five, and 100% for years six through ten. Sullivan noted that the owner expects to invest \$23.5 million. The abatement shall take effect no later than January 1, 2020.

Councilmember Clegg **moved to approve the resolution**, seconded by Councilmember Keeler, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**RESOLUTION 07-18-2017 A – AUTHORIZING THE MAYOR TO EXECUTE THE CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT WITH GAINESVILLE NORTHTOWN PLAZA, LLC.**

CONSIDERATION OF AND ACTION ON RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE THE CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT WITH GAINESVILLE NORTHTOWN PLAZA, LLC.

Council authorized the Mayor to execute an agreement with Gainesville Northtown Plaza, LLC for a ten year, 50% tax rebate for values over the base year, or \$2.9 million, of the Liberty Crossing Project, formerly the Outlet Mall. The tax rebate will start after the tax abatement expires. It also includes a 50% of 1% rebate of sales tax for 20 years. The tax abatement does not include sales tax from Burkes Outlet Stores.

Councilmember Keeler **moved to approve the resolution with the exception that no minimum investment amount be required**, seconded by Councilmember Moore, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**RESOLUTION 07-18-2017 B – AWARDING BID NO. 2017-03 PECAN CREEK REHABILITATION PROJECT TO ERS, INC. OF JACKSON, MISSISSIPPI FOR AN AMOUNT OF \$397,397.00**

CONSIDERATION OF AND ACTION ON RESOLUTION AWARDING BID NO. 2017-03 PECAN CREEK REHABILITATION PROJECT TO ERS, INC. OF JACKSON, MISSISSIPPI FOR AN AMOUNT OF \$397,397.00

Council awarded the bid for Pecan Creek Rehabilitation Project to ERS Inc. of Jackson, Mississippi, as they were the lowest, responsive bid, for \$397,397.00. This project consists of erosion repairs at specific locations on the banks of Pecan Creek as part of the 2015 flood damage. This resolution approves awarding the bid and proceeding with the project only if FEMA approves the bid amount and to fund 75% of their share of the project. City Manager Barry Sullivan explained that this project was overseen by the Corps of Engineers and was not built to specification. To avoid another such instance, the City will require an engineer to verify the work awarded to ERS prior to accepting it.

Councilmember Moore **moved to approve the resolution**, seconded by Councilmember Dollar, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**RESOLUTION 07-18-2017 C – AWARDING BID NO. 2017-04 GATEWAY ELEVATED STORAGE TANK TO PHOENIX FABRICATORS AND ERECTORS, LLC, OF AVON, INDIANA, FOR AN AMOUNT OF \$993,899.**

CONSIDERATION OF AND ACTION ON RESOLUTION AWARDING BID NO. 2017-04 GATEWAY ELEVATED STORAGE TANK TO PHOENIX FABRICATORS AND ERECTORS, LLC, OF AVON, INDIANA, FOR AN AMOUNT OF \$993,899.

Council awarded the bid for Gateway Elevated Storage Tank to Phoenix Fabricators of Avon, Indiana in the amount of \$993,899. The city received four bids for the elevated water storage tank. City Manager Barry Sullivan commented that the bids came in nearly \$250,000 less than what engineers anticipated. He explained that the water tower will be built in the Gateway Industrial Park area, as required for water storage, and will serve as a backup storage if alternate towers need to be serviced.

Councilmember Dollar **moved to approve the resolution**, seconded by Councilmember Keeler, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**ORDINANCE 1413-07-2017 – AMENDING THE CODE OF ORDINANCES, CHAPTER 5, ARTICLE IV SIGNS, SECTION 5-174 TOTAL SIGN SURFACE AREA SIGN REGULATIONS.**

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CHAPTER 5, ARTICLE IV SIGNS, SECTION 5-174 TOTAL SIGN SURFACE AREA SIGN REGULATIONS.

Adopted an ordinance to allow for signs on building elevations that do not face a street. Previous ordinances created a challenge for businesses that can be seen from other roads in terms of advertising. For instance, the north side of Taco Bell is easily seen from California but does not face a street, and they cannot place signage on that side of the building. This is also a common issue for shopping centers. This ordinance also allows apartment complexes, such as Liberty Apartments, to be classified as commercial, versus residential, for sign calculation purposes.

Councilmember Clegg **moved to Suspend the Charter requirement of three readings**, seconded by Councilmember Moore, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

Councilmember Clegg **moved to Adopt the Ordinance on the First Reading**, seconded by Councilmember Keeler, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**RESOLUTION 07-18-2017 D – SUBMITTING NOMINATION OF LEAH GORE AS A QUALIFIED CANDIDATE FOR THE TMLIEBP BOARD OF TRUSTEES.**

CONSIDERATION OF AND ACTION ON A RESOLUTION SUBMITTING NOMINATION OF LEAH GORE AS A QUALIFIED CANDIDATE FOR THE TEXAS MUNICIPAL LEAGUE MULTISTATE INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL BOARD OF TRUSTEES.

Nominated Leah Gore, Human Resources Director, as a qualified candidate for the Texas Municipal League Multistate Intergovernmental Employee Benefits Pool Board of Trustee Election. The nominee must be a municipal “employee” who is a department head or higher; works at least 20 hours per week for an incorporated city; paid by the city with incorporated city funds; and may be hired and fired only by another incorporated city official or by the incorporated city’s governing body. Gore currently serves on this board and has since 2014.

Councilmember Hendricks **moved to approve the resolution**, seconded by Councilmember Clegg, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**FIRST READING OF A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH VOTED TO APPROVE AN ECONOMIC DEVELOPMENT INCENTIVE FOR DEF RECYCLING PHASE II ENVIRONMENTAL STUDY.**

FIRST READING OF A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH VOTED TO APPROVE AN ECONOMIC DEVELOPMENT INCENTIVE FOR DEF RECYCLING PHASE II ENVIRONMENTAL STUDY.

Considered actions of the Gainesville Economic Development Corporation (GEDC) to approve DEF Recycling Phase II Environmental Study as an economic development project. In consideration for future development of the I-35 corridor, GEDC agrees to grant 50% of the cost of an environmental study by James Environment, not to exceed \$26,035, to be completed at the Gainesville Foundry site. Grant is eligible for one year paid upon completion of the survey. GEDC and DEF Recycling will be co-owners of the survey, entitling GEDC to a full report.

Per state law, Council takes no action on first reading. Second reading will be held August 1, 2017.

**FIRST READING OF A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH VOTED TO APPROVE AN ECONOMIC DEVELOPMENT INCENTIVE FOR CARY ALBERT ENTERPRISES.**

FIRST READING OF A RESOLUTION APPROVING ACTIONS OF THE GAINESVILLE ECONOMIC DEVELOPMENT CORPORATION WHICH VOTED TO APPROVE AN ECONOMIC DEVELOPMENT INCENTIVE FOR CARY ALBERT ENTERPRISES.

Considered actions of the GEDC to approve Cary Albert Enterprises (developer of the new shopping center at California and I-35) as an economic development project. The GEDC previously set a requirement that two sit-down restaurants must occupy the shopping center. Cary Albert Enterprises would like a glass wall removed and for the patio area to be extended. The GEDC agrees to share an additional improvement expense to the property as a one-time grant of \$25,000, eligible for one year and is paid upon securing the certificate of occupancy.

Per state law, Council takes no action on first reading. Second reading will be held August 1, 2017.

**PUBLIC HEARING ON AN ORDINANCE AMENDING THE USES PERMITTED IN RESTRICTED COMMERCIAL (C-1), GENERAL COMMERCIAL (C-2), OUTDOOR COMMERCIAL (C-3), AND INDUSTRIAL (I); TO AMEND AND ADD CERTAIN DEFINITIONS.**

PUBLIC HEARING ON AN ORDINANCE AMENDING ORDINANCE 1219-12-2008; THE ZONING ORDINANCE OF THE CITY OF GAINESVILLE, TEXAS, AUTHORIZING THE CITY OF GAINESVILLE TO AMEND THE USES PERMITTED IN RESTRICTED COMMERCIAL (C-1), GENERAL COMMERCIAL (C-2), OUTDOOR COMMERCIAL (C-3), AND INDUSTRIAL (I); TO AMEND AND ADD CERTAIN DEFINITIONS.

Mayor Goldsworthy opened the Public Hearing at 7:01 p.m. and called for public comment on the proposed rezoning.

With no further discussion, Councilmember Moore moved to close the Public Hearing, with second by Councilmember Keeler, and the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon). The Public Hearing was closed at 7:01 p.m.

**ORDINANCE 1414-07-2017 – AMENDING THE USES PERMITTED IN RESTRICTED COMMERCIAL (C-1), GENERAL COMMERCIAL (C-2), OUTDOOR COMMERCIAL (C-3), AND INDUSTRIAL (I); TO AMEND AND ADD CERTAIN DEFINITIONS.**

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE AMENDING ORDINANCE 1219-12-2008; THE ZONING ORDINANCE OF THE CITY OF GAINESVILLE, TEXAS, AUTHORIZING THE CITY OF GAINESVILLE TO AMEND THE USES PERMITTED IN RESTRICTED COMMERCIAL (C-1), GENERAL COMMERCIAL (C-2), OUTDOOR COMMERCIAL (C-3), AND INDUSTRIAL (I); TO AMEND AND ADD CERTAIN DEFINITIONS.

Council adopted an ordinance amending the Zoning Ordinance, specifically land uses permitted for Restricted Commercial (C-1), General Commercial (C-2), Outdoor Commercial (C-3), and Industrial (I) Zones districts, and definitions. Amendments include the following: differentiating between small and large animal clinics, as well as boarding facilities; moving hospitals from C-1 to C-2, in order to match laboratory zoning; laundries were moved to C-1 because of the service they provide residential neighborhoods; retail nurseries were recommended for C-1 zoning instead

of C-3 (wholesale nurseries would remain in C-3); adding automobile rental services as a use for C-2, as this service is not currently identified in the City Code; changing the definition of fraternal/philanthropic and zoning from C-2 to C-1; extracting crematoriums from the definition of “Mortuaries/Crematoriums,” moving crematoriums to I, while mortuaries remain in C-2; “Pawnshops” from C-2 to C-3; “repair [and storage] garages” were recommended to be moved from C-2 to C-3; and “storage of rental trucks and trailers” were recommended to be moved from C-2 to

C-3. Several definitions were amended to reflect the aforementioned changes. Public notice was provided both in the Gainesville Register, per state law, and by individual letters, as a courtesy, to people within 200 feet of the properties at the intersection of Moss and Grand Avenue. These changes were spurred by a recent zoning change in the South Grand Avenue area from commercial to residential. Businesses in that area are still legal, non-conforming. Julie Smith, Community Services Director, added that the Planning and Zoning Commission’s intentions are to rezone the area where the businesses are located to Restricted Commercial.

Councilmember Clegg **moved to Suspend the Charter requirement of three readings**, seconded by Councilmember Dollar, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

Councilmember Moore **moved to Adopt the Ordinance on the First Reading**, seconded by Councilmember Keeler, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**RESOLUTION 07-18-2017 E – AUTHORIZING THE CITY MANAGER TO ACCEPT A LIFT STATION AND EASEMENT LOCATED AT 4321 N I-35, GAINESVILLE, TEXAS FROM GAINESVILLE NORTHTOWN PLAZA, LLC.**

CONSIDERATION OF AND ACTION ON A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT A LIFT STATION AND EASEMENT LOCATED AT 4321 N I-35, GAINESVILLE, TEXAS FROM GAINESVILLE NORTHTOWN PLAZA, LLC.

Council voted to approve accepting a sewer lift station and easement at the Old Outlet Mall site from Gainesville Northtown Plaza. Originally, the Outlet Mall put the lift station in, as they were the only business utilizing it. Since then, neighboring properties, such as Cracker Barrel and the Hampton Inn and Suites, have been developed and use the lift station. City has been maintaining it for over ten years, but didn’t have ownership and weren’t paying the electric bill. The City will take over full responsibility as it impacts more than one entity.

Councilmember Clegg **moved to approve the resolution**, seconded by Councilmember Dollar, the motion carried by vote of 6 Ayes, 0 Nays, 0 Abstentions, 1 Absent (Gordon).

**ADJOURN**

With no further business to come before the City Council, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

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**Caitlyn Huddleston, City Secretary**

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**Jim Goldsworthy, Mayor**