

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 6th day of February 2020 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Mayor Heidemann
Scott Garber, Council Member
Tina Henderson, Council Member
Lowell Johnson, Council Member
Kelly Pickens, Council Member

Members Absent:

Sam Burke, Mayor Pro Tem

Staff Members Present

Bob Hart, City Manager
Kim Pence, City Secretary
Emily Bowlin, Messer, Fort & McDonald
Patricia Adams, Messer, Fort & McDonald
Jerry Garner, Police Chief
Michael Ross, Fire Chief
Jason Alexander, Corinth Economic Development Corporation Director
Helen-Eve Liebman, Planning and Development Director
Cody Collier, Public Works Director
Ben Rodriguez, Planning and Development Manager
George Marshall, City Engineer
Brenton Copeland, Technology Services Assistant Manager
Chad Thiessen, Assistant Fire Chief
Shea Rodgers, Technology Services Communications Manager

Others Present:

Ples Schnitz, Alexander+Kienast+Schnitz
Brent Russell, VP & General Manager, Enterprise Holdings

CALL TO ORDER:

Mayor Heidemann called the meeting to order at 5:45 p.m.

WORKSHOP BUSINESS AGENDA:

1. Hold a discussion regarding Emergency Management Roles.

Bob Hart, City Manager – Chad is the Emergency Management Coordinator and we have been doing quite a bit of work in terms of having a committee. We are upgrading the training, we had our first caucus yesterday morning, with the weather as an example. We are starting to get to the season, we wanted to run through some of the expectations we would have for you in the event of an emergency.

Chad Thiessen, Assistant Fire Chief – We have a committee of 12. There are four of us on the committee who are in this room now. The diversity is important because when the disaster hits we are not going to go outside of our roles to run the disaster. You will run it from your expertise, so finance will take care of financial items and so on.

Texas Government Code, Chapter 418 requires cities to have an emergency management program. The director is the mayor. It does not mean you need to be an expert in emergency- management but you be available for us to push the level of the emergency and the disaster up through the state. The city's job is also to assign a coordinator. Our plan, our partnership in the county emergency management program, we work with the county. With a small city it doesn't make sense to make up our own plan. The plan is the same as you will see in Colleyville and other counties. Code 418-1015 is the exact code. When we have a disaster, emergency starts at the local jurisdiction and 99.9% of the time it is handled. Sometimes this is not the case with Fire, we utilize mutual aid in the interlocal agreements daily. We require help from Little Elm/Lewisville and we reciprocate that help every day. Police handle their emergencies 99% of the time. If it exceeds our local resources, we need to make a request to the state through the county judge and the mayor needs to make the request. The local Texas Department of Emergency Management and Disaster district coordinator is in Hurst, we would push it through, and he would talk to the chief out of the state operations center and then if okayed, we would get help from the state. Then it runs the disaster and all that may even get to a federal level depending on the size. You can see from the spot on the local incident, then it goes to the city or county mayor, up to the disaster district to the state, the governor signs it and if we need to get the president involved if it's big enough. Our emergency operations center locations, now that we have the public safety complex, we have that big room in the back. That is also our Emergency Operations Center. Next time you are there, there's some doors and closets on the north side of the room, you can see that there's computers and radios in case we need them during the disaster. It is set up and we're working on making it even better. The fire department administrative suite is where we conduct our weather operations, we can set the sirens off if we need to for weather. We meet in there and watch the radar and if we need to go bigger we can, we can handle some things from our office. The backup EOC used to be Lake Dallas and we just currently made this change to make it the DRC room here. It's a pretty hardened room. We may have to branch off into the work session room and the council chambers for space, Helen-Eve, we are going to use your room for back-up. We do need to have that redundancy in case something happens to the public safety complex building. If a tornado hits it makes our offices are incapacitated, we need to be able to move here.

Council responsibilities, so report to City Hall when requested. When the disaster hits, if we need you guys, we are going to send an email, text or however the manager deems that he gets a hold of you, and then he will tell you where to go. We need you to approve and amend city ordinances as maybe we need to set a curfew or maybe we need some permitting or disposal or like you said earlier, we need the mayor to sign that request for additional resources and there could be some financial approvals that we need as well. During disaster and emergency meeting requires two-hour notice so it shortens quite a bit from the days to just a couple hours. We are also working on NIMs training. We are going to start requiring training and everybody is going to be retrained. It is required by law that our employees have certain training, so we have decided that all city staff from top to bottom is going to have 100, 200, 700 and 800 as a minimum. It is probably a little overboard, but that's okay. It is easier get everybody to do it instead of trying to handpick who is going to do what. The directors and assistant directors will have to take ICS 300, that is not an

online course, it is a hands-on or an in-classroom course. The EOC staff and maybe some additional directors would have to take the 400. There's a lot of additional classes that we saw out of a pamphlet and different departments will need to take different trainings. Any questions?

Mayor Heidemann - I'm happy to see that you're taking a proactive approach to doing this because we have been fortunate that we have never had a disaster at this point. It sounds like training and making everybody aware of what their roles are in this process. Thank you for taking the time and the effort.

2. Receive a report and hold a discussion on Technology Services policies and procedures.

Bob Hart, City Manager – This is from when we did the audit about two months ago. We want to do this and bring it back to you for some action in the next couple of meetings.

Shea Rodgers, Technology Services Communications Manager – I want to go over some of these policies, procedures that were put in front of you. I will give you a disclaimer that some of this stuff can go pretty in depth and get a little technical so I'm going to hit it at a pretty high level. Last year, we entered into an agreement with Fulcrum to provide us with a cyber security audit and assessment that was completed in November. You will recall one of the big things that we got hit on was a lack of policies, procedures, documentation so in addition to addressing some of the technical aspects that were reflected in that report, we've been pretty busy putting pen to paper to go over these policies. To clarify again, we are not asking you to decide on anything tonight, this is more just an informational item and then we anticipate it being on the agenda for the 20th, for you all to vote on provided you don't have any problems or questions. We will return in likely April to get a more formal update to the Fulcrum process, how far along we are in rectifying some of the issues and then again, probably sometime before six months. First, we have the incident response plan, and it's great that we're doing it tonight on the heels of the emergency management presentation because this is essentially the same thing. It operates a lot of the same way, it's just a different type of disaster, sort of natural disaster terrorist event, something like that. This is a cyber disaster. This is designed to help us mitigate the effects if something bad were to happen. The term that I'm sure the marketing folks came up with is adverse computer event. What does that mean? That's a breach of sensitive information, we have lost money, there's ransomware. In case it happens, we have this incident response plan in place to help guide us through it. It identifies an Incident Response Team, about six to eight people who are given narrow roles and responsibilities so that we don't have 10 people working on one problem and nobody working on the 99 other problems that are happening. It is supposed to guide us through, tell us how we're supposed to respond, whom to notify, etc. At the conclusion we have a report. One thing I think that gets neglected frequently is learning from these events, when a city has an adverse computer event, they'll likely want to keep it somewhat private. It's embarrassing, you don't want it out there. But the more we collaborate, the more we can learn, we can learn from other cities. We want to make sure that that's available for ourselves and for other cities. What this policy and really all the other policies and directives that we're offering to do is to highlight the end user's roles and responsibilities here. The human element is always the most easily exploitable element in the cyber security chain. They are the weakest link and so we figure the more that we educate users the more vigilant they will become. That is kind of the idea of Texas House Bill 3034 that we talked about last workshop where everyone is having to go through a new cyber security training. To be vocal about it, is see something, say something. Mr. Hart, when we were discussing this brought up Title

Nine for higher education, part of that says, even if you overhear something that would be in violation of Title Nine, you then are responsible for forwarding that information along the can't just sit on that information. If I overhear something about a data breach or a phishing attempt, a failed phishing attempt, even if it doesn't involve me, I'm now obligated to report that on it. It gives some teeth too if an individual who is responsible for an adverse computer event as a part of discipline.

Mayor Heidemann - If you get an email and you're suspicious of that email, is your process, don't open it and we send it to you?

Shea Rodgers, Technology Services Communications Manager – Absolutely, if you see an email and you're sure that it's phishing, you can delete it right away. We don't necessarily need to see it, if you're completely sure that it is. If you ever need verification, you can always forward it to myself to TechnologyServices@CityofCorinth.com and we can help verify that for you. In fact, we laud users for doing that, instead of assuming on their own behalf. In fact, Mr. Hart had a pretty suspicious email sent today and we verify that no, it was just a phishing attempt. It happens all the time and yes, I always tell users, I would gladly clear a million legitimate emails and let one slip through.

Mayor Heidemann - That would be on our iPads, right?

Shea Rodgers, Technology Services Communications Manager – Yes, you can for it to me or Brenton, technology services. We have kind of condensed five policies down into one for the sake of brevity and the first one of those Technology Services MDA, that's section 3.1. This is applicable only to Technology Services staff, obviously, but being in technology services, obviously we have access to a lot of different types of information, sensitive information, and so this kind of outlines our roles and responsibilities. Some of those include treating all information as private or confidential until told otherwise, limiting access to information so if a user from department A has requested information from department B through us, we have to get approval from the department B. They are the data owners. Finally, just because I, as the technology services manager can read all files stored on our server doesn't mean that I should be able to and so without a valid business purpose, I can't go rooting around through your email or something like that. The section of the policy kind of highlights all of that. Secure data procedures, we didn't want to really rewrite everything. There are data frameworks in place to protect different types of sensitive information, so we have PCI guidelines that covers how to treat information for like credit cards and financial information. We have HIPAA laws, which protect health information, sieges for criminal justice, there are all these frameworks in place that detail exactly how you're supposed to handle this information. We didn't necessarily want to duplicate that, but we wanted to hit some unifying aspects of them all and kind of reinforced them through this policy. One of those aspects is physical security, this idea that you don't have computers in public areas that have sensitive information so that anyone can walk up off the street and start using, that you lock an office when not in use at least lock the computer. We don't store files of sensitive information on local computers, for those on a server. We don't write credit card numbers on post it and stick it under our keyboard. Those are all big no's and this this section of policy is to highlight how we're supposed to be treating the sensitive data. Technology disposal, we already have a surplus auction disposal procedure in our purchasing policy but it's lacking when it comes to dealing with technology. We've been informally following this policy where if piece of technology a computer,

laptop, tablet, cell phone reaches the end of its life, it's given back to technology services, who then verifies all data on it has been destroyed and then goes through the disposal process. This policy just kind of codifies that. We will receive it, we will, either through software, the department of defense has a protocol that can wipe data and verify that it was destroyed, becomes irreparable or be physically destroyed, the medium is stored on hard drive. Additionally, a lot of technology has chemical elements that need to be disposed of in an ecologically friendly way, we can't just throw a monitor out into the dumpster. Or let CWD deal with it, we must recycle it properly. Internet monitoring and filtering, this is something that should be apparent to all employees regardless of organization. What you do on city computers on the city network is transparent, that at any point a supervisor may request of technology services, to know what websites you've been visiting for how long. Additionally, it gives technology services the right to block different types of websites. We have software that categorizes websites and then block by an entire category. Finally, and most importantly, this vendor third party access policy. We see frequently that vendors are a weak link in the security chain. For example, several years ago Target had a big breach. During the autopsy of the event, they found out that the bad guys got in through the AC system, which is managed by a third party. Third Party wasn't doing their bit to keep security up and so that is a glaring hole. We always like these turnkey operations where we can just say, hey, build this out for me, hand it over, set it and forget it, style job. This section of the policy is meant to highlight that cyber security is active and continuous, that we can just turn it over to third parties and be sure that they're handling it. This happens frequently where third parties will want blanket access, carte blanche, where they can connect to our servers or workstations at any time in order to troubleshoot problem. We cannot do that. In fact, they have to be invited in by city a staff member and then a city staff member, ideally, someone from technology services, will then almost babysit them to make sure that what they're doing is not compromising security, it is frustratingly common that someone from a third party, you know, trying to troubleshoot something to say, hey, turn off the firewall or something like that. It's something that we've put in place to help protect us and instead of trying to work through the problem, they're just their first go to is to just kill it. We must approve all system changes and be with them while they're working on our working our equipment either physically or remotely. And finally, no data is to leave our network without use being aware. There are business purposes where, yes, we will exfiltrate data to a vendor, but we make sure to do it in such a way that it's secure, it's not transmitting in plain text and nothing is compromised. I'll be glad to answer any questions.

Mayor Heidemann - As we start getting more, where citizens are going to be able to monitor their water meters, all this type stuff that we're providing for the residents, is that all part of this pertaining to your security?

Shea Rodgers, Technology Services Communications Manager – It does particularly the aspects of the water meter readings is done completely independent of city of Corinth's equipment. It's completely hosted in the cloud. That doesn't completely absolve us of any sort of responsibility, but nothing is physically being stored here. However, the permanent software is and so when we start opening that up to the world, we must take extra special care to make sure that those systems are hardened and that best practices are being followed. Does that answer your question?

Mayor Heidemann - Thank you very much, appreciate your input.

3. Hold a discussion regarding the performance goals for the City Manager for 2020-21.

Bob Hart, City Manager – I hope you had a chance to review the performance goals. Following the same format, this is really pulling items out of the budget and we had a staff discussion as well. I think this is reflective of the direction that you've provided, and I want to provide it for you so that we could review and get a consensus on it and then early next year I would be reporting back.

Scott Garber, Council Member - I read through it a couple times and I know that we're working on a fairly substantial number of things. Is there anything we feel that we're doing that was left off this list?

Bob Hart, City Manager – I don't think so, I have tried to stay at a fairly high level because there's a lot of elements, obviously, that tie into all of this. The cybersecurity is included, all of this is in the middle of being underway. Over the summer, we'll be starting to get ready for the next legislative session, try to pick that up.

Scott Garber, Council Member – Some of these, there doesn't appear to be a good measurement.

Bob Hart, City Manager – We will be discussing all of it. We will be getting Lynn Stucky back, TML will have some committee work going on this summer, we will be getting involved in that. Once you get started with TML, then some of what we need to measure will get more apparent. I don't know quite how to do that beyond. Until you know who the speakers are and the committee chairs.

Scott Garber, Council Member – Do you foresee us speaking at the state level on some items that would affect us?

Bob Hart, City Manager – We tentatively have it scheduled the first meeting in March, to talk through about five or six items. Part of the debate is on sales tax, the comptrollers redefining that, I think that is going to be good for us. If you go back, when Susan Combs was comptroller, she changed a lot of the rules. I think that has caused some of this now. Hagar is trying to go back to some of those earlier standards. There will be some winners and losers, I think we will win a little, but I do think it is a better playing field, some others will be a huge loser in it. San Marcos is setup so that anytime you buy from Best Buy, the sales tax goes to San Marcos, but they rebate half or three quarters of it back to Best Buy. I'm not sure that's good public policy to let one city collect all the sales tax and give it away. Coppell has done that with Amazon. I had an interesting visit with the Texas Association of taxpayers the other day, going back through all the background and the history of chapter 380 because that is what gets lumped into that and I reminded him that chapter 380 was passed before we had a ½ cent sales tax for economic development so the whole intent of that wasn't tied to that sales tax and that is how it gets painted right now. That is an example, but I think we need to talk to Lynn Stucky about that for sure. There's going to be a pretty serious assault on economic development practices. There's that there's a lot of talk about doing away with the sales tax for economic development shifting it schools. There is still the perception by the state that cities have a real anti-business attitude and so the state should preempt a lot of our regulatory ordinances. Those are the things that we want to talk about.

Scott Garber, Council Member – Our involvement would be defined as meetings with our state representative and perhaps getting the city of Corinth's voice on record at the state either in support or opposition.

Bob Hart, City Manager – Yes and I would think we would probably want to focus on about four, five or six items and communicate that clearly. If you look those interim charges, they are lots of paychecks.

Scott Garber, Council Member – That could be huge bullet point, this next year. Yeah, that's my point.

Bob Hart, City Manager – It's kind of one sentence there. I think the dust will start to clear after the March 3rd primary.

Scott Garber, Council Member – Everything else looks good.

Bob Hart, City Manager – The Youth Advisory Council, that kick off next fall. There is a whole lot of points on here. I don't want to cast it all in concrete today. If things change and emerge, we can adjust it.

Mayor Heidemann – You have a consensus. You may want to have a conversation with Mr. Burke.

Bob Hart, City Manager – I did today, and he was comfortable with what we had.

4. Receive a report, hold a discussion and provide staff direction on the creation of the Fire Control, Prevention, and Emergency Medical District.

Bob Hart, City Manager – We had intended to have a discussion here and then going through the statute, so forth, you actually have to have a public hearing, we had to have a publication so we need to have a meeting a week from tonight so that you can have the public hearing on the fire district budget. We can take care of those actions and the with the idea of discussing the rental car tax, then we can call that election. The reason for doing it, we got to get some publications in place and those have been done now, for the 13th meeting, but you have to have that election called before the 14th. Thursday is the day we can do it. I think we'll need about 15 minutes of your time so if we can meet here at 6:00p.m., I think we can have you out at 6:15p.m. We will have a meeting of the fire district board and the council.

5. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

Bob Hart, City Manager – I have had some questions from some of you on number three, four, a few on five and a comment on eight. Cody, you are the first one up with RG3.

Cody Collier, Public Works Director - The basis of what we are doing, a lot of the things we purchased RG3, are for the total of about \$85,000. They all normal operating expenses that was budgeted and planned for, inspected the software, additional transponders for the new houses and

new businesses for new equipment going in the ground. The only difference that that was not planned was the \$40,000 for the additional 16, AMI collector towers that was unexpected but when we did the propagation study three and a half years ago for the radio communication, that 900-megahertz bandwidth was not heavily utilized. Since then Oncor utilizes the same bandwidth and the same technology to transmit their signals for their meter. They are basically doing the exact same thing we are doing with water meters for their electrical service. There is a lot of interference on a 900-megahertz bandwidth so it's cutting out our ability to communicate. RG3 has come in and did a propagation study; they talked with Oncor to try to get Oncor to reduce theirs, they broadcast continuously. They tried to see if they could get them to do an off time but Oncor won't do that and they don't have to so we had to put in some additional towers because it closed our range of communicating and transmitting ability from the water meter to the tower. Understanding that this wasn't anything of Corinth's fault, we didn't do anything wrong, we thought we had a set system to go and understanding this certainly wasn't necessarily his responsibility or fault either. He did work and cut the price all the way down and basically his installation costs for those towers, for all the components and everything to put them up, that \$40,000 in additional towers is the bulk of it and the remainder of the other \$45,000 roughly is normal operating expenses. Things are already budgeted for, prepared for and are expected to happen. The repair of one of the devices that attaches to the laptop malfunctioned, it had to be repaired but everything else was normal operating wear and tear that you expect to happen in addition to the system. If you have any specific questions, I'd be happy to address any of those.

Tina Henderson, Council Member – How many of those poles did we put in, for the 40,000?

Cody Collier, Public Works Director – We added 16, we had 20, so we have 36, total.

Tina Henderson, Council Member – The 16 made the \$40,000? The one on Robinson and Oakmont, that will get hit eventually. What will our cost be for that? There are wrecks there all the time, in that area.

Cody Collier, Public Works Director – Assuming it was a total loss, that pole is probably going to cost \$3,000-\$3,200, somewhere in the ballpark is what it costs. We did install bollards that are four feet in the ground and concrete steel so if somebody gets past that to hit them, that would be a tremendous impact. We have the bollards in place to protect the pole from the collision, so that should prevent it from happening.

Scott Garber, Council Member – The additional 16 towers, are they going to be installed on the stop signs?

Cody Collier, Public Works Director – They are already up there. Yes, when diagnosing we had a lot of communication problems we had been sharing with council. We had some that weren't communicating, and the owner of the company came down and he was here for about a month and doing a lot of propagation studies. That is when he identified.

Scott Garber, Council Member – He thought it was an elevation issue at first, but apparently it was miscommunication because of too much traffic.

Cody Collier, Public Works Director – Yes, that 900-megahertz bandwidth, it's not an FCC

licensed channel so a lot of people communicate on that bandwidth. When they originally did their propagation study, there wasn't a lot of traffic on it. Since Oncor and other people are on it, it's just like talking in a room full of people talking. You have to get closer to them to hear them and that's basically what's happening with the radio bandwidth.

Mayor Heidemann – Do you perceive with more people wanting to use that type of technology, that we are going to have to keep increasing the number of these towers?

Cody Collier, Public Works Director – No it's not going to be that severe. To give you an idea of how much noise there is here, obviously, there's a lot of factors that factor into radio signals. If you have a steel lid or a concrete box, a mailbox, if a car parks over it, you're lose your signal. During the summertime, when leaves return to the trees, you may drop a little bit of a signal and we are going to wait until summertime and we're not expecting that. To put in perspective, this gentleman has the same product out west somewhere near the desert where it's flat, dry, there's no interference, and his tower can pick up one of his radio transponders 18 miles away. When you get in town, a lot of topography, a lot of moisture, a lot of interference houses, vehicles, and then you add in the interference at 900-megahertz bandwidth, you quickly see how much interference there is just in a city environment. Will we have to add more? I don't anticipate that now, if it comes later, possibly. It certainly won't be many we are talking potentially one or two poles, nothing like what we have had to do. At this time, I don't see it being an issue to be concerned with, if we did I would have the exact same agreement that I have with him now where he is going to give it to us at cost.

Kelly Pickens, Council Member – What is the radius now that the signal is reaching now with a good signal?

Cody Collier, Public Works Director – Some of them will have a power pick up a transport, depending on topography, we will have some of them pick one up three quarters of a mile to a mile away. Some of them they're not picking up a quarter of a mile away. It depends on if it is sitting next to one of the transmitters from Oncor, that bandwidth is just blasted constantly. You might also have an area like Amity Village, which is a low-lying area and then you have a couple houses in the way. There are little things that happen here and there; some of you can pick up from a mile away and some of them had to set another tower within a quarter mile of each other.

Kelly Pickens, Council Member – You just filled in the gaps.

Cody Collier, Public Works Director – Yes, he took his truck and put a mounted antenna on it and he physically drove his truck and he would become a collector himself. He could watch and he would ping the system and see how many hits he was getting back and he would note that the GPS coordinate. He would drive a block up the road, hit it again and what you do is you just average it out, every time I move up, I would get a few more. If I move another block, it started dropping some, so we are going put a tower because this is the most collectible area.

Kelly Pickens, Council Member – You think that they have filled in most of the gaps.

Cody Collier, Public Works Director – Yes and the reason we are bringing this to council is

by for policy. We are letting you know that additional purchases.

Helen-Eve Liebman, Planning and Development Director - I was asked to address a few questions specifically related to the SUP or planned development for Enterprise Rent-a-Car. The reason we chose the PD, the plan development district route is one of the components that they want to do there is the used car sales that's not permitted at all in the C-2 district by right or a SUP which is why we chose that. Also, we have worked with the applicants in improved items for the site development, such as some landscape buffers along the concrete drive and adjacent to the residential area and limiting the ingress/egress to Pecan Creek. We couldn't require those items if it was straight zoned so that is why the planned development district allows for us to kind of work with them to be able to find the best use of the property and being sensitive to the neighbors adjacent to them. Another one of the items had to do with some of the lighting standards. They are complying with our lighting standards, but they have asked for a few exceptions that are highly appropriate for this particular use. One of the items is keeping the lights on an hour after close, we don't regulate business hours, so they could be open 24/7. Our base code allows 25% of the lights to be on at full blast during those off hours, so they're working with us and within our code. They are also reducing the amount of the foot candles and spillage at the property line and less than what our code requires, so that is a benefit to the residential areas as well. I was asked to identify the benefits; the first thing would be an increase in ad valorem property tax because it will be developed and in use with a nice state of the art facility. They will bring consumers to our area and use other businesses and restaurants in the community, there will be a job creation. Some of the other uses we have been approached for in this particular property or mini warehouse and multifamily and obviously those would not create jobs that this particular use would. There is the potential for the rental vehicle taxes that is on your agenda this evening as well as next week. Planning can produce a document that says what use needs to go there or what uses couldn't go there. The C-2 district has more of a moderate commercial retail district. C-1 is the most restrictive so this is the middle one and C-3 allows for a lot more uses. The uses in this C-2 district base district or more singular in nature, like pads or in strip centers. For a larger user to use the entire site, or a larger portion of the site, it would be a more intense use and we would have concerns for that type of use with it being so close to residential areas. The last question had to do with the amount of water they might use. I have worked with their consultant who has been very responsive through this whole process. It is great to have someone with that much knowledge and be able to get back to us as quick as possible. He has told us that the wash facility would probably service about 50 cars a day, around 34 gallons per cars. This is not a public facility, like a commercial carwash so it is not as intense, and they are also not regulated by a requirement of reused water. There is a lot of impervious cover on the site so there is less landscape to be watered. You can kind of say there might be a wash, no pun intended, between the landscaping irrigation and the truck wash.

Ples Schnitz, Alexander+Kienast+Schnitz - Yes, we plan to mitigate that water we are using which is about 1,700 gallons a day in wash building by using all drought resistant planting out in front of the building. We use more traditional planting along Pecan Creek to make it kind of more compatible with residential area. Out front we are using no ground cover. We are using gravel, decomposed granite, all drought resistant trees and shrubs and everything will be point irrigated. We will mitigate any amount of water we spend in that car wash just by doing that.

Tina Henderson, Council Member – Did you say C-2 did not allow used car sales and you are

wanting to change it?

Helen-Eve Liebman, Planning and Development Director - Yes, they want to have three uses here. They want to be able to lease cars, lease trucks, box trucks and have the used car sales. It works all together as all three and we have worked with them, as well as well as with our attorney to ensure that if this deal does not go through with them that someone else cannot come in there and put a used car sales lot on the entire property.

Tina Henderson, Council Member – Can we have rental cars but not car sales? I thought that property was not going to be car sales lot. The car rental is great, but it seems like we are going against what we said If we allow the car sales.

Helen-Eve Liebman, Planning and Development Director - It was my understanding that they would like to do all three and that all three had proven to be successful in other communities such as Fort Worth, Plano. Is it Arlington?

Ples Schnitz, Alexander+Kienast+Schnitz - Alliance.

Helen-Eve Liebman, Planning and Development Director - The concept works with all three uses and staff had the same concern with solitary uses but as it's all put together, it does make sense for this property.

Scott Garber, Council Member – Are the used vehicles that are being sold the ones that you would be leasing? Or are you purchasing vehicles that will be sold?

Brent Russell, VP & General Manager, Enterprise Holdings – There are vehicles that come out of our rental fleet. We will rent them, from six months to maybe a year or two. They are all our previously owned cars. They will go through a 109-point inspection, we are very concerned with brand and safety. They are all very well kept, very nice cars. One of the things that came up in discussion was do we take trade ins. We do take trades as just as a service but it's not very frequent that we turn around and sell those trades on our lot. Just to drive home the point of quality, we agreed that we will not resell trades that were more than four years and they also would have to meet all the existing requirements that we have on our fleet. Just as a sense of comparison, the average used car driving around the metroplex is about 10 to 11 years old. The cars that we are going to be reselling, they are previously our cars, they are very well kept. We own more cars than anybody in the world, but we only sell about 15% of retail. The irony here is many of the used cars you see at other car lots were once Enterprise cars.

Ples Schnitz, Alexander+Kienast+Schnitz – Just a point of clarification for the council members, C-2 allows used car sales in conjunction with new car sales and they don't sell new cars. The distinction is not car sales in general, it's just used car sales.

Kelly Pickens, Council Member – What's the clarification on the agreement made when Huffines moved locations because that was my understanding too that, their previous location would not be another car lot, that it would be used in another capacity. So, what is the clarification and justification on now letting car sales go on that property? I understood that the property would not be used in that manner.

Helen-Eve Liebman, Planning and Development Director - You're not alone. We included the agreement in the packet and it was a voluntary agreement where Huffines gave up their legally non-conforming rights to this site, which means they would be vacating their business to go into the other business but that they could not claim that they had the ability to do their Huffines in that location. It was never deed restricted that there could never ever be any car sales or auto related uses on that property. It just said they were giving up their non-conforming rights.

Kelly Pickens, Council Member – I guess my question is, is that's how I understood it and like you said a lot of other people understood it so when the city got behind Huffines moving to that new location, it was with the understanding that we wouldn't have now, an additional car lot.

Helen-Eve Liebman, Planning and Development Director – Right and I'm pretty sure the agreement does say in the very end, that it does not prohibit the planning and zoning commission or city council from considering a new application and that's what this is, it's a new zoning request for these uses. It's a whole new facility. They're not trying to use anything that was already there because its non-conforming.

Lowell Johnson, Council Member - There's four of us sitting on this council today that understood that assurance and presented that assurance to the public. That was not going to happen. Carmax, immediately after, the Huffines event, decided they wanted to buy the property between Gunn and Huffines to sell used automobiles. They eventually went to Denton, but it was under that same assurance, understanding that we weren't going to let that happen because we didn't want any more automobile businesses on the I-35 corridor because there were plenty in Denton already. I have another question related to this, is this business in the TIRZ? I cannot remember exactly how the lines are, so if we allow them to do this and they buy this property, that sets the value for that property for the length of the TIRZ, correct? The city can collect ad valorem taxes versus the increase in value that goes to the TIRZ, is that correct?

Bob Hart, City Manager – With the improvements they are going to be tearing down the buildings in rebuilding and so you are going to go back to the value that was set on January 1 of this year which is essentially a vacant used so that on January 1 in the next couple of years, you will have Enterprise there and so you will have that incremental value of what they have built. That is what goes back into the TIRZ.

Lowell Johnson, Council Member - But it doesn't go back into the general fund, correct? Does it stay that way for the life of the TIRZ? Does it not? Any other incremental value that they have, that they gang on that property goes into the TIRZ?

Bob Hart, City Manager – That's correct.

Lowell Johnson, Council Member – Okay, so right now, at January 2019, the value of that property was \$2,300,000 on tax rolls, when I looked it up. There are three tracks that were involved in that. Do the math, that's \$12,000 something dollars, that will be going into the general fund out of their total tax for 30 something years. If they increase their value, a whole bunch, there is only \$12,000 going into the general fund, the rest of it goes in the TIRZ. Just think about that as we process this through. We made promises to a whole bunch of citizens that we won't let

that happen and the argument of location being a factor that that's the only thing could ever go there, we don't know that. It is a mile from the exit, I understand that. There are some other mitigating factors that go with that, but we don't know that and if there's a sales tax generating business that comes in there, the 2% that they generate off a \$5 million in sales let's say or a group that generates \$100,000 a year. I have no idea how many real cars you guys are going to lease but that rental car tax is bracket, isn't it? We can't just use it the general fund doesn't it go to specific items.

Bob Hart, City Manager – It will go to and that is also what you have on the agenda it would go in and support the transit-oriented development area and the amphitheater.

Lowell Johnson, Council Member – So it is not going into the general fund, it is going into a special fund. Okay and then vehicle inventory tax would go the same way, which is the sales stuff, the quotes, the property tax that we collect off the car when its sold. Is it going into the TIRZ also, your vehicle inventory tax, that everybody pays when they buy a car? It's a percentage on personal property that goes to the county and then the county rebates it.

Bob Hart, City Manager – The TIRZ would only collect on the ad valorem tax. The extra taxes that you are talking about, yes that would go to the general fund.

Jason Alexander, Corinth Economic Development Corporation Director - Correct because the TIRZ is only tied to the property tax increases.

Lowell Johnson, Council Member – So and we know from experience that our other dealers in town, that the vehicle inventory tax is not a huge number. Bill Utter I think is our champion, and it's not a lot of money.

Bob Hart, City Manager – I think what we were looking at, when this comes came up, one is, this does help with the TOD effort and anything we can do to take pressure off the TIRZ, to divert money into the into the TOD, so it's a supplemental, then that becomes important. In dealing with the 10 or 12 acres that we have targeted. That adds quite a bit of value for us. The other issue is what happens with the property, the inquiries that we are getting, and this has been for a couple years, the economy's decent. It's all around multifamily housing and we do not think that is a good place for that yet. Or, the mini warehouse, we do not want to see that. You start to kind of back into this and this seemed like a really good use from a staff perspective. We felt like it would add value to what we are trying to do within the TIRZ and within the TOD.

Lowell Johnson, Council Member – But we don't, again, you don't know what you don't know. You can't predict the future.

Bob Hart, City Manager – That's exactly right and I do agree with that, but I do know who's coming in and asking.

Lowell Johnson, Council Member – Have we had any mini warehouses come in and want to do a development there?

Helen-Eve Liebman, Planning and Development Director – Yes sir.

Lowell Johnson, Council Member – Where is that in the process?

Helen-Eve Liebman, Planning and Development Director – We are looking for tax generating, any type of commercial bringing folks in, that is the type use we are looking for. It wasn't just this site it is all along I35.

Lowell Johnson, Council Member – We have turned them away before.

Kelly Pickens, Council Member – Who is at Bill Utter now? Would they still stay there?

Mayor Heidemann – Hertz.

Brent Russell, VP & General Manager, Enterprise Holdings – We actually work with Bill Utter. We work out of a satellite location; we support it from a location at James Woods and then also from a location at Caliber.

Kelly Pickens, Council Member – Would you keep them there? Or would you have them all go into the central unit?

Brent Russell, VP & General Manager, Enterprise Holdings – We will use this central facility.

Kelly Pickens, Council Member – So we are not adding to the rental car necessarily, because we are taking away the rental capacity that you have at Bill Utter now and so we are not adding we are just consolidating.

Brent Russell, VP & General Manager, Enterprise Holdings – We are trying to consolidate and better support it, if you will. As it was a satellite at Bill Utter at Caliber and at James Woods, it is hard to provide the services and the support because you have your people, your staff and your car scattered all over the place. We would have in one central place

Kelly Pickens, Council Member – Okay, got it.

Mayor Heidemann – Any other questions? Thank you very much appreciate your input.

Bob Hart, City Manager – Item five, I just want to make sure that is for trees that are on public property, it is a little bit of a clean-up so we can do the Tree City, USA. And then on item eight, Patricia is providing a motion for, presumably for Sam to make. It will follow the tradition so to speak, just to say that you would have actually taken action not to place the street tax on the ballot and that you actually had a vote to do that not just a consensus. Within the way we have talked about it in the workshop.

Patricia Adams, Messer, Fort & McDonald - The issue is a decision has never been made not to call that election and so we are at the point now where you either call it or you let it lapse. If you let it lapse, then it is going to be a year from the expiration before you could have another election to reinstitute it. Staff has told you that was kind of the plan, and you have not raised any

real objection to that, but we have not yet had that decision. That is the purpose for that, so you can look at that and decide that yes, you are good with that being renewed. It's not that you could never renew it but there is a year waiting period before it expires.

Tina Henderson, Council Member – You're confident that if we do that, our streets are going to have the budget and the money for our streets if we are taking that away from our streets?

Bob Hart, City Manager – We are going to have to have a revenue stream going back through that, Lee Ann and I are talking about bringing to you, a portion of the sales tax dedicated to that or perhaps the franchise is dedicated to it or some combination. But the idea is we would we bring in the ½ cent and the issue is where does it go. If it goes to fire it does free up some capacity somewhere else but in our looking at how do you think about putting together financial plan to deal with SB2. I think this gives us a little greater flexibility, but we are going to have to turn around and shift on the streets. I am concerned about it; we must identify the funds to go back and do that. What I'm looking at suggesting to you is if we dedicate a penny or two on the property tax plus a part of the franchise fees and that has been our early discussions. The sales tax is going to be important for us particularly if the contract is not renewed, then that sales tax becomes valuable and that's part of the way SB2 is read.

Lowell Johnson, Council Member – How much are we losing in franchise tax?

Bob Hart, City Manager – Right now we are probably not going to lose more than about \$60,000. Our initial guess was quite a bit more but that is what it appears. We are just now kind of in that point of when we are starting to get the reporting, under the legislature.

Lowell Johnson, Council Member – And how much does ¼ cent maintenance bring in for street maintenance last year? \$250,000 or something like that.

Bob Hart, City Manager – I think it is closer to \$400,000.

Tina Henderson, Council Member – It scares me because it doesn't matter what we have in our city, if our streets aren't good and we can't take care of them then everything deteriorates. We can have all types of entertainment, but we have to have streets in good condition to get you there.

There was no Closed Session.

CLOSED SESSION

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation

in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

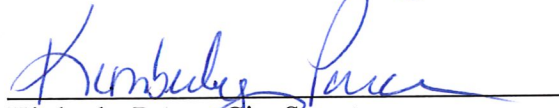
ADJOURN:

Mayor Heidemann adjourned the meeting at 6:54 p.m.

AYES: All

Meeting adjourned.

Approved by Council on the 5 day of March, 2019.



Kimberly Pence, City Secretary
City of Corinth, Texas

