

**BELTON CITY COUNCIL MEETING
JULY 13, 2010**

The Belton City Council met in regular session with the following members present: Mayor Pro Tem Marion Grayson, Councilmembers Clifton Peters, Wayne Carpenter, and John Agan. Mayor Jim Covington and Councilmembers David K. Leigh and Craig Pearson were absent. Staff present were John Messer, Sam Listi, Connie Torres, Cristy Daniell, Fred Morris, Les Hallbauer, Gene Ellis, Bruce Pritchard, Byron Sinclair, Jerri Gauntt, and Kim Kroll.

The Pledge of Allegiance to the U.S. Flag was led by Public Works Director Les Hallbauer, the Pledge of Allegiance to the Texas Flag was led by Mayor Pro Tem Marion Grayson, and the Invocation was given by Pastor Andy Davis of the First Baptist Church.

The Mayor Pro Tem called the meeting to order at 5:33 p.m.

Public comments.

Ronnie Schoepf, Jr., 702 E. Central, thanked the City for its help with revitalization of downtown Belton, to include approval of a façade grant/tax abatement for his business (Schoepf's BBQ), and supporting the restaurant's outdoor summer concert series. Mr. Schoepf stated Flat Street (located behind his business), is completely deteriorated and experiencing drainage issues. He requested improvements to the street to coincide with the improvements made along Central Avenue.

Receive Government Finance Officers Association Distinguished Budget Presentation Award for the Fiscal Year beginning October 1, 2009.

The City Manager indicated the City has received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the 18th consecutive year, expressed appreciation to the City's Finance Department, and presented the award to Assistant City Manager Cristy Daniell and Assistant Finance Director Karen Evans. Ms. Daniell thanked Ms. Evans and the Finance Department for their work on the budget.

Consent Agenda

Upon motion by Councilmember Agan, seconded by Councilmember Carpenter, the following items were unanimously approved:

Minutes of the previous meeting. Approved as presented.

Consider amendment to Policies and Procedures regarding the operations of the Harris Community Center.

Approved changes to the Policies and Procedures to include the following:

- Reservations may be made up to one year in advance (#3), compared to two years previously.
- Moved detailed policies related to events serving alcohol (#16) to the security request form.
- Added language to outline hours of operation relating to private functions (#18) to allow consistency for the addition of programming.
- Number of adult chaperones changed to provide appropriate number regardless of age (#23).
- Policy regarding business enterprise changed to give City the right to decline a reservation for private business use or any other use that would limit use and availability to others and the City's own purposes (#38).
- Signature lines added to cleaning guidelines for acknowledgement and acceptance.
- Indemnification language moved to the reservation permit.
- Inspection form deleted from the packet as it is needed only by Center personnel.
- Building layout/map deleted, as these items are typically requested in electronic form.

Consider an ordinance amending Ordinance No. 2008-04, Planned Development District Agreement and Conceptual Plan for HEB, Section 2.12 Development Plan; Construction.

Approved the ordinance captioned below providing extension to April 25, 2011 for HEB's submission of a partial Development Plan, and extension to October 25, 2012 for commencement of the entire Project. HEB has satisfied every other obligation of the Development Agreement. Staff considers the newly adopted Design Standards and the PD standards of the HEB project to be generally consistent, and will work with HEB within the flexibility of the Design Standards.

ORDINANCE NO. 2010-25

AN ORDINANCE AMENDING ORDINANCE NO. 2008-04, PROVIDING FOR CHANGES TO THE PLANNED DEVELOPMENT DISTRICT AGREEMENT AND CONCEPTUAL PLAN SUBMITTED ON BEHALF OF HEB.

Consider authorizing a façade easement grant to Timothy and Tammy Wilson, Sarsaparilla Saloon and Café, located at 106 E. Central Avenue.

Approved a façade easement grant in the maximum amount of \$7,100 to Timothy and Tammy Wilson, Sarsaparilla Saloon and Café, 106 E. Central Avenue. Plans include restoration of the façade, painting and signage, window additions, and a new, historically representative balcony.

Consider authorizing the City Manager to execute Change Order No. 1 to the contract with Patin Construction, LLC, for the Avenue D Roadway Improvements Project.

Approved Change Order No. 1 to the contract with Patin Construction for a deduction of \$10,230 in water projects from the original project; and an addition of \$103,084 for installation of water lines, a net of \$92,854. An additional 28 calendar days has been allowed for completion by December 14, 2010. The change involves addition of a 10" water line for service to BISD, an item to be removed from their middle school construction contract, and a 6" water line along old (current) Avenue D to serve properties currently served by wells. The cost for this work, which includes 316' of 10" line and 1,366' of 6" water line, seven services and four fire hydrants, is \$103,084 for construction. The change order is timely and benefits from the current contractor mobilization. Funds will come from Water and Sewer Capital Projects Fund and BISD (\$19,898 contribution for their service line).

Consider an ordinance providing for the abandonment of a portion of the public street right-of-way (ROW) for East Central Avenue, east of Interstate Highway 35; a portion of Mays Street; and undeveloped (unrecorded) portions of Whitsett Street and an alley.

Approved the ordinance captioned below based on a request from Clark & Fuller, on behalf of adjoining property owner Gaines Stanley, to facilitate the sale and development of the property as the ASCO Gateway Commercial Subdivision. The ordinance provides for abandonment of the following:

- Dedicated ROW for East Central Avenue, east of IH-35 for a distance of approximately 270';
- An approximate 200' portion of Mays Street, south of East Central Avenue (both of which, when combined, total 0.685 acres of land); and
- Unrecorded and undeveloped ROW for Whitsett Street and an alley immediately to the south and east of the East Central Avenue and Mays Street rights-of-way, totaling 0.539 acres.

The abandonment is necessary to allow ASCO to proceed with planning and construction of a new heavy equipment sales, service and rental business. Following abandonment, a subdivision plat will be prepared and all necessary easements will be granted at that time.

ORDINANCE NO. 2010-26

AN ORDINANCE PROVIDING THAT A PORTION OF RIGHT-OF-WAY FOR EAST CENTRAL AVENUE, A PORTION OF MAYS STREET, AND AN UNDEVELOPED PORTION OF WHITSETT STREET AND AN ALLEY, BE CLOSED, ABANDONED AND VACATED.

Miscellaneous

Receive a report on proposed HOP Transit System route changes.

The City Manager introduced Robert Ator, Director of Urban Operations for the HOP, who indicated he conducted a public hearing on proposed route changes on June 29, 2010, and no citizens attended. He stated the HOP intends to proceed with implementation of proposed route changes on September 1, 2010. Mr. Ator stated he will begin dissemination of information, route maps, and timetables to the media and public. No action was required.

Consider FY 2011 budget appropriation for the HOP transportation system, and consider authorizing cost share participation for construction of shelters.

The City Manager explained the City's FY 2010 budget for transit services is \$8,297. The FY 2011 budget proposal for Route 610 services is \$6,130, a slight reduction for this component. In

addition, the HOP is asking the City to contribute to local share costs for 3-5 shelters each year for the next three years, at an annual cost of \$6,109. Mr. Listi stated this would bring Belton's total budget allocation for the HOP for FY 2011 to \$12,239. He recommended approval to allow incorporation into the FY 2011 budgeting process.

Robert Ator of the HOP, showed a presentation of the proposed shelters and benches, and gave an overview of the installation process. He indicated advertising on the shelters is purely up to the City, and proposed locations will be presented for approval before installation.

Councilmember Carpenter asked if an increase in users has been seen due to the addition of shelters, and Mr. Ator indicated that is the case. Councilmember Agan asked about ridership, and Mr. Ator replied the HOP's minimum target is 2 riders/hour, and Belton's ridership has increased from 1.7 to 3.1. Mr. Agan stated although he supports the service and the shelters at this point, he's still undecided whether it's cost effective for continuation in the future until it can be justified by ridership level.

The City Manager commented the proposed route changes and addition of shelters are designed to increase ridership, and concurred the expense has to be justified. Mayor Pro Tem Grayson asked who maintains the shelters, and Mr. Ator indicated the HOP drivers monitor the units daily, and a special crew inspect each location once a month to ensure the structures are in good shape.

Councilmember Carpenter made a motion to approve the FY 2011 budget appropriation as recommended, including participation in the construction of shelters, for a total of \$12,239. The motion was seconded by Councilmember Peters and carried unanimously.

Consider authorizing the Belton Economic Development Corporation's sale of 5 acres in the Belton Business Park to Aspen Air.

The City Manager explained Aspen Air's existing facility is being acquired by the HOP Transit agency, necessitating their relocation. The City and the Belton Economic Development Corporation (BEDC) have partnered in an attempt to retain Aspen Air and its 100 jobs in the community. He introduced Gordon Tarnow, President of Aspen Air, Inc., who gave an overview of the regional HVAC business and reviewed the schedule for sale of their current facility and construction of a 20,000 sq. ft. facility in the Belton Business Park. Mr. Tarnow thanked the City for giving them the opportunity to remain in Belton.

Mr. Listi recommended approval of the sale of 5 acres at the northwest corner of Hope for the Hungry Lane and Digby Drive in Phase II of the Belton Business Park, to Aspen Air, Inc. for \$25,000. The BEDC Board recommended approval of the action at its meeting on June 24, 2010, with hopes to encourage activity in the Business Park. Upon motion by Councilmember Peters, seconded by Councilmember Agan, the Council unanimously approved the BEDC's sale of land as recommended.

Consider a Development Agreement between the City of Belton and Aspen Air, Inc., regarding the development of a relocated HVAC sales and servicing business.

The City Manager indicated this item authorizes a Development Agreement between the City and Aspen Air, in conjunction with the previous agenda item. He reviewed the following obligations of the City/Developer outlined in the proposed development agreement:

Obligations of the City

- a. The City agrees to concur in the sale and conveyance of five (5) acres from the Belton Economic Development Corporation (BEDC) to the developer at a price of \$25,000.
- b. The City agrees to grant ad valorem property tax abatement for this development for 70% of new value, for five (5) years, in accordance with the City's Tax Abatement Policy, Ordinance No. 2009-16.
- c. The City agrees to consider a sales tax rebate (380 Agreement) at the maximum amount of \$15,000 for five (5) years, an estimated value of \$75,000.
- d. The City agrees to waive building permit fees for this project, for a period of twelve (12) months after approval of this Agreement, regardless of cost, estimated at a value of \$1,500. Typical permit fees will apply after this time period.
- e. The City agrees to waive water/sewer tap fees, an estimated cost of \$1,000.

Obligations of the Developer

- a. The Developer agrees to invest a minimum \$700,000 in this Project within twelve (12) months of the approval of this development agreement in order to relocate an HVAC sales and servicing business from its US Highway 190 location to the Belton Business Park.
- b. The Developer agrees to use his best faith efforts to maintain, at all times, a minimum of 90 full time equivalent employees.
- c. The Developer agrees to provide construction plans for an estimated 20,000 sq. ft. facility in conformance with the City's Design Standards all local building codes.
- d. Following approval and execution of the Development Agreement, the Developer shall act in a timely and diligent manner to prepare and submit items identified above.
- e. The Developer agrees to begin improvements no later than January 1, 2011 and substantially complete improvements, secure a certificate of occupancy, and begin operation of Aspen Air, Inc. on or before July 1, 2011.

Mr. Listi stated the sale of Aspen Air's property to the HOP is scheduled to close on August 31, 2010, and Aspen will lease the property from the HOP, to continue operation until building construction in the Business Park is completed. He recommended approval of the agreement.

Councilmember Agan asked what happens if the company is unable to maintain the minimum number of employees outlined in Item b above. The City Manager replied the agreement contains a default provision (Section 4), so if circumstances resulted in default of any provision, the other elements of the agreement (tax abatement/sales tax rebate) would also cease. The City Attorney stated he believes the default provision provides the City comfort in knowing that what it has offered will come back to the City, and the City just has to assume a good faith effort by the developer.

Councilmember Carpenter made a motion to approve the agreement as recommended. The motion was seconded by Councilmember Peters and carried unanimously.

Consider approval of an ordinance authorizing a tax abatement agreement for Aspen Air, Inc.

The City Manager reiterated Aspen Air is proposing construction of a 20,000 sq. ft. building for an HVAC sales and service facility on 5 acres in the Belton Business Park. Improvements are valued at \$700,000, and the company has requested tax abatement at the fixed 5-year term at 70%. Mr. Listi stated the application is eligible for tax abatement based on the following criteria:

- a. Proposed project site is located in a Tax Abatement Reinvestment Zone, the Belton Business Park, making it eligible.
- b. Development will enhance and expand the local Belton economy.
- c. Project creates new value by investment of an estimated \$700,000. Actual abatement received will be based on the increased value above the current value of permanent improvements.
- d. Project is a Regional Service Facility, as defined in Section A(p), and is therefore eligible for tax abatement.
- e. Project is required to meet one of three investment or job criteria, and meets or exceeds two of three – investment over \$250,000 and job retention of 90 jobs.

He recommended the Council approve the ordinance providing for ad valorem (property) tax abatement for Aspen Air, Inc. as follows:

Years 1-5 → 70%	of the increased value of improvements over the value in the year in which the Agreement is executed (2010).
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Upon motion by Councilmember Agan, seconded by Councilmember Peters, the following captioned ordinance was unanimously adopted:

ORDINANCE NO. 2010-27

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELTON, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE A TAX ABATEMENT AGREEMENT WITH ASPEN AIR, INC., GOVERNING PROPERTY IN TAX INCREMENT REINVESTMENT ZONE #7; DECLARING FINDINGS OF FACT; AND PROVIDING AN OPEN MEETINGS CLAUSE.

Consider authorizing a Sales Tax Rebate (380) Agreement to Aspen Air, Inc.

The City Manager explained this is a component of the incentive package the City is offering to Aspen Air in order to retain approximately 100 jobs in Belton. He indicated this would be the first time the City has entered into a 380 Agreement, and only the City's 1% local sales tax would be subject to rebate. While there are clearly pros and cons, he believes the key favorable item in this

request is the retention of Aspen Air and its nearly 100 jobs in town, and the anticipation that increased sales taxes would accrue to the City in time.

Mr. Listi stated the primary negative issue is the precedent and the presumption that the City will be expected to do this routinely in future incentive packages. The BEDC and the City have collaborated to put this package together to retain Aspen Air, and believe it is important for the Council to consider a 380 Agreement in this case. He indicated the Council always retains the discretion if and when to use a 380 Agreement, and reviewed the following elements of the proposed agreement with Aspen Air:

Term: 5 years
Amount: \$15,000 annual maximum
Total: \$75,000 maximum total

The City Manager indicated staff has confirmed that Aspen Air's City sales tax payment for the past two years has exceeded the proposed rebate amount. The City would never be liable for more sales tax rebate than what is paid in, and the hope is that business expands, and sales tax to the City and other entities is increased. He recommended approval.

Mayor Pro Tem Grayson expressed concern about setting a precedent, and Mr. Listi stated though Council approval is discretionary, establishment of a policy with specific criteria identified could be crafted. Ms. Grayson asked if the Council should develop a policy before considering this proposal, and the City Manager explained he felt it was important to gain a sense of direction from the Council, but believes it is timely to proceed with this request.

Councilmember Agan stated he believes retention of 100 jobs is a significant issue, and since this is an established company, he is comfortable with the proposal and believes it is justified. He added the City has to start somewhere, and believes a policy/standard can be built as we move forward, but the City Council ultimately controls the standard and can consider requests on a case-by-case basis. When developing a policy, the City Attorney suggested the Council take into consideration situations where businesses don't qualify for BEDC funding/incentives, which was the case for Aspen Air.

Councilmember Agan made a motion to authorize the agreement as recommended. The motion was seconded by Councilmember Carpenter and carried unanimously.

At 6:28 p.m., Mayor Pro Tem Grayson announced the Council would go into executive session, and the Council reconvened to the Smith Room for the following item:

Executive Session pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.072, regarding land acquisition.

At 6:45 p.m. the Council reconvened to the Wright Room, and the Mayor Pro Tem reopened the meeting.

Consider a resolution authorizing the City Manager to take all actions necessary to purchase the Texas Department of Transportation's Area Engineer's Maintenance Facility located at 1502-1506 Holland Road.

The City Manager stated the 2007 Certificate of Obligation bond issue allocated \$450,000 for a Public Works Facility. The City has been working with TxDOT to acquire the former Area Engineer's Office on Holland Road (FM 436) for use as the City's Public Works Facility. They have accepted the City's offer of \$294,000 for the 10-acre site, based on the appraisal obtained by the City in January 2010. A phased redevelopment plan for the property will have to be prepared and additional funds identified for ultimate redevelopment. Mr. Listi recommended approval of the resolution authorizing purchase of the TxDOT facility for \$294,000.

Upon motion by Councilmember Carpenter, seconded by Councilmember Agan, the following captioned resolution was unanimously approved:

RESOLUTION NO. 2010-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELTON, TEXAS, REQUESTING THE STATE OF TEXAS, ACTING BY AND THROUGH ITS TEXAS TRANSPORTATION COMMISSION, TO DECLARE A

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CERTAIN 10.00 ACRE TRACT OF LAND IMPROVED WITH AN AREA/MAINTENANCE FACILITY LOCATED AT 1502-1506 HOLLAND ROAD, BELTON, BELL COUNTY, TEXAS, SURPLUS AND SOLD TO THE CITY OF BELTON; AUTHORIZING THE CITY MANAGER TO TAKE ALL STEPS NECESSARY TO COMPLETE THE SALE; AND DECLARING AN EFFECTIVE DATE.

At 6:50 p.m. the Council reconvened to the Kinchion Room for a budget workshop. Following a short recess, the workshop began at 7:05 p.m.

Conduct Budget Workshop for FY 2011.

- A. Drainage Fund
- B. Water & Sewer Fund Budget

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- B. Water & Sewer Fund Budget

Assistant City Manager Cristy Daniell presented the proposed Drainage Fund budget with the following key elements:


- Current monthly collections of \$28,950 = \$347,400 in drainage fees.
- Personnel expenditures include two full-time staff positions.
- Services include heavy equipment rental (\$10,000) and 3rd of 4 annual payments on the street sweeper (\$39,104).
- Capital outlay expenditures include small drainage projects (\$44,000) and Commerce Street drainage project (\$122,000).

Ms. Daniell then presented the Water & Sewer Fund budget for FY 2011 with the following key elements:

- Projected water and sewer revenues for FY 2011 based on year two rates and projections contained in the 2008 Water & Sewer Rate Study.
- Personnel expenditures include anticipated increases in health insurance premiums (15-20%), increased retirement costs, and funding for the merit pay plan.
- Expenditures for water purchases include the following:
 - Raw water rates for 2011 will be \$0.60 per 1,000 gallons, a 3 cent increase (BCWCID's per gallon rate has increased substantially from the \$0.395 rate in 2005);
 - Fifth of six payments for refurbishment of water tank (\$93,300);
 - Fixed charges for Belton's share of water plant debt service, and
 - Payments for City water reserves.
- Sewer treatment expenditures decreased by \$64,056 due to paying off debt service for the existing BRA plant (doesn't yet include any new debt for the planned TBRSS expansion).
- Strategic Plan elements include update of the rate study, 1/2 of the Strategic Plan update, and \$40,000 for 1/3 of the federal lobbyist fees.

Ms. Daniell reviewed the Water & Sewer Fund's long term debt service and the proposed list of capital outlay which includes water meters, a drilling/tapping machine, a sewer camera, and \$100,000 for small water/sewer main projects.

There being no further business, the meeting was adjourned at 8:00 p.m.



Marion Grayson, Mayor Pro Tem

ATTEST:



Connie Torres, City Clerk