



**MINUTES
OF THE
MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY, MARCH 4, 2021**

The regular meeting of the Benbrook City Council was held on March 4, 2021 at 7:30 p.m. in the Council Chambers with the following Council members present:

Jerry Dittrich, Mayor
Renee Franklin-via Telephone Conference
Larry Marshall- via Telephone Conference
Dustin Phillips-via Telephone Conference
Alfredo Valverde-via Telephone Conference
Laura Mackey-via Telephone Conference
Jason Ward-via Telephone Conference

Also Present:

Andy Wayman, City Manager
Jim Hinderaker, Assistant City Manager
Joanna King, City Secretary
Beth Fischer, Deputy City Secretary
Wes Cooper, Assistant IT Director
Cathy Morris, EDC Director
Jessica James, Incoming EDC Director

Others: Sam Shipley

I. CALL TO ORDER

Meeting called to order at 7:30 p. m. by Mayor Jerry Dittrich.

II. CITIZEN COMMENTS ON ANY AGENDA ITEM

Mayor Dittrich paused the meeting for citizen comments on any agenda item via telephone call. There were no callers.

III. MINUTES

1. Minutes of the regular meeting held February 18, 2021

Motion by Dr. Marshall, seconded by Mr. Valverde to approve the minutes of the regular meeting held February 18, 2021.

Vote on the Motion by Roll Call:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Valverde, Ms. Mackey, Mr. Ward

Noes: None

Motion carried unanimously.

IV. PRESENTATION BY MAYOR AND MEMBERS OF CITY COUNCIL

CC-2021-04 Adopt Resolution urging investigation of Texas Power Grid failure (Dr. Marshall)

Motion by Dr. Marshall, seconded by Ms. Mackey to adopt Resolution No. 2021-02 urging investigation of the Texas Power Grid failure.

Vote on the Motion by Roll Call:

Ayes: Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Valverde, Ms. Mackey, Mr. Ward, Ms. Franklin

Noes: None

Motion carried unanimously.

Resolution No. 2021-02 being **“A RESOLUTUION OF THE BENBOOK CITY COUNCIL REQUETING AN INVESTIGATION AND CORRECTIVE ACTION RELATED TO THE CATASTROPHIC FAILURE OF THE TEXAS POWER GRID ON BEHALF OF ALL CITIZENS OF BENBROOK AND THE STATE OF TEXAS.”**

V. INTRODUCTION OF NEW EMPLOYEE

1. Introduction of Jessica James, Benbrook Economic Development Director

Cathy Morris, EDC Director introduced Jessica James to City Council. Ms. James will become the EDC Director upon the near retirement of Ms. Morris.

VI. PRESENTATION BY BENBROOK ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS

EDC-2021-01 Approve Economic Development and Performance Agreement between Benbrook Economic Development Corporation and CJ Real Estate 1031 EAT, LLC (Public Hearing)

Cathy Morris gave the following report: CJ Real Estate 1031 EAT, LLC owns and operates Benbrook Plaza Shopping Center, located at 9413-9475 Benbrook Boulevard/U.S. 377 in Benbrook. Built in the 1970's, and before CJ acquired the Center in 2018, Benbrook Plaza exhibited signs of deferred maintenance and neglect, and housed several vacant retail spaces.

As part of a May 9, 2019 Economic Development and Performance Agreement between CJ Real Estate (CJ) and the Benbrook Economic Development Corporation (BEDC), CJ partnered with the BEDC to invest in physical updates and aesthetic improvements to the aging center. Within that agreement, CJ agreed to work with the BEDC to recruit desirable tenants to the Center.

The BEDC board of directors has indicated a desire to incentivize established tenants that offer a community focused business model, that create jobs and add to property and sales tax revenue, and that meet a particular retail need by offering valuable goods and services to the community. The board has had an interest in incentivizing an ACE Hardware, an independently owned neighborhood retail operation offering home and garden supplies. Incentivizing this project is authorized under the Development Corporation Act - Texas Local Government Code, Chapter 505, Section 505.157.

A Retail Leakage analysis provides a snapshot of retail opportunity within a community by showing the difference between the expected number of consumer dollars spent on specific goods and services (demand), and the actual amount spent within that community (supply). For Benbrook, the most recent data demonstrates a retail leakage factor of approximately +89 for 'Building Materials, Lawn and Garden Equipment, and Supplies,' representing a Retail Gap of greater than \$6 million, the difference between potential and actual sales.* This retail analysis coupled with anecdotal information gathered from Benbrook citizens demonstrates community support for an ACE Hardware.

At the direction of the BEDC board, staff has been in partnership with CJ Real Estate to recruit an ACE Hardware store to Benbrook Plaza. Recently, CJ Real Estate successfully negotiated and executed a lease with a local franchisee. An Economic Development and Performance Agreement, drafted in partnership with our City Attorney, highlights the following covenants of both parties.

Among other covenants, CJ Real Estate agree to:

1. Enter into an executed lease with ACE, with a term of no less than 10 years;
2. Complete improvements to Benbrook Plaza, specifically to the old Brookshire's space, and certain landlord and tenant finish-out requirements, totaling at least \$400,000, to accommodate an ACE Hardware store, no later than October 31, 2021; and,
3. Comply with all subdivision regulations, building codes, and other ordinances of the City applicable to the improvements.

BEDC agrees to:

1. Pay CJ Real Estate an amount not to exceed \$300,000 within 30 days after the improvements are complete, upon receipt of construction cost documentation.

Mayor Dittrich opened the public hearing at 7:42 p.m.

David Hafner, via telephone, spoke in favor of the item.

With not other callers or members of audience speaking, Mayor Dittrich closed the public hearing at 7:45 p.m.

Motion by Ms. Franklin, seconded by Mr. Phillips to approve Economic Development and Performance Agreement between the BEDC and CJ Real Estate 1031, EAT, LLC, to incentivize an ACE Hardware store at Benbrook Plaza Shopping Center, and to approve an adjustment to the FY2021 BEDC budget to allow \$300,000 to be made available as payment to CJ Real Estate upon completion of improvements.

Vote on the Motion by Roll Call:

Ayes: Mr. Phillips, Mayor Dittrich, Mr. Valverde, Ms. Mackey, Mr. Ward, Ms. Franklin, Dr. Marshall

Noes: None

Motion carried unanimously.

EDC-2021-02 Approve Economic Development and Performance Agreement between Benbrook Economic Development Corporation and Sam and Cynthia Shipley Family, LP and American Masonry Supply, Inc. (Public Hearing)

Jessica James gave the following report: Sam Shipley is the founder and controlling shareholder of American Masonry Supply (AMS), a manufacturer of cast stone and plaster specialty architectural elements such as ceiling domes, columns, fountains, and fireplace mantels. Mr. Shipley is interested in relocating the entire AMS manufacturing plant and retail business from Arlington, Texas to property located at 500 Winscott Road (formerly Weatherford International) in Benbrook.

Mr. Shipley is in the process of purchasing the 500 Winscott property and requests that BEDC convey at no cost the adjacent 3.61-acre BEDC-owned property, located at 5701 Old Benbrook Road, for necessary parking, outside storage, and deliveries related to operations of AMS.

Because a substantial portion of 5701 Old Benbrook Road is in the floodplain, the BEDC board of directors recognizes the limits the property poses to substantial commercial development. Understanding that the BEDC property has little stand-alone value, the BEDC board has indicated that the AMS project and proposed use of the property is desirable, and that incentivizing the AMS project by conveying the BEDC property aligns with the BEDC mission to create jobs, increase sales and property tax revenue, encourage investment in vacant buildings, and support redevelopment efforts, in particular those that enhance the Benbrook Industrial Park area.

City staff has worked with Mr. Shipley to address the unique challenges of both properties and has reached consensus on next steps. The City Attorney's office has reviewed and approved the Agreement.

Among other items, the Agreement includes the following covenants:

Duties of Shipley/AMS

1. Design, construct, and pay for all facility and site improvements related to the project, while preserving trees, as reasonable, on the BEDC property - and obtain a Certificate of Occupancy within eighteen (18) months.
2. Submit appropriate documentation allowing BEDC to seek, on behalf of Shipley, a Conditional Use Permit (CUP) for outside storage, and a Right-of-Way Encroachment agreement to utilize city right-of-way for additional employee parking, landscaping, and signage on the triangular-shaped tract abutting the northeast corner of the 500 Winscott property.
3. Operate the facility as American Masonry Supply in Benbrook for a period of no less than three (3) years; employ at least forty-four (44) full-time employees, as economic conditions permit; and remain current on all property tax payments and sales tax remittance to the state.

Duties of BEDC

1. Convey to Shipley, fee simple, the 3.61-acre BEDC-owned property located at 5701 Old Benbrook Road, at no cost.
2. Provide fill dirt from BEDC stockpile for the project, as requested by Shipley.
3. Submit application, on behalf of Shipley, for a CUP and Right-of-Way Encroachment agreement, as described above.

Mayor Dittrich opened the public hearing at 7:50 p.m.

Mr. Sam Shipley spoke in favor of the item.

With no other speakers to the item, Mayor Dittrich closed the public hearing at 7:54 p.m.

Motion by Ms. Mackey, seconded by Mr. Valverde to approve the Economic Development and Performance Agreement between the Benbrook Economic Development Corporation (BEDC) and Sam and Cynthia Shipley Family, LP, and American Masonry Supply, Inc. to convey the BEDC-owned 3.61-acre tract of land located at 5701 Old Benbrook Road to Shipley to construct and operate American Masonry Supply in Benbrook.

Vote on the Motion by Roll Call:

Ayes: Mayor Dittrich, Mr. Valverde, Ms. Mackey, Mr. Ward, Ms. Franklin, Dr. Marshall, Mr. Phillips

Noes: None

Motion carried unanimously.

VII. REPORTS FROM CITY MANAGER

A. GENERAL

G-2502 Accept finance report for period ending January 31, 2021

Rick Overgaard gave the following report: General Fund revenues for the month of January were \$3,479,275. Major revenues collected for the month include Property taxes of \$2,808,839, Franchise taxes of \$15,103, Permits of \$18,510, Fines and Forfeitures of \$44,559, Other Agency of \$82,758, and Charges for Services of \$123,189. Sales tax collected and recognized as revenue in January was \$358,452. Fiscal year to date sales tax is \$1,168,785, an increase of 4.59% over last year at this time. General Fund revenues collected through the end of January were \$12,236,486 and 57.5% of the budget. The fiscal year to date revenue through January 31st is less than the prior year because of the timing of property taxes collected. More was collected in February than the last year.

General Fund expenditures for the month of January were \$1,876,841, which includes a budgeted transfer out of \$500,000 to the Capital Asset Replacement Fund. Fiscal year to date expenditures were \$6,099,742 and 28.7% of the adopted budget.

Total General Fund revenues of \$12,236,486 were more than General Fund expenditures of \$6,099,742 by \$6,136,744.

Debt Service revenues for the month of January totaled \$1,332,633. \$98,064 was from property tax and \$1,234,569 was a transfer in from the Stormwater Fund and TIF Fund to cover their respective debt service. Fiscal year to date revenues total \$1,587,535. Debt Service payments of \$1,572,449 were made the end of January. Total revenues of \$1,587,535 exceeded total expenditures of \$1,572,449 by \$15,086.

EDC revenues through January 31, 2021, were \$599,918. EDC expenditures through the end of January were \$469,653. Total revenues exceeded total expenditures by \$130,265.

Total revenues received through January 31, 2021 were \$308,148 from stormwater utility fees, mineral lease revenue, and interest earnings. Total expenditures for the Capital Projects Fund were \$2,326,523 through the end of January, which includes the transfer out of \$1,234,569 to the Debt Service Fund for Stormwater and TIF debt service payments. January expenditures included the Clearfork Emergency Access Bridge. Total expenditures exceeded total revenues by \$2,018,375. Sufficient funds are available in the current fund balances of the Capital Projects Fund and are earmarked for the City's capital projects. This fund operates on a project basis rather than a specific fiscal year.

On January 31, 2021, the City had \$21,338,277 invested at varying interest rates; the EDC had \$5,062,305 available.

Motion by Dr. Marshall, seconded by Mr. Valverde to accept the finance report for the period ending January 31, 2021.

Vote on the Motion by Roll Call:

Ayes: Mr. Valverde, Ms. Mackey, Mr. Ward, Ms. Franklin, Dr. Marshall, Mr. Phillips, Mayor Dittrich

Noes: None

Motion carried unanimously.

G-2503 Adopt Resolution to participate in Tarrant County 2021 HOME Program

Jim Hinderaker gave the following report: The Department of Housing and Urban Development (HUD) appropriates funds to entitlement communities through the HOME Investment Partnership Block Grant (HOME) program. Tarrant County receives and administers the HOME funds on behalf of participating cities. The funds are targeted to benefit low-to-moderate income persons by providing rehabilitation for homeowner occupied, single-family dwellings. The rehabilitation program is managed by the Tarrant County Community Development (TCCD) office and individual residents work directly with TCCD.

HUD requires communities to provide a 30% match for all HOME expenditures. Benbrook is required to submit a letter and City Council resolution affirming the match as part of the application.

The maximum amount that can be spent on one house is \$24,000 and Benbrook's match is \$7,200 per home.

Benbrook is requesting HOME funding of \$50,000 with a City match of \$15,000. The City match was approved in the FY 2020/21 budget.

Motion by Mr. Valverde, seconded by Ms. Franklin to adopt the Resolution No. 2021-03 to participate in Tarrant County's 2021 HOME program and approve the proposed funding level.

Vote on the Motion by Roll Call:

Ayes: Ms. Mackey, Mr. Ward, Ms. Franklin, Dr. Marshall, Mr. Phillips, Mayor Dittrich, Mr. Valverde

Noes: None

Motion carried unanimously.

Resolution No. 2021-03 being "A RESOLUTION AUTHORIZING PARTICIPATION IN TARANT COUNTY'S HOME INVESTMENT PARTNERSHIPS PROGRAM; AND AGREEING TO MEET ALL MATCH CONTRIBUTION REQUIREMENTS FOR THE EXPENDITURE UNDER THE TARRANT COUNTY HOME INVESTMENT PARTNERSHIPS PROGRAM FOR PROGRAM YEAR 2021."

VIII. INFORMAL CITIZEN COMMENTS

Mayor Dittrich paused the meeting for any informal citizen comments via telephone conference. There were no callers.

IX. COUNCIL MEMBER AND STAFF COMMENTS

Mr. Valverde commended the Benbrook Economic Development Board for efforts in bringing new business to Benbrook.

Ms. Mackey urged citizens to continue wearing face coverings and practicing social distancing to combat the COVID-19 crisis.

Mr. Hinderaker gave update on COVID-19.

X. ADJOURNMENT

Meeting adjourned at 8:12 p.m.

APPROVED:


Jeffrey B. Dittrich, Mayor

ATTEST:


Joanna King, City Secretary