

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

On this the 19th day of March 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  
Sam Burke, Mayor Pro Tem  
Scott Garber, Council Member  
Tina Henderson, Council Member  
Lowell Johnson, Council Member  
Kelly Pickens, Council Member

**Members Absent:**

**Staff Members Present**

Bob Hart, City Manager  
Kim Pence, City Secretary  
Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director  
Emily Bowlin, 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  
Guadalupe Ruiz, Human Resources Director  
George Marshall, City Engineer  
Ben Rodriguez, Planning & Zoning Director  
Shea Rodgers, Technology Services Communications Manager

**Others Present:**

Brad Lonberger, Consultant, Kimley-Horn  
Brett Russell, Vice President & General Manager, Enterprise Holdings  
Tom Berutti, Vice President of Finance, Enterprise Holdings  
Jason Claunch, Consultant, Catalyst

**CALL TO ORDER:**

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

**WORKSHOP BUSINESS AGENDA:**

- 1. Receive a presentation and hold a discussion regarding the reconsideration of the Planned Development District zoning ordinance for the proposed Enterprise Car and Truck Rental and Sales facility, potential sales tax impact, and provide direction to the staff regarding concerns/issues for discussion with the applicant prior to the public hearing scheduled for April 2, 2020.**

**Bob Hart, City Manager** – This is based on the discussion from the last meeting. Brad Lineberger will talk about the Huffine's site based on a land use standpoint with its consistency with the Comprehensive Plan update. Enterprise will talk through their numbers, projections, layout and Jason Cox will talk about the economic impact. I sent an email with some of the preliminary numbers. They have a lot more information. This is the only item we have on the workshop.

**Brad Lonberger, Consultant, Kimley-Horn** – I would like to discuss the letter I wrote to talk through how to analyze a site for these opportunities. It talks through the opportunity costs; things you would lose if you didn't move forward with a project like this. We wanted to identify certain conditions of the site; there is limited access currently, visibility is going to be improved in the future, but we have a 10-year time frame with the freeway expansion. In addition, the TOD is not yet activated so it is not producing a large adjacency value to this property, yet which could be another five to ten years once the TOD is started. If you were to otherwise have this property sit vacant until those things start to happen, what would you be losing? It is the value of a new development plus the tax revenue that would otherwise not be there unless you went forward. Today, if you allow it to redevelop at its natural course when its really feeling the value from the TOD and the freeway expansion in about 15 to 20 years from now. What do you do now versus what you can do later when this certain development has lived its lifespan? It is a reflection on a lot of what we have been talking about through the comprehensive plan process. In the future it is considered mixed-use node which would allow a variety of commercial opportunities as well as mixed-use restaurant, retail but our entire emphasis through the comprehensive plan is to focus on the TOD and the area around it and make sure any value you get from any other developments such as this one, can allow you to start putting money into the TOD now.

**Tina Henderson, Council Member** – The night of our joint council meeting, I specifically asked you about this and you said it did not fit into our plan, please explain the change.

**Brad Lonberger, Consultant, Kimley-Horn** – During the general discussion we had spoken about how this was the current conversation, that we had interpreted our process moving forward, assuming that was going to be the process, the general development moving forward. I believe afterward we had a conversation where we discussed that you didn't feel it was the right development. I concurred with you that it didn't have the same mixed value that it could have in the future. I agreed with you on that aspect, but I hadn't done any of the analysis of the current value versus future value. It was an adlibbed response, so I apologize if I had you misunderstand that in our conversation.

**Kelly Pickens, Council Member** – That is still true, right? What you said that night is still true. The long term, if we were willing to wait, it may look different if we wanted to wait and do something right now.

**Brad Lonberger, Consultant, Kimley-Horn** – It would but vacant land wouldn't feed your TIFF and it wouldn't give you current value that you could otherwise use to build the insulated value that you would need later.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – As you reconsider this, we are a privately owned company, founded 1957 in St. Louis. Most know us as Enterprise, we are Enterprise Holdings. We are comprised of Alamo, Enterprise and National Car Rental. Specific



to this project we are looking for car rental, car sales and truck sales. For a global company, we are in over 100 countries, we have 53 groups here in the US 74 regions. That wouldn't happen unless we were willing to and show the tendency to align with the priorities of the towns and cities and municipalities in which we operate in. We have been in Dallas Fort Worth since 1979. We have 200 locations, and one thing I want to point out, out of 2,000 employers we are a home city, emphasize business and with that, when we do home city business, it's much different than the typical car rental facility. It's based at the airport. We have two airport locations here in Dallas Fort Worth, DFW Airport and Love Field but we have the balance of that is city locations and we even serve the communities in which we operate. We deal with the dealerships, the car dealerships, the body shops, collision centers, corporate accounts and there's a lot of those facilities, a lot of those dealerships, body shops, collision centers and corporate accounts based along the I-35 corridor. Specific to car sales, there were some questions earlier about the type of vehicles that we sell. One thing I want to point out that I think makes enterprise unique is we sell used cars, there are often rental cars that we buy. They're one to three years old, on average, low miles, they go through a very rigorous program. Another the thing that makes them unique is that most of the people that come in and buy from us are referrals from our locations. So about 35% of the people that come and buy from us are referrals from the current locations, which in most cases are comprised of folks that live in the communities in which we operate. Why Corinth, as we look at the Metroplex and we try to expand our network on the used car side, as well as rental and in trucking. We first do a site selection and as we look at various places in the Metroplex, the site selection scores that we use and some internal metrics that we use, scores very high from this area. We do it on a one to five rating system. This area along this corridor scores a 4.5, for car sales for truck and for a specific to daily rental, we know that there's already a very high demand here for daily rental. Matter of fact, we service this area from a satellite location, just north in the in the Chevy dealer just north of the site that we're proposing. In that location, in the event that we're granted the access here along I-35, we will relocate most of that business to this side. Because we know that side this side here will operate and serve the community better, better access and visibility. We'll be able to grow the business from there. We are trying to make these first class facilities; we want it to be a great place to buy a car and also for folks to work. At this point, I want to hand it over to Tom Berutti, he is our Vice President of Finance. I know there were some questions about the economic impact that this project would have. Tom is going to walk you through car and truck rental and car sales impact, overall, and more specifically, the impact here in Corinth.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** - Thanks very much for the opportunity to be here. I'm going to share with you, what we think the total tax contribution will be for this business. First, for all taxes to be considered, secondly, for Corinth only, and then I'm going to try to break down that Corinth only tax contribution into what it should look like based on our projections over a one, a five and a 10 year time frame. Currently, Brett mentioned earlier that we've got modest business currently here incorrect. It's currently contributing \$723,000 of taxes that we would project would be the tax load over that 10 year period. In the future with the addition of different businesses that Brett mentioned, as well as an expansion of the rental car business, the overall tax contribution would grow to \$45.6 million. That is broken up between trucking car rental contributing \$10.7 million, our car sales operation, we contribute the 33/34 rounded \$34 million, and then the real estate tax impact would be \$1.22 million. You can see the total difference between what you're currently contributing versus what we would be doing in the future. It's a \$45 million business over that 10 year period. The one thing I wanted to point out as an asterisk, we understand that you have a short term motor vehicle rental tax that is being considered if that were enacted, currently, the current operation would contribute to city of Corinth by itself \$230,000 of that short

term motor vehicle tax over the next 10 years.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – If I can expand on that I mentioned that most of the rental car business that we're doing today is done at the dealership and just north. The satellite location that Tom is referencing is at Caliber Collision. It's a very small satellite. To give you a sense of scale, we have about 30 to 35 vehicles there on an ongoing basis. So that will stay in place. When Tom references the tax benefit over a 10 year period if in fact you pass the short term rental tax, that's the tax benefit would come from the existing business that's currently in Corinth. That does not take into consideration the business that would be moving to Corinth and the business that we would grow once here. Any questions on that?

**Kelly Pickens, Council Member** – You said that you're going to relocate the car rental satellite office from the dealership in Denton or some of it, are we going to get all that car rental business at this this location or are you going to leave a rental desk at the dealership in Denton?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – As a matter of necessity when we grew in this area some 15 years ago, we opened a basically a desk inside the service drive at James Woods. As that business grew, we served their business, as well as surrounding residents that had car rental needs. We do that in certain places, and it's a way of a foot into the community. Frankly, we've outgrown it and we have a very large and viable business there, but we unfortunately kind of get in each other's way; parking can be an issue, access can be an issue, customer, just visibility can be an issue. Our plan would be to move about 85% of all we do there down to this location. That will be the basis for being here. And then from there will be additional access and visibility, we feel that we can grow this thing, almost another hundred percent. Even further, one of the things that we're working toward is like many other companies, who's trying to become more on the spot and be able to do more digitally, and we have a process called our Launchpad and we can actually take our business as a delivery to various sites. Those launchpads, those mobile devices are still tracked to the location where their based. Our plan would be to base that location here in Corinth.

**Kelly Pickens, Council Member** – But also have some based out of the dealership in Denton.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – If we're granted the opportunity to come here, we will serve that dealership in Denton and then and only that dealership in Denton from that location.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** - The James Woods customers that go for their rental services today, those customers are only there because they need to rent a car from Enterprise, would prefer to be able to access our services from a standalone facility.

**Kelly Pickens, Council Member** – Essentially, you're just going to serve the people that are James Woods service customers but people that are renting for any other reason, they will come to our new location.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – Yes, as an example, if we run about 185 to 200 vehicles on average there, we think that 35 or 40 would likely stay there and the remainder would come to the new facility. And again, I can't emphasize enough



just even though this may not be the easiest access for a lot of businesses we're a service oriented business. We pick up and deliver the most of our customers. Visibility matters, access matters and room, once you're there matters and this facility scores very high in all those areas. And you know, we have built a lot of these and this this location will be a dynamite location.

**Kelly Pickens, Council Member** – What other dealerships in Denton do you service?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – We we do some level of business with all the dealers up and down the corridor. We are not on-site at all those locations and some we are. The onsite element is oftentimes desired by the dealership, the business, because it's convenient, but truth be told it actually provides better service for the customer to bring them back, give them a selection and you know the room to move and such but we will continue to do whatever the customer needs whether it be the individual customer or the or the surrounding dealers.

**Kelly Pickens, Council Member** – How much of your rental business is booked online?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – Last check I'd say well, qualifier of our retail business, retail meaning, not replacement. I mentioned that we're a home city base so insurance replacement, dealer replacement, body shop and such; that is almost never looked online. A lot of that is booked through your insurance company. Do we have electronic connection and the reservations come through the insurance company directly to us? Almost 100% of the insurance business comes to us that way and does not go online. About 75% of our retail business goes online, retail meaning somebody that's not renting for replacement reason and not hunting for a corporate business rental reason.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** - The difference between the two is the online or the retail customers going through the worldwide web. Whereas the system that Brent's talking about, we've got connections with all our insurance partners, so they have a proprietary link to us. So, it's all electronic, but it's not considered an online reservation.

**Mayor Heidemann** - What is your ratio of cars versus trucks in your current location at James Wood? Do you rent a lot of trucks?

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – At James Woods we rent some light duty half ton trucks. We do not have a truck operation there. Simply because we don't have the space. The truck operation would be new to the area for us. We do rent light duty trucks in many of our car rental facilities, meaning half ton pickup truck. Our truck rental has half ton, three quarter ton, a lot of times they will use for their field work trucks; 16 foot box trucks up to 24 foot box ones. All our projections, that's all organic, it would be new. Based on the modeling that we've done, and our site selection tools, this area based on population industries that are here, and all of that it scores very high.

**Tina Henderson, Council Member** – You said that you expect to grow by 100%.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – I said we could grow by 100% over the course of the time of our projection, so as it stands today, we've been for 15

years operating off the beaten path with no visible signage, it's basically all been through referral and such. We think when I say up to 100%, over the course of a 10 year period, I think we could we could double the size of our rent a car operation. Matter of fact, I put myself out there with the size of investment that we're going need to make here. That is what it is going to take, we've done this before and, I very good confidence, again, based on the site selection, metrics and such that we've used that we'll be able to achieve that. It will not come overnight, but that will come on over time.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – In addition to all the processes that we go through appearing before city council's, we have an equally more rigorous process. Brent's talking about the investments that remain, that we go through with our corporate office out of St. Louis, to walk them through the same types of decision processes, so, being able to show business growth is a vital element before we'll ever get the okay to make the investment that Brent mentioned that we're looking at. Any other questions or comments on? This is a 10 year projection, so if you think about what we discussed, we have projected based on our revenue estimates, the tax contribution will be Corinth specific. Currently, and again, referring to the very modest business presence we have for today, we're currently over a 10 year period, projecting \$162,000 in taxes, whereas in the future between our truck and car rental operation, our car sales, and then the real estate tax element, we are projecting \$5.7 million that we believe would result from our presence at this location. That would represent the \$5.5 million increase and again, as we mentioned a moment ago that the \$162,000 that we're projecting over a 10 year period, that would increase by \$230,000 if the short term motor vehicle rental tax was passed. It would be then added on to the current location that we have here in Corinth. Do you have any questions or comments on any of those numbers? That \$5.7 million number, the future number, now if we go forward, from our three businesses that we would have operating at this location, the tax dollar experience would be over one, five, and 10 year timetable. The numbers for the five to 10 year combos are cumulative numbers. In each interval, we're showing what the accumulative effect would be. Does anybody have any questions or comments?

**Sam Burke, Mayor Pro Tem** - The truck and car sale rental, that's something that would not have accrued to us with a traditional dealership, right? Because they're not going to be renting that volume of cars. So, if you had a traditional dealership model it would look more like the \$230,000 we would get at Caliber and then these other numbers, so you'd have about a \$3.5 million dollar difference between this type of business specific to car rental and a traditional dealership. Am I interpreting this correctly?

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – Correct, I think that the one big difference maker is Corinth was talking about this location at Caliber or the one at James Woods. Those businesses are very specialized, and they typically point towards a specific customer where we have the opportunity, certainly we try to expand and the more customers who become aware of us for their vehicle service needs that they may come back to us for retail purposes. The expansion effect that you're talking about is going to be a byproduct of having a standalone facility. For those customers that are coming necessarily for replacement need, they may be coming for a business need or for a recreation retail types of needs, that's where we're able to really expand and grow that business.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – We've found that each of our business lines complement one another. We have economies of scale; we could make an



investment like this. But we also learned that the customers that do businesses with us and one business line, tend to do business with us in multiple business lines. So if somebody buys a car from us, we don't do service work, if they take their car in for service, or if they have an accident, they're very likely to come back and rent from us; because we're also in the business, if it is the same facility where they bought their car, it makes it a little easier. Same thing applies if they need to rent a truck. We found that they're really good synergies and as we look at our growth projections it is a lot, but we've built a couple of these before and have exceeded on both of the last two that we that we built. We were very confident and based on population access, all the things I mentioned before, that we would do the same as here.

**Scott Garber, Council Member** - The truck and car rentals is something that you would not see at a normal dealership. If this was a true car dealership, we would be looking at a 10 year projection of assuming the sales volume was the same, a million dollars or \$100 thousand a year in vehicle sales tax to Corinth and about \$120,000 a year in, in property tax. Everything here with almost \$3.6 million comes as a result of the fact that you guys are renting vehicles and leasing vehicles. This is about three times more sales or tax revenue to the city as a normal car dealership. Are reading this correct?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – When you say car dealer, are you just referring to just a normal rental car facility or a full dealer?

**Scott Garber, Council Member** - No, sir, if you were just only selling vehicles and not doing rental, would we see any of this revenue?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – If we were only selling vehicles and we weren't renting cars and renting trucks, those numbers would not exist. Again, for one, we wouldn't be doing that business there and the short term tax is what makes that happen.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – To maybe help elaborate, the numbers we discussed, those are based on the current business we have the today's numbers, about 40 vehicles. Here in Corinth and then just based on projections, we grew that and said that it grew to 56 vehicles over that 10 year period, because it's a very constrained operation. I don't know many dealerships that are primarily focused on selling vehicles that they would have a rental fleet of that size.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – Almost none do and certainly not car and truck.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – They have loaner fleets but those are typically exclusive for their clients. My understanding is that those are generally not taxable.

**Mayor Heidemann** - From the information that we were given about the number of employees you would be bringing to this location. Can you expand on that and note projection?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – Each of the businesses within the facility would have to have a staff and folks. There are three different

businesses running within the same facility. I think the number that we projected initially was in year one is 22 folks and then we projected based on our growth that we would have to increase staff to accommodate that growth each year.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – I think we gave year one 24 employees. We would expect that to grow to 28 in year 3; 36, in year five, and 46-47, in year 10. I converted, some of those are going to be including four or five people that are part time, so I just converted them the full time equivalent. That is what we expect to see conservatively at that location.

**Mayor Heidemann** - The pay rates are decent?

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – Yes, sir that is actually that's near and dear to us. I think you're aware we recruit heavily at local colleges and colleges all throughout the US for that matter. We need to be competitive out of the gate and more importantly, we need to provide a very competitive career path. We are two examples of that you're looking at about 62 to 63 years of experience between the two of us. Eric Seles who was going to join us tonight but has a cold, he is 35 years old. We all started with Enterprise out of college and worked with Enterprise in multiple capacities, in multiple states. To your point we are very competitive in our compensation. We bring people in at what we think is a fair pay rate, but we give people tremendous upside and career opportunity to grow with us and we promote almost exclusively from within.

**Lowell Johnson, Council Member** – Regarding some of the numbers and information that came from Mr. Claunch, versus some of the numbers you are talking about. Vehicle sales, he's talking about 10 years, you guys generate \$522 million in vehicle sales. That's an awful lot of cars. What's your means sale price? Or does that include trucks as well?

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – We worked from a range of in year one an average sales price of \$20,300 and then anticipating inflation and escalation effects from that in year 10. We are expecting an average sales price that year of about \$26,500.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – With sales volume increase each year.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – Our annual sales volume we're projecting in year one is 1,224 vehicles, and in year 10, we expect that to have grown to approximately 3,000.

**Lowell Johnson, Council Member** – That's a gross figure, right?

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – The numbers that I am giving you is everything that we tried to present and prepare based on how it will affect the taxation, so those are taxable dollars.

**Lowell Johnson, Council Member** – Lee Ann, relating to this vehicle inventory tax, is the same as the personal property tax correct? Or is it set at the county rate of 35 cents?



**Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director** –

I don't believe it is the same as the personal property tax. I don't know the exact percentage, just the total that we collected over the year, but I don't believe the same thing as a personal property tax.

**Lowell Johnson, Council Member** – Okay, thank you. It would seem to me like this vehicle sales, the number, in 10 years, \$900,771 is that what you're talking about? The return to us or return to the city in the vehicle inventory tax, or is it in something else?

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – In terms of the car sales business, the special inventory tax that we calculated over that 10 year period would be \$988,000 and the other big contributor that, as you would expect, sales tax is a very big component of that. When you apply the sales tax consideration, that's almost \$33 million.

**Lowell Johnson, Council Member** – You are aware that city of Corinth gets no sales tax off of cars.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – Yes, sir and that's why when I showed the Corinth only information, I wanted to make sure that we had that information separate for that very reason.

**Lowell Johnson, Council Member** – Well, then maybe you know that number. Do you know what the number is that you pay the dollar value that you pay Denton County, what the percentage is of the net price, the vehicle inventory tax, that you're charging your customers?

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – Let me restate the question, you want to know what is the actual tax rate for Dane County? It is .2215 for every \$100 assessed value.

**Lowell Johnson, Council Member** – I was just saying if you take the \$522 million and multiply it by the number you're talking about, you're looking at a bit more money coming back to Corinth and the vehicle inventory tax than vehicle sales.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – We understand that the way that the vehicle inventory tax is calculated is that you take the personal property tax calculated, that's 112th of it. It is that 112th factor that really reduces. My understanding is the way this special inventory tax, it's really deflated by virtue of that 112 factors. They look at our prior 12 months, they come up with a value, they talk to us about it, they come to us and give us the percentage, and that's what we apply to all our sales in that succeeding year.

**Lowell Johnson, Council Member** – Even then, I still think that \$900,000 maybe a little flight but let's talk real estate taxes for a second here. You're talking about on the real safe side, the improvements, you're going to do about \$11.5 million dollars in improvements. Is that right? And the property is sitting at \$ 2.3 million, so we're looking at 54 times 112,000, whatever that number is. I understand your number there and then you're talking about how much of an increase in the value of the property over five to 10 years, 2 to 3% a year above your assessed value.

**Tom Berutti, Vice President of Finance, Enterprise Holdings** – Right and so we were very

conservative. I kept the numbers flat so that we were keeping things in a very conservative position. But you're right again, the possibilities are when property value increases, that number could in fact be higher.

**Lowell Johnson, Council Member** – Okay, thank you. If we had this the first time around, we might not have ended up where we did tonight. Thank you.

**Kelly Pickens, Council Member** – Is your model set up to sell cars online? I know a lot of companies that is kind of where they're going.

**Brent Russell, Vice President & General Manager of Enterprise Holdings** – The short answer is no. We have online access; we advertise our vehicles online. People can view our cars online; I would encourage all of you to go online to check out all our businesses online. I think that's it speaks for itself, but no, we don't sell.

**Bob Hart, City Manager** – Jason, will speak regarding economic processes.

**Jason Claunch, Consultant, Catalyst** - When we first got engaged in Corinth, I think our journey started in 2013. We started with economic development initiatives. We worked on Bucees, that was fun if you remember that, some of you do. We also helped on the 35 sustainability study, really setting the stage in protecting the corridor. I think that led to our involvement in the comprehensive plan and obviously that plan is really looking out 10 to 20 years. It is unique, I think if this was a restaurant with very similar building form, it might be a different discussion. Maybe not today with today's economic environment. I think this use may be much more sustainable than a restaurant, at least in the short term. I think about my own personal circumstances, I rented three cars between Thursday and Friday of last week alone. I'm a pretty heavy user. I spent a lot of time on the road. I certainly respect and understand the different brands and with Enterprise with 8,000 locations worldwide, I have not gone to a location where an Enterprise location wasn't extremely well managed. If it was a different use or maybe different brand, and you didn't have national Enterprise brand stand behind it, I think it'd be much different. But as you know, this does produce a lot of economic benefit for the city. Tina, I agree. I wasn't asked the question, but the forum is not advanced in terms of the urban forum. I was involved in the Millennium Development with William on the private side and we fought very hard for that design in the organization, because of the use allowed it accommodated it. You should think about uses and how they evolved. And I think if this use just came out of the blue, or we were working for Jason, I don't know that we would be recruiting the use; but once you distill down the economic benefits, and the form the brand behind it, I think it's very obvious that this is certainly creative from an economic development standpoint, and I spent some time studying the urban form. I think about things in terms of developments that can grow over time incrementally. And certainly, if you look at the way this building would be constructed on the lot and the landscaping, it would be first class and certainly with this brand behind it may be maintained to such. I also think that over time, this would be fairly easy to use, to sort of transform and reorganize and utilize the lot with its current urban form and other things to accommodate maybe a long term vision that I think we all have in all respect for the corridor. And being involved in the brain we're working with Enterprise on another location in Austin adjacent to a TOD. They're being very innovative partners in that location, thinking about how they would interface between maybe passengers taking the rail into the TOD station and be able to interface and rent cars away from the airport and mitigate some of the congestion and also be able to check



their bags and do some very creative things, thinking about the maybe forward thinking in terms of passengers. As I study this concept more, I get more and more comfortable with the use. Looking at the economic impacts, it certainly makes sense. Thinking about people that might need a car, I think this is very convenient location to be able to take advantage and leverage that and still, again, be able to reorg and redevelop this over time. The economic benefits, it substantially includes quite a bit of additional investment. I think the net benefit would be about \$46,000 a year in ad valorem alone and what you are getting now versus what you would be getting with a net new investment. Even across the board and the jobs, I think everybody at the facility are well paid. But also, if you've been to one of these facilities, which I visited quite often during the week. They're all extremely well dressed and very professional and I think it would certainly be something that would represent your community, I'd be more than happy to answer the numbers in terms of the fiscal impact and, and certainly, they could provide some more insight but at least in our opinion, this makes sense for the community for a number of reasons.

**Mayor Heidemann** - Mr. Hart, is there anything more?

**Bob Hart, City Manager** – I just want to make sure we have plenty of time for questions and you want to visit casually or however you want to do this.

**Scott Garber, Council Member** – Helen-Eve, my understanding is this property is zoned to allow everything they want to do except for selling vehicles, is that correct? They're looking for a SUP?

**Helen-Eve Liebman, Planning and Development Director** - No, sir, t's a planned development district proposal to allow all of these uses. I think that the rental cars could be the issue, but it is the car sales that could get into the PD because that's not an option to apply for a SUP.

**Scott Garber, Council Member** – That was all the clarification I needed.

**Helen-Eve Liebman, Planning and Development Director** - The other positive thing with doing the planned development is that we were able to respond to the residents around there providing the landscape the masonry screening wall that they offered at the last council meeting. The neighbors were not opposed from the planning and zoning commission presentations even City Council, you saw. I have had two inquiries this week because the public hearing notices have gone out because of timing. we had to get those out. They were surprised, they said once again that they don't have a problem, they would rather see something of quality and operating there than vacant land. I think that says a lot.

**Scott Garber, Council Member** – We made two adjustments to the original suggestion from staff. Have you written those in now to staff suggestion? I think it had something to do with masonry wall and maybe it was a fence, or the trees. So those are now written in or they will be. The other question is the SUP portion, is that is that going to be grandfathered if the property is sold in the future or is this something that will stay with Enterprise if they operate?

**Helen-Eve Liebman, Planning and Development Director** – Yes, here won't be a SUP tied to anything. All these uses are combined as permitted uses within the planned development district, and they have to have all three. They can't have one or two, they have to have all three.

**Mayor Heidemann** - Is there any other discussion or question from the council?

2. **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.**
3. **Provide an update and hold a discussion on the Coronavirus (COVID-19) in regard to City operations and practices.**

**Bob Hart, City Manager** – We have 83 cases in Texas across 10 counties over the last seven days. In Denton County we are at nine, all of those are within four communities and the four that were added today, three of those are travel related. The Denton County judge has issued a declaration today effective at midnight. They've closed restaurants except for drive thru, carry out, closed gyms. Grocery stores are not impacted, pharmacies and that sort of stuff. We were involved in the conference call yesterday with the with the judge and with the governor. We've been doing some with the CDC and the NLC has additional material we are watching and participating. They're getting a lot of our questions answered. Chief Ross has been involved from a fire department standpoint, so you understand how critical that is in terms of dealing with the county. We are going through all our positions, figuring out which are essential and how we will rotate shifts. In anticipation of how we respond, we have developed a four stage readiness response plan, I sent that out a couple of days ago. We have posted it and it helps to address some of the issues. We have passed green (normal operations) and we are yellow right now in terms of this process with orange and red remaining. City facilities are open today. We're limiting some of our person to person meetings. We are encouraging a lot this to be done online but remain open to the public. We are seeing a few people, not a lot. The Reynolds, the community room at the public safety building, the Wood's building we are not leasing currently. Large public meetings have been canceled. All of that was based on the CDC instructions last week over that eight week period. The State of the City, our intention is that it will be rescheduled. We also have pushed back the board, commission appreciation dinner. The sports facilities are still open, and we're leaving them open with the associations to decide how they want to proceed or not with their season.

**Mayor Heidemann** - Is that not in violation of the governor's proclamation?

**Bob Hart, City Manager** – His says that parts are still open, but I think we're starting to get to the borderline. I don't think it's a violation per se right now. We have four employees on quarantine. Three are from international travel of during spring break and then one traveling in Colorado. Those four are in voluntary quarantine, they're working from home. We are cutting out travel, conferences; vacations are being monitored. At orange level, facilities will remain open with modified staffing schedules, we'll have some employees working here and some at home and in some instances, we will flip. Fire is working through three different stations, so you have some segregation there. At orange we start to transition to online phone calls, and then limit the in person meetings. Small meetings will be canceled based on the CDC and the declaration. We will encourage all the businesses to adhere to the judge in the gubernatorial declarations and the CDC recommendations. And we would also close the ballfields. I think we're starting to step into some of these issues. On an internal basis, we're looking at modified staffing, we are getting everyone setup right now. We want to suspend plat submittals because they have a 30 day window. Vacations are subject cancellations and then in other travel, we will cancel on a case by case basis. At the red level, City Hall is closed, essential personnel, all of our work will be done online and then we require



businesses to adhere to closing declarations. We would anticipate that Council and boards would meet via teleconferencing. This this is from a public standpoint, the issue, we are going to ask the mayor to do a local decoration. I am thinking some of these elements will be going into orange and red. If the mayor does the decoration, then the council has seven days in which to act on it. We are watching that because the next meeting is April 7th. May elections, we have to let the county know tomorrow, your preference and that will be going to a November election and then we will be on the on the ballot. One, it is always kind of tough to have local issues on presidential election and, I'm not worrying too much about the council, I'm worried about the three propositions we have on the ballot. One is the fire district; one is to designate the council as the board for the fire district and the third is the short term rental car tax. I am concerned about the fire district, if it failed in May, our fallback position was to go to November. If we have that on the ballot in November and it fails and the street expires the end of December, we are going to lose a half million dollars next year, because we will not be able to put that back onto the ballot until May. And then the text that become effective until the begin the quarter following the quarter, which the election was had. That is the biggest concern that I have in delaying. That is the feedback I wanted to get from you all. From a staff standpoint, the recommendation would be to stay with the May election. Whether the county is going to force us to November, whether we can get election judges to work can be an issue for November. Our recommendation would be that we would tell the county we want to stay with the May election and then over the next two or three weeks, we'll find out if that happens or doesn't happen. Either way, you're going to have to act, by ordinance, to reschedule that to November. The Secretary of State was clear today, when they first came out with this idea of moving the elections from May to November, if you remember, when you adopted that, it was permanent; you could never go back to May. Now they're saying that doesn't count this year. So if we get forced into November, I think you'd want to go back to May in the 2021 election.

**Scott Garber, Council Member** – It seems that May is a much better option for us this year. For me.

**Kelly Pickens, Council Member** – I agree, unless they force us to move it.

**Bob Hart, City Manager** – We would have to come back to you with an ordinance to do that.

**Sam Burke, Mayor Pro Tem** - I would think that we want to tell the county that we want to leave our options open so we are not canceling and hopefully they will respect our decision. But if the curve bends or something happens that it's safe enough, we'd like to have that option.

**Bob Hart, City Manager** – Okay, we will communicate that back to him all morning. And then just watch for the next few weeks.

**Mayor Heidemann** - Is there a timeline for the county to make that decision?

**Bob Hart, City Manager** – They have to make a decision before early voting begins April 18<sup>th</sup>.

**Kimberly Pence, City Secretary** - It's about the early voting ballots, including mail outs and that is why they are wanting to know tomorrow.

**Bob Hart, City Manager** – We will communicate with them tomorrow. We want to save the May

election and then we'll see what happens over the next week or 10 days. On the utility bill, getting into this red level, we would shut the doors. To pay your utility bill, you'd have to go online. We want to get your feel from you on the \$3.95 online credit card transaction fee. My tendency would be to waive it in this environment, but when you waive it, we're adding to the cost of service. We are in the middle of talking about utility rates so that comes into play.

**Scott Garber, Council Member** – Don't we have a drop box that people can drop their checks into?

**Bob Hart, City Manager** – Yes and what we're doing if we get to red and we lock the doors, and that's where they're going to drop the mail to us as well. We have had some folks that say, they want to do it online, they don't like the transaction fee. They're not coming inside, and they don't want to touch the mailbox, because they don't want to get the germs off touching the drop box.

**Scott Garber, Council Member** – What was the total? I thought we had looked at this transaction fee and it was a pretty substantial amount to try to absorb.

**Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director** – \$75,000.

**Bob Hart, City Manager** – And if we do this, it's going go way up, way up. I don't know that you have much of an option other than to waive it.

**Scott Garber, Council Member** – Can we reserve the option to wave for maybe folks that are hysterical about it?

**Sam Burke, Mayor Pro Tem** - Is there a way where we can offer the option to wave it due to the current situation?

**Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director** – For over the phone transactions, we can do that because for those it's a process that the clerks have to manually add that. If somebody requested it, then we just wouldn't add the fee. The problem would be on the online transactions and that would be an all or none as it is managed from an outside company. It's not a system that we manage ourselves and so right now, I would have to say it's an all or none. We could contact them to see if they could do any type of programming into it, and I'm sure there would be a cost associated with it.

**Sam Burke, Mayor Pro Tem** – Who charges the fee?

**Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director** – There are two fees. We charge \$3.95 to recoup our processing cost and the company who processes it for us, I cannot remember their name, they charge \$1.25.

**Sam Burke, Mayor Pro Tem** – Can tell them we will reduce ours if they reduce theirs?

**Lee Ann Bunselmeyer, Finance, Administration, Communications & Marketing Director** – We can ask.



**Kelly Pickens, Council Member** – The people who pay online monthly, like I do, you would waive my fee too, right?

**Sam Burke, Mayor Pro Tem** – They can still mail a check, correct?

**Bob Hart, City Manager** – Yes and this isn't anything you have to decided today. This will bubble as an issue so at least you can start thinking and watching. We will continue to get payments from the drop box and the mail. We will process it internally. The next inquiry is what will we do with utility costs for non-payment? We should consider suspending the cut-off but before we go there, we will have to work out payment schedules. We have about 75-90 people that are cut off monthly. We may run into waiving late fees and will handle on a case by case basis. On the RG3 equipment, all the parts are made in China and we are not receiving anything from China. We believe we have parts for about five months. We will have to add about six months to our original timeline. On inspections, we are going to do what we intended, to suspend fire inspections except those for life safety. We continue to do building inspections if the buildings are being built. People replace hot water heaters and other life safety items so Randy and Johnny will continue to do inspections. Staff meets on Monday and Thursday so we will adjust and detail for council with the Friday report. Board meetings, we will try to teleconference. April 2<sup>nd</sup> will be a challenge and I want it to be fair to the public, as we will have a public hearing.

**Tina Henderson, Council Member** – On the sports areas, are people using them? I would like to move forward with shutting those down. If the governor ordered no more than 10, we should follow his guideline.

**Bob Hart, City Manager** – If you can give us to Monday, we can coordinate that.

**Sam Burke, Mayor Pro Tem** – I think it's a moot point. All kids that are my children's ages, all events and tournaments have been suspended. Most of the email blasts, all items are canceled.

**Bob Hart, City Manager** – We will be in orange level Monday. The other item is on emergency purchases. We have a statue where I am authorized to approve expenditures over \$50 thousand and bring back to you for approval. The only item we could imagine would be a water line break requiring immediate attention. We have discussed buying right of way; they may come in.

#### **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 Government Code.

**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.

- a. **Legal advice related to the provision of fire services, interlocal agreement for fire service and related matters.**

**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.

- a. **Project Daylight**
- b. **Project Festival**
- c. **Land along Corinth Parkway**

**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.

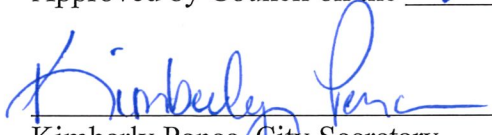
**Section 551.087.** To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental 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 work session at 7:05 p.m.**

Approved by Council on the 7 day of May, 2020.

  
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Kimberly Pence, City Secretary  
City of Corinth, Texas

