



**MINUTES
OF THE
MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY, MARCH 1, 2018**

The regular meeting of the Benbrook City Council was held on Thursday March 1, 2018 at 7:30 p. m. in the Council Chambers at 911 Winscott Road with the following Council members present:

Jerry Dittrich, Mayor
Renee Franklin
Larry Marshall
Rickie Allison
Jim Wilson
Mark Washburn

Also Present:

Andy Wayman, City Manager
Joanna King, City Secretary
Jim Hinderaker, Assistant City Manager
Cathy Morris, EDC Director
Sherri Newhouse, Finance Director
Hilary Cromer, EDC Analyst

Others Present:

Bill Smith
Lynette Spence
Tammi Cauthen
and three other citizens

I. CALL TO ORDER

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

II. INVOCATION/PLEDGE OF ALLEGIANCE

Invocation given by Councilmember Renee Franklin.
The Pledge of Allegiance was recited.

III. MINUTES

1. Minutes of the regular meeting held February 15, 2018

Motion by Dr. Marshall, seconded by Mr. Allison to approve the minutes of the regular meeting held February 15, 2018.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn

Noes: None

Motion carries unanimously.

IV. PRESENTATION BY BENBROOK ECONOMIC DEVELOPMENT CORPORATION

EDC-2018-01 Approve EDC Commercial Contract for Sale to purchase property at 8909 Benbrook Boulevard for the purpose of redevelopment

Cathy Morris gave the following report: As part of the adopted Benbrook Economic Development Corporation (BEDC) Strategic Plan, the BEDC is committed to evaluating commercial properties within Benbrook to determine their highest and best use, to seek ways to improve infrastructure to promote new or expanded business enterprise, and to encourage commercial redevelopment where appropriate.

The BEDC has determined that property located at 8909 Benbrook Boulevard, and currently operating as a commercial self-storage facility, offers Benbrook Boulevard/U.S. 377 frontage land that can be readied to increase commercial development opportunity along our most prominent commercial corridor.

In September 2017, EDC sought and received City Council approval to incentivize a restaurant at this location through an Economic Development and Performance Agreement with Laramie Investments, LLC; the intended purchaser of the property at the time. Since then, Laramie was unsuccessful in securing the proposed restaurant tenant, and chose not to close on the property sale. The EDC incentive with Laramie is now void.

The BEDC board of directors instructed staff to negotiate the purchase of this commercial property, and all parties have agreed to a sale price of \$1,200,000. The Commercial Contract for Sale outlines the terms and conditions of the sale. A recent Phase I Environmental Site Assessment was conducted, and no environmental concerns were identified.

Additional funds in the amount of \$50,000.00 should be budgeted for costs associated with demolition, clean-up and incidentals.

At their February 20, 2018 regular meeting, the BEDC board conducted a public hearing on this item and received no public comment. The board approved the project and is recommending ratification by City Council.

Motion by Mr. Wilson, seconded by Mr. Washburn to approve the Commercial Contract for Sale for purchase of property located at 8909 Benbrook Boulevard for the purpose of redevelopment, and to amend the FY 2018 EDC Budget by adding \$1,200,000 for the purchase price, and an additional \$50,000 for closing costs, demolition, clean-up, and/or incidentals as necessary, for a total budget adjustment of \$1,250,000 to be available for this project.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn

Noes: None

Motion carries unanimously.

V. REPORTS FROM CITY MANAGER

G-2341 Adopt Ordinance approving an annual Rate Review Mechanism tariff filed by Atmos Mid-Tex

Sherri Newhouse gave the following report: The City of Benbrook, along with 171 other Mid-Texas Cities Served by Atmos Energy Corporation, Mid-Tex Division is a member of the Steering Committee of Cities Served by Atmos ("Cities"). In 2007, the Cities and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The Ordinance that resolved the Company's application under the RRM Tariff in 2017 also terminated the existing RRM Tariff and required a renegotiation of the terms of that tariff. Negotiations have taken place over the past several months, and have resulted in a revised RRM Tariff that has been agreed to by the Company. The Cities' Executive Committee has recommended acceptance of the revised RRM Tariff, which is attached to the Ordinance.

Cities strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues and rewarding the Company for increasing capital investment. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or recover their rate case expenses.

The RRM Tariff on which the 2017 rates were based allowed a rate of return on equity of 10.50%. The revised RRM Tariff reduces that to 9.8%. The revised RRM Tariff also captures the reduction in federal income tax rates from 35% to 21%, and should result in a rate reduction effective by mid-March 2018. Prior RRM tariffs allowed Cities only three months to review the Company's filing. The new revised Tariff expands that time period by two months. New applications by the Company should be made on or about April 1 of each year, with new rates effective October 1. A rate order from the Railroad Commission in an Atmos Texas Pipeline rate case adopted the position of Cities with regard to incentive compensation related to Atmos' Shared Services Unit that reduced allowed expenses, and that reduced level of expenses will be applicable under the new RRM Tariff.

Motion by Mr. Allison, seconded by Ms. Franklin to adopt Ordinance No. 1421 approving a tariff authorizing an annual rate review mechanism as a substitution for the annual interim rate adjustment process defined by section 104.301 of the Texas Utilities Code, and as negotiated between Atmos Energy Corp., Mid-Tex Division and the Steering Committee of Cities Served by Atmos; requiring the Company to reimburse Cities' reasonable ratemaking expenses.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn

Noes: None

Motion carries unanimously.

Ordinance No. 1421 being "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENBROOK, TEXAS, APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM ("RRM") AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., MID-TEX DIVISION ("ATMOS MID-TEX" OR "COMPANY") AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE. "

G-2342 Adopt Resolution supporting the NAS Fort Worth Joining Forces Land Use Study

Jim Hinderaker gave the following report: In December 2007, City Council adopted a Resolution accepting the Joint Land Use Study Report (JLUS) for the Naval Air Station Joint Reserve Base (NAS-JRB) and supporting related community

initiatives. City Council adopted the report as part of a regional effort to prevent encroachment and to promote compatible land use by the cities of Benbrook, Fort Worth, Lake Worth, River Oaks, Westworth Village, and White Settlement, as well as Tarrant County. The report also established an oversight committee now known as the Regional Coordination Committee (RCC).

Since adoption of the JLUS, staff has worked to implement the study's recommended goals including amendments to city zoning ordinances, subdivision regulations and building codes. Staff routinely works with RCC to review projects that may affect the NAS-JRB. In 2014, City Council adopted the "NAS" Overlay District to encourage compatibility in areas with noise exposure of 65 decibels (dB) or higher based on the adopted Air Installation Compatible Use Zone (AICUZ) for the installation.

In 2016, the North Central Texas Council of Governments (NCTCOG), with a grant from the Department of Defense Office of Economic Adjustment, retained a consultant (AECOM) to prepare an update of the JLUS. The 2017 Joint Land Use Study, *Joining Forces*, builds upon the Joint Land Use Study to include study areas in all of northern Texas such as the Naval Air Station Fort Worth Joint Reserve Base; Redmond Taylor Army Heliport (RTAHP); Fort Wolters Training Center; Camp Maxey Training Center; Eagle Mountain Training Center; Brownwood and Brady Military Operating Areas; and Colonel Stone Army Reserve Center.

The JLUS update is a culmination of a yearlong collaborative effort among local, state and regional jurisdictions. The JLUS update recommends increased awareness of the security and safety risks associated with drones/unmanned aircraft systems (UAS) operations, communication with communities surrounding military installations, monitoring developments near installations to determine compatibility and coordination, and implementing and pursuing compatible State legislation.

Motion by Dr. Marshall, seconded by Mr. Wilson to approve Resolution No. 2018-02 supporting the implementation of the *Joining Forces*, Joint Land Use Study.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn

Noes: None

Motion carries unanimously.

Resolution No. 2018-02 being **"RESOLUTION SUPPORTING THE IMPLEMENTATION OF JOINING FORCES, A JOINT LAND USE STUDY**

VI. INFORMAL CITIZEN COMMENTS

Lynette Spence invited the community to the 2018 Business Expo hosted by the Benbrook Chamber of Commerce and the Benbrook Economic Development Corporation. The expo will be held on Thursday, March 8, 2018 from 4:30 p.m. to 7:30 p.m. at High Ridge Church, 10100 Rolling Hills Drive.

VII. COUNCIL MEMBER AND STAFF COMMENTS

Councilmember Renee Franklin reminded citizens of the Household Hazardous Waste Collection event to be held March 10, 2018.

VIII. ADJOURNMENT

Meeting adjourned at 7:45 p.m.

APPROVED:


Jerry B. Dittrich, Mayor

ATTEST:


Joanna King, City Secretary