



**CITY OF DENISON
CITY COUNCIL MEETING
MINUTES**

Monday, May 6, 2024

Announce the presence of a quorum.

Mayor Janet Gott called the meeting to order at 6:00 p.m. Council Members present were Mayor Pro Tem Robert Crawley, Brian Hander, Michael Courtright, James Thorne, Joshua Massey and Aaron Thomas. Staff present were Interim City Manager, Bobby Atteberry, City Attorney, Julie Fort, Assistant City Manager, Renee Waggoner, City Clerk, Christine Wallentine and Deputy City Clerk, Karen Avery. Department Directors were also present.

1. INVOCATION, PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Jeff Humphrey, Pastor of Parkside Baptist Church gave the invocation which was followed by the Pledge of Allegiance and Texas Pledge led by members of Girl Scout Troop 403.

2. PUBLIC COMMENTS

Mayor Gott called for any public comments at this time and reminded those wanting to comment of the guidelines established by the City Council. Christine Wallentine, City Clerk, confirmed there were no Request to Speak Cards received by this point in the meeting. Therefore, no public comments were received.

3. CONSENT AGENDA

- A. Receive a report, hold a discussion and take action on approving the Minutes from the Regular City Council Meeting held on April 15, 2024.
- B. Receive a report, hold a discussion and take action on a resolution granting approval for the Interim City Manager, or his designee, to enter into various loan documents with Clayton Holdings, LLC, for the financing of front load dumpsters, G3 Microsoft 365 domain transition, reimbursement for the purchase of a mini-excavator and trailer, brush truck, skid steer loader with brush cutter, one (1) dump truck, three (3) utility tractors, and one (1) tractor loader.
- C. Receive a report, hold a discussion, and take action on approving a Reimbursement Agreement for Tax Increment Reinvestment Zone No. 5 between the City of Denison and Preston Forrest Capital LLC.

- D. Receive a report, hold a discussion, and take action on the appointment of Zachary Bearden as a New Member to the Public Library Advisory Board to serve the remainder of an unexpired two-year term ending December 31, 2025.

Council Action

On motion by Mayor Pro Tem Crawley, seconded by Council Member Thorne, the City Council unanimously approved Resolution No. 4156, "RESOLUTION APPROVING FINANCING TERMS;" and the rest of the Consent Agenda as presented.

4. PUBLIC HEARINGS

- A. Receive a report, hold a discussion, conduct a public hearing, and take action on an Ordinance for a Conditional Use Permit for property commonly known as 202 W. Main Street, GCAD Property ID No. 143148 for the operation of a bar for Black Sheep Cigar Lounge. (Case No. 2024-019CUP)

Council Action

Dianne York, Planner, introduced this agenda item and stated the applicant was requesting a conditional use permit to operate a bar and cigar lounge at 202 W. Main Street called Black Sheep Cigar Lounge. Ms. York provided aerial and zoning maps of the subject property. The property is currently zoned Central Area and falls within the Commercial Historic Overlay District. Per the project narrative, Black Sheep Cigar Lounge will offer the space for both refined cigars and luxurious cocktails. Upon approval of the conditional use permit, the applicant will initiate a complete internal remodel to include subflooring, painting of the walls and ceiling and adding spaces such as bathrooms for patrons and humidors to properly store the cigars. In an effort to be a good neighbor to the surrounding business, the applicant will also include a top-of-the-line ventilation system and air purifiers in order to mitigate the cigar smoke. The applicant is proposing hours of operation to include Sunday through Thursday from 10:00 a.m. to 10:00 p.m. and Friday and Saturday, from 10:00 a.m. to 12:00 a.m. There are no parking requirements listed within the Central Area District, however there is ample parking on Main Street and there is easy access to the parking lots located to the south and west of the building. This subject property falls within the City's downtown center per the Comprehensive Plan. Per the Comprehensive Plan, Denison's downtown center should be engaged in mixed use activities, including retail, restaurants, entertainment, office and some medium density residential uses. Permitting the use of a bar for Black Sheep Cigar Lounge conforms with the Comprehensive Plan. For this reason, staff recommends approval and so did the Planning and Zoning Commission at their meeting held on April 23, 2024.

Council Member Massey asked if the bar is going to be allowed to have outdoor seating. Ms. York responded that this was not mentioned in the project narrative for this case and staff has not reviewed this or presented this to the Planning and Zoning Commission. Council Member Massey then asked if cigar smoking would be an indoor activity, to which Ms. York confirmed this would be the case.

Mayor Gott then asked if there was anyone present wishing to speak on behalf of this agenda item, to which there were none. With that, the Mayor closed the public hearing.

There was no further discussion from Council.

On motion by Mayor Pro Tem Crawley, seconded by Council Member Thomas, the City Council unanimously approved Ordinance No. 5344, "AN ORDINANCE OF THE CITY OF DENISON, TEXAS, PROVIDING FOR SPECIFIED CHANGES IN THE OFFICIAL ZONING MAP OF THE CITY OF DENISON, TEXAS; PROVIDING FOR A CONDITIONAL USE PERMIT FOR A BAR ON PROPERTY LOCATED IN THE CENTRAL AREA DISTRICT, THE AUSTIN AVENUE OVERLAY DISTRICT, AND THE COMMERCIAL HISTORIC OVERLAY DISTRICT; BEING LEGALLY DESCRIBED AS LOT 2, BLOCK 52, ORIGINAL TOWN PLAT, DENISON, GRAYSON COUNTY, TEXAS; AND BEING MORE COMMONLY KNOWN AS 202 W. MAIN STREET, CITY OF DENISON, GRAYSON COUNTY, TEXAS; PROVIDING A PENALTY CLAUSE; PROVIDING REPEALER, SEVERABILITY AND SAVINGS CLAUSES; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE."

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Receive a report, hold a discussion and take action on budget amendments for Business and Industrial Corporation of Denison, Inc., d/b/a Denison Development Alliance, for the Fiscal Year 2024 Budget.

Council Action

Laurie Alsabbagh, Finance Director, reminded Council that they approved the Denison Development Alliance ("DDA") budget for fiscal year 2024 on September 5., 2023. An amendment was brought before the Council and approved on November 6, 2023, and this evening DDA is bringing a request for a second amendment before the Council, which has been approved by their Board of Directors. Ms. Alsabbagh then introduced Tony Kaai, President for DDA.

Mr. Kaai came forward and reported there are three items they are looking to have an amendment on for their FY2024 budget. Mr. Kaai first discussed Foundation Park, which is DDA's industrial park. They have all the lots under contract and DDA's responsibility is to put the street in the industrial park, called blue Stem Street, and also to build a retention structure for all these lots so we don't have a retention structure on each lot out there. This is the way this was designed. DDA received bids on this project, which came in at about \$1,000,000 and the original budget was \$700,000. So, this amendment is up to \$335,000 for additional costs to get the street, drainage and retention pond built. The second amendment is related to Johns Manville. DDA spent quite a few months and a lot of hours trying to get finished with this project. In summary, they took the cement pad and underneath that pad was a subbase of gravel/concrete mixture. So, this subbase is the same material they used in their pipe, and has asbestos containing material, which was not known. There are approximately 10 acres of this that has been studied and determined where this is over the past six months. To remove this from the property, and take to a certified site, which is what was done with the building material, amounts to about a \$6 million dollar cost. Therefore, the most cost-effective way to get rid of this is to bury it on site where they were already going to bury the concrete. The concrete was going to be sold by the contractor, but we don't want any risk to the community or city. The concrete was poured on top of this slurry. So, the plan is to bury the concrete as well as this material

under the rules and regulations of the state. They have had several bids from different contractors to do this and have approved the \$500,000 to bury the concrete pad and the second phase is the final number to get this final material buried all together, where the buildings were on the very west edge. There is room on the west edge of where the concrete pad was and the flood plain. So, there are about 8 acres there already designated for the concrete and this is where the additional material will be buried. It will take about 8-10 months to get this done. This is the recommendation of the board to finish up this project. Council Member Massey asked what the budget for this is. Mr. Kaai responded with \$2.8 million, which includes the \$500,000 already budgeted. The final budget amendment is for the property DDA purchases across the street from their current offices, which picked up about 50 parking spaces downtown. Their total estimate for the build-out, infrastructure, furniture, IT, etc. is about \$310,000. So, they are requesting an amendment to their budget for this so they can get it underway.

There was no further discussion or questions from Council.

On motion by Mayor Pro Tem Crawley, seconded by Council Member Massey, the City Council unanimously approved budget amendments for Business and Industrial Corporation of Denison, Inc., d/b/a Denison Development Alliance, for the Fiscal Year 2024 Budget as presented.

6. PROJECT UPDATES

- A. Receive a report and hold a discussion regarding the Grayson County Thoroughfare Plan

Council Action

Mary Tate, Director of Development Services, reminded the Council of an update back in August of 2023. So, this update is just to build on the previous update. At this point in time, the public comment period for the thoroughfare plan from the Grayson County MPO was opened for a little over one month. They received 22 comments back over this period of time, which really isn't significant for an entire county. However, the Director of Public Works and Ms. Tate met with the MPO Director as well as Pottsboro and Commissioner Hardenburg to discuss the comments related to our city and the ETJ to come up with some conclusions and resolutions on how we'd like to handle the areas in which we are sharing some of these connections. We feel confident about the recommendations provided to the MPO, which were the best ones we could make at this point in time. The MPO Director would like to have the thoroughfare plan approved. It will be on the Agenda for August 7 for the MPO policy board. Within this time frame, we will continue to look at things to make sure we are on track. It is important to remember the Thoroughfare Plan is a fluid document and the MPO Director will continue to take comments and recommendations back from the municipalities and make the amendments as needed as the growth comes our way.

There was no discussion or questions from the Council.

No action taken. Informational presentation only.

- B. Receive a report and hold a discussion regarding the FY2025 budget and tax rate adoption schedule.

Council Action

Laurie Alsabbagh, Finance Director, provided a short overview of the timelines for the FY2025 budget and tax rate adoption schedule, which consisted of the following:

- April Preliminary property values received from Chief Appraiser
- April – September Updates presented to Council at Council Meetings
- June Budget discussions held with City Manager and Staff
- June 28 Workshop held with City Council
- July 29 Certified values received from Chief Appraiser
- August & September Proposed tax rate published; notice of hearing and hearing held
- August 9 Proposed budget filed with City Clerk by City Manager- City Clerk posts on website
- September 3 Consider and act on adoption of FY2025 Budget and 2024 Tax Rate

There was no discussion or questions from the Council.

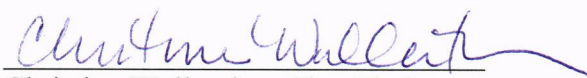
No action taken. Informational item only.

There being no further business to come before the Council, the meeting was adjourned at 6:19 p.m.



ROBERT CRAWLEY, Mayor

ATTEST:



Christine Wallentine, City Clerk