

The City Commission of the City of Canyon held a work session for the 2018 Audit at 3:30, and then met in regular session at 4:30 pm in the City Commission Chambers of the Civic Complex. Mayor Gary Hinders presided over the meeting with the following Commissioners in attendance, Mayor Pro-Tem Justin Richardson, Cody Jones, and Paul R. Lyons. Commissioner Roger Remlinger was unable to attend.

Also present were the following City Staff: City Manager Randy Criswell, Assistant City Manager Jon Behrens, City Secretary Gretchen Mercer, Planning and Development Director Danny Cornelius, Public Works Director Dan Reese, Chief of Police Dale Davis, Utility Superintendent Eric Whitten, Finance Director Chris Sharp, Business and Community Development Director Evelyn Ecker, Safety Director Tony Lawson, Canyon Economic Development Corporation President Don Lee and City Attorney Chuck Hester.

Work Session regarding the 2018 Audit 3:30 to 4:30 pm.

Mayor Gary Hinders called the work session to order at 3:35 pm.

Item 1. Call to Order.

Mayor Hinders called the meeting to order at 4:45 p.m.

Item 2. Invocation.

Mayor Pro-Tem Richardson gave the invocation.

Item 3. Pledge of Allegiance.

The Pledge of Allegiance was led by Commissioner Jones.

Item 4. Approval of Minutes of the Meeting of March 4, 2019.

Commissioner Lyons moved, duly seconded by Commissioner Jones to approve the minutes of March 4, 2019 as presented. Motion carried unanimously.

Item 5. Public Comment – Comments from Interested Citizens.

Mayor Hinders presented a Proclamation honoring Mr. Roy Urrutia on his retirement from Atmos Energy West Texas Division. Mr. Urrutia expressed appreciation and introduced his replacement Michael Gonzales.

Item 6. Consider and Take Appropriate Action on 2017-2018 Audit as Presented by the Finance Director and Doshier, Pickens and Francis.

Finance Director Chris Sharp presented the 2018 Audit for approval. John Merriss of Doshier, Pickens and Francis was present to answer questions. Mr. Merriss reported the City of Canyon received a clean audit for 2017-2018.

After discussion, Mayor Pro-Tem Richardson moved, duly seconded by Commissioner Jones to approve the audit as presented. Motion carried unanimously.

Item 7. Consider and Take Appropriate Action on Appointment of Auditor for City of Canyon's Fiscal Year 2018-2019.

Finance Director Chris Sharp addressed the Commission on the appointment of an Auditor for the 2018-2019 fiscal year. Mr. Sharp stated Doshier, Pickens and Francis continued to do a good job for Canyon and recommended them as the auditors for the 2018-2019 audit.

After discussion, Commissioner Jones moved, duly seconded by Mayor Pro-Tem Richardson to appoint Doshier, Pickens and Francis as the auditors for the 2018-2019 fiscal year.

Item 8. Second and Final Reading and Consider and Take Appropriate Action on Resolution No. 04-2019 With Regards to 79 Salt Enterprises, LLC. (79 Salt) for Direct Financial Assistance With Regards to Business Expansion.

Business and Community Development Director Evelyn Ecker presented Resolution No. 04-2019 for the second reading and adoption. Ms. Ecker stated 79 Salt, owned by Ashley Ramos, is currently located in a retail space at the Palace building and was established in 2014. Ms. Ecker said the expansion would include going from 475 sf retail space to 2365 sf retail space by moving into the space vacated by the Silver Turtle at 1519 4th Avenue and would add men's clothing and more choices for women. Ms. Ecker stated 79 Salt held their grand opening the weekend of March 15, 2019, and that it was very successful.

After discussion, Commissioner Jones moved, duly seconded by Mayor Pro-Tem Richardson to adopt Resolution No. 04-2019 as recommended by the Canyon Economic Development Corporation. Motion carried unanimously.

RESOLUTION NO. 04-2019

APPROVING A PROJECT FUNDING AGREEMENT BETWEEN THE CANYON ECONOMIC DEVELOPMENT CORPORATION AND 79 SALT ENTERPRISES LLC. dba 79 SALT FOR DIRECT FINANCIAL ASSISTANCE TO EXPAND THE CURRENT BUSINESS TO A NEW LOCATION, 1519 4TH AVENUE, THE EXPANSION WOULD ENCOURAGE RETAIL SALES, GENERATE STATE AND LOCAL TAX REVENUE

Item 9. First Reading of Resolution No. 02-2019 with Regards to O'Neal Enterprises LLC. Request for Direct Financial Assistance to Redevelop the Property at 420 15th Street, Canyon, Texas. The Project is going to be a Hotel. The Funding is Based on Increased Tourism, Hotel Occupancy Tax, Sales Tax, New Property Tax and Job Creation.

Business and Community Development Director Evelyn Ecker presented Resolution No. 02-2019 for consideration. Ms. Ecker said the owners of the Palace Hotel building have submitted a proposal for a boutique hotel after years of researching ideas to determine a use for the second

floor. Ms. Ecker said the CEDC had a Lodging Feasibility Study performed in 2017 and the findings determined Canyon could support another 70-80 hotel rooms. Ms. Ecker stated the project for the Palace Hotel included 10 guest rooms on the second floor adding an elevator, hotel lobby and retail space. Ms. Ecker said the total funding of \$320,000 would be allocated with the first payment of \$75,000 disbursed when construction permits are issued, the second disbursement of \$75,000 will be paid upon 50% completion of the project, a third disbursement of \$100,000 paid upon issuance of Certificate of Occupancy and the final disbursement of \$70,000 will be made on the one-year anniversary of the issuance of the Certificate of Occupancy. Ms. Ecker said the approximate cost of the project is \$1.2 million with an estimated start date in early summer and a completion timeline of 10-12 months.

No action required for first reading of Resolution No. 02-2019.

RESOLUTION NO. 02-2019
APPROVING A PROJECT FUNDING AGREEMENT BETWEEN THE CANYON
ECONOMIC DEVELOPMENT CORPORATION AND O'NEAL ENTERPRISES
LLC. FOR DIRECT FINANCIAL ASSISTANCE TO REDEVELOP THE
PROPERTY AT 416 15TH STREET. THE PROJECT IS A HOTEL. THE
FUNDING IS BASED ON INCREASED TOURISM, HOTEL OCCUPANCY TAX,
SALES TAX AND JOB CREATION.

Item 10. First Reading of Resolution No. 03-2019 with Regards to Panhandle Plains Historical Museum's Request for Lead-Off Funding to Develop Underutilized Space and to Expand the Education Department. The Funding is Based on Promoting Economic and Civic Vitality in the Community and Region.

Business and Community Development Director Evelyn Ecker presented Resolution No. 03-2019 for consideration. Ms. Ecker said the funding request from Panhandle Plains Historical Museum was for \$250,000 to be used as lead-off funding to develop underutilized space and expand the education department. Ms. Ecker said the project includes a STEAM lab and also will add a Challenger Learning Center. Ms. Ecker said the Challenger Learning Center was a partnership with the Challenger Foundation and PPHM and would be one of forty across the United States. Ms. Ecker said the total cost for the project is \$7 million.

No action required for first reading of Resolution No. 04-2019.

RESOLUTION NO. 03-2019
APPROVING A PROJECT FUNDING AGREEMENT BETWEEN THE CANYON
ECONOMIC DEVELOPMENT CORPORATION AND PANHANDLE-PLAINS
HISTORICAL MUSEUM, FOR LEAD-OFF FUNDING TO DEVELOP
UNDERUTILIZED SPACE AND TO EXPAND THE EDUCATION
DEPARTMENT. THE FUNDING IS BASED ON PROMOTING ECONOMIC
AND CIVIC VITALITY IN THE COMMUNITY.

- Item 11. Second Public Hearing on Ordinance No. 1103, Annexing Property as Requested by Canyon Capital Group, LLC, A Texas Limited Liability Company, Acting By and Through its Duly Authorized President, Jonathan R. Lair.

City Manager Randy Criswell presented Ordinance No. 1103 for consideration and the second public hearing.

Mayor Hinders opened the public hearing. There being no comment, Mayor Hinders closed the public hearing.

No action required.

ORDINANCE NO. 1103
ANNEXING TERRITORY TO THE CITY OF CANYON
AN ORDINANCE OF THE CITY OF CANYON, TEXAS, ANNEXING THE
TERRITORY HEREIN DESCRIBED TO THE CITY OF CANYON IN RANDALL
COUNTY, TEXAS, EXTENDING THE BOUNDARY LIMITS OF THE CITY OF
CANYON TO INCLUDE THE PROPERTY HEREIN DESCRIBED WITHIN THE
SAID CITY LIMITS, AND GRANTING TO ALL THE INHABITANTS OF SAID
PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND
BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES,
RESOLUTIONS, AND REGULATIONS OF SAID CITY.

- Item 12. Hold Public Hearing and Consider and Take Appropriate Action on a Specific Use Permit Request by 806 Vapes to Operate the Electronic Cigarette Store at 306 23rd Street.

Planning and Development Director Danny Cornelius presented a Specific Use Permit from 806 Vapes for consideration. Mr. Cornelius stated 806 Vapes submitted a request to renew the Specific Use Permit for the Electronic Cigarette Store at 306 23rd Street as approved by the City Commission March 5, 2018 for one year. Mr. Cornelius said there were 14 letters sent out to property owners within 200 feet receiving 3 responses, one opposed and two with no opinion. Commissioner Lyons asked Police Chief Dale Davis if there had been any problems with the Vape Shop, Chief Davis said none. Commissioners asked if the permit was for another year, Mr. Cornelius stated the Planning and Zoning Commission recommended unlimited timeframe.

Mayor Hinders opened the public hearing. There being no comment, Mayor Hinders closed the public hearing.

Mayor Pro-tem Richardson asked if problems do develop at the vape shop, how they would be handled. City Attorney Chuck Hester said it would be handled as an ordinance violation and would go through municipal court. Mr. Cornelius confirmed if the vape shop closed and someone else wanted to open in the same location, they would have to apply for a Specific Use Permit. Mr. Cornelius said the permit is issued to that specific person at that specific location meaning if 806 Vapes moved, the SUP would not be applicable to a different location or owner. Mr. Cornelius stated Chris Goodwin, owner of 806 Vapes was present for questions.

After discussion, Commissioner Lyons moved, duly seconded by Commission Jones to approve the Specific Use Permit with no renewal time as recommended by the Canyon Planning and Zoning Commission. Motion carried unanimously.

Item 13. Hold Public Hearing and Consider and Take Appropriate Action on a Replat of Pioneer Estates Unit No. 21.

Planning and Development Director Danny Cornelius presented a replat of Pioneer Estates Unit No. 21 for consideration. Mr. Cornelius stated the replat was submitted by Jesse Henninger and would replace alleys with 20' Public Utility Easements, change front yards from 15' to 20', change plans for rear entry garages to front entry garages and included a few minor lot width changes. Mr. Cornelius said letters were sent out to 32 property owners within 200' with one response received in support and three in opposition. Mr. Cornelius said the Canyon Planning and Zoning Commission voted unanimously to recommend approval of the replat to the City Commission.

Mayor Hinders opened the public hearing. There being no comment, Mayor Hinders closed the public hearing.

After discussion, Commissioner Jones moved, duly seconded by Mayor Pro-Tem Richardson to approve the replat of Pioneer Estates Unit No. 21 as requested and recommended by the Planning and Zoning Commission. Motion carried unanimously.

Item 14. Consider and Take Appropriate Action on Recommendations from the Board of City Development (BCD) for 2019 Budget.

Director of Finance Chris Sharp presented the Board of City Development proposed 2019 budget for consideration. Mr. Sharp said the requests were mostly for advertising with the main goal of bringing people in to stay at hotels. Mr. Sharp said the board met February 7, 2019 and unanimously recommended a budget of \$249,500 allocated to the following:

Billboard Lease	\$ 6,000
Xcel Energy	\$ 500
Texas Musical Drama	\$ 45,000
WTAMU	\$ 50,000
PPHM	\$ 45,000
Chamber of Commerce	\$ 77,500
Canyon Main Street	\$ 22,500
Kids Inc.	\$ 3,000
<u>TOTAL</u>	<u>\$249,500</u>

After discussion, Mayor Pro-Tem Richardson moved, duly seconded by Commissioner Lyons to approve the BCD Budget as presented. Motion carried with Commissioner Jones abstaining.

Item 15. Consider and Take Appropriate Action on 2019-2020 Budget Commitment for Purchase of a Patrol Unit and Detective Unit.

Chief of Police Dale Davis addressed the City Commission on a request to commit to the purchase of Police Department vehicles for the 2019-2020 Budget. Chief Davis said the Canyon Police Department was unable to order a Ford Explorer PPV due to high demand and Ford shutting down orders. Chief Davis stated Caldwell Country Ford had contacted him and told him it was imperative that orders for new 2020 Ford Explorer PPV units be placed prior to the end of April 2019 to secure the vehicle before Ford orders another line shut down. Chief Davis said he was requesting a commitment of \$70,000 so he could commit to the purchase of a 2020 Ford Explorer PPV at \$46,969 and a 2020 Chevy Impala for the Detective Unit at \$22,745, including all emergency equipment. Chief Davis said a 2012 Chevy Tahoe and a 2008 Ford Fusion would be sold at auction.

After discussion, Commissioner Jones moved, duly seconded by Mayor Pro-Tem Richardson to approve the allocation of funds out of the 2019-2020 budget to immediately purchase two vehicles for the Canyon Police Department. Motion carried unanimously.

Item 16. Consider and Take Appropriate Action on Resolution No. 08-2019 Regarding the Transfer of Spur 48 From TxDOT to the City of Canyon.

City Manager Randy Criswell presented Resolution No. 08-2019 for consideration. Mr. Criswell stated the City Commission had adopted Resolution No. 09-2018, March 19, 2018, committing the City of Canyon to take over Spur 48 so WTAMU could make some improvements they could not make if the road was owned by TxDOT. Mr. Criswell stated TxDOT will be completing improvements before turning Spur 48 over to the City. Mr. Criswell said there was a small change to the language from the Resolution adopted in 2018, but TxDOT is still committed to making improvements as agreed.

After discussion, Mayor Pro-Tem Richardson moved, duly seconded by Commissioner Lyons to adopt Resolution No. 08-2019 as presented. Motion carried unanimously.

RESOLUTION NO. 08-2019

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CANYON, TEXAS, REQUESTING THE TRANSFER OF SPUR 48 FROM TxDOT TO THE CITY OF CANYON, CONTINGENT UPON TxDOT PREVENTATIVE MAINTENANCE WORK TO THE ROADWAY.

Item 17. Consider and Take Appropriate Action on Proposed Public Improvement District Policy.

Assistant City Manager Jon Behrens presented a proposed Public Improvement District Policy (PID) for consideration.

Commissioner Lyons asked how No. 11 on the policy would apply. Mr. Behrens stated once the PID Policy was adopted, then everyone applying for a PID would be required to do as No. 11 states.

Commissioner Lyons stated No. 4 in the Pre-Petition Procedures section establishing an application fee of \$1,500 ends in the statement "if additional funds are required to pay the costs incurred processing the application, the applicant will be notified". Commissioner Lyons said it leaves it too open ended. Mr. Behrens said it was stated that way due to not knowing the amount of time that would be required by staff. Commissioner Lyons said he felt if any additional funds were required, it should be brought to the City Commission for approval.

Mayor Hinders asked if there would be any penalties tied to No. 10 under General Requirements. Mr. Behrens said that the management firm would have interest in pursuing any fees, he wasn't sure at this time how much would fall on the City Commission to relay the information and hold developers to the rules. Mayor Hinders asked if there was any teeth to the policy. City Manager Randy Criswell stated the PID Policy could be adopted as an Ordinance creating a law. Mayor Hinders asked how people looking at homes would know a home was in a PID. City Attorney Chuck Hester stated the realtor would always disclose Special District information and the developer is required to post signage at all entrances of the development notifying people it was a PID.

After discussion, Commissioner Lyons moved, duly seconded by Commissioner Jones to approve the Public Improvement District (PID) Policy with the change to Pre-Petition Procedures, No. 4, adding language that if there are additional fees required above the stated \$1,500 application fee, it would be brought to the City of Canyon Commission for approval. Motion carried unanimously.

Item 18. Executive Session Pursuant to §551.074 Personnel Matters (City Manager).

Mayor Hinders indicated the Commission would adjourn into Executive Session at 5:53 pm.

Item 16. Consider and Take Appropriate Action on Items Discussed in Executive Session.

Upon returning from Executive Session at 6:55 pm, no action was taken.

Item 17. Adjourn.

There being no further business, Mayor Pro-Tem Richardson moved this meeting be adjourned.

Gary Hinders, Mayor

ATTEST:

Gretchen Mercer, City Secretary