

**TOWN COUNCIL
MEETING MINUTES
DECEMBER 1, 2015**

The Town Council met in regular session on Tuesday, December 1, 2015 at 6 p.m. at 372 Town Place, Fairview, Texas. Those present were Mayor Darion Culbertson; Councilmembers Ron Samuels, John Adler, Frank O'Reilly, Henry Lessner, Paul Hendricks and Renee Powell; Town Manager, Julie Couch; Assistant to the Town Manager, Adam Wilbourn; Town Engineer, James Chancellor; Chief Financial Officer, Jason Weeks; Economic Development Manager, Ray Dunlap; Police Chief, Granver Toliver; Town Secretary, Elizabeth Cappon; and Town Attorney, Clark McCoy.

Mayor Culbertson called the meeting to order at 6:00 p.m. and declared a quorum was present.

At 6:01 p.m., the council then adjourned into executive session to consult with legal counsel regarding pending or contemplated litigation, personnel and economic development.

At 7:30 p.m., Mayor Culbertson reconvened back into regular session and invited everyone to stand for the Pledge of Allegiance.

PROCLAMATIONS, RECOGNITION AND AWARDS: The Mayor and Council honored Fairview students Camille Alam, Paul Mosqueda, Brittany Garza and Trey Spear who represented McKinney High School in the 2015 UIL 5A State Marching Contest in San Antonio on November 3, 2015.

APPOINTMENTS AND REPORTS: McKinney Independent School District Superintendent, Dr. Rick McDaniel gave a presentation on the State of McKinney ISD to the Council.

CONSENT AGENDA: All items listed under the Consent Agenda are considered routine and are acted on by one motion, with no separate discussion of these items. If discussion is desired, an item may be removed from the consent agenda and be considered separately. A) Approve minutes of the November 3, 2015 regular Town Council meeting. B) Approve minutes of the November 9, 2015 special Town Council meeting.

Mayor Pro Tem Lessner asked that the items be taken separately as he was not present for the November 9, 2015 special Town Council meeting.

Councilmember Hendricks made a motion to approve item A on the consent agenda. Councilmember Samuels seconded the motion and the motion was unanimously approved.

Councilmember Adler made a motion to approve item B on the consent agenda. Councilmember Samuels seconded the motion and the motion was unanimously approved with Mayor Pro Tem Lessner abstaining.

LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN UPDATE: Hold a public hearing and consider approval of an ordinance related to adopting updated land use assumptions, service areas, capital improvements plans for water, wastewater and roadway facilities, and updated impact fees and take any action necessary.

Mr. Chancellor gave a presentation on agenda item 9(a) regarding approval of an ordinance related to adopting updated land use assumptions, service areas, capital improvements plans for water, wastewater and roadway facilities, and updated impact fees and take any action necessary.

Mr. Chancellor stated that staff recommends approval of the updated land use assumptions, service areas, capital improvements plans and impact fees.

Mr. Chancellor stated that the Capital Improvements Advisory Committee (CIAC) recommended charging the maximum allowed impact fee for water, 80 percent of the maximum allowed impact fee for sewer, the maximum allowed impact fee for roads by residential use and 50 percent of the maximum allowed impact fee for roads by commercial use.

Mayor Culbertson asked Mr. Chancellor to describe the roll of the CIAC in this process. Mr. Chancellor explained that due to having representatives from the development community on the Planning and Zoning Commission, the Commission was also able to serve as the CIAC to review the Town's land use assumptions and Capital Improvements Plan Update.

Councilmember Adler asked Mr. Chancellor to explain the concept of impact fees to the audience. Mr. Chancellor elaborated on the concept of impact fees paid by developers in order to offset costs to the Town due to increased demand on infrastructure.

Mayor Culbertson opened the public hearing. No comments were made. Mayor Culbertson closed the public hearing.

Councilmember O' Reilly made a motion to approve an ordinance related to adopting updated land use assumptions, service areas, capital improvements plans for water, wastewater and roadway facilities, and updated impact fees with an effective date of January 1, 2016. Councilmember Powell seconded the motion and the motion was unanimously approved.

CREATION OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE: Hold a public hearing to discuss, receive input, and act upon an ordinance concerning the creation of Tax Increment Reinvestment Zone Number One, Fairview, Texas, establishing a Board of Directors for such Reinvestment Zone, making certain findings, and other matters related thereto, and allowing any interested person the opportunity to appear and speak for or against the benefits to the Town, its residents and property owners in the proposed Tax Increment Financing reinvestment Zone Number One.

Mr. Dunlap presented agenda item 9(b) regarding an ordinance creating Tax Increment Reinvestment Zone Number 1. Mr. Dunlap introduced Larry Cline of Larry Cline Consulting LLC, 9 Vista Cliff Place in Richardson. Mr. Cline reviewed a PowerPoint presentation on the

implementation and creation of a 40-year Tax Increment Reinvestment Zone (TIRZ) to overlap the Town's Commercial Planned Development District (CPDD).

Mr. Cline stated that a TIRZ does not raise taxes but simply reallocates the incremental increase in value. He stated that within the district, 75 percent of the increase in the Maintenance and Operation (M&O) portion would go into the TIRZ but all of the Interest and Sinking (I&S), or debt service portion, would continue going to the Town's General Fund. Mr. Cline stated the Town would also ask that the County to contribute to the TIRZ up to 50 percent of their incremental increase in the M&O portion. Mr. Cline added that by creating the TIRZ before the end of 2015, the base value captured for calculating incremental increases in value would be from the January 1, 2015 assessment.

Mr. Cline stated that some of the projects currently identified for funding with the TIRZ include Fairview Parkway, Frisco Road, water main loops, a sewer force main and half of the Ridgeview overpass.

Mayor Culbertson opened the public hearing.

Maryanne Simonsen, 980 Patrician Court, asked for clarification regarding how the percentage of taxes was established. Ms. Simonsen additionally asked if these improvements would take away funds from needed residential improvements.

Mayor Culbertson stated that the TIRZ would not affect residential improvements as those improvements are budgeted for by the Town out of the General Fund. Town Manager Couch stated that the percentages were calculated based on the revenue needed for infrastructure paired with how much income is anticipated by any new development.

Mayor Culbertson requested any further audience comments or questions regarding the TIRZ. Mayor Culbertson further clarified the TIRZ process for the audience and stated that the Council and Staff feel the Town has been fairly conservative in the numbers used while creating the TIRZ. Councilmember Samuels asked Mr. Cline to state for the audience the commonality of the practice in municipal financing. Mr. Cline stated that the process was not unusual and that he had personally assisted in the creation of about 50 TIRZs in both small towns and large cities across Texas. Mayor Pro Tem Lessner added that Allen and McKinney have multiple TIRZs. As there were no further audience comments, Mayor Culbertson closed the public hearing.

Ms. Couch clarified that the Council would not be appointing a TIRZ board that evening but giving themselves the ability to appoint one later.

Mayor Pro Tem Lessner made a motion to approve an ordinance concerning the creation of Tax Increment Reinvestment Zone Number One, Fairview, Texas, establishing a Board of Directors for such Reinvestment Zone, making certain findings, and other matters related thereto, and allowing any interested person the opportunity to appear and speak for or against the benefits to the Town, its residents and property owners in the proposed Tax Increment Financing reinvestment Zone Number One. Councilmember Samuels seconded the motion, and the motion was unanimously approved.

GUS MACKER: Hear a report regarding the Gus Macker event, and take any necessary action.

Mr. Dunlap gave a presentation on agenda item 10(a), regarding the first Gus Macker 3-on-3 basketball tournament and the Town's option to renew the contract for two more years.

Mr. Dunlap stated that at the 2015 tournament, there were 75 registered teams, 18 of which did not show. He stated that as expected by the Town, the 2015 tournament generated a net loss and a 2016 tournament would also generate a smaller net loss, however, he added that does not include the cost of adding an additional staff member to work on the tournament. Mr. Dunlap added that he believed some of the cost could be offset by generating more sponsorships for the tournament.

Mr. Dunlap stated that on November 16, 2015, the Special Events Committee voted 4 to 0 to recommend holding another tournament with the following conditions: the Town provides adequate staff and resources for the event, a new location for the event is secured and the Committee is given the ability to recruit non-voting auxiliary subcommittee members to assist in the tournament.

Mr. Dunlap stated that on November 18, 2015, the Board of Directors of the Community Development Corporation voted 4 to 0 to recommend not using CDC funds again if the Town Council decided to hold another Gus Macker tournament.

Mr. Dunlap stated that staff would support the view of the Town Council but had no recommendation for or against the event except that if the Council decides to move forward, that the Town provide adequate staffing for the event.

Mr. Dunlap stated that should the Council decide to move forward with the tournament, staff recommends a funding alternative where the Town would borrow from the General Fund and pay the General Fund back utilizing Hotel Occupancy Taxes (HOT) that will be collected once the Town's two upcoming hotels are built. Mr. Dunlap stated that because HOT funds can only legally be used for marketing purposes, these funds could also be used to pay for a new Special Events and Marketing staff position that would manage the tournament.

The Council, staff and the Special Events Committee had an extended conversation about the Gus Macker 3-on-3 basketball tournament including budget, cost, possible locations, recruiting teams, turn out, goals and measurements of success.

Mayor Pro Tem Lessner asked where the out-of-town players stayed. Special Events Committee member, Maryanne Simonsen, 98 Patrician Court, stated that the out of town teams stayed in Plano and she felt that those participating needed more information about attractions in Fairview.

Special Events Committee Chair, Chris Hendricks, 711 Glenwood Circle, stated her strong support for holding another tournament in September 2016. Ms. Hendricks recognized the work of her fellow committee members Nancy Lewis, Maryanne Simonsen and Linda Mulkey on the tournament.

Ms. Hendricks stated that the Town charged Destination Fairview with creating an event that would bring people to Fairview and she felt that they were successful. She stated that the committee evaluated twelve different factors for success and future improvement including Committee size, time of planning, sponsorships, public involvement, budget, signage, facilities, advertising, event timing, entertainment for those not participating in the tournament, local merchant participation and advance support coordination with staff. Ms. Hendricks stated that the Committee was told not to consider the event a money making tool but a publicity tool for the Town and that while the Committee probably took on too much, it was a very successful outcome with specific areas with room for improvement. Ms. Hendricks continued that her Committee unanimously agreed that they would like to hold another Gus Macker tournament. Ms. Hendricks stated that the Fairview tournament was the only Gus Macker event in Texas and that based on her conversations with the Macker organization, if the Town does not hold another tournament, it will likely happen somewhere else in Texas. Ms. Hendricks stated that it takes more than one time to build something and give the tournament identity.

Councilmember O'Reilly asked Ms. Hendricks if she presented similarly to the CDC. Ms. Hendricks stated that she was present at the meeting but not asked to speak and that the CDC solely received a financial report.

Mayor Culbertson asked if the Special Events Committee was considering any other events. Ms. Hendricks stated that they were looking into hosting a film festival for children using grant funds. Ms. Hendricks added the Committee also organized smaller events such as the Town's Christmas Tree Lighting Ceremony to be held that week.

Ms. Simonsen stated that there would be a loss on any new event the Town chooses to do because of the learning curve when you try anything new. Ms. Simonsen added that the Gus Macker organization has a built in mechanism with their national organization with strong support nationwide for the unique event.

Mayor Pro Tem Lessner asked Ms. Simonsen what the Town could do differently to recruit more teams. Ms. Simonsen stated that creating better awareness of what a Macker event is like is important since the brand is less known in Texas. Ms. Simonsen added that the Committee found that radio was the best way to market to adults and through Lovejoy and Allen ISDs was the best way to market to kids. Ms. Hendricks added that the Committee was not allowed to advertise with Plano Sports Authority, Fieldhouse USA, McKinney ISD or Plano ISD and this was an area where they could improve.

Councilmember O'Reilly stated his concern with the two-year commitment. Mr. Dunlap explained that if the town held the tournament in 2016 and chose to opt out of the second year of the contract, the Town would only have to pay \$10,000.

Councilmember Samuels stated that he felt the event was similar to his own golf tournament in that it has a growth factor built into it and it would likely grow each time due to word of mouth.

Jonathan Price, 150 Stanford Drive in Lucas, stated that he was a volunteer at the event and published an article including lots of positive resident feedback in his magazine, Fairview Estate

Life. Mr. Price stated his strong support for continuing the event. Mr. Price stated that he was a former participant in a Macker event in the Midwest, where the Macker organization is better known. Mr. Price offered his assistance in promoting, generating sponsorships and organizing a future Macker event.

Katherine Ponder, 970 Foxdale, stated her support for the event. Ms. Ponder stated as an Event Planner, she knows that it takes time to build an event such as Gus Macker. Ms. Ponder continued that there are big sponsorship opportunities and the Town could collaborate with the City of Allen for their hotel and other tie-ins that Fairview does not currently offer.

Special Events Committee member, Nancy Lewis, 420 Black Diamond Court, stated her strong support for the event. Ms. Lewis stated that the event was successful based on the survey results that 20 of the 21 respondents said they would participate in a future tournament.

The Council and staff had an extended discussion regarding the budget, team fees and financing for the event including Hotel Occupancy Taxes, cost of staff and the CDC.

Mayor Culbertson asked if the Town could wait until the new hotels are constructed in 2017. Mr. Dunlap stated that the Macker Organization believes that the Town would lose too much momentum taking a long break between tournaments.

Councilmember O'Reilly expressed his reservations with borrowing from the General Fund when the CDC did not recommend the project. Councilmember Hendricks stated that he felt that borrowing from the General Fund was a common practice in municipal funding. Mayor Pro Tem Lessner agreed that he did not like the idea of borrowing from the General Fund and asked if it was possible to borrow CDC funds. Town Attorney McCoy stated that the Town could not force the CDC to use funds a certain way. Councilmember Samuels stated he did not understand the concern with borrowing from the General Fund when the funds are basically guaranteed to be paid through HOT. Councilmember Samuels stated his support for hiring a Marketing person to assist with the event and otherwise marketing the Town. He stated his biggest concern was finding a new location.

Ms. Hendricks stated that the Committee is already working with some of the stores in the Village and felt confident they would be able to secure a location. Mr. Dunlap stated that working with the schools would also be an option.

Councilmember Hendricks stated that if the Town would like to continue to have a Destination Fairview event, the Council should either establish an alternative event or proceed with the Gus Macker event. He added that due to the enthusiasm shown at the meeting, he would support continuing the Macker event.

Councilmember Adler stated that he has supported the event since it was introduced while he was on the CDC Board. Councilmember Adler stated the event fits the character of the Town. He stated that the Town knew that it would need several years to build momentum and that it would be foolish to walk away now. Councilmember Adler added that if the Committee were not present, he would support cancelling it, but since they are enthusiastic, he believed the Town

should support it. Mayor Culbertson stated he agreed with Councilmember Adler but would not have supported it if the Town had to use General Funds that would not be paid back. Mayor Culbertson stated that based on the equity the Town has already put into the event, that cancelling would be short sighted.

Councilmember O'Reilly expressed concern that the CDC did not make a recommendation whether to proceed with the event. Mr. Dunlap clarified that due to the mechanism the Town designed when organizing the event the CDC was not asked whether to hold the event, just whether they wanted to fund it from CDC funds. He indicated that the CDC is considering other uses for their available funds.

Councilmember Powell made a motion to approve renewing the agreement with Gus Macker and authorizing staff to create a proposal for an events and marketing position, with both projected costs to be paid by the General Fund and to be reimbursed by Hotel Occupancy Taxes. Councilmember Adler seconded the motion and the motion was unanimously approved.

BOARDS/COMMISSIONS: Discuss boards and commissions and take any necessary action.

Mayor Culbertson stated that Board of Adjustments Alternate and Parks and Recreation Board member, Glenn Messner, passed away in November.

Mayor Pro Tem Lessner made a motion to appoint current alternate, David Logan as a member of the Zoning Board of Adjustments to replace Mr. Messner. Councilmember O'Reilly seconded the motion and the motion was unanimously approved.

Councilmember Hendricks made a motion to appoint current alternate, Terry Morrow as a member of the Zoning Board of Adjustments, replacing current member, Ricardo Doi. Councilmember Powell seconded the motion and the motion was unanimously approved.

Mayor Pro Tem Lessner made a motion to appoint Ken Drew as an alternate member of the Zoning Board of Adjustments. Councilmember O'Reilly seconded the motion and the motion was unanimously approved.

Mayor Culbertson stated that interested residents should apply for the current vacancies on the Public Art Committee, Parks and Recreation Advisory Board, Special Events Committee and the Technology Advisory Committee.

CITIZEN INPUT:

Elaine Belcher, 5691 Hummingbird Lane, gave a presentation on the irrigation loop utilized in the Villas on the Park subdivision. Ms. Belcher stated that due to the unique nature of the system, their meters are currently coded as commercial rather than residential. Ms. Belcher stated that 227 homes share four irrigation water meters, similar to a co-op, with an average use of 6,000 to 9,000 gallons per home over the previous summer. Ms. Belcher added that even including

private meters in the development, their development only utilized 1.5 percent of the Town's water during peak usage, despite having 4 percent of the Town's population.

Ms. Belcher stated that despite their conservation because the development only has four meters for irrigation, they pay the Town's water high use conservation surcharge every month in the summer with 33 percent of what they spend going to the surcharge.

As their subdivision is all single-family residential attached and detached homes, Ms. Belcher proposed a solution of creating a hybrid use "residential multi-user" category that would entitle the subdivision to residential rates and exempt them from the high use conservation surcharge with a stipulation limiting the annual average gallons per user.

Councilmember Adler commented that Ms. Belcher made a model citizen presentation.

REPORTS FROM STAFF:

Mr. Chancellor provided a report on agenda item 12(a) regarding an Update on Stacy Road construction. He stated that the contractor building the road, Ed Bell Construction, would like to use the Town's property where Fairview Parkway dead ends to place construction trailers. Mr. Chancellor stated he liked the idea of the contractors being nearby to keep the lines of communication open with the Town.

Mr. Chancellor stated that while gas lines were still being laid, cable and telecommunication lines were still up. Mr. Chancellor added that some of the delay was likely due to weather.

Mr. Chancellor stated that a new eBlast category for Stacy Road Updates has been added to the Town's website for residents to sign up to receive. He added that staff would also utilize HOAs, Nixle and Message Boards alongside of the road for key communications.

Mr. Chancellor stated that 12 fire hydrants would need to be moved due to the construction but that the cost would be reimbursed by TxDOT.

Ms. Couch invited the Council to attend the Town's Christmas Tree Lighting Ceremony on Thursday, December 3 at 6 p.m.

Mayor Pro Tem Lessner invited everyone to attend the Allen Philharmonic Chorus' Christmas show on Saturday, December 5 at 7 p.m. at United Methodist Church in Allen. He also stated that Creekwood United Methodist Church was hosting a live nativity.

Councilmember Powell stated that the Lovejoy Fine Arts Festival would also be held the upcoming weekend.

EXECUTIVE SESSION ITEMS:

Mayor Culbertson asked for a motion on the one item requiring a vote from Executive Session. Mayor Pro Tem Lessner made a motion to authorize the Town Manager to enter into an assignment contract, as discussed in executive session. Councilmember O'Reilly seconded the motion and the motion was unanimously approved.

Mayor Culbertson adjourned the meeting at 9:45 p.m.



Darion Culbertson, Mayor



Elizabeth Cappon, Town Secretary