

**LEWISVILLE CITY COUNCIL**

**REGULAR SESSION**

**JULY 15, 2019**

**Present:**

Rudy Durham, Mayor

**Council Members:**

TJ Gilmore  
Bob Troyer, Mayor Pro Tem  
R Neil Ferguson, Deputy Mayor Pro Tem  
Kristin Green  
Brandon Jones

**City Staff:**

Donna Barron, City Manager  
Eric Ferris, Deputy City Manager  
Claire Powell, Assistant City Manager  
Melinda Galler, Assistant City Manager  
Julie Worster, City Secretary  
Lizbeth Plaster, City Attorney

**WORKSHOP SESSION – 6:30 P.M.**

With a quorum of the Council Members present, the workshop session of the Lewisville City Council was called to order by Mayor Durham at 6:35 p.m. on Monday, July 15, 2019, in the City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas. All City Department Heads were in attendance.

**Discussion of Regular Agenda Items and  
Consent Agenda Items**

**(Agenda Item A)**

Mayor Durham reviewed Agenda Item A, Invocation. There was no discussion on this item.

Mayor Durham reviewed Agenda Item B, Pledge to the American and Texas Flags. There was no discussion on this item.

Mayor Durham reviewed Agenda Item C, Presentations: 1) Service and Appreciation Award to Charles Emery; 2) Certificates of Appointment and Oaths-of-Offices to Reappointed and Newly Appointed Members of the City's Boards/Commissions/Committees; and 3) Citizen Certificates of Appreciation. There was no discussion on this item.

**WORKSHOP SESSION – 6:30 P.M.**

**Discussion of Regular Agenda Items and  
Consent Agenda Items (cont'd)**

**(Agenda Item A)**

Mayor Durham reviewed Agenda Item D-1, Public Hearing: Consideration of an Ordinance Granting a Zone Change From Multi-Family Two District (MF2) to Mixed Use District (MU); With One Associated Variance Request Related to Off-Street Parking and Loading Requirements, on Approximately 0.321 Acres, Legally Described as Lots 1-6 Block I, Greenvally Addition 1, and Located at 1130-1148 Kathy Lane; as Requested by Ryan Z and Associates Inc., the Property Owner. (Case No. PZ-2019-06-03). There was no discussion on this item.

Mayor Durham reviewed Agenda Item D-2, Public Hearing: Consideration of an Ordinance Granting a Special Use Permit for Minor Automobile Services Including Tune-up and Repair Services, and Car Wash Facility; on Approximately 1.22 Acres, Legally Described as Lot 3, Block A of the Corners at Valley Parkway Addition, and Located at 1111 Round Grove Road (F.M. 3040), Zoned Local Commercial District (LC); as Requested by Gabriel Said, of Lone Star Construction & Remodeling, on Behalf of Royss LLC, the Property Owner. (Case No. SUP-2019-06-02). There was no discussion on this item.

Mayor Durham reviewed Agenda Item E, Visitors/Citizens Forum. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-3, Approval of City Council Minutes of the July 1, 2019, Workshop Session and Regular Session. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-4, Approval of Bid Awards for Annual Requirements Agreements for Liquid Chlorine to DPC Industries, Inc., Cleburne, TX, for the Estimated Amount of \$155,020 and Activated Carbon to Acticarb, Inc., Raleigh, NC, for the Estimated Amount of \$137,200; and Authorization for the City Manager to Execute the Agreements. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-5, Approval of a Professional Services Agreement with HDR Engineering, Inc., Dallas, Tx, in the Amount of \$369,392 for Professional Engineering Services for the Comprehensive Water System Master Plan; and Authorization for the City Manager to Execute the Agreement. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-6, Approval of the Finance Policy 3.0 XI, Disclosure Policy. At the request of City Manager Barron, Finance Director David Erb and Julie Partain with Bracewell LLP reviewed this policy with the City Council and explained the impact that the City would experience due to the new requirements. There was no further discussion on this item.

**WORKSHOP SESSION – 6:30 P.M.**

**Discussion of Regular Agenda Items and  
Consent Agenda Items (cont'd)**

**(Agenda Item A)**

Mayor Durham reviewed Agenda Item G-7, Consider and Take Action on an Ordinance of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019; Providing for the Security for and Payment of Said Bonds; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto. Jason Hughes, Hilltop Securities, Inc., advised that the sale that had occurred today came in at 2.35% for one sale and 2.36% for the other sale. He stated that he had checked and in the last five years this was the lowest the City has sold debt. There was no further discussion on this item.

Mayor Durham reviewed Agenda Item G-8, Consider and Take Action on an Ordinance of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, General Obligation Improvement Bonds, Series 2019; Levying a Tax in Payment Thereof; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto. (Please see above). There was no further discussion on this item.

Mayor Durham reviewed Agenda Item G-9, Consideration of a Variance to the 1996 Castle Hills Agreement Section V(2)(I) Regarding a Maximum Driveway Width Related to Castle Hills Discovery at the Realm, as Requested by Tareq El-Sadi, P.E. of Land Design, on Behalf of the Owner. There was no discussion on this item.

Mayor Durham reviewed Agenda Item G-10, Consideration of a Variance to the Lewisville City Code Section 11-10 (q) (2)(c)(2) Wall Sign, to Allow a Wall Sign to Exceed the Maximum Allowable Square Feet, Located at 420 E. Round Grove Rd, as Requested by Randall Lawrence, Representing 'Ross Dress for Less', the Property Owner. Deputy Mayor Pro Tem Troyer and Deputy Mayor Pro Tem Ferguson confirmed they were in agreement with City staff's recommendation. There was no further discussion on this item.

Mayor Durham reviewed Agenda Item H, Reports. There was no discussion on this item.

Mayor Durham reviewed Agenda Item I, Return to Workshop Session if Necessary. There was no discussion on this item.

Mayor Durham reviewed Agenda Item J-Closed Session. There was no discussion on this item.

**Update on Paid Naming Rights at Select  
City Facilities**

**(Agenda Item B)**

At the request of City Manager Barron, Director of Communications and Tourism James Kunke conducted a portion of the attached PowerPoint Presentation regarding an Update on Paid Naming Rights at Select City Facilities. Due to timing, Mr. Kunke's presentation was not completed during this time.

With no further discussion, the workshop session of the Lewisville City Council was adjourned at 6:58 p.m. on Monday, July 15, 2019.

**REGULAR SESSION – 7:00 P.M.**

With a quorum of the Council Members present, the regular session of the Lewisville City Council was called to order by Mayor Durham at 7:00 p.m. on Monday, July 15, 2019, in the Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

**Invocation**

**(Agenda Item A)**

At the request of Mayor Durham, Councilmember Jones gave the invocation.

**Pledge to the American and Texas Flags**

**(Agenda Item B)**

Mayor Durham gave the pledge to the American and Texas flags.

**Presentation: Service and Appreciation  
Award to Charles Emery**

**(Agenda Item C-1)**

Mayor Durham presented a Service and Appreciation Award to Charles Emery. Mr. Emery thanked the City Council and residents.

**Presentation: Certificates of Appointment  
and Oaths-of-Offices to Reappointed and  
Newly Appointed Members of the City's  
Boards/Commissions/Committees**

**(Agenda Item C-2)**

Mayor Durham read and presented Certificates of Appointment to Boards/Commissions/Committees members that were present. Following the presentation, City Secretary Julie Worster issued the oaths-of-office.

**Presentation: Citizen Certificates of Appreciation**

**(Agenda Item C-3)**

Police Chief Kevin Deaver and Assistant Fire Chief McNeal read and presented Citizen Certificates of Appreciation to George Barrera, Mike Barrera and Chris Hammons.

**Public Hearing: Consideration of Ordinance No. 0128-19-ZON Granting a Zone Change From Multi-Family Two District (MF2) to Mixed Use District (MU); With One Associated Variance Request Related to Off-Street Parking and Loading Requirements, on Approximately 0.321 Acres, Legally Described as Lots 1-6 Block I, Greenvalley Addition 1, and Located at 1130-1148 Kathy Lane; as Requested by Ryan Z and Associates Inc., the Property Owner. (Case No. PZ-2019-06-03)**

**(Agenda Item D-1)**

The subject property contains six platted lots as part of the Greenvalley Addition 1 which are zoned Multi-Family Two (MF2) but were never developed as townhomes. Kathy Lane currently consists primarily of rear entry townhomes with detached garages adjacent to an alley built under these standards. Since the 1974 plat, the MF2 Zoning Districts were amended and townhomes are no longer permitted in MF2 zoning. The applicant desires to build six townhomes that are compatible with the scale and setbacks of the existing townhomes in the neighborhood. The applicant is requesting a variance to allow a reduction from three off-street spaces to two off-street spaces. The Planning and Zoning Commission recommended unanimous approval (5-0) on June 18, 2019.

The City staff's recommendation was that the City Council approve the ordinance and associated variance as set forth in the caption above.

Mayor Durham opened the public hearing.

Richard E. Luedke, Planning Director and George Roddy, Ryan Z and Associates were both available to address any questions posed by the City Council.

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilmember Gilmore, the Council voted five (5) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

**Public Hearing: Consideration of Ordinance No. 0128-19-ZON Granting a Zone Change From Multi-Family Two District (MF2) to Mixed Use District (MU); With One Associated Variance Request Related to Off-Street Parking and Loading Requirements, on Approximately 0.321 Acres, Legally Described as Lots 1-6 Block I, Greenvalley Addition 1, and Located at 1130-1148 Kathy Lane; as Requested by Ryan Z and Associates Inc., the Property Owner. (Case No. PZ-2019-06-03) (cont'd)**

(Agenda Item D-1)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the Lewisville City Council, Amending the Zoning Ordinance by Rezoning Approximately 0.321 Acres, Legally Described as Lots 1-6 Block I, Greenvalley Addition 1, and Located at 1138-1148 Kathy Lane, From Multifamily Two District (MF-2) to Mixed Use District (MU) Zoning; Correcting the Official Zoning Map; Preserving all Other Portions of the Zoning Ordinance; Determining That the Public Interests and General Welfare Demand This Zoning Change and Amendment Therein Made; Providing for a Repealer, Severability, a Penalty, and an Effective Date; and Declaring an Emergency.”

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Deputy Mayor Pro Tem Troyer, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 0128-19-ZON**, as previously captioned. The motion carried.

**Public Hearing: Consideration of Ordinance No. 0129-19-SUP Granting a Special Use Permit for Minor Automobile Services Including Tune-up and Repair Services, and Car Wash Facility; on Approximately 1.22 Acres, Legally Described as Lot 3, Block A of the Corners at Valley Parkway Addition, and Located at 1111 Round Grove Road (F.M. 3040), Zoned Local Commercial District (LC); as Requested by Gabriel Said, of Lone Star Construction & Remodeling, on Behalf of Roys LLC, the Property Owner. (Case No. SUP-2019-06-02)**

**(Agenda Item D-2)**

Kwik Kar Wash and Kwik Oil & Lube is an existing auto repair shop and car wash proposing to enclose one of the four open air services bays under the existing canopy. With the proposed improvements, they would add additional landscaping and remove a pole sign. The special use permit (SUP) regulations adopted in 2013 require a SUP for all minor automobile services. The Planning and Zoning Commission recommended unanimous approval (5-0) of the requested SUP on June 18, 2019.

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption above.

Mayor Durham opened the public hearing.

Richard E. Luedke, Planning Director and Cindy Said, Lone Star Construction and Remodeling were both available to address any questions posed by the City Council.

**MOTION:** Upon a motion made by Councilmember Jones and seconded by Councilmember Green, the Council voted five (5) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

"An Ordinance of the Lewisville City Council, Amending the Zoning Ordinance by Granting a Special Use Permit for Minor Automobile Services Including Tune-Up and Repair Services and a Car Wash Facility, on Approximately 1.22 Acres, Legally Described as Lot 3, Block A, Corners at Valley Parkway Addition, Located at 1111 Round Grove Road (F.M. 3040), and Zoned Local Commercial District (LC); Providing for a Repealer, Severability, Penalty, and an Effective Date; and Declaring an Emergency."

**Public Hearing: Consideration of Ordinance No. 0129-19-SUP Granting a Special Use Permit for Minor Automobile Services Including Tune-up and Repair Services, and Car Wash Facility; on Approximately 1.22 Acres, Legally Described as Lot 3, Block A of the Corners at Valley Parkway Addition, and Located at 1111 Round Grove Road (F.M. 3040), Zoned Local Commercial District (LC); as Requested by Gabriel Said, of Lone Star Construction & Remodeling, on Behalf of Roys LLC, the Property Owner. (Case No. SUP-2019-06-02) (cont'd)**

(Agenda Item D-2)

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Troyer and seconded by Deputy Mayor Pro Tem Ferguson, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 0129-19-SUP**, as previously captioned. The motion carried.

**Visitors/Citizens Forum**

(Agenda Item E)

No one appeared to speak at this time.

**CONSENT AGENDA**

(Agenda Item F)

**MOTION:** Upon a motion made by Councilmember Green and seconded by Deputy Mayor Pro Tem Troyer, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt all items on the Consent Agenda, as recommended and as follows:

3. **APPROVAL OF MINUTES:** City Council Minutes of the July 1, 2019, Workshop Session and Regular Session.
4. Approval of Bid Awards for Annual Requirements Agreements for Liquid Chlorine to DPC Industries, Inc., Cleburne, TX, for the Estimated Amount of \$155,020 and Activated Carbon to Acticarb, Inc., Raleigh, NC, for the Estimated Amount of \$137,200; and Authorization for the City Manager to Execute the Agreements.
5. Approval of a Professional Services Agreement with HDR Engineering, Inc., Dallas, Tx, in the Amount of \$369,392 for Professional Engineering Services for the Comprehensive Water System Master Plan; and Authorization for the City Manager to Execute the Agreement.



CONSENT AGENDA (cont'd)

(Agenda Item F)

6. Approval of the Finance Policy 3.0 XI, Disclosure Policy

The motion carried.

END OF CONSENT AGENDA

**Consider and Take Action on Ordinance No. 0130-19-ORD of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019; Providing for the Security for and Payment of Said Bonds; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto**

(Agenda Item G-7)

The issuance of approximately \$9,925,000 of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019 will provide funds for constructing, acquiring and installing improvements, additions, and extensions to the City's waterworks and sewer system and costs associated with the issuance of the bonds.

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption above.

Jason Hughes, Hilltop Securities, Inc., briefly reviewed this bond sale (and the following bond sale – Agenda Item G-8) utilizing documentation submitted to the City Council.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019 in the Aggregate Principal Amount of \$9,925,000; Providing for the Security for and Payment of Said Bonds; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement, Approving the Official Statement; and Enacting Other Provisions Relating Thereto.”

**Consider and Take Action on Ordinance No. 0130-19-ORD of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019; Providing for the Security for and Payment of Said Bonds; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto (cont'd)**

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**(Agenda Item G-7)**

**MOTION:** Upon a motion made by Councilmember Gilmore and seconded by Councilmember Green, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt Ordinance No. 0130-19-ORD, as captioned previously. The motion carried.

**Consider and Take Action on Ordinance No. 0131-19-ORD of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, General Obligation Improvement Bonds, Series 2019; Levying a Tax in Payment Thereof; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto**

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**(Agenda Item G-8)**

The issuance of approximately \$10,735,000 of City of Lewisville, Texas, General Obligation Improvement Bonds, Series 2019 will provide funds for (i) acquiring, designing, developing, constructing, improving, extending and expanding streets, thoroughfares, sidewalks, bridges, and other public ways of the City, including streetscaping, street lighting, right-of-way protection, utility relocation and related storm drainage improvements and installing public art related to and being a part of some or all of the foregoing, and acquiring land and rights-of-way in connection with such public improvements in connection therewith, in and for the City; (ii) acquiring, developing, constructing, equipping, renovating and improving parks, trails, park and recreation facilities and open spaces for park and recreation purposes, in and for the City, and including acquiring, constructing, and installing public art related to and being part of some or all of the foregoing, including the acquisition of land in connection with such public improvements and costs associated with the issuance of the bonds.

**Consider and Take Action on Ordinance No. 0131-19-ORD of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, General Obligation Improvement Bonds, Series 2019; Levying a Tax in Payment Thereof; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto (cont'd)**

(Agenda Item G-8)

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption above.

(See Agenda Item G-7)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, General Obligation Bonds, Series 2019 in the Aggregate Principal Amount of \$10,735,000; Levying a Tax in Payment Thereof; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto.”

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Deputy Mayor Pro Tem Troyer, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 0131-19-ORD**, as captioned previously. The motion carried.

**Consideration of a Variance to the 1996  
Castle Hills Agreement Section V(2)(I)  
Regarding a Maximum Driveway Width  
Related to Castle Hills Discovery at the  
Realm, as Requested by Tareq El-Sadi, P.E.  
of Land Design, on Behalf of the Owner**

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**(Agenda Item G-9)**

The subject property is located within Castle Hills in the City of Lewisville Extra Territorial Jurisdiction (ETJ) and is to be developed in accordance with the 1996 Castle Hills Agreement. The original phase, Discovery at the Realm Phase I, was constructed in 2017, as a multifamily development with 423 units. The second phase is now under construction and will be adding an additional 312 units. The developments are south of Windhaven Parkway, and east of Castle Hills Drive. The driveway in question is between the phases and will act as the main entrance for Phase II and a secondary entrance to Phase I. The developer is proposing to increase the width of the existing 26-foot wide driveway to 42 feet.

The City staff's recommendation was that the City Council approve the variance as set forth in the caption above.

David Salmon P.E., City Engineer and Eric Stanley with Castle Hills were both present to respond to address any questions posed by the City Council.

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Troyer and seconded by Councilmember Jones, the Council voted five (5) "ayes" and no (0) "nays" to approve a variance to the 1996 Castle Hills Agreement Section V(2)(I) Regarding a Maximum Driveway Width Related to Castle Hills Discovery at the Realm to increase the width of the existing 26-foot wide driveway to 42 feet, as requested by Tareq El-Sadi, P.E. of Land Design, on behalf of the owner. The motion carried.

**Consideration of a Variance to the Lewisville  
City Code Section 11-10 (q) (2)(c)(2) Wall  
Sign, to Allow a Wall Sign to Exceed the  
Maximum Allowable Square Feet, Located at  
420 E. Round Grove Rd, as Requested by  
Randall Lawrence, Representing 'Ross Dress  
for Less', the Property Owner**

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**(Agenda Item G-10)**

The subject site is a 11.157-acre lot zoned Light Industrial (LI) within the Vista Ridge Plaza Shopping Center. The property owner, Ross Dress for Less, is relocating to an existing 25,000 square foot facility located on the site. Due to the store's distance from Round Grove Road, the property owner is requesting a sign variance to exceed the maximum square footage of one hundred and ninety-five (195) to three-hundred and fifty-one (351) square feet.

**Consideration of a Variance to the Lewisville City Code Section 11-10 (q) (2)(c)(2) Wall Sign, to Allow a Wall Sign to Exceed the Maximum Allowable Square Feet, Located at 420 E. Round Grove Rd, as Requested by Randall Lawrence, Representing ‘Ross Dress for Less’, the Property Owner (cont’d)**

**(Agenda Item G-10)**

The City staff’s recommendation was that the City Council deny the variance as stated in the caption above.

Chris McGinn, Director of Neighborhood & Inspection Services and Randall Lawrence representing ‘Ross Dress for Less,’ were both available to address any questions posed by the City Council.

**MOTION:** Upon a motion made by Councilmember Jones and seconded by Councilmember Gilmore, the Council voted five (5) “ayes” and no (0) “nays” to deny a variance to the Lewisville City Code Section 11-10 (q)(2)(c)(2) Wall Sign, to Allow a Wall Sign to Exceed the Maximum Allowable Square Feet, located at 420 E. Round Grove Rd, as requested by Randall Lawrence, representing ‘Ross Dress for Less’, the property owner. The motion carried.

**Reports**

**(Agenda Item H)**

- 2019 Health Report
- Director of Strategic Services Gina Thompson advised that this evening was the official submittal of the FY 19/20 Preliminary Budget. She encouraged all of City Council to be sure to pick up their Budget books. She reminded them that it would be reviewed at the Budget Workshop on August 10, 2019. She stated the budget would also be located on the City website for review.
- Councilmember Jones advised that the Gene Carey Animal Shelter and Adoption Center would be offering \$20 adoptions for cats and dogs, Saturday, July 27<sup>th</sup> from 1 p.m. – 5 p.m. He stated that adoption fees include microchip, all core vaccines, sterilization and heartworm or FIV/FeLV testing.
- Councilmember Gilmore advised that on July 16<sup>th</sup> registration for the Lewisville Western Days World Tamale Eating championship open.
- Deputy Mayor Pro Tem Ferguson reviewed upcoming events at the MCL Grand.
- Mayor Durham thanked the Police Officers present for their service to the community.

There were no additional reports at this time.

**Return to Workshop Session if Necessary**

**(Agenda Item I)**

City Council returned to the City Council Conference Room to complete the Workshop Item B – Update on Paid Naming Rights at Select City Facilities. Director of Communications and Tourism James Kunke returned to his attached PowerPoint Presentation.

Deputy Mayor Pro Tem Ferguson advised that he would prefer to have the City's name on the MCL Grand. Deputy Mayor Pro Tem Troyer advised he was in agreement with Deputy Mayor Pro Tem Ferguson. Councilmember Jones advised he would prefer to just have City of Lewisville on everything and brand everything after the City.

The consensus of the City Council was they were in favor of staff's recommendation as follows:

- Arts Center – do not seek a new naming rights sponsor for the facility, but pursue sponsor opportunities for individual spaces and for presenting series
- Railroad Park – attempt to reach a renewal agreement with Lone Star Toyota of Lewisville; if unsuccessful, pursue sponsor opportunities for individual spaces or equipment packages
- Thrive – do not seek a naming rights sponsor for the facility, but pursue sponsor opportunities for individual spaces and for equipment/program packages

City Manager Barron advised that staff would put together sales packages and a signage package.

Mayor Durham adjourned the workshop session of the Lewisville City Council into Closed Session at 8:32 p.m. Monday, July 15, 2019, in accordance with the requirements of the Open Meetings Law.

**Closed Session**

**(Agenda Item J)**

In accordance with Texas Government Code, Subchapter D, Section 551.072 (Real Estate), the Lewisville City Council convened into Closed Session at 8:32 p.m. on Monday, July 15, 2019, City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas, in order to discuss matters pertaining to the following:

1. Property Acquisition

Section 551.087 (Economic Development):

2. Deliberation Regarding Economic Development Negotiations.

**Closed Session (cont'd)**

**(Agenda Item J)**

Section 551.071 (Consultation with Attorney/Contemplated Litigation):

3. Section 6.054 of the Texas Tax Code as added by Senate Bill 2 (2019 Legislative Session).

The Closed Session was adjourned at 9:33 p.m. on Monday, July 15, 2019.

**Reconvene into Regular Session and Consider Action, if any, on Items Discussed in Closed Session**

**(Agenda Item K)**

Deputy Mayor Pro Tem Troyer reconvened the Regular Session of the Lewisville City Council at 9:33 p.m. on Monday, July 15, 2019, in the Council Chambers of the Lewisville City Hall. . (Due to Mayor Durham abstaining from Item J-3, he was no longer in attendance at the City Council meeting. The appropriate Conflict of Interest Affidavit was filled out and filed with the City Secretary)

Deputy Mayor Pro Tem Troyer opened the floor for action to be taken on the items discussed in the Closed Session. There was no action taken on the items discussed during the Closed Session.

**Adjournment**

**(Agenda Item L)**

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilmember Gilmore, the Council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Session of the Lewisville City Council at 9:33 p.m. on Monday, July 15, 2019. The motion carried.

These minutes approved by the Lewisville City Council on the 5<sup>th</sup> day of August, 2019.

APPROVED

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Rudy Durham  
MAYOR

ATTEST:

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Julie Worster  
CITY SECRETARY

# FACILITY NAMING RIGHTS

- History
- Process
- Current Status
- Future Options



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# FACILITY NAMING RIGHTS - HISTORY

- City reached an agreement with CSL Marketing Group in August 2009 to identify naming rights opportunities, establish potential value, and seek naming rights partners
- Agreement focused on Railroad Sports Park, Performing Arts Civic Center, and Western Day
- Contract cost was \$17,500 for valuation and planning, monthly consulting fee of \$5,500, and a commission of 15.5 percent up to 20 percent
- CSL helped the city secure naming rights for Railroad Park and the Performing Arts Civic Center but was not interested in marketing smaller venues



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# FACILITY NAMING RIGHTS - HISTORY

- City staff used the CSL methodology to assess and document naming rights value for Old Town Park Plaza and for individual spaces inside the arts center
- First Choice Power signed a three-year deal for naming rights to the arts center box office and concession stand, valued at \$10,000 per year; that agreement ended when the company was acquired and ceased to exist
- Staff made proposals to other companies for the arts center and the plaza, with no agreements reached
- City Council later voted to name the plaza after former mayor Wayne Ferguson in lieu of sponsorship



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# FACILITY NAMING RIGHTS - PROCESS

- Sponsorship valuations for a facility are based primarily on exposure through impressions (how many people will see the sponsor name or emblem as a result of the sponsorship) and advertising value
- Intangible benefits such as prestige, recognition, activation, and community support can be a factor, especially for potential sponsors with strong ties to the local community or to the focus of the facility (e.g. arts, health, animal welfare, etc.)
- Example on the following slides is taken from a 2013 valuation for Old Town Park Plaza:



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# FACILITY NAMING RIGHTS - PROCESS

- Projected attendance is the first measure of impressions
- Direct visitation counts people who are expected to visit the facility being considered for naming
- Indirect visitation counts people who will drive past the facility or visit adjacent sites
- Historic trends are important, but a new facility can only use projected attendance figures

## Direct Visitation (per year)

Western Days festival	25,000
Sounds of Lewisville (10 dates x 1,000)	10,000
Holiday at the Hall / Christmas Stroll	5,000
Firefighter Pipes & Drums Jam Session	1,500
LHS Homecoming Parade and Pep Rally	1,500
<u>other events</u>	<u>2,000</u>
<b>Total</b>	<b>45,000</b>

## Indirect Visitation (per year)

MCL Grand events	63,000
City Hall visitors	39,000
<u>driving traffic</u>	<u>23,405/day</u>
<b>Total</b>	<b>125,405</b>



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# FACILITY NAMING RIGHTS - PROCESS

- Partner ID Valuation is based on advertising placement (paid and unpaid) away from the facility
- It includes advertising for the facility that will include the name of the sponsor
- It also includes advertising for events held at the facility that will include the name or logo of the facility
- Sponsorship is typically viewed as a replacement for paid advertising

## Guaranteed Partner ID in Measured Media (paid event advertising)

Western Days festival	\$168,798
Sounds of Lewisville	\$12,864
Holiday at the Hall / Christmas Stroll	\$9,325
Firefighter Pipes & Drums Jam Session	\$8,500
<u>other events</u>	<u>\$2,000</u>
<b>Total</b>	<b>\$201,487</b>

## Guaranteed Partner ID in Non-Measured Media

### On-Site Signage

Archway Entry Sign (direct visitors + traffic x 5 cents)	\$2,591
Church Street Entry Sign (direct visitors + traffic x 5 cents)	\$2,833
Paver Embed - North Walkway (direct visitors x 5 cents)	\$2,250
<u>Paver Embed - South Walkway (direct visitors x 5 cents)</u>	<u>\$2,250</u>
<b>Total</b>	<b>\$9,924</b>

### Off-Site Signage

Old Town Directional Signage (two locations)	\$1,950
Digital Billboard – 35E southbound at Grandy's Lane	\$4,300
<u>Digital Billboard – 121B northbound at Denton Tap</u>	<u>\$4,300</u>
<b>Total</b>	<b>\$10,550</b>

### Publications and Collateral Material

City/CVB websites (5 cents per annual impression)	\$23,146
Western Days/Sounds of Lewisville websites (as above)	\$1,592
Mentions in Lewisville Leader (100 mentions)	\$2,530
Mentions in Dallas Morning News (25 mentions)	\$18,416
<u>Listings in Southern Denton County Visitors Guide (x5)</u>	<u>\$3,475</u>
<b>Total</b>	<b>\$49,159</b>

**Total Partner ID Valuation** **\$271,120**

# FACILITY NAMING RIGHTS - PROCESS

- Other measures included in the valuation are traffic counts, cost to purchase equivalent advertising, and website traffic
- Note that social media traffic was not a valuation consideration in 2013; it would be a significant contributor today
- Essentially, any placement of the sponsor name or emblem can add value to the facility naming rights

## Naming Rights Valuation – Expanded Detail

### Special Events paid advertising

These figures reflect actual 2012 expenditures on advertising for City events.

Event Name	Print	Online	Cable	Radio	Collateral	Total
Western Days	\$6,967	\$13,000	\$25,000	\$103,500*	\$20,331	\$168,798
Sounds of Lewisville	\$5,364	\$1,000	\$0	\$0	\$6,500	\$12,864
Holiday at the Hall	\$2,000	\$3,000	\$0	\$0	\$4,325	\$9,325
Firefighter Jam Session	\$3,500	\$500	\$0	\$0	\$4,500	\$8,500
<b>TOTAL</b>	<b>\$17,831</b>	<b>\$17,500</b>	<b>\$25,000</b>	<b>\$103,500</b>	<b>\$35,656</b>	<b>\$199,487</b>

\* Includes in-kind promotion valued at \$98,500 as documented by radio station as part of event sponsorship agreement.

### On-Site Signage – traffic counts

Current directional signage includes fixed locations on Main Street eastbound (between Milton and Charles), and on Church Street westbound (between Kealy and Mill). Average daily traffic counts:

Main Street eastbound at Milton	11,655/day (peak 12,455)
Church Street westbound Kealy	11,750/day (peak 12,280)
<b>Total for Old Town wayfinding signs</b>	<b>23,405/day</b>

### Off-Site Signage - digital billboards

By contract, the city receives one slot out of seven on two digital billboards managed by Clear Channel. A city message appears on each billboard at least once per minute for eight seconds. Spots are used to market city events, including events that would be held at Old Town Plaza. Four additional two-sided signs have been approved by City Council and will begin operating before the Plaza opens. Valuation reflects rental fees for one month (of the city's 12 months) at each location.

#### Current locations:

Interstate 35E southbound at Grandy's Lane  
SH 121 Business northbound at Denton Tap

#### Future locations:

Interstate 35E at FM 407 (north/south faces)  
Interstate 35E at Corporate (north/south faces)  
SH 121 at Lake Vista (east/west faces)  
SH 121 at Josey Lane (east/west faces)

### Average monthly website visitors (2012)

City of Lewisville (cityoflewisville.com)	33,720
Lewisville CVB (visitlewisville.com)	4,857
Western Days (lewisvillewesterndays.com)	2,094
Sounds of Lewisville (soundsoflewisville.com)	560
<b>Total for all city-controlled sites</b>	<b>41,231</b>

# FACILITY NAMING RIGHTS - PROCESS

- All valuations are then combined into a single figure for tangible sponsor benefit
- Sponsors expect an ROI on their investment that exceeds the value (here, a factor of 2.5 is used)
- Intangible benefits can help sell a lower ROI factor to the right sponsor

## Rights Fee

The table below shows the calculated value of tangible benefits associated with a Naming Rights partnership for Old Town Plaza. In order to capitalize on that value, a 2.5 cost/benefit ratio is used to determine the approximate Rights Fee that would be associated with this project. This means a Naming Rights partner would receive approximately \$2.50 in measured tangible benefits for every \$1.00 spent. It does not, of course, take into account the Non-Tangible Benefits described elsewhere.

### Rights Fee Calculation

Combined Value of Current Tangible Benefits	\$271,120
<u>Value of Approved New Digital Billboards</u>	<u>\$17,200</u>
<b>Total Value of Tangible Benefits</b>	<b>\$288,320</b>
Total Value of Tangible Benefits	\$288,320
<u>Cost/Benefit Ratio</u>	<u>2.5</u>
<b>Total Estimated Annual Rights Fee</b>	<b>\$115,328</b>

**Proposed Annual Rights Fee \$100,000**

# FACILITY NAMING RIGHTS - CURRENT STATUS



Partner: Medical City Lewisville

Original Partner Name: Medical Center of Lewisville

Starting Date: November 1, 2010

Term: Ten years (through December 31, 2020)

Value: \$750,000

Payments: Average \$75,000 per year (declining scale)

Status: Active, does not plan to renew.



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# FACILITY NAMING RIGHTS - CURRENT STATUS



- Of the \$750,000 contract value, the city spent \$64,300 for initial signage and \$132,300 in commission to CSL Marketing
- Net to the city through the 10-year term is \$554,300
- Sponsorship money is used to pay expenses of presenting series at MCL Grand (Texas Tunes and Black Box Songwriter concert series)



# FACILITY NAMING RIGHTS - CURRENT STATUS



- Medical City Lewisville receives 6 free tickets to all city-presented shows in the Performance Hall (e.g. Texas Tunes) and can request tickets for city-presented shows in other spaces (e.g. Black Box Songwriter concerts)
- Hospital gets up to six days of free facility rentals per year
- The hospital has one member on the Council-appointed Arts Advisory Board, serving in the seat reserved for a “major employer”



# FACILITY NAMING RIGHTS - CURRENT STATUS



Partner: Lone Star Toyota of Lewisville

Original Partner Name: Rene Isip's Toyota of Lewisville

Starting Date: August 16, 2010

Term: Ten years (through September 30, 2020)

Value: \$1,500,000

Payments: \$150,000 per year (paid monthly)

Status: Active, renewal negotiations under way



# FACILITY NAMING RIGHTS - CURRENT STATUS



- Of the \$1,500,000 contract value, the city spent \$153,457 for initial signage and \$180,043 in commission to CSL Marketing
- Net to the city through the 10-year term is \$1,166,500
- Sponsorship money has been used for shade structures, a fitness station, the train-themed playground, and some large pieces of maintenance equipment
- Sponsorship money also contributes to Funny Bunny and Spooktacular Trails programming



# FACILITY NAMING RIGHTS - CURRENT STATUS



- Toyota gets on-site presence at city events in the park; this has been sporadic because of management and staff changes at the dealership
- Toyota also gets use of the park one day per year for a company event
- Toyota has right of first refusal for continuation of the agreement



# FACILITY NAMING RIGHTS - CURRENT STATUS

- Both facilities with naming rights partners have undergone a name change during the 10-year term; both new names were substantially similar to the original names, but this can create a challenge with costs and with customer identification
- Rene Isip's Toyota of Lewisville became Lone Star Toyota of Lewisville in December 2016 and paid for new signage and banners in accordance with the agreement
- Medical Center of Lewisville became Medical City Lewisville in December 2016 but opted not to pay for new signage at and around the facility



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# FACILITY NAMING RIGHTS - FUTURE OPTIONS



- Loss of a naming rights sponsor for the facility would create a revenue challenge (\$65,000 in FY 2019-20)
- Ticket sales in 2018-19 are about 40 percent ahead of budget
- Staff has approached potential partners about naming rights for the MCL Grand Presents concert series, and is optimistic about finding a partner for FY 2019-20
- Staff also is updating the valuation for individual spaces within the center for possible sponsor opportunities



# FACILITY NAMING RIGHTS - FUTURE OPTIONS



- Staff is negotiating a renewal with Lone Star Toyota of Lewisville and there appears to be interest on both sides, although it might be at a lower value
- If a new agreement is reached with a lower value, that could make some individual areas (e.g. the dog park) eligible for separate naming rights
- If the agreement is not renewed, staff will pursue a new naming rights partner if directed by Council



# FACILITY NAMING RIGHTS - FUTURE OPTIONS



thrive

- Staff is developing an assessment and valuation for naming rights and sponsor opportunities within Thrive
- Multi-year opportunities could include fitness center and walking track (e.g. Medical City Lewisville), senior lounge, teen lounge, indoor play area, and Thrive living room
- One-time opportunities could include public art, equipment, furniture, and scholarships



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# FACILITY NAMING RIGHTS - FUTURE OPTIONS



thrive

## Annual Opportunities

Type/Space	Annual Value	Minimum Commitment	Total Value
Fitness Area/Walking Track	\$20,000	5 year	\$100,000
Thrive Living Room	\$8,000	5 year	\$45,000
Senior Lounge/Game Room	\$5,000	5 year	\$25,000
Indoor Play	\$5,000	3 year	\$15,000
Beauty/Beast Bars	\$5,000	3 year	\$15,000
Teen Lounge	\$3,000	3 year	\$9,000



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# FACILITY NAMING RIGHTS - FUTURE OPTIONS



thrive

One-Time  
Opportunities

Type/Space	Cost	Payment Options
Public Art	\$240,000	Amortized up to 10 years
Patio Furniture	\$35,000	Offered every 5 years
Kiln	\$6,000	One payment
Thrive Scholarships	Any amount	Any



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# FACILITY NAMING RIGHTS - RECOMMENDATIONS

- Arts Center – do not seek a new naming rights sponsor for the facility, but pursue sponsor opportunities for individual spaces and for presenting series
- Railroad Park – attempt to reach a renewal agreement with Lone Star Toyota of Lewisville; if unsuccessful, pursue sponsor opportunities for individual spaces or equipment packages
- Thrive – do not seek a naming rights sponsor for the facility, but pursue sponsor opportunities for individual spaces and for equipment/program packages



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# QUESTIONS



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