

# Minutes

January 17<sup>th</sup>, 2019 @ 6:00pm  
Special Council Meeting

## Agenda

1. Call to Order @ 1:03pm
2. Roll Call: Whitfill, McDonald, Austin, Naples and Sestito were present, Council Whitehurst was absent  
(a) Establish Quorum

## New Business

3. Four Corners Development, LLC to make presentation regarding prospective future housing development. Michael Fogle with Four Corners Development, LLC was present and made presentation. Mr. Fogle stated that the proposed development was a affordable housing for 55 and over project and they would applying for The Low-Income Housing Tax Credit (LIHTC) with the state. Mr. Fogle indicated that this was a competitive application process with a deadline of march the first. Other development details:
  - Tenants cannot earn more than 60% of the area median income (AMI); no eligible tenant will pay more than 40% of their income.
  - One Bedroom Rent Range: \$560-\$670; Two bedroom Rent Range: \$670-\$800
  - There will be a limited number of units that will be priced at market rate; non income base.
  - There is a utility allowance; however utilities are not included in rent.
  - Tenants 55 and over who have custody of their grandchildren will be disqualified
  - Development will be on a 26 acre parcel behind City Hall; they will be gifting ten of these acres back to the city; to be developed at the City's discretion. Majority of the highway frontage will be on the portion of land being donated to the City.
  - Development will sit approximately 300 feet off of highway 274
  - Currently, there is not a proposed fence around the development but they would consider it.
  - The roads are asphalt with curb and gutter and will be maintained by the development unless the City wants them dedicated.
  - There is a wide right of way and a fire lane turn around for emergency purposes
  - Development will include for tenants, a fitness center, library and computer lab
  - The property will be subject to Roll back Taxes due to the change in use but the developers will incur this cost. The donated parcel of land to the City would not be subject to rollback tax because of its tax exempt status.
  - There is a 30 year commitment to this development and although we could sell at that point we do not. We reapply for new credits for renovations.
4. Stone Leaf Companies to make presentation regarding prospective future housing development. Ben Dempsey and Mike Sugrue of Stone Leaf Companies made presentation. Mr. Dempsey stated that their company is based locally out of Mabank and that they only develop in Texas. He went on to confirm that their development was similar to the last proposal and are proposing an affordable housing for 55 and over development and they would applying for the same The Low-Income Housing Tax Credit (LIHTC) with the state. Although it is rare, Mr. Dempsey stated that it is a possibility for both developments to receive an award; Mr. Sugrue added that there are more than enough funds in our region for both developments. Other Development details:
  - Stone Leaf will be committing to this property for a minimum of 35 years
  - This development, like all of theirs, will be green certified once complete
  - Development will be on a 22 acre parcel of land on north highway 274 on the west side; they will be gifting 6.5 of these acres back to the city; to be developed at the City's discretion.
  - Currently the proposed development site is in the County but would like to submit their application with a conditional annexation proposal into the City.
    - Building Official, Jeremy Lyons added that an annexation of this type would go a long way in beginning the process of annexing the west side of the highway. He stated that currently, there is

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little on the west side that is in the City and once the bridge is complete in Gun Barrel City he believes it will push development this way and feels that the City needs to begin the annexation process in order to protect these areas that are in our city that we currently cannot govern.

- The rental costs are governed by the area median income for the County and states guidelines; same as the other proposed development.
  - The Development is proposing 72-80 units total
    - There are a certain % of units that are fully ADA complaint
  - Property management will be provided by a third party company with full involvement from developers.
    - Onsite manager will be a tenant
  - The roads are concrete with curb and gutter and will be fully maintained by Stone Leaf
  - The Development will have a club house for use by the tenants and will offer services such as: Go Bus, Tax Preparation, Dementia Counseling, Flu Shots or anything else the residents initiate.
  - The application fee to apply is between \$30 - \$60 thousand dollars and is nonrefundable and is not credited towards the project if awarded.
  - Application deadline is March 1<sup>st</sup>
  - Award time frame is end of July, first of August; if awarded, construction will begin in 2020
5. General discussion on the "Tool Turns 50" event – City Secretary Lyons stated that she and City Clerk, Leigh Anne Baker met with the AV Team at Malakoff ISD and they will be doing a promo video for the event. Event Details:
- Date – May 18<sup>th</sup> from 10:00 am – 7:00 pm
  - Live Music / Concert
  - Food Vendors (2-3 max serving different foods)
  - SPCA Adoptions
  - Car Show – Council Member Gary Sestito to organize
  - Voter Registration – Michael Fladmark is a deputy registrar
6. General discussion on future city business and planning
- Completion of Road Project - Mayor Austin stated that City Secretary Lyons had brought to her attention that the City was not currently collection all of the eligible sales tax for the City and made a recommendation to add the increase to the November ballot. Mayor Austin presented a plan to dedicate this increase to the completion of the road project. She explained that the 1% increase would generate an estimated \$125,000 of additional revenue for the City. She went on to say that she had gotten with the City's financial advisors and had them prepare an Cash Defeasance / Analysis to see determine what it would like if this additional revenue was dedicated and applied towards the current debt obligation and or to payed down and restructure current debt obligations. Council collectively expressed their support for the sales tax election and agreed to revisit bond options at a later time. City Secretary Lyons will prepare documents for formal consent of Sales Tax Election and present for approval at a later meeting.

## Closing

7. Adjourn @ 7:35 pm

Passed and approved this 21<sup>st</sup> day of February 2019



Attest:

  
Makenzie Lyons, City Secretary

  
Tawnya Austin, Mayor