



**NOTICE OF WORK SESSION AGENDA  
LANCASTER CITY COUNCIL**

**James R. Williams Pump Station  
Training Room, 1999 Jefferson**



**Monday, March 19, 2012 – 7:00 P.M.**

**DEFINITIONS:**

**Written Briefing:** Items that generally do not require a presentation or discussion by the staff or Council. On these items, the staff is seeking consent from the Council or providing information in a written format.

**Verbal Briefing:** These items do not require extensive written background information or are an update on items previously discussed by the Council.

**Regular Item:** These items generally require discussion between the Council and staff, boards, commissions, or consultants. These items may be accompanied by a formal presentation followed by discussion and direction to the staff.

**[Public comment will not be accepted during Work Session  
unless Council determines otherwise.]**

Item	Key Person
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**Regular Items:**

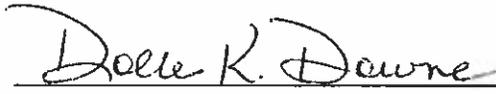
1. Receive a presentation and discuss the Fiscal Year 2010/2011 Audited Annual Financial Report by BKD, LLP and the Finance Director. **Haynes**
2. Discuss an ordinance amending the Code of Ordinances, Article 3.7000 Property Maintenance code, by amending Section 3.7002, Exceptions and Amendments, by amending Section 111.2 Membership Board, of the International Property Maintenance Code, 2006 Edition, by adding a new Section 111.2 of said International Code providing for appeals to the Municipal Court; providing notice of meeting; providing for court decision; and providing for appeal to District Court of Dallas County, Texas. **Stringfellow Govan / King**
3. Discuss the potential creation of a Tax Increment Finance District along the Interstate 35E corridor. **Brady / Barnett**
4. Discuss a financial overview of the Economic Development Corporation Fund (Type 4A) and the Hotel/Motel Fund. **Mauldin Robertson**
5. Receive and discuss a presentation on the Fiscal Years 2012/2017 Capital Improvement Program (CIP) Overview and presentation of the Airport Fund. **Mauldin Robertson**

**EXECUTIVE SESSION:** The Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the TEXAS GOVERNMENT CODE to seek legal advice concerning such subject.

**ACCESSIBILITY STATEMENT:** The Municipal Center is wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

### Certificate

I hereby certify the above Notice of Meeting was posted at the Lancaster City Hall on March 15, 2012 @ 5:00pm and copies thereof were hand delivered to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.

  
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Dolle K. Downe, TRMC  
City Secretary

**LANCASTER CITY COUNCIL**  
**Work Session Agenda Communication for**  
**March 19, 2012**

**1**

WS12-001

**Receive a presentation and discuss the Fiscal Year 2010/2011 Audited Annual Financial Report by BKD, LLP and the Finance Director.**

**This request supports the City Council 2011-2012 Policy Agenda.**

**Goal: Financially Sound City Government**

**Background**

The purpose of this agenda item is to formally submit a document titled "Draft" Annual Financial Report for the fiscal year ended September 30, 2011 to the City Council. After presentation to the Council, the document will be finalized and printed for distribution. The report is distributed to numerous financial institutions, bond rating agencies, the City's financial advisors, and grantors to comply with financial disclosure requirements. This report is designed to provide readers with an understanding of the financial status of the City and its results of operations.

The City engaged the independent certified public accounting firm BKD, LLP to perform the annual audit of the City of Lancaster and its component units. This is the first year of a three year contract. The audit fieldwork began in January and concluded in February, 2012. The City staff and BKD worked closely to ensure all requests and deadlines were met to accomplish this goal.

**Considerations**

No action is required by the City Council. Upon receipt of the final version of the Annual Financial Report with Management Letter Comments, the City Secretary will make the Annual Financial Report a part of the public records of the City of Lancaster.

**Attachments**

The "Draft" Annual Financial Report for the fiscal year ended September 30, 2011 will be distributed at the meeting.

**Prepared and submitted by:**  
Sheree Haynes, Director of Finance

**Date:** March 7, 2012

**LANCASTER CITY COUNCIL**  
Work Session Agenda Communication for  
March 19, 2012

**2**

WS12-002

**Discuss an ordinance amending the Code of Ordinances, Article 3.7000 Property Maintenance Code, by amending Section 3.7002, Exception and Amendments, by amending Section 111.2 Membership of Board, of the International Property Maintenance Code, 2006 Edition, by adding a new Section 111.2 of said International Code providing for appeals to the Municipal Court; providing notice of meeting; providing for court decision; and providing for appeal to District Court of Dallas County, Texas.**

**This request supports the City Council 2011-2012 Policy Agenda.**

**Goal: Healthy, Safe and Vibrant Neighborhoods**

**Background**

This agenda item addresses the recent Texas Supreme Court ruling *Stewart vs. City of Dallas* that began a movement by municipalities to determine what method cities should use to consider future substandard building cases. The history of municipal authority to decrease the amount of substandard structures derives from a combined application of Chapters 214 and 54 of the Texas Local Government Code. Historically, cities have used one of three methods for the substandard building abatement process.

1. Adopt an ordinance under Chapter 214 relating to the condition of structures in the City and provide for a notice and public hearing before the City Council, an appointed property standards and appeals board, or the city's municipal court acting in a civil capacity.
2. Bring a civil action under Chapter 54 in the Dallas County District court or the City's Municipal Court of Record to make a judicial determination that a structure is substandard.
3. Provide for an alternative enforcement process under Section 54.044 by creating an administrative adjudication hearing under which an administrative penalty may be imposed for the enforcement of a substandard structure ordinance.

The *Stewart vs. City of Dallas* case involved a property that fell into disrepair, was inhabited by homeless persons, and had numerous code violations. The City of Dallas' Property Standards and Appeals Board determined that the house was a nuisance and ordered its demolition. Before the demolition, the owner appealed the board's decision to district court. The appeal did not delay the demolition, and the house was demolished. After the appeal was heard by the Supreme Court, it was decided that the home was not a public nuisance, that the demolition was a "taking" by the City of Dallas and awarded the owner damages.

Chapter 214 does not identify a specific administrative body to make a nuisance determination, but does authorize a city the use of the municipal court to act in a civil capacity. Chapter 54 authorizes a city to create a board to determine violations of public safety ordinances like those in Chapter 214. The Texas Supreme Court added: *"the nuisance determination made by a judge rather than an appointed administrative body is a more constitutional necessity"*.

Any substandard case brought in the past before the appointed property standards and appeals board followed the prescribed steps as outlined: (1) Identify substandard structures based upon minimum standards; (2) Provide a notice of public hearing; (3) hold a public hearing; (4) Make a determination; and (5) Give the property owner the right of an appeal. All future cases would follow the same prescribed guidelines to determine if a structure is substandard and a nuisance.

The proposed ordinance places the municipal judge as the authority to consider cases independently and make a ruling rather than the Property Standards and Appeals Board. This amendment repeals, in its entirety, the Property Standards and Appeals Board.

### **Considerations**

- **Operational** - The Building Inspections Division is primarily responsible for identifying properties within the City that are substandard. This Division will continue to identify nuisance properties, determine them substandard, and schedule cases with the Municipal Court. Building Inspections staff would continue to follow the prescribed statutory requirements in providing a notice of the public hearing at the City's Municipal Court of Record. The Municipal Court will now oversee the process of scheduling cases, holding the hearing in accordance with the Texas Local Government Code, and providing a final determination. Additionally, the City Attorney's office has assigned the Prosecutor to review and/or defend the City's position in the cases brought before the Municipal Court judge. The property owner would further have the right to appeal the decision of the Municipal Court Judge in the Dallas County District Court.

If the ordinance is adopted, the City Secretary's office would notify members of the Property Standards and Appeals Board regarding the amendment to the ordinance and dissolution of the board, thank members for their service on the board, and

encourage submission of an application to be considered for another City board or commission.

- **Legal** - The City Attorney has prepared the attached draft ordinance.
- **Financial** - There is no financial impact with the passage of this ordinance.
- **Public Information** - There are no public information requirements.

### **Recommendation**

Staff is seeking direction from City Council regarding moving forward with this ordinance. Staff recommends adoption of the ordinance as presented at the March 26, 2012 City Council meeting.

### **Attachments**

- Ordinance

**Prepared and submitted by:**  
Larry King, Assistant Building Official

**Date:** March 6, 2012

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING CHAPTER 3, BY AMENDING SECTION 3.7002, EXCEPTION AND AMENDMENTS, BY AMENDING THE SECTION 111.2 MEMBERSHIP OF BOARD, OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE, 2006 EDITION, BY ADDING A NEW SECTION 111.2 OF SAID INTERNATIONAL CODE PROVIDING FOR APPEALS TO THE MUNICIPAL COURT; PROVIDING NOTICE OF MEETING; PROVIDING FOR COURT DECISION; PROVIDING FOR APPEAL TO DISTRICT COURT OF DALLAS COUNTY, TEXAS THERETO; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That Chapter 3 of the Lancaster Code of Ordinances be, and the same is, hereby amended by repealing Article 3.7000, Property Maintenance Code, Exceptions and Amendments to Section 111.2 by adding a new Section 111.2 to Section 3.7002, Appeals to Municipal Court Membership of Board in its entirety, which shall read as follows:

**“ARTICLE 3.7000 PROPERTY MAINTENANCE CODE**

.....

**Sec. 3.7002. Exceptions and Amendments**

.....

**“\*\*Section 111.2 Membership of Board,** Delete as written and replace with the new Section 111.2 Appeal to Municipal Court as follows;

**Appeals to Municipal Court**

- (a) Any reason directly affected by a decision of the code official or a notice or order issued under this code shall have the right to appeal to the City of Lancaster Municipal Court, hereinafter referred to as the “Court”, provided that a written application for appeal is filed within 20 days after the day the decision, notice or order was served. An application for appeal shall be based on a claim that the true intent of this code or the rules legally

adopted there under have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means.

- (b) Membership, rules and procedures of the Court shall be those as determined by the Court in accordance with state law unless otherwise so stated herein.
  - (1) Postponed hearing. When a party seeks a postponement in accordance with the rules of the court based on good cause.
- (c) Notice of meeting. The court shall convene upon notice from the code official within 20 days of the filing of an appeal, or at stated periodic sessions of the court. Notice of any meeting shall be given to the public in accordance with the requirements of the rules of the court.
- (d) Open hearing. All hearings before the court shall be open to the public in accordance with state law. The appellant, the appellant's representative, the code official and any person whose interests are affected shall be given an opportunity to be heard.
- (e) Court decision. The court may grant an extension of time to make all repairs and improvements necessary to meet code requirements, enforce the recommendation of the official, or reverse the decision of the code official, or may order the repair or removal of the structure or destruction.
  - (1) Records and copies. The decision of the court may be recorded. Copies shall be furnished to the appellant and to the code official upon request.
  - (2) Administration. The code official shall take immediate action in accordance with the decision of the board.
- (f) Court review. Any person, whether or not a previous party of the appeal, shall have the right to apply to the district court for an appeal de novo. Application for review shall be made in the manner and within 30 days following the decision and order of the Court.
- (g) Stays of enforcement. Appeals of notice and orders (other than Imminent Danger notices) shall stay the enforcement of the notice and order until the appeal is heard by the district court.

.....”

**SECTION 2.** That all provisions of the Ordinances of the City of Lancaster, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 3.** That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, or of the Code of Ordinances, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said

ordinance or the Code of Ordinances, as amended hereby, which shall remain in full force and effect.

**SECTION 4.** That this ordinance shall take effect immediately from and after its passage as the law and charter in such cases provide.

**DULY PASSED** by the City Council of the City of Lancaster, Texas, this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**APPROVED:**

\_\_\_\_\_  
MARCUS E. KNIGHT, MAYOR

**ATTEST:**

\_\_\_\_\_  
DOLLE K. DOWNE, CITY SECRETARY

**APPROVED AS TO FORM:**

\_\_\_\_\_  
ROBERT E. HAGER, CITY ATTORNEY  
(REH.mpm)

**LANCASTER CITY COUNCIL**  
**Work Session Agenda Communication for**  
**March 19, 2012**

**3**

WS12-003

**Discuss the potential creation of a Tax Increment Finance District  
along the Interstate 35E corridor.**

**This request supports the City Council 2011-2012 Policy Agenda.**

**Goal: Quality Development**

**Background**

This discussion item was directed by City Council during the June 2011 Strategic Planning session. Interstate 35E is a major corridor between the cities of Lancaster and DeSoto. This corridor produces thousands of trips daily by residents, visitors, and people passing through both cities. The properties along this corridor serve as an indicator of the quality of developments within the cities. Many of these properties have deteriorated over the years and leave a less-than-desirable impression of the cities as a whole. Several approaches have been utilized in attempting to improve the appearance of this corridor. Zoning changes, the requirements of Specific Use Permits (SUP), and enhanced landscaping requirements have all been put into place to upgrade the area. The most recent suggestion has been to create a Tax Increment Finance/Tax Increment Reinvestment Zone (TIF/TIRZ) district along the corridor for both cities.

Staff has done research into the process for creating a TIF/TIRZ and how they operate. Defining the zone's geographical boundaries is the first step in creating a TIF. TIF/TIRZs can only be initiated by a city. Two processes can begin this initiation. The first process for initiation is by the City Council voting to begin a TIF for a designated area. This area must meet one of three criteria, a) the condition of the area must substantially impair the city's growth, retard the provision of housing, or constitute an economic or social liability, b) the area's growth suffers from obsolete platting, deteriorating structures, or other factors or c) the area is adjacent to a "federally assisted new community". The second process of initiation is for a petition to be submitted by property owners that comprise at least 50% of an affected area, who wish to become part of a TIF/TIRZ.

TIF/TIRZs primarily serve as an Economic Development tool. These districts invest the increased tax revenue generated by the improvements in the area back into the designated TIF/TIRZ district to further improve the infrastructure that will in turn attract more development to the area. Because of the need to determine the amount of the increased revenue, it is necessary to determine the property values of each property within a TIF/TIRZ district, the base revenues received from each property, and the

increased revenue generated by each property. It is important to note that only the increased municipal taxes are typically reinvested into the district and not other taxes generated by the properties such as school district, county or other special district taxes unless they consent to participate. Since many of these districts do not include schools, most school districts decline to participate. This lessens the potential revenue that a TIF/TIRZ district could generate. Other factors that must be considered include how to initially fund the infrastructure improvements for a TIF/TIRZ district (bonds vs. pay-as-you-go), the ability of developments to be successful in the area which will increase property values and attract other developers to the area, and the realization that if an economic downturn occurs the reverse effect can happen where property values decrease as oppose to increase. All of these factors along with detailed analysis must be considered prior to the creation of a TIF/TIRZ district.

A project of this magnitude would involve staffing from Planning, Economic Development, Finance, Public Works, Engineering, and the City Manager's Office. This is because a TIF district requires a detailed list of estimated project costs, a list of all proposed public works or improvements within the zone, an economic feasibility study, estimated amount of bonded indebtedness to be incurred, the current appraised value of taxable real property in the zone, and the duration of the zone. This must occur prior to a TIF district being approved by the Council.

### **Considerations**

The Senior Planner and Economic Development Director will provide a presentation on research findings and recommendations related to the TIF/TIRZ feasibility for the City of Lancaster and possible joint collaboration with the City of Desoto. This presentation is for informational purposes and staff is seeking direction from City Council.

- **Operational** - If this item were approved for additional study, the Planning Division in collaboration with the Economic Development Department would further analyze the feasibility of a TIF/TIRZ district for the Interstate 35E corridor.
- **Legal** - There are no legal considerations at this time.
- **Financial** - Although there are no financial considerations with this analysis, further analysis would have economic ramifications associated with a TIF/TIRZ district.
- **Public Information** - There are no public notices required for action on this item.

**Prepared and submitted by:**  
Nathaniel Barnett, Senior Planner

**Date:** March 6, 2012

**LANCASTER CITY COUNCIL**  
**Work Session Agenda Communication for**  
**March 19, 2012**

**4**

WS12-004

**Discuss a financial overview of the Economic Development Corporation Fund (Type 4A) and the Hotel/Motel Fund.**

**This request supports the City Council 2011-2012 Policy Agenda.**

**Goal: Financially Sound City Government**

As we prepare for the FY 2012/2013 budget, the City Manager's Office will present a five year financial overview of each of the City funds. This presentation will include discussion on the revenues, expenditures, and various distinctions of the separate funds used by the City. For this work session, the City Manager will present the summaries of the Type 4A Economic Development Fund and the Hotel/Motel Fund.

The Economic Development Corporation (Type A) is funded by a 0.25% sales tax. Expenditures from the fund include costs associated with economic development projects of the City, including the administration of the Lancaster Economic Development Corporation, business incentives, and marketing/promotional items.

The Hotel/Motel Tax Fund is funded by a Hotel Occupancy Tax that is imposed on the price of a hotel room. The expenditures from this fund are associated with costs that promote tourism for the City, and operations and maintenance of the Lancaster Visitors Center.

**Prepared and submitted by:**  
Opal Mauldin Robertson, City Manager

**Date:** March 19, 2012

**LANCASTER CITY COUNCIL**  
**Work Session Agenda Communication for**  
**March 19, 2012**

**5**

WS12-005

**Receive and discuss a presentation on the Fiscal Years 2012-2017  
Capital Improvement Program Overview and presentation of the  
Airport Fund.**

**This request supports the City Council 2011-2012 Policy Agenda.**

**Goal: Financially Sound City Government**

A capital budget is a multi-year tool with a five year financial and work program. The project funding within a capital budget does not expire at the conclusion of each fiscal year as with an operating budget. Each year the Capital Improvement Program is revised and readopted in accordance with that fiscal year's budget process. The Capital Improvement Program is funded utilizing various funding such as: debt issuance, operating fund transfers, grants, partner agency funding, developer contributions and interest earnings.

As a part of the FY 2012/2013 budget process, the City Manager's Office will present a financial overview of the proposed Capital Improvement Program (CIP). This presentation will provide an overview of the CIP budget by fund on a monthly schedule similar to the budget review process. The Airport will be the first CIP fund presented.

**Prepared and submitted by:**  
Opal Mauldin Robertson, City Manager

**Date:** March 19, 2012