

REGULAR CITY COUNCIL MEETING

NOVEMBER 20, 2007

7:00 P.M.

A Special Meeting of the Terrell City Council was held on Tuesday, November 20, 2007 at 7:00 p.m. in the City Council Chambers located at 201 East Nash Street, Terrell, Texas with the following members present:

**COUNCILMEMBER #1 HAL RICHARDS
COUNCILMEMBER #2 TOMMY SPENCER
COUNCILMEMBER #3 RICKY JORDAN
COUNCILMEMBER #4 JACK JONES
COUNCILMEMBER #5 DON THURMAN**

1. Call to order.

Mayor Hal Richards called the meeting to order.

2. Invocation.

Councilmember Don Thurman gave the opening prayer.

3. Consider Approval of Special City Council Meeting and Workshop Minutes of November 1, 2007, Special City Council Meeting Minutes of November 5, 2007 and Special City Council Meeting and Workshop Minutes of November 15, 2007.

Councilmember Don Thurman made a motion to approve Special City Council Meeting and Workshop Minutes of November 1, 2007, Special City Council Meeting Minutes of November 5, 2007 and Special City Council Meeting and Workshop Minutes of November 15, 2007 with amendments. The motion was seconded by Deputy Mayor Pro tem Jack Jones. Ayes – all; Nays – none. Motion carried.

b.) *Discuss Ordinance No. 2355 – Designating a Certain Area as Tax Increment Financing Reinvestment Zone Number One, City of Terrell, Texas, Establishing a Board of Directors for Such Reinvestment Zone, Making Certain Findings and Other Matters Related Thereto.*

John Rounsavall, City Secretary/Finance Director for the record stated the following:

Mayor Hal Richards recognized Kaufman County Commissioners Clark and Schoen and to reemphasize the City's commitment to the County that everything we do in terms of Interlocal Agreement and from here in this TIF will be as partners with the County and when we do it, is going to be a good deal for the City and it's going to be a good deal for

the County and the tax payers are going to benefit tremendously from this. We appreciate the support and the willingness of the County to hear us out on these things.

4. Hear Remarks from Visitors.

None were made.

5. Discuss and Consider Adoption on Second Reading Ordinance No. 2355 – Designating a Certain Area as Tax Increment Financing Reinvestment Zone Number One, City of Terrell, Texas, Establishing a Board of Directors for Such Reinvestment Zone, Making Certain Findings and Other Matters Related Thereto.

Torry Edwards, City Manager presented to Council for discussion and consideration Adoption on Second Reading Ordinance No. 2355 – Designating a Certain Area as Tax Increment Financing Reinvestment Zone Number One, City of Terrell, Texas, Establishing a Board of Directors for Such Reinvestment Zone, Making Certain Findings and Other Matters Related Thereto. Deputy Mayor Pro tem Jack Jones made a motion to adopt on Second Reading Ordinance No. 2355 – Designating a Certain Area as Tax Increment Financing Reinvestment Zone Number One, City of Terrell, Texas, Establishing a Board of Directors for Such Reinvestment Zone, Making Certain Findings and Other Matters Related Thereto. The motion was seconded by Councilmember Tommy Spencer. Ayes – all; Nays – none. Motion carried.

CITY OF TERRELL, TEXAS

ORDINANCE NO. 2355

AN ORDINANCE DESIGNATING A CERTAIN AREA AS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF TERRELL, TEXAS, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, MAKING CERTAIN FINDINGS, AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City Council of the City of Terrell, Texas, (the “City”), desires to promote the development of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon’s Texas Codes Annotated (the ”Act”); and

WHEREAS, in compliance with the Act, the City has called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, in compliance with the Act, notice of such public hearing was published on October 25, 2007, in the Terrell Tribune, a paper of general circulation in the City, such publication date being not later than seven (7) days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 5th day of November, 2007 at 7:00 o'clock p.m., in the City Hall of the City of Terrell, Texas, which hearing was then closed; and

WHEREAS, the City, at such hearing, invited any interested person, or his attorney, to appear and speak for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is described and attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B" should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors of the proposed reinvestment zone; and

WHEREAS, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the creation of the proposed reinvestment zone and/or the inclusion of their property in such reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the zone;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

SECTION 1: That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2: That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and delivered to all taxing units overlapping the territory inside the proposed reinvestment zone.

b) That creation of the proposed reinvestment zone with boundaries as described in Exhibits “A” and “B” will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.

c) That the reinvestment zone, as defined in Exhibits “A” and “B”, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

1. It is a contiguous geographic area located wholly within the corporate limits of the City.

2. The area is predominately open and because of obsolete platting or lack of site improvements, or other factors, substantially impairs or arrests the sound growth of the City.

d) That 10 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units.

e) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 15 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any.

f) That the proposed reinvestment zone does not contain more than 15 percent of the total appraised value of real property taxable by a county or school district.

g) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone.

h) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

SECTION 3. That the City hereby creates a reinvestment zone over the area described in Exhibit “A” attached hereto and depicted in the map attached hereto as Exhibit “B” and such reinvestment zone shall hereafter be identified as Tax Increment Financing Reinvestment Zone Number One, City of Terrell, Texas (the “Zone” or “Reinvestment Zone”).

SECTION 4. That there is hereby established a board of directors for the Zone that shall consist of five members. The board of directors of Tax Increment Financing Reinvestment Zone Number One, City of Terrell, Texas shall be appointed as follows:

a) Three members shall be appointed by the City Council of the City of Terrell, and two members shall be appointed by the Commissioners Court of Kaufman County. The initial board of directors shall be appointed by resolution of each of the participating jurisdictions within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet the eligibility requirements set forth in the Act. The governing bodies of other taxing units that levy taxes on real property in Tax Increment Financing Reinvestment Zone Number One have chosen not to pay any of their taxes into the Tax Increment Fund and have waived their right to appoint board members.

b) The terms of the board members shall be two-year terms. The City Council shall designate a member of the board to serve as chairman of the board of directors, and the board shall elect from its members a vice chairman and other officers as it sees fit.

c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The board of directors shall possess all powers necessary to prepare, implement and monitor such project plan and financing plan for the reinvestment zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

SECTION 5: That the Zone shall take effect on January 1, 2007 and that the termination of the Zone shall occur on December 31, 2036, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full.

SECTION 6: That the Tax Increment Base for the Zone, which is the total appraised value of all taxable real property located in the Zone, is to be determined as of January 1, 2007, the year in which the Zone was designated a reinvestment zone.

SECTION 7: That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured

in the manner prescribed by law for funds of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

SECTION 8: That if any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 9: This Ordinance shall take effect immediately from and after its passage on second and final reading and the publication of the caption, as the law and charter in such cases provide.

First reading approved on this the 5th day of November, 2007.

DULY PASSED on the second and final reading by the City Council of the City of Terrell, Texas, this 20th day of November, 2007.

NEW BUSINESS

6. Discuss and Consider Approval of Resolution No. 595 – Appointing Three Members to the Board of Directors of Tax Increment Financing Reinvestment Zone Number One.

Councilmember Don Thurman made a motion to appoint Councilmember Tommy Spencer to the Board of Director of Tax Increment Financing Reinvestment Zone Number One. The motion was seconded by Mayor Pro tem Ricky Jordan. Ayes – all; Naves – none. Motion carried.

Mayor Hal Richards made a motion to appoint Councilmember Don Thurman as Chairman to the Board of Directors of Tax Increment Financing Reinvestment Zone Number One. The motion was seconded by Deputy Mayor Pro tem Jack Jones. Ayes – all; Naves – none. Motion carried.

Mayor Hal Richards made a motion to appoint John Davidson to the Board of Directors of Tax Increment Financing Reinvestment Zone Number One. The motion was seconded by Councilmember Don Thurman. Ayes – all; Naves – none. Motion carried.

Councilmember Don Thurman made a motion to approve Resolution No. 595 – Appointing Three Members to the Board of Directors of Tax Increment Financing Reinvestment Zone Number One. The motion was seconded by Mayor Pro tem Ricky Jordan. Ayes – all; Naves – none. Motion carried.

CITY OF TERRELL, TEXAS

RESOLUTION NO. 595

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, APPOINTING THREE MEMBERS TO THE BOARD OF DIRECTORS OF TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE (TIF #1), CITY OF TERRELL, TEXAS, APPOINTING ONE MEMBER OF THE BOARD TO SERVE AS CHAIRMAN FOR THE ENSUING YEAR, AND PROVIDING FOR OTHER MATTERS RELATING TO SUCH BOARD.

WHEREAS, on November 20, 2007 pursuant to Chapter 311 of the Texas Tax Code Annotated (Vernon 2002), the City Council of the City of Terrell adopted Ordinance No. 2355 which designated an area as Tax Increment Financing Reinvestment Zone Number One (TIF #1), City of Terrell, Texas and established a Board of Directors for the Zone; and

WHEREAS, Section 4 of the Ordinance provides that the Board of Directors for the Zone shall consist of five members, that three members shall be appointed by Resolution of the City Council of the City of Terrell, and that two members shall be appointed by the Commissioners Court of Kaufman County; and

WHEREAS, Section 4 of the Ordinance provides that the terms of the members of the Board of Directors shall be two years, and that each year the City Council shall designate a member of the Board of Directors to serve as Chairman for a term of one year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, THAT:

SECTION 1

The three following individuals, who are qualified voters of the City of Terrell, are hereby appointed to the Board of Directors of Tax Increment Financing Reinvestment Zone Number One (TIF #1), City of Terrell, Texas, to serve for a term of two years beginning January 1, 2008 and ending on December 31, 2009.

1. Don Thurman
2. Tommy Spencer
3. John Davidson

SECTION 2

Don Thurman is hereby designated to serve as Chairman of the Board of Directors of Tax Increment Financing Reinvestment Zone Number One (TIF #1), City of Terrell, Texas, to serve until December 31, 2008, and that each year thereafter, the City

Council of the City of Terrell shall appoint one voting member of the Board of Directors to serve as Chairman for a one year term that begins on January 1.

SECTION 3

That this Resolution shall take effect immediately from and after its adoption and is accordingly so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, ON THIS THE 20th DAY OF NOVEMBER, 2007.

7. Discuss and Consider Appointments to the Zoning Board of Adjustments.

Deputy Mayor Pro tem Jack Jones made a motion to re-appoint Kathy Russell and Malcolm Duncan and appoint Karen Jones to the Zoning Board of Adjustments. The motion was seconded by Councilmember Tommy Spencer. Ayes – all; Nays – none. Motion carried.

CONSENT AGENDA

Deputy Mayor Pro tem Jack Jones made a motion to adopt Ordinance No. 2353 and Ordinance No. 2354 on CONSENT AGENDA. The motion was seconded by Councilmember Tommy Spencer. Ayes – all; Nays – none. Motion carried.

8. Discuss and Consider Adoption on Second Reading Ordinance No. 2353 - Approving a Request for a Zone Change from Two-Family (2F) to Retail (R) on Property Located at 402 E. College, Described as Lot 2B, Block 59, Terrell Original.

ORDINANCE NO. 2353

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, CHANGING THE ZONING FROM TWO-FAMILY (2F) TO RETAIL (R) ON PROPERTY LOCATED AT 402 E. COLLEGE STREET, DESCRIBED AS LOT 2B, BLOCK 59, TERRELL ORIGINAL OF THE CITY OF TERRELL, KAUFMAN COUNTY, TEXAS; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

ARTICLE I.

WHEREAS, the Planning and Zoning Commission of the City of Terrell, Texas, held a public hearing on October 22, 2007 on a request to change the zoning from Two-Family (2F) to Retail (R) on property located at 402 E. College Street, described as Lot 2B, Block 59, Terrell Original, and recommend approving a zone change on this property; and

WHEREAS, the City Council of the City of Terrell, Texas held a public hearing on November 6, 2007, on a request to change the zoning from Two-Family (2F) to Retail (R) on property located at 402 E. College Street, described as Lot 2B, Block 59, Terrell Original; and

WHEREAS, the City Council has determined that all notice requirements have been given in compliance with the laws and ordinances of the City of Terrell; and

WHEREAS, the City Council of the City of Terrell, Texas has determined that it would be in the best interest of the citizens of Terrell to change the zoning from Two-Family (2F) to Retail (R) on property located at 402 E. College Street, described as Lot 2B, Block 59, Terrell Original.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Terrell, Texas:

THAT the zoning classification be and is hereby changed on property located at 402 E. College Street, legally described as Lot 2B, Block 59, Terrell Original from the current zoning of Two-Family (2F) to Retail (R).

ARTICLE II

All ordinances or part of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

ARTICLE III

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

ARTICLE IV

This Ordinance will take effect immediately from and after its passage and the publication of the caption, as the law in such case provides.

PASSED AND APPROVED this the 5th day of November, 2007.

PASSED AND ADOPTED this the 20th day of November, 2007.

- 9. Discuss and Consider Adoption on Second Reading Ordinance No. 2354 – Setting the Wholesale Water Customer Rate.**

ORDINANCE NO. 2354

AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, AMENDING APPENDIX 1, FEE SCHEDULE, SECTION 27: WATER SERVICE RATES, PARAGRAPH (4) OF THE REVISED CODE OF ORDINANCES OF THE CITY OF TERRELL, TEXAS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

THAT Appendix I, Fee Schedule, SECTION 27, WATER SERVICE RATES, PARAGRAPH (4) of the Revised Code of Ordinances of the City of Terrell, Texas, shall hereby be amended to read as follows:

SECTION I.

SECTION 27: WATER SERVICE RATES AND CHARGES

The following schedule of rates or charges for water services furnished by the City shall be and such is hereby adopted and established as follows:

- (4) *Wholesale water customer rates.* Rates shall be determined by the methodology as stated in the wholesale water customer's contract. Wholesale water customers without a methodology in the wholesale water customer's contract will be charged \$3.04 per 1,000 gallons of water.

SECTION II.

All ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION III.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of the ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION IV.

This ordinance will take effect immediately from and after its passage and the publication of the caption as the law in such cases provides.

PASSED AND APPROVED THIS THE 5th day of November, 2007.
PASSED AND ADOPTED THIS THE 20th day of November, 2007.

END OF CONSENT AGENDA

- 10. Adjourn into Executive Session in Accordance with Section 551 of the Texas Government Code to Discuss the Following:**
- a.) Section 551.071 – Consultation with Attorney – Contemplated Litigation.**
 - b.) Section 551.074 – Personnel Matters – Executive Vacancies.**

Council adjourned into Executive Session.

- 11. Reconvene into Regular Session and Consider Action, if Any, on Item Discussed in Executive Session.**

There was no action taken in Executive Session.

END OF CONSENT AGENDA

- 12. Adjourn.**

There were no other matters discussed or acted on at this meeting. There being no further business the meeting was adjourned.

Hal Richards, Mayor

Attest:

John Rounsavall, City Secretary