

**MINUTES OF
REGULAR CITY COUNCIL MEETING
CITY OF DENISON
MONDAY, JANUARY 6, 2014**

CALL TO ORDER

Announce the presence of a quorum.

Mayor Jared Johnson called the meeting to order at 6:00 p.m. City Council members present were Mayor Pro Tem David Spindle, Council members Matt Hanley, Bill Malvern, Michael Baecht, and Ken Brawley. Absent was Council member Janet Gott. Staff present were City Manager Robert Hanna, City Attorney Courtney Goodman-Morris, Planning & Zoning Director Faye Brockett, Finance Director Renee Waggoner, Public Works Director David Howerton and City Secretary Carrie Hart. Members of the media were also present.

INVOCATION & PLEDGE OF ALLEGIANCE

Brian Ulch, Trinity Lighthouse Church, gave the Invocation followed by the Pledge of Allegiance.

2. CONSENT AGENDA

- A. Receive a report, hold a discussion, and take action on approving the minutes from the Regular Meeting held on December 16, 2013.
- B. Receive a report, hold a discussion and take action on declaring the lot at 1608 West Crawford as surplus property and authorize staff to publish a notice and receive bids on the lot.
- C. Receive a report, hold a discussion and take action on reappointing two members and appointing two members to the Main Street Advisory Board.
- D. Receive a report, hold a discussion and take action on reappointing two members and appointing two members to Denison Main Street, Inc.

Council Action

On motion by Council member Brawley, seconded by Council member Malvern, the Council unanimously approved the reappointment of Mary Karam and Gary Sewell and the appointment of Linda Anderson and John Akers to the Main Street Advisory Board and to Denison Main Street, Inc., and the rest of the Consent Agenda as presented. The Mayor moved to Item 4B “Receive a report, hold a discussion and take action on adopting a resolution in support of a tax credit housing application on behalf of LDG Developments.”

3. PUBLIC HEARINGS

- A. Receive a report, hold a public hearing and consider an ordinance for a zone change from Local Retail District to Light Industrial District for property out of Cooks 2nd Addition, Lots 2-4 and the east 18 ft of Lot 5, Block 1, 130 W. Day St.

Council Action

The Planning and Zoning Director spoke the zone change from local retail to light industrial. The owner would like to operate a car lot in this location due to the fact that he has a car lot to the south of this location. Planning and Zoning Commission and Staff recommended approval. The Mayor opened the public hearing. Mr. Curtis Ross, 1421 Westmont Drive, owns the property and spoke to the reasoning behind him wanting to operate the car lot due to the other car lot close by. The Mayor asked him about upkeep of the lot. Mr. Ross stated that he would keep the lot clean and up to code. There being no one else to speak, the public hearing was closed. On motion by Council member Malvern, seconded by Council member Baecht, the Council unanimously approved Ordinance No. 4721 **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY OF DENISON, TEXAS, GRANTING A LIGHT INDUSTRIAL DISTRICT FOR PROPERTY OUT OF THE COOKS 2ND ADDITION, LOTS 2-4 AND E. 18’ OF LOT 5, BLOCK 1, (130 W. DAY ST.), TO THE CITY OF DENISON, GRAYSON COUNTY, TEXAS, WHICH IS PRESENTLY ZONED LOCAL RETAIL; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW.”**

- B. Receive a report, hold a public hearing and consider an ordinance for a zone change from Light Industrial District to Local Retail District for property out of J.J. Fairbanks Addition, Lot 13, Block 7, 122 W. Prospect.

Council Action

The Planning and Zoning Director spoke to the zone change from light industrial to local retail for a laundry mat to be put in place. The Mayor opened the public hearing. Mr. Fernando Salas, 3678 Royal Lane Dallas, is the prospective buyer of the property. He stated he wants to make the other three lots retail and he and his wife to run the laundry mat. There being no one else to speak, the public hearing was closed. On motion by Council member Spindle, seconded by Council member Baecht, the Council unanimously approved Ordinance No. 4722 **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, AMENDING THE ZONING ORDINANCE OF THE CITY OF DENISON, TEXAS, GRANTING A LOCAL RETAIL DISTRICT FOR PROPERTY OUT OF THE J.J. FAIRBANKS ADDITION, LOT 13, BLOCK 7, (122 W. PROSPECT), TO THE CITY OF DENISON, GRAYSON COUNTY, TEXAS, WHICH IS PRESENTLY ZONED LIGHT INDUSTRIAL; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW.”**

4. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Receive a report, hold a discussion and adopt an ordinance for voluntary annexation of property out of the J.G. Gnase Survey A-1567 and the Lavina Miller Survey A-898 and being part of the A.L. Thompson Survey A-1275 and being part of the S. Bradley Survey A-113 and part of the T. Bradley Survey A-81 and being a part of the Abner Fox Survey A-429 containing approximately 378+ acres of land and property out of the Daniel Shep Survey A-1097 containing 48.799 acres and property out of the J.G. Gnase Survey A-1567 containing 0.397 acres for a total of 427.196 acres more or less.

Council Action

The Planning and zoning director spoke to the annexation submitted by TPJ Properties to be able to market the property with City services. There were two public hearings held, December 2, 2013 and December 4, 2013. On motion by Council member Baecht, seconded by Council member Brawley, the Council unanimously approved Ordinance No. 4723 **“AN ORDINANCE PROVIDING FOR THE ANNEXATION INTO THE CITY OF DENISON OF TERRITORY MORE SPECIFICALLY DESCRIBED BELOW AND COMPRISING APPROXIMATELY 427 ACRES MORE OR LESS IN MULTIPLE TRACTS AND SITUATED IN GRAYSON COUNTY, TEXAS, FOR ALL MUNICIPAL PURPOSES; PRESCRIBING RIGHTS AND DUTIES OF OWNERS AND INHABITANTS IN NEWLY ANNEXED AREA; AMENDING THE OFFICIAL MAP AND BOUNDARIES OF THE CITY OF DENISON; PROVIDING FOR THE FILING OF A CERTIFIED COPY OF THIS ORDINANCE; APPROVING A SERVICE PLAN FOR SUCH TERRITORY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE AND SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.”**

- B. Receive a report, hold a discussion and take action on adopting a resolution in support of a tax credit housing application on behalf of LDG Developments.

Council Action

The City Manager spoke to the apartment complex, “Crawford Village”, that LDG Development is wanting to develop at the northwest corner of U.S. Highway 75 and Crawford. He stated that the tax credits they plan on using are not section 8 vouchers. He then explained that the tax credit process requires the City to pass a resolution in support of the project. He noted that the City has already identified \$500,000 of in-kind contributions to this project due to road improvements in the proposed area. Staff amends their recommendation that is in the backup, stating the Council should look at every decision for the 20 year impact of the apartment complex on the City. He stated his professional opinion that the apartment complex will not have a positive or negative impact on the City’s development. Justin Hartz from LDG Development presented the Council and citizens with a video about the apartment complexes that they currently have throughout the country. After the video, he spoke to their proposed development of Crawford Village. He stated it will have 150 units, 24 one bedroom apartments, 70 two bedroom apartments and 56 three bedroom apartments. Rent will range between \$641 per month to \$890 per month. Each unit will have carpet in the bedrooms, hardwood floor in the living areas, laundry hookups, energy star appliances and a balcony or patio. This will be over a total of 14.91 acres with a green spaced dedicated in the northeast quadrant of the lot that will be open to all the citizens of the City. He stated the complex will have a club house, business center, computer lab, fitness center and pool.

There will be a fence around the entire complex with security cameras throughout the complex. The financing would be by 9% tax credits bought by private investors, which will amount to about \$14.7 million. They are not asking for any tax exemptions on the property. The Mayor asked people to keep their comments to around 90 seconds due to the amount of people who would like to speak to this item. Linda Beckelman, 3504 Ransom Circle, thanked the Council and the Staff for responding to the letter that she wrote previous to this meeting. She read her letter aloud to the Council. She cited the other government housing apartment complex on the north side of town and the amount of problems it has created. Also, she stated she does not want this kind of apartment complex so close the schools in the area and to her neighborhood. She understands the City needs apartment complexes but wants it in a different location. J.S. Freels, 109 Spring Valley, spoke to the proposed location that would be better used as retail or commercial. He believes the complex will not be kept up over the years. He suggested that the complex be developed at the end of Crawford where it intersects with 131. James Davidson, 3505 Ransom Circle, stated that the City of Denison is promoting "Moving Forward" but that the proposed complex is the exact opposite. He stated that the apartment complex will not generate the jobs that are needed. William Byers, 3200 Crawford Lane, stated that when he lived in Aurora, Colorado a low income apartment complex was built within a block of his residence. After the complex was built, he was burglarized three times in one year. He believes the same would happen with the proposed apartment complex. Dean Roach, 1409 S Lillis Lane, showed great concern about crime in the area. He stated would move if the apartment complex was approved. Ed Harris, 715 S Lillis Lane, feels his property would drop in price and he would not be able to sell it with an apartment complex so close. Jeff Hoppert, 3430 W Crawford, stated the complex would become an eyesore for the City and would inhibit the growth of the City. He also stated the increased traffic that would occur on Ansley Lane due to the tenants of the apartment complex. He feels it would be better served as commercial property. Eddie Klaeger, 3508 Oakwood, stated the tenants of the apartment complex deserve an affordable place to live but this location would not service them well. He feels the location should be closer to necessary services. Lee Olmstead, 1000 W. Lamberth Sherman, is the owner of the property. He stated that one tract is already zoned multi-family and the second tract is zone commercial. He feels the church and the middle school to the north would inhibit many developers because they would not be able to sell alcohol due to State alcohol laws. Ted Manes, #6 Lillis Park Circle, stated he has built apartment complexes like the proposed complex for over thirty years in Dallas and the property surrounding the complexes have plummeted. He stated he does not want these apartments near his home. Peter Ang, 3216 W. Crawford, stated his concern for the increase of crime. David Davis, 37 Village Green, credited LDG Development for considering Denison for this type of development; however, the location is not good for the City as a whole. He stated with Texoma Medical Center and the new Hilton Conference Center to the south and the new high school to the north, the apartment complex in the middle would be out of place. He stated since the City Council passed the development for the infill lots to build houses that are similar to the other surrounding houses in the neighborhood was a great step forward but these apartments are the exact opposite of what they are promoting in other portions of the City. Mike Barton, 1220 Perry, referenced an area in Dallas that he believes to be similar to the proposed development. He stated that those apartments only took five years to decline. Dr. John Tyson, 601 S Lillis, referenced the East Coast Apartments in Denison, where he was one of the original tenants when it was first built. He has seen how these apartments have declined and feels that these proposed apartments would follow the same path. Chip Piazza, 1026 FM 131, stated that he

understands the City needs more apartments and more housing in general. He stated these apartments would fulfill part of that need but not all of that need. There are five intersections with U.S. Highway 75 with a total of 22 hard corners; however, the west side of the highway doesn't allow for the development of infrastructure. This leaves on 11 corners on the east side of the highway in which seven corners are already occupied. He stated the infrastructure cost of the corners south of this proposed complex are too costly which leaves on two corners available for being well developed and this apartment complex would take up one of those two corners. He wants the City Council to rethink the investment of this property and find a different location for this development. Dave Guttridge, Lillis and Crawford, passed out a handout to the Council that contained pictures of other apartment complex that have trash outside and look run down. He referenced the development of the Allen Outlet Malls in Allen, Texas and stated retail would be much better placed in this location. Nonda Baxley, 1227 Deer Creek, stated she has lived in Denison for 63 years and has seen many apartments complexes come into the City and then decline. She stated she wants development but not development that would bring trash and crime to her neighborhood. Paula Perkins, 3510 Ransom Circle, believes that LDG Development has a good plan but a poor location. She feels the propose dloctaion would not be fair to the families that would grow up in these apartments being between the highway and schools. Sherman Jones, 2926 Greenwood Circle, stated other complexes built and managed by LDG Development that had poor management and employees that were involved with organized crime and welfare fraud. Council member Hanley stepped out of the meeting at 6:58pm. He stated he would be in shock if City staff would agree to go into development with LDG Development. Mr. Hartz spoke to these allegations and stated that once LDG Development took over these complexes, they replaced staff and cleaned up the complexes so they would be up to code. Council member Hanley returned to the meeting at 7:01pm. Selena Woolard, 1291 S. Lillis Lane, stated she wanted the City to be proactive instead of reactive. She stated that if the apartment complex was to be built in this location, the City would lose some citizens. The Mayor thanked everyone for coming to the meeting, sending emails, calling and sending letters to voice their opinion. He stated we need every level of homes in Denison, not just low income housing. He stated that this debate is not about the need for housing but about the location of the housing. On motion by Councilmember Spindle, seconded by Councilmember Malvern, the Council unanimously denied the proposed Resolution. Council member Hanley stated that as the City grows, there will be some inconveniences due to growing pains. Council member Malvern stepped out of the meeting at 7:10pm. He hopes the citizens will think about the traffic issues and the inconveniences because as the City grows, there will not always be smooth sailings. Council member Baecht thanked everyone for their input and feels that they have made the right decision for the development of the City.

The Mayor recessed the meeting at 7:11 to allow people to leave. Council member Malvern returned to the meeting during the recess. At 7:15 Council reconvened into open session and began with item 3A under public hearings.

5. EXECUTIVE SESSION

The Council then adjourned into Executive Session at 7:20 p.m. pursuant the Chapter 551, Texas Government Code, in accordance with the Authority:

- A. Pending or contemplated litigation or to seek advice of the City Attorney pursuant to Section 551.071.
 - 1. Receive a report, hold a discussion and provide Staff direction regarding 715 W. Sears.
- B. Discussion regarding possible purchases, exchange, lease, or value of real property pursuant to Section 551.072.
- C. Deliberation regarding gifts or donations to the City pursuant to Section 551.073.
- D. Personnel matters pursuant to section 551.074 (To deliberate the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of a public officer or employee).
- E. Deliberation regarding security pursuant to Section 551.075.
- F. Deliberation regarding economic development negotiations pursuant to Section 551.086.
 - 1. Receive a report, hold a discussion and provide Staff direction regarding TPJ Properties.

RECONVENE INTO REGULAR SESSION

The Council then reconvened into Regular Session and took the following action:

- A. Pending or contemplated litigation or to seek advice of the City Attorney pursuant to Section 551.071.
 - 1. Receive a report, hold a discussion and provide Staff direction regarding 715 W. Sears.

Council Action

No action taken.

- F. Deliberation regarding economic development negotiations pursuant to Section 551.086.
 - 1. Receive a report, hold a discussion and provide Staff direction regarding TPJ Properties.

Council Action

No action taken.

There being no further business to come before the Council, the meeting adjourned at 7:32 p.m.

JARED JOHNSON, MAYOR

Attest:

Carrie Hart, City Secretary