

**CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL**

May 3, 2022

7:00 p.m.

Mayor John A. Sellers called the regular session of the City Council to order at 6:19 p.m. Councilman Julian moved to adjourn into executive session. Councilman Taylor seconded and the vote was unanimous. An Executive Session was held at 6:19 p.m. in accordance with Texas Government Code, Title 5, Chapter 551 - §551.071, Consultation with Attorney, §551.072, Deliberations Regarding Economic Development Negotiations: Project Superman.

The following council members and staff were present:

Present:	Mayor John A. Sellers Councilman Jay W. Julian Councilman Harold Nash Sr. Councilman Oscar Aguilar Councilman Freddie Taylor Councilman Gary Spraggins Mayor Pro Tem Doug Moore
Absent:	None
Staff:	Marc Maxwell, City Manager Natalie Darrow, City Secretary Nate Smith, City Attorney Lesa Smith, Assistant City Manager/Finance Director Tory Niewiadomski, Assistant City Manager/Community Development Director Gordon Frazier, Assistant City Manager/HR Director-7 p Jason Ames, SSPD Officer – 7 p Joey Baker, Director, Department of Aviation-7 p Bryan Craig, Superintendent Capital Construction-7 p

RECONVENE INTO OPEN SESSION

Mayor Sellers reconvened the regular meeting of the Sulphur Springs City Council to order at 7:00 p.m.

PLEDGE AND INVOCATION

Mayor Sellers led in the pledge of allegiance to the United States Flag and the Pledge to the Texas Flag, and the invocation was led by Councilman Aguilar.

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

National Small Business Week Proclamation

City of Sulphur Springs Proclamation

WHEREAS, America's strongest economic growth in almost 40 years has been driven by the resilience of our small businesses who, despite a world-wide pandemic, continue to pioneer innovative solutions to our country's greatest challenges and create opportunities for families and workers; and

WHEREAS, from the storefront shops that anchor Main Street to the high-tech startups that keep America on the cutting edge to the small manufacturers driving our competitiveness on the global stage, small businesses are the backbone of our economy and the cornerstones of our nation's promise; and

WHEREAS, when we support small business, jobs are created, and local communities preserve their unique culture; and

WHEREAS, because this country's 32.5 million small businesses create nearly two out of three jobs in our economy, we cannot resolve ourselves to create jobs and spur economic growth in America without discussing ways to support our entrepreneurs; and

WHEREAS, the President of the United States has proclaimed National Small Business Week every year since 1963 to highlight the programs and services available to entrepreneurs through the U.S. Small Business Administration and other government agencies; and

WHEREAS, the City of Sulphur Springs supports and joins in this national effort to help America's small businesses do what they do best – grow their business, create jobs, and ensure that our local communities remain as vibrant tomorrow as they are today.

NOW, THEREFORE, I, Mayor John A. Sellers, on behalf of the city council, do hereby proclaim May 1 through May 7, 2022 as

NATIONAL SMALL BUSINESS WEEK

Signed on the 3rd of May, 2022.

John A. Sellers, Mayor

MANAGER'S REPORT INCLUDES A STATUS REPORT OF CAPITAL IMPROVEMENTS, MUNICIPAL OPERATIONS, ACCIDENTS AND CLAIMS FOR THE MONTH, AND A REVIEW OF EXPENDITURES AND REVENUES

COVID-19 RESPONSE – We have 0 patients in the COVID unit at the hospital.

CLAIMS – We had a fleet accident in March involving a police cruiser. One unlucky driver ran a red light and crashed into the squad car causing \$1,500 worth of damage. Fortunately, nobody was injured. We had one workers compensation claim for a laceration when a Capital Construction employee was struck by rebar during demolition activities at Pacific Park.

SENIOR CITIZENS BUILDING – It's official; we got the \$2.4 million grant from the Texas Department of Housing and Community Affairs (TDHCA). As soon as we sign a contract with TDHCA we can begin the project. I expect the contract to be ready for signature in June.

PACIFIC PARK – The playground complete. Demolition has begun on the splash pad. The Capital Construction Division in installing a concrete walking path around the park. Next up will be the basketball pavilion.

COLLEGE STREET – The water/sewer/drainage is complete for phase 1 from the plaza to Patton. Next, Highway 19 Construction (the contractor) will build the road and the Capital Construction Division will continue to the east with utility construction on Phase 2 (Patton to Como).

SPRING CLEANUP - The Spring clean-up was a busy event this year with 1,285 vehicles bring rubbish to the site. In total 3,480 cubic yards of trash was hauled to the landfill, and a small mountain of green waste was left on site to be burned later this summer.

ONCOR RATE INCREASE – Oncor advised the City in writing that they plan to file a full rate case with the Public Utility Commission of Texas later this month. This is different than the periodic Distribution Cost Recovery Factor (DCRF) that we are accustomed to seeing. The DCRF only recovers costs for new investment in distribution equipment, whereas this will be a full review of the base rate. The city is a member of the Steering Committee of Cities Served by Oncor. The steering committee is fully aware of this development, and they have already procured the consultants to review the filing once it is made. Expect action items related to this filing to be on future agendas.

REVENUES AND EXPENDITURES – Finance Director Lesa Smith will present a report of year-to-date revenues and expenditures.

STREET IMPROVEMENT PROGRAM – Texana Land and Asphalt plans to pave the streets listed below summer. 2022 SIP

Street	Between	Length
Jackson	Middle to College	2480
Kasie	Tate to Camp	681
Lee	Davis to League	3099
Fore	Main to Connally	1070
Forrest Ln	Bell to Barbara	1119
Garrison	Main to Connally	940
Glover	Davis to Church	348
Houston	Hillcrest to League	4800
Commercial Serv.	various repair	442
Como	College to RR	3317

Dabbs	Gilmer to Davis	401
Drexel	Broadway to Mockingbird	1441
Fisher	Spence to Lee	1500
Ardis	Spence to Beckham	1880
Azalea	Hillcrest to Main	3648
Bonner	Church to Davis	539
Brinker	Beasley to dead-end	2629
California	Church to Seventh	1520
Charles	College to Lakeshore	998
Lee (2021)	Davis to Broadway	1901
League (2021)	Bellview to Pampa	3131
Total Linear Feet		37,884
Total Miles		7.18
Total Cost		\$ 2,012,318.00
Street Maintenance Fee Cost Estimate		\$ 1,072,668.00

Assistant City Manager/Finance Director Smith presented a report of year-to-date revenues and expenditures. There was a brief discussion.

DISCUSSION/ACTION ON THE CONSENT AGENDA

City Secretary Darrow presented the staff report. Consider for approval the City Council regular meeting minutes of April 5, 2022; the Planning and Zoning meeting minutes of February 21, 2022; the Economic Development Corporation meeting minutes of March 28 2022; and Downtown Revitalization Board meeting minutes of February 8, 2022 and March 29, 2022; and 380 Agreements for 226 Easy Street and 511 Church Street. Councilman Julian moved to approve the consent agenda as presented. Councilman Nash seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION – FIRST READING OF ORDINANCE NO. 2797 – AN ORDINANCE OF THE CITY OF SULPHUR SPRINGS, TEXAS PROVIDING FOR A RESIDENTIAL HOMESTEAD PROPERTY TAX EXEMPTION; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS

Assistant City Manager/Finance Director Smith presented the staff report. On April 5th, the council was presented with information pertaining to a homestead exemption and a brief discussion followed. Mayor Sellers said that he would like to see this as an action item. This is the first reading of an ordinance to provide a homestead exemption. This percentage has been left blank on the first reading of the ordinance. Should the Council wish to proceed with a homestead exemption, Council will need to discuss and recommend a percentage. Information reflecting the estimated impact of a 15% and 20% exemption is attached. I have made a change on the 2022 projects for the 10% exemption as well. There is part of the calculation that uses the prior year's M&O rate. I failed to change that number on the 2022 projections. The homestead exemption would be on the tax year 2022 taxes which are collectable beginning October 1st. There was a brief discussion. Councilman Spraggins moved to adopt the ordinance on the first reading at the exemption rate of 20%. Councilman Taylor seconded and the vote

was unanimous.

Motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SUPPLY OF WATER MATERIALS FOR COLLEGE ST. PHASE 2 CIP

Assistant City Manager/Finance Director Smith presented the staff report. Staff placed bid notices in the News Telegram. Emails were also sent to inform prospective bidders. Bids were opened on April 19th. Due to supply chain issues, the Public Works Director, with the approval of the City Manager, requested bids for materials for all utility projects that remain on the 5-year capital improvement plan (CIP) list. Those projects are Phase 2 of College St., Holiday Drive, and Alabama St. With long lead times, and rising costs, staff would like to have the material on hand and ready to go when it comes time to work on those projects. Phase 2 of College St. will start as soon as sewer materials are received, then Alabama St will be done and finally Holiday Drive. Staff recommends awarding contract for Water Materials for College St. Phase 2 to Coburn's Supply as the lowest qualified bidder. Councilman Julian moved to award the bid to Coburn's Supply. Councilman Nash seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SUPPLY OF SEWER MATERIALS FOR COLLEGE ST. PHASE 2 CIP

Assistant City Manager/Finance Director Smith presented the staff report. Staff placed bid notices in the News Telegram. Emails were also sent to inform prospective bidders. Bids were opened on April 19th. Due to supply chain issues, the Public Works Director, with the approval of the City Manager, requested bids for materials for all utility projects that remain on the 5 year capital improvement plan (CIP) list. Those projects are Phase 2 of College St., Holiday Drive, and Alabama St. With long lead times, and rising costs, staff would like to have the material on hand and ready to go when it comes time to work on those projects. Phase 2 of College St. will start as soon as sewer materials are received, then Alabama St will be done and finally Holiday Drive. Staff recommends awarding contract for Sewer Materials for College St. Phase 2 to APSCO as the lowest qualified bidder. Councilman Taylor moved to award the contract to APSCO. Councilman Spraggins seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SUPPLY OF WATER MATERIALS FOR HOLIDAY DRIVE CIP

Assistant City Manager/Finance Director Smith presented the staff report. Staff placed bid notices in the News Telegram. Emails were also sent to inform prospective bidders. Bids were opened on April 19th. Due to supply chain issues, the Public Works Director, with the approval of the City Manager, requested bids for materials for all utility projects that remain on the 5 year capital improvement plan (CIP) list. Those projects are Phase 2 of College St., Holiday Drive, and Alabama St. With long lead times, and rising costs, staff would like to have the material on hand and ready to go when it comes time to work on those projects. Phase 2 of

College St. will start as soon as sewer materials are received, then Alabama St will be done and finally Holiday Drive. Staff recommends awarding the contract for Water Materials for Holiday Drive to Coburn's Supply as the lowest qualified bidder. Councilman Taylor moved to award the contract to Coburn's Supply. Councilman Julian seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SUPPLY OF SEWER MATERIALS FOR HOLIDAY DR. CIP

Assistant City Manager/Finance Director Smith presented the staff report. Staff placed bid notices in the News Telegram. Emails were also sent to inform prospective bidders. Bids were opened on April 19th. Due to supply chain issues, the Public Works Director, with the approval of the City Manager, requested bids for materials for all utility projects that remain on the 5 year capital improvement plan (CIP) list. Those projects are Phase 2 of College St., Holiday Drive, and Alabama St. With long lead times, and rising costs, staff would like to have the material on hand and ready to go when it comes time to work on those projects. Phase 2 of College St. will start as soon as sewer materials are received, then Alabama St will be done and finally Holiday Drive. Staff recommends awarding the contract for Sewer Materials for Holiday Dr. to APSCO as the lowest qualified bidder. Mayor Pro Tem Doug Moore moved to award the contract to APSCO. Councilman Taylor seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SUPPLY OF WATER MATERIALS FOR ALABAMA ST. CIP

Assistant City Manager Smith presented the staff report. Staff placed bid notices in the News Telegram. Emails were also sent to inform prospective bidders. Bids were opened on April 19th. Due to supply chain issues, the Public Works Director, with the approval of the City Manager, requested bids for materials for all utility projects that remain on the 5 year capital improvement plan (CIP) list. Those projects are Phase 2 of College St., Holiday Drive, and Alabama St. With long lead times, and rising costs, staff would like to have the material on hand and ready to go when it comes time to work on those projects. Phase 2 of College St. will start as soon as sewer materials are received, then Alabama St will be done and finally Holiday Drive. Award contract for Water Materials for Alabama St. to Coburn's Supply as the lowest qualified bidder. Councilman Taylor Moved to award the contract to Coburn's Supply. Councilman Nash seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION ON BIDS AND AWARD OF CONTRACT FOR SUPPLY OF SEWER MATERIALS FOR ALABAMA ST. CIP

Assistant City Manager/Finance Director Smith presented the staff report. Staff placed bid notices in the News Telegram. Emails were also sent to inform prospective bidders. Bids were opened on April 19th. Due to supply chain issues, the Public Works Director, with the approval

of the City Manager, requested bids for materials for all utility projects that remain on the 5 year capital improvement plan (CIP) list. Those projects are Phase 2 of College St., Holiday Drive, and Alabama St. With long lead times, and rising costs, staff would like to have the material on hand and ready to go when it comes time to work on those projects. Phase 2 of College St. will start as soon as sewer materials are received, then Alabama St will be done and finally Holiday Drive. Staff recommends awarding the contract for Sewer Materials for Alabama St. to APSCO as the lowest qualified bidder. Councilman Julian moved to award the contract to APSCO. Councilman Taylor seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION ON ASSIGNMENT OF AIRPORT GROUND LEASE AGREEMENTS FOR LOTS 1220-60A AND 1220-60B

Director of the Department of Aviation Baker presented the staff report. The original Lease Agreement for Lot 1220-60A between the City and Carl Bryan was executed on 5 May, 2004. The original Lease Agreement for Lot 1220-60B between the City and Max Bradford was executed on 5 May, 2004. An Assignment of Lease between Max Bradford and Carl Bryan was executed, and approved by Council, on 6 December, 2013. Section 7 of the Lease Agreements allow: "Lessee may sell, lease, or otherwise assign to another party his rights, title and interest in this Lease, including any improvements on property, for the remaining term hereof." Mr. Bryan has entered into an agreement to sell his improvements (hangars) to Scott Swanson. The Assignment of Lease and Conveyance of Leasehold Improvements assigns the existing leases for Lots 1220-60A and 1220-60B to Mr. Swanson for the remaining term of the original leases. There was a brief discussion. Councilman Spraggins moved to approve the assignment of lease as presented. Mayor Pro Tem Moore seconded and the vote was unanimous.

Motion carried.

DISCUSSION/ACTION PRELIMINARY PLAT CASE PPL#220401 BEING A REQUEST BY JAMESWEBB OF OAK NATIONAL DEVELOPMENT, TO CONCEPTUALLY PLAT 278.24 ACRES OF LAND INTO 1,159 SINGLE FAMILY LOTS WITH 11 COMMON AREAS.

Councilman Spraggins recused himself and left the council chambers. Assistant City Manager/Community Development Director Niewiadomski presented the staff report. The property is located just outside of the City limits west of the Stonebriar neighborhood located along Highway 11 West and is located approximately 1 mile west of Highway 19. The applicant is proposing to subdivide the property into 1,159 lots for single family residential development. The property is currently located outside the city limits and does not have a zoning designation. The property is located within the ETJ, which means that it will have to meet the City's subdivision requirements but not the Zoning ordinance requirements unless annexed. If the

property were to become part of the city, all of the lots meet the minimum dimensional requirements of 6,000 square feet. However, there are some lots on cul-de-sacs or corners that may need to be adjusted to meet the 50 feet of frontage requirements for Zoning if it were an SF-6 designation. The purpose of the preliminary plat is to review staff comments, the physical arrangement of the subdivision and determine the adequacy of street and thoroughfare rights-of-way and alignment and the compliance of the streets and thoroughfares with the Sulphur Springs Comprehensive Plan, the existing street pattern in the area and with any other applicable provisions of the Comprehensive Plan. The Commission shall ascertain that adequate easements for proposed or future utility service and surface drainage are provided, and that the lot size and area comply with the Zoning Ordinance. Approval of a preliminary plat does not constitute approval of the Final Plat. The developer has indicated 50' right of way for the streets which meets our subdivision standards and a larger 85' right of way for the primary looped entrances (Street D) through the subdivision. The applicant has indicated that the streets will be concrete with curb and gutter. The applicant has indicated that sidewalks will be provided in the subdivision and in common areas. There is a cul-de-sac on Street Y that has lots (24 & 25) that back up to street D creating double frontage lots. This should be avoided and can be by putting the street Y through and connecting to Street D. Staff distributed the preliminary plat to internal departments, utility providers in the area, school district, county, and TxDOT. At this time, staff has received the following comments to date: 1. Oncor indicated a need for 10 Utility Easements along street frontages as well as a couple of areas between lots to serve the development. 2. Frontier indicated that they would be interested in serving the neighborhood with Fiber as they have facilities 1.5 miles away. 3. TxDOT will need to provide feedback regarding feasibility of access to the subdivision. At this time, staff has received little to no information from the developer about the adequacy of utilities to serve the development. Staff has shared data and information about the City's water and wastewater system in the area along with our design guidelines for water line and fire flow requirements. The developer will have to extend public utilities to serve this development with sanitary sewer and public water. The City Engineer will need engineering plans for water, sewer, and drainage infrastructure in order to determine adequacy of utilities. Based on staff's initial assessment, the developer may need to look at extending a 12" water line south to Highway 67 and possibly another line out to Highway 11 to Highway 19 for full build out. This will require off-site easements and engineered plans for the City Engineer to review to determine adequacy for domestic water supply as well as fire protection to serve this development. Staff will need to see engineered plans for the sewer to ensure that it can gravity sewer the entire development without the need for a lift station along with adequate sized piping. This development will sewer to the east into a 10" sewer main that then discharges into the Highway 11 W. Lift Station. We will need engineered plans and discharge calculations to look at the impacts to the existing lift station just east of Stonebriar to determine adequate capacity. In regards to storm drainage, it appears that the developer will utilize many of the 11 common areas for stormwater management. However, the City Engineer will need engineered plans and stormwater calculations to determine adequacy of stormwater capacity. The property is outside of the City's Certificate of Convenience and Necessity (CCN) area that is issued by the State of Texas Public Utility Agency to allow for orderly, efficient and cost effective extension of water and/or wastewater services to developing areas. The City has no obligation to serve areas outside of our CCN with

utilities. If the city decides to serve this development with water and wastewater utilities, it may need to amend the CCN to include this area. The question then becomes, do we want to amend the CCN to provide services outside of the City limits? If it is not inside the city limits, there may be additional burden placed on the taxpayers of Sulphur Springs by responding to emergency calls either by Police and Fire to protect the health, safety and welfare of the community. The City of Sulphur Springs has approximately 5,200 single family residential units and an additional 1,159 units would increase the single family housing stock by 22%. *All of these issues will need to be resolved prior to submission for a Final Plat to determine feasibility and adequacy of utilities.* The developer is responsible for the cost of installing the utilities and streets to serve the development. Director Niewiadomski presented the staff report to the P&Z. The applicant's engineer addressed the P&Z and stated that this is a phased project that when fully built out could provide \$350,000,000 in tax revenue to the City and that they are willing to annex into City limits. He indicated that the applicant understands the costs for utilities are at their expense and will require off-site improvements. They are planning to start with 30-40 lots in their first phase and then future phases would be 50-100 lots at a time. If approved conceptually, they will continue with engineering studies to ensure adequate utilities can support their development. **P&Z RECOMMENDATION:** The City Council conceptually approve the preliminary plat for the general layout of the subdivision provided the following conditions and items are addressed prior to Final Plat submittal: 1. The city receives full engineering along with necessary off-site easements for water, wastewater, drainage and streets to be reviewed and approved by the City Engineer prior to Final Plat submittal. 2. The applicant provide documentation from TxDOT for approval of access to the subdivision. 3. The property be annexed into the city limits if the city agrees to extend services outside of the current CCN area along with a request to zone the property to the residential zoning designation of SF-6. 4. The lots be modified to satisfy the minimum lot frontage requirements of SF- 6 of 50 feet. 5. The street configuration be modified to avoid a double frontage lots. 6. Approval of the preliminary plat does not constitute approval of the Final Plat. There was a brief discussion. Councilman Julian made a motion to preliminarily approve the plat request by James Webb as presented. Councilman Taylor seconded and the vote was as follows:

Ayes: Julian, Nash, Aguilar, Taylor, Moore, Sellers

Nays: 0

Abstain: Spraggins

Motion carried.

DISCUSSION/ACTION ZC# 220401 ON A REQUEST BY JASON AND JENNIFER LACOMFORA TO REZONE PROPERTY LOCATED AT 1120 CHURCH STREET IDENTIFIED AS LOT 6A, BLK: 402, TOWN: SULPHUR SPRINGS CONSISTING OF APPROXIMATELY 1.54 ACRES FROM MULTIFAMILY TO HEAVY COMMERCIAL

Item postponed until the June 2022 council meeting.

DISCUSSION/ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS

None.

VISITORS AND PUBLIC FORUM

Carissa Plumley of Doris Drive expressed her concern for the safety of joggers and other pedestrians that are running on the city streets. Jed Walker of Forest Lane thanked the city for the efforts put forth in reference to housing and building on existing empty lots. He expressed concerns, though, about the housing development discussed earlier becoming a burden in the future for the city. Morgan Standbridge of Davidson Street also voiced concerns over the housing development causing issues such as traffic congestion. Amy Hubbard of Glover Street believes the housing addition will cause a need for more schools. Councilman Aguilar added an announcement in reference to Cinco De Mayo celebration on Saturday at the square from 12 p.m. to 11 p.m.

ADJOURN

With all business complete the meeting was adjourned at 7:53 p.m.