

MINUTES OF THE
REGULAR CALLED MEETING OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS
February 13, 2008

A regular called meeting of the City Council of the City of Tyler, Texas, was held Wednesday, February 13, 2008 at 8:00 a.m. in the Council Chamber, City Hall, Tyler, Texas, with the following present:

Mayor: Joey Seeber
Mayor Pro Tem: Chris Simons
Council Members: Nathaniel Moran
Donald Sanders
Ralph Caraway
Steve Smith
Charles Alworth

City Manager: Bob Turner
Deputy City Manager: Mark McDaniel
City Attorney: Gary Landers
Deputy City Attorney: Steve Kean
Airport Manager: Davis Dickson
Business Service Manager: ReNissa Wade
Development Services Engineer: Michael Wilson
Chief Financial Officer: Daniel Crawford
City Librarian: Chris Albertson
City Police Chief: Gary Swindle
Communications Director: Susan Guthrie
Director of Parks and Recreation: John Webb
Director of Planning and Zoning: Barbara Holly
Fleet Administrator: Russ Jackson
Director of Utilities & Public Works: Greg Morgan
City Clerk: Cassandra Brager

INVOCATION

The Invocation was given by Councilmember Caraway.

Erin Stanley from Brown Middle School was introduced as Mayor for the day.

AWARDS

A-1 Retiree

Diana R. Stewart

October 20, 1980 to January 31, 2008

Diana R. Stewart went to work for the City of Tyler on October 20, 1980 as a Police Officer in the Police Department. We are pleased to present Diana with a Certificate of Retirement for her many years of service with the City of Tyler.

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20 years

Bart C. Lemons

January 14, 1988 to January 14, 2008

Bart C. Lemons went to work for the City of Tyler on January 14, 1988 as Police Officer in the Police Department, the position he now holds. We are pleased to present Bart with a 20 year service pin for his many years of service with the City of Tyler.

Gregg W. Roberts

January 14, 1988 to January 14, 2008

Gregg W. Roberts went to work for the City of Tyler on January 14, 1988 as Police Officer in the Police Department, the position he now holds. We are pleased to present Gregg with a 20 year service pin for his many years of service with the City of Tyler.

Brian D. Allen

January 14, 1988 to January 14, 2008

Brian D. Allen went to work for the City of Tyler on January 14, 1988 as Police Officer in the Police Department, the position he now holds. We are pleased to present Brian with a 20 year service pin for his many years of service with the City of Tyler.

Marvin E. Bullard Jr.

January 18, 1988 to January 18, 2008

Marvin E. Bullard Jr. went to work for the City of Tyler on January 18, 1988 as Police Officer in the Police Department, the position he now holds. We are pleased to present Marvin with a 20 year service pin for his many years of service with the City of Tyler.

Cindy R. Jackson

January 25, 1988 to January 25, 2008

Cindy R. Jackson went to work for the City of Tyler on January 25, 1988 as a Library Page in the Library. Her title was changed to Library Aid on October 2, 1988 and to Circulation Technician on March 2, 2003, the position she now holds. We are pleased to present Cindy with a 20 year service pin for her many years of service with the City of Tyler.

These employees represent over 127 years of service with the City of Tyler.

A-2 New Employees

The following employees were hired by the City of Tyler during the months of December 2007 and January 2008.

We would like to take this opportunity to welcome these new employees.

**Darcel Thompson
Lynn Henderson
Stephen Brown
Ryan Vertein
Linda Ayers**

**Administrative Secretary
Training Coordinator
Utility Account Servicer
PS Telecommunicator I
Collection Associate**

**City Manager's Office
Water Office
Water Office
Police
Library**

Norris Wimberley IV
Al Franklin Jr.
Antonio Cordero
James Castillo
Tony Traylor
Brett Thomas
Wanda Hornberger
Laura Valenzuela
Brent Polk
Maria Hernandez
Adam Giorgio
Ann Santana
Christie Rose
Karl Seydler

Public Service Officer
Code Services Officer
Semi-skilled Laborer
Public Service Officer
Custodian
Code Services Officer
PS Telecommunicator II
Customer Service Representative
Public Service Officer
Airport Technician I
Groundskeeper
Recreation Specialist
Accountant
Project Engineer

Police
Code Enforcement
Water Distribution
Police
Parks
Code Enforcement
Police
Water Office
Police
Airport
Parks
Parks
Administrative Services
Development Services

PUBLIC HEARINGS

H-1



Request that the City Council conduct a public hearing on the creation of Tax Increment Reinvestment Zone (TIRZ) No. 2 on a 382 acre parcel of land located in Downtown Tyler and in the general area bounded by Beckham on the east, Gentry on the north, Palace on the west, and Front Street on the south.

Mark McDaniel, Deputy City Manager – Stated that the next step in creating a Tax Increment Financing (TIF) District or a Tax Increment Reinvestment Zone (TIRZ) in Downtown Tyler is to conduct an official public hearing to receive public comment. The reinvestment zone would be used to finance public infrastructure costs and other project costs associated with redevelopment of the area in the proposed zone.

This project was outlined in the Tyler 21 comprehensive plan as an action item to “Create a Tax Increment Financing (TIF) district to support revitalization investments in streetscape and infrastructure.” The intent of this action is to provide a funding source to reimburse early public investments (such as streetscaping and infrastructure) to attract private investment and instill confidence that such private investment will be protected. A 30 year life for the TIF is anticipated in order to accumulate sufficient revenues to make major public improvements.

In summary, a TIF captures any new value added to a particular zone, either through new improvements or market/appraisal increases on existing land and improvements. It is not an additional or new tax, but a dedication of the levy created from the existing taxes for a particular area to fund improvements in that same area. A TIF should be in place before any major reinvestment occurs so the new value may be captured. Conceptually, revenue generated from the captured levy grows from year to year, with early years seeing less revenue due to lower captured values.

Unlike the existing TIF on the West Loop, this Downtown TIF would be created to promote redevelopment rather than simply incentivizing development in a “green field” project. All local taxing jurisdictions have the opportunity to participate. A request has been made to Smith County and Tyler Junior College (TJC) for their consideration in

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participating in the TIF. Tyler Independent School District would likely not participate because current school financing formulas make it impractical by negatively impacting funding they receive from the state. Combined, the City, Smith County and TJC have a tax rate of 62 cents, which has the potential to provide meaningful captured tax levies to fund public improvements as investment and appreciation occur over time.

Although other variations have been examined, the recommended boundary for the TIF remains Front, Beckham, Gentry and Palace, which is comprised of 1,492 parcels and 382 acres. And, in addition to the ad valorem or property tax increment, the City will also capture the 1% sales tax increment generated in this same area to fund TIF improvements. Estimated 30 year value of captured property taxes from all three jurisdictions is valued at \$23,919,463, while estimated 30 year value of the City's 1% sales tax collections for this same area is an additional \$29,177,526.

Following this public hearing, the City Council will be called upon to consider the actual creation of TIRZ No. 2 through adoption of an Ordinance on February 27, 2008. Below is a schedule for remaining items to be completed before full creation of the TIRZ:

February 27---City Council considers ordinance to create TIRZ; and appoints board.

Week of March 3---a meeting of the TIRZ board is held to approve 1) project plan and reinvestment zone financing plan, 2) resolution requesting the City consent to the creation of a local government corporation, and 3) interlocal agreements with County and Junior College.

March 12---City Council approves project plan, resolution authorizing the creation of the local government corporation, and interlocal agreements. (Once approved by the City Council, these agreements would be forwarded to Smith County and the Tyler Junior College for placement on their respective agendas in March for approval.)

March 14---Articles and by-laws filed with Secretary of State.

Week of March 31st---Redevelopment authority board meets to approve tri-party agreement (assumes the Secretary of State issued the certification of incorporation).

April 9, 2008---City Council approves tri-party agreement.

Larry Meckley, 401 Sutherland - Spoke in opposition of this project.

MISCELLANEOUS

M-1 Request that the City Council authorize the City Manager to execute an annual agreement with the Tyler Economic Development Council (TEDC) for services related to economic development. ©

Councilman Alworth made the motion; seconded by Councilman Smith; motion carried 7-0; approved as presented.

M-2 Request that the City Council consider reviewing and accepting the Revenue, Expenditure and Investment Report for the quarter ending December 31, 2007.

Councilman Alworth made the motion to accept the report; seconded by Councilman Smith; motion carried 7-0; approved as presented.

M-3 Request that the City Council consider hearing the status report on the R. W. Beck water and waste water rate study.

(no action required)



Mark McDaniel, Deputy City Manger – Stated that over the next 3-5 years a few projects will take place and they are:

1. Acquire site for future sewer plant
2. US 69 N Water and Sewer Extensions
3. N. Broadway Water & Sewer Extension
4. Purchase Tall Timbers Sewer Service Area
5. South Tyler Water Transmission Line

On February 27th the City Council may see a request to award 5 million dollars in revenue bonds

M-4 Request that the City Council ratify staff action to enter into an agreement with Oncor Electric Delivery Company for utility relocation associated with Grande Boulevard Phase 2A and approve payment in the amount of \$164,721.00. ©



Councilman Smith made the motion; seconded by Councilman Alworth; motion carried 7-0; approved as presented.

M-5 Request that the City Council approve an Engineering Services Contract with Elledge Engineering Group, Incorporated in the amount of \$18,780.00 for the design of the Black Fork Creek Tributary D1.1 Project. ©



Mayor Pro Tem Simons made the motion; seconded by Councilman Alworth; motion carried 7-0; approved as presented.

M-6 Request that the City Council consider authorizing the City Manager to award a contract, in the amount of \$49,800.00, to ETTL Engineers and Consultants, to perform construction materials testing and inspection for the Old Omen Road project. ©



Councilman Moran made the motion; seconded by Councilman Smith; motion carried 7-0; approved as presented.



M-7

Request that the City Council consider authorizing the City Manager to award a contract, in the amount of \$46,000.00, to Adams Engineers, for the study and design of drainage improvements at Dogan Middle School. ©

Councilman Alworth made the motion; seconded by Councilman Caraway; motion carried 7-0; approved as presented.

M-8



Request that the City Council consider authorizing the City Manager to award a contract, in the amount of \$195,250.00, to the low bidder Heartbeat Construction, for the construction of West Mud Creek Tributary M-6, Rickety Lane and South Park Drive. ©

Councilman Alworth made the motion; seconded by Councilman Moran; motion carried 7-0; approved as presented.

M-9



Request that the City Council consider ratifying staff action authorizing payment to WhiteShaver in the amount of \$2,823.00 for acquisition of right-of-way for New Sunnybrook Drive.

Councilman Sanders made the motion; seconded by Councilman Smith; motion carried 7-0; approved as presented.

M-10



Request that the City Council consider authorizing the City Manager to execute a Contract to Purchase a Portion of Water Works System for the purchase of the Briarwood Estates Subdivision from Southern Utilities Company. ©

Councilman Alworth made the motion; seconded by Councilman Sanders; motion carried 7-0; approved as presented.

M-11

Request that the City Council consider approving an Interlocal Agreement with Smith County for cost sharing of certain items common between the City of Tyler's TPDES Stormwater Management Plan and Smith County's TPDES Stormwater Management Plan. ©

Councilman Smith made the motion; seconded by Councilman Caraway; motion carried 7-0; approved as presented.

M-12

Request that the City Council consider authorizing the City Manager to allow an Inter-Local Purchasing Agreement between Smith County and the City of Tyler. ©

Mayor Pro Tem Simons made the motion; seconded by Councilman Caraway; motion carried 7-0; approved as presented.

M-13 Request that the City Council consider awarding the annual price agreement for grounds maintenance at various City of Tyler sites to Wilhite Landscaping of Tyler.

Councilman Smith made the motion; seconded by Mayor Pro Tem Simons; motion carried 7-0; approved as presented.

M-14 Request that the City Council consider authorizing the City Manager to purchase the H T E Automated Fuel Interface Program, from the sole source provider Sungard Public Sector H T E for the amount of \$18,375.00.

Councilman Caraway made the motion; seconded by Councilman Smith; motion carried 7-0; approved as presented.

M-15 Request that the City Council consider authorizing the City Manager to contract with East Texas Renewables to construct and operate a Gas Processing Facility at the Greenwood Farms Landfill and to sell the gas produced by the landfill, with the City receiving a 10.5 percent royalty on gross sales. ©



Councilman Alworth made the motion; seconded by Mayor Pro Tem Simons; motion carried 7-0; approved as presented.

CITY MANAGER'S REPORT

1. Mayor – rescheduling: May 21 = canvass City elections, Change March 12 City Council meeting to the 5th or 19th? Change to 3/5/08.

2. Mayor – recognized Adrienne Graham, moving to UTT Journalism

RECESS FOR EXECUTIVE SESSION - City council convened into executive session at 9:12 am

As allowed by the Texas Open Meetings Law, Chapter 551 of the Government Code, the City Council may consider the following:

-under section 551.071 "Litigation" deliberation regarding the following:

Pending or contemplated litigation involving Cascades and/or Western Rim developments

Litigation is, by its nature, an on-going process, and questions may arise as to trial tactics, which need to be explained to the City Council. Upon occasion, the City Council may need information from the City Attorney as to the status of the pending or contemplated litigation subjects listed above

As allowed by the Texas Open Meetings Law, Chapter 551 of the Government Code, the City Council may consider the following:

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-under section 551.072 "Real Estate" to discuss the sale or acquisition of real property, the public discussion of which would have a detrimental effect on the negotiating position of the City related to on-going development.

City council reconvened from executive session at 10:55 am with no action taken.

ADJOURNMENT

Councilman Alworth made the motion to adjourn the meeting at 10:19 a.m.; seconded by Councilman Caraway; motion carried 7-0; meeting adjourned.

**JOSEPH O. SEEBER, MAYOR OF
THE CITY OF TYLER, TEXAS**

A T T E S T:

CASSANDRA BRAGER, CITY CLERK