

**MINUTES OF THE  
REGULAR CALLED MEETING OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS  
September 28, 2016**

A regular called meeting of the City Council of the City of Tyler, Texas, was held Wednesday, September 28, 2016 at 9:00 a.m. in the City Council Chambers, 2<sup>nd</sup> floor of City Hall, Tyler, Texas, with the following present:

Mayor:	Martin Heines
Mayor Pro Tem:	John Nix
Councilmembers:	Mark Whatley Linda Sellers (absent) Darryl Bowdre Ed Moore Don Warren
City Manager:	Edward Broussard
City Attorney:	Deborah G. Pullum
Deputy City Attorney:	Steve Kean
Airport Manager:	Davis Dickson
Managing Director for Administration:	ReNissa Wade
Chief Financial Officer:	Keidric Trimble
City Engineer:	Carter Delleney
City Fire Chief:	Les Schminkey
Managing Director of Culture, Recreation and Tourism Services:	Stephanie Rollings
Director of Solid Waste & Transit Services:	Russ Jackson
Managing Director of Planning & Economic Development:	Heather Nick
Interim Managing Director for Utilities /Public Works:	Gordon Mayer
City Clerk:	Cassandra Brager

**INVOCATION**

The Invocation was given by Pastor Charles Faulks of the Pilgrim Rest Baptist Church, Tyler.

**MINUTES**

Motion by Mayor Pro Tem Nix to approve the August 24<sup>th</sup> and August 31<sup>st</sup> minutes; seconded by Councilmember Bowdre; motion carried 6 - 0 & approved as presented.

Mayor Heines stated the City Council will move directly to the zoning items.

**ZONING**

**Z-1 A06-16-005 CUMBERLAND HILLS**

**Request the City Council consider adopting an ordinance providing for the involuntary annexation of Cumberland Hills lying adjacent to the present boundary limits of the City of Tyler located at the northwest intersection of Paluxy Drive and Toll 49. Also consider recommending:**

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- A. The new boundary of the City Limits.
- B. The new boundary of the Extraterritorial Jurisdiction .
- C. The new boundary of City Council District #6.
- D. Amendment of the Land Use Guide to reflect Single-Family Medium/Low Density and Townhouse/Garden Apartment.

Establishment of original zoning of 15.9 acres of "R-1B", Single-Family Residential District and 6.8 acres of "R-MF", Multi-Family Residential District. (O-2016-82)

Citizens that came to speak on the item that were in favor of the recommendations were Tom Mullins, 1327 Santa Fe Trail, Larry Lewis, 9351 Chisholm Trail and Sharon Emmert, 9033 Elm Tree Circle.

Motion by Mayor Pro Tem Nix; seconded by Councilmember Whatley; motion carried 6 - 0 & approved as presented.

- Z-2 Z16-013 RAYMOND JOHNSON (1712 SKIDMORE LANE) Request that the City Council consider approving the appeal of a zone change from "AG", Agricultural District and "R-MF", Multi-Family Residential District to "C-1", Light Commercial District. (O-2016-83)**

Mayor Pro Tem Nix spoke in support of the recommendation, explaining this is the next phase in a project that was previously worked out with everyone involved. Citizens that came to speak in favor of the recommendations to change zoning to C-1 were Gail Sloan, 1400 Old Hickory Road, Janice Hamilton, 1613 Skidmore Lane, Larry Lewis 9351 Chisholm Trail, and Becky Smith 1600 Skidmore Lane.

Motion by Mayor Pro Tem Nix to accept the zone change to C-1; seconded by Councilmember Whatley; motion carried 6 - 0 & approved as presented.

- Z-3 Z08-16-056 TYLER BROADWAY-CENTENNIAL LP (8922, 8982, 8988, 8942, AND 8930 SOUTH BROADWAY AVENUE) Request the City Council consider approving a "PCD", Planned Commercial Development District site plan amendment.(O-2016- 84)**

Motion by Mayor Pro Tem Nix; seconded by Councilmember Moore; motion carried 6 - 0 & approved as presented.

- Z-4 PD16-008 SPCA OF EAST TEXAS (4517 OLD BULLARD ROAD) Request the City Council consider approving a "POD", Planned Office District site plan amendment. (O-2016-85)**

Motion by Councilmember Warren; seconded by Councilmember Bowdre; motion carried 6 - 0 & approved as presented.

- Z-5 Z16-008 ASIF HUSSAIN (3704 TROUP HIGHWAY) Request the City Council consider approving a zone change from "C-1", Light Commercial District to "PCD", Planned Commercial District with final site plan. (O-2016-86)**

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Motion by Councilmember Bowdre; seconded by Councilmember Whatley; motion carried 6 - 0 & approved as presented.

- Z-6 Z16-010 CHEROKEE OF VA, LLC (2830 WEST GRANDE BOULEVARD) Request that the City Council consider approving a zone change from "AG", Agricultural District to "R-MF", Multi-Family Residential District. (O-2016-87)**

Bob Breedlove presented Council with a rendering of the proposed development.

Motion by Councilmember Warren; seconded by Councilmember Whatley; motion carried 6 - 0 & approved as presented.

- Z-7 Z16-011 CLIFTON SWINDELL (3210 AND 3214 WALTON ROAD) Request that the City Council consider approving a zone change from "M-1", Light Industrial District to "R-1D", Single-Family Detached and Attached Residential District. (O-2016-88)**

Motion by Councilmember Bowdre; seconded by Councilmember Moore; motion carried 6 - 0 & approved as presented.

- Z-8 C16-001 CHRISTUS TRINITY MOTHER FRANCES HEALTH SYSTEM (SOUTH BEVERLY AVENUE AND NOBLE STREET) Request that the City Council consider approving the closure of portions of improved rights-of-way known as South Beverly Avenue and Noble Street. (O-2016-89)**

**Heather Nick, Managing Director of Planning & Economic Development** – Stated that the closure and abandonment are contingent upon and will not become effective until and unless the applicant replats the property within six (6) months and dedicates utility easements for the existing public infrastructure.

Motion by Councilmember Warren; seconded by Mayor Pro Tem Nix; motion carried 6 - 0 & approved as presented.

## **HEARING**

- H-1 Request that the City Council consider conducting a public hearing on the creation of Tax Increment Reinvestment Zone Number Four (TIRZ No. 4) on a 574.64 acre parcel of land located in Downtown Tyler and in the general area bounded by Beckham on the east, Gentry, then Queen on the north, Palace on the west, and Front Street on the south.**

**Heather Nick, Managing Director of Planning & Economic Development** – Explained since November 2007, the City has proceeded through the required steps to create a new Tax Increment Financing District or Tax Increment Reinvestment Zone (TIRZ No. 4) in Downtown Tyler. On February 27, 2008, the Tyler City Council created TIRZ Number 2 in accordance with Chapter 311, Tax Increment Financing Act, Texas Tax Code.

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Since it was established in 2008, the City of Tyler TIRZ Number 2 base value was established in 2008 then expanded in 2012 with a real property taxable value base of \$102,142,355. The City of Tyler agreed to contribute 100 percent of its incremental tax revenue to the TIRZ fund for a period of 30 years, while Smith County and Tyler Junior College originally agreed to contribute 100 percent of their incremental revenue for a period of five years and in 2015 extended their commitment for an additional five years. In addition to contributing 100 percent of the incremental property tax, the City of Tyler agreed to contribute 1 percent of its 1.5 percent sales tax and established a 2008 sales tax base of \$701,177. The 2015 fiscal year was the sixth year that TIRZ Number 2 was in place, and there was no incremental revenue generated within the zone for fiscal year 2015. In 2015 TIRZ Number 2 had no expenditures from the fund.

TIRZ Number 2 was terminated by City Council on March 23, 2016 for two reasons. First, it was created in 2008 – right before the economic crisis that affected not only Tyler, but the entire world. This crisis detrimentally affected the growth in this TIRZ. Secondly, since the time of the establishment of this particular TIRZ, many buildings in the zone have become the property of government entities as well as non-profit organizations. Because these organizations do not pay property tax, it dropped the baseline value of the TIRZ, thus making it almost impossible for an increment to be captured for future development.

On April 27, 2016, City Council received a presentation in consideration of reestablishing a new TIRZ in Downtown Tyler that would capture a new baseline value. The creation ordinance proposes a board of nine or ten members, including seven appointed by the Mayor and confirmed by the City Council. Up to three additional positions may be appointed by the other taxing jurisdictions if all three participate. It is the intent that the Mayor would serve as chair and appoint all Councilmembers to the remaining six seats held by the City. Should the Council decide to also create a redevelopment authority as part of this project, then this board will also serve as the same board for the redevelopment authority.

The creation of Tax Increment Reinvestment Zone Number Four (TIRZ No. 4) will be 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.

**David Pettit, Economic Development** – Stated that a TIRZ can be a valuable tool that can help facilitate new private investment and bring new excitement and energy to a designated area.

**TIRZ Creation Process:**

- Chapter 311 outlines the various procedures for creating and amending a TIF. Two main documents:
  1. Creation ordinance; and
  2. TIF Project and Financing Plan
- Creation ordinance establishes five key elements:
  1. Boundary;
  2. Term;
  3. City Participation;
  4. TIF Board; and

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5. Preliminary Project and Financing Plan
- Upon TIF creation the Final Project and Financing Plan is approved by the TIF Board and then the City Council by separate ordinance

### **Creating Tax Increment**

#### **Two ways to create new tax increment:**

1. New construction/investment; and/or
2. Annual appreciation of real property (i.e. "organic growth")

### **Downtown Tyler**

#### **TIRZ #2**

- Created: February 2008
  - Expanded: May 2012
  - Terminated: March 2016
- Due to changes in ownership and lowered appraisal values, TIRZ #2 was never able to accrue increment over the base value.

#### ▪ **Goals**

- Create a full-service, mixed use "Destination Downtown" that functions as the center of the region
- Create new "urban residential districts and improve existing districts with infill
- Support the location of new anchor destinations in downtown with City actions
- Enhance public realm including existing streets, parks, plazas, open areas, and create new signature public spaces.
- Create a pedestrian, bicycle and parking plan to enhance access and connections to downtown.

Mayor Heines opened the public hearing on the creation of TIRZ No. 4 at 9:58 a.m. Mr. Pettit answered a question raised by Councilman Warren regarding the eligibility and process to be able to participate in TIRZ grants. No other person came forward to speak on the item. The public hearing was closed at 10:04 a.m.

## **ORDINANCE**

-  **O-1 Request that the City Council consider the adoption of an ordinance to create Tax Increment Reinvestment Zone Number Four (TIRZ No. 4) 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. (O-2016- 90)**

Motion by Mayor Pro Tem Nix; seconded by Councilmember Bowdre; motion carried 6 - 0 & approved as presented.

**MISCELLANEOUS**

**M-1 Request that the City Council consider approving the Excess Workers Compensation and Third Party Claim Administration contracts for the City of Tyler for Fiscal Year 2016-2017 with two, one-year renewal options.**

Motion by Councilmember Warren; seconded by Councilmember Moore; motion carried 6 - 0 & approved as presented.

**M-2 Request that the City Council consider approving the Property and Casualty Insurance and Third Party Claim Administration contract for the City of Tyler for fiscal year 2016-2017 with two, one-year renewal options.**

Motion by Councilmember Warren; seconded by Councilmember Moore; motion carried 6 - 0 & approved as presented.

**M-3 Request that the City Council consider awarding bid number 16-028 related to Pharmacy Benefit Management Services to Healthcare Highway Rx.**

Lance Pendley, McGriff, Seibels and Williams-Gave a presentation concerning the bid proposals received by the City for the pharmacy and healthcare benefit services:

**RFP #16-027**

- Administrative Services Only (ASO) and Fully Insured for Medical and Dental Insurance
- Preferred Provider Network (PPO)
- COBRA/HIPAA Services
- Administrative Services Only (ASO) and Fully Insured Short Term Disability

**RFP #16-028**

- Pharmacy Benefit Manager (PBM)

Motion by Councilmember Warren; seconded by Councilmember Moore; motion carried 6 - 0 & approved as presented.

**M-4 Request that the City Council consider awarding bid number 16-027 related to Administrative Services Only (ASO) and Fully Insured for Medical, Dental, PPO Network and COBRA/HIPAA Services, Short Term Disability and Retiree Billing to HealthFirst with AccessDirect Platinum Network and United Health Care network outside of Smith County in the amount of \$353,980 and to Delta Dental for dental services in the amount of \$30,078, and to Cigna for Short Term Disability at \$13,941.**

**Summary of Recommendations presented by Lance Pendley, McGriff, Seibels and Williams**

- Changes to Medical Insurance
  - Change HealthFirst's wrap network from PHCS to UHC
  - Change PBM Provider from MedTrak to Healthcare Highways

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Total Estimated Savings in 2017 - \$613,673

- Change Dental provider from HealthFirst to Delta Dental
  - Estimated Savings - \$79,763
- Change STD provider from HealthFirst to Cigna
  - Facilitates smoother transition from STD to LTD

Motion by Councilmember Warren; seconded by Councilmember Moore; motion carried 6 - 0 & approved as presented.

## **CONSENT**

**(These items are considered to be routine or have been previously discussed, and can be approved in one motion, unless a Council Member asks for separate consideration of an item.)**

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- C-A-1** Request that the City Council consider adoption of an ordinance accepting a Texas Department of Transportation (TXDOT) Routine Airport Maintenance Program (RAMP) Grant totaling \$50,000 for general maintenance projects at Tyler Pounds Regional Airport, and amend the FY2016-2017 original Airport Budget to provide the funding for the City's local share. (O-2016- 91)
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- C-A-2** Request that the City Council consider awarding sealed bids opened August 23, 2016 to the listed vendors for the annual price agreements for the purchase of various water and wastewater treatment chemicals for the fiscal year October 1, 2016 through September 30, 2017.
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- C-A-3** Request that the City Council consider authorizing the City Manager to execute an Easement and Right of Way Agreement across City-owned property on East Grande Boulevard.
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- C-A-4** Request that the City Council consider authorizing the City Manager to award an annual contract to Aqua Metric Sales Company for the purchase of water meters, transceiver units, and register units during Fiscal Year 2016-2017.
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- C-A-5** Request that the City Council consider authorizing the City Manager to extend the various annual price agreements to the vendors listed for water meter boxes and lids and ductile iron pipe for one year beginning October 1, 2016.
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- C-A-6** Request that the City Council consider authorizing the City Manager to award the various annual price agreements to the vendors listed for office supplies, office furniture, copy paper and ductile iron fittings for the Fiscal Year beginning October 1, 2016.
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- C-A-7** Request that the City Council consider authorizing the City Manager to award the purchase of Conbraco/Apollo Double Check Detector Assemblies to MacArthur Gauge, Incorporated during the Fiscal Year 2016-2017.

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- C-A-8** Request that the City Council consider authorizing the City Manager to approve an agreement with First Choice Cooperative and The Cooperative Purchasing Network (TCPN) whereby the City of Tyler can take full advantage of purchasing any and all items available through the cooperatives.
- C-A-9** Request that the City Council consider declaring certain City of Tyler vehicles, equipment, and miscellaneous items as surplus and authorize for auction.
- C-A-10** Request that City Council consider authorizing the City Manager to execute contract documents with Southside Bank for various banking services for a two-year period starting January 1, 2017 with three one-year optional extension periods.
- C-A-11** Request that the City Council consider authorizing the City Manager to purchase additional 320 TB of usable video media storage space for \$39,299.82
- C-A-12** Request that the City Council consider adoption of an Ordinance amending Tyler City Code Chapter 3, Civil Service Classification Plan and number of authorized Civil Service positions for Fiscal Year 2016-2017. (O-2016- 92)

Motion by Councilmember Bowdre; seconded by Mayor Pro Tem Nix; motion carried 6 - 0 & approved as presented.

### **CITY MANAGER'S REPORT**

- CMR-1** Request the City Council consider ratification of the appointment of a new Fire Chief.

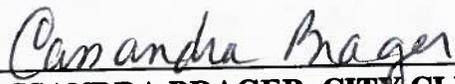
Motion by Mayor Pro Tem Nix to ratify appointment of David Coble as the new Fire Chief; seconded by Councilmember Bowdre; motion carried 6 - 0 & approved as presented.

### **ADJOURNMENT**

Motion by Councilmember Bowdre; seconded by Councilmember Whatley; motion carried 6 - 0 & approved as presented.

  
MARTIN HEINES, MAYOR OF  
THE CITY OF TYLER, TEXAS

ATTEST:

  
CASSANDRA BRAGER, CITY CLERK

