

ROCKWALL CITY COUNCIL REGULAR MEETING **Monday, August 21, 2023 - 5:00 PM** **City Hall Council Chambers - 385 Goliad St., Rockwall, TX 75087**

I. CALL PUBLIC MEETING TO ORDER

Mayor Johannesen called the public meeting to order at 5:00 p.m. Present were Mayor Trace Johannesen, Mayor Pro Tem Anna Campbell and Councilmembers Sedric Thomas, Mark Moeller, Clarence Jorif, Dennis Lewis and Tim McCallum. Also present were City Manager Mary Smith, Assistant City Manager Joey Boyd and City Attorney Frank Garza. Mayor Johannesen read the below-listed discussion items into the record before recessing the public meeting to go into Executive Session.

II. EXECUTIVE SESSION.

THE CITY OF ROCKWALL CITY COUNCIL WILL RECESS INTO EXECUTIVE SESSION TO DISCUSS THE FOLLOWING MATTER(S) AS AUTHORIZED BY CHAPTER 551 OF THE TEXAS GOVERNMENT CODE:

1. Discussion regarding (re)appointments to city regulatory boards and commissions, including conducting applicant interviews, pursuant to §551.074 (Personnel Matters)

III. ADJOURN EXECUTIVE SESSION

Council adjourned from Ex. Session at 6:00 p.m.

IV. RECONVENE PUBLIC MEETING (6:00 P.M.)

Mayor Johannesen reconvened the public meeting at 6:00 p.m.

V. INVOCATION AND PLEDGE OF ALLEGIANCE - MAYOR TRACE JOHANNESSEN

Mayor Johannesen delivered the invocation and led the Pledge of Allegiance.

VI. APPOINTMENT ITEMS

1. Appointment with Planning & Zoning Commission representative to discuss and answer any questions regarding planning-related cases on the agenda.

Derek Deckard, Chairman of the P&Z Commission, briefed Council on recommendations of the Commission relative to planning-related agenda items on tonight's meeting agenda. Council took no action following Mr. Deckard's comments.

VII. OPEN FORUM

Mayor Johannesen explained how Open Forum is conducted, asking if anyone would like to come forth and speak at this time. There being no one indicating such, he then closed Open Forum.

VIII. TAKE ANY ACTION AS A RESULT OF EXECUTIVE SESSION

Council took no action as a result of Ex. Session.

IX. CONSENT AGENDA

1. Consider approval of the minutes from the August 7, 2023 regular city council meeting, and take any action necessary.

2. **Z2023-031** - Consider a request by Manuel Tijerina for the approval of an ordinance for a *Specific Use Permit (SUP)* for *Residential Infill in an Established Subdivision* for the purpose of constructing a single-family home on a 0.248-acre parcel of land identified as Lot 13, Block A, Highridge Estate Subdivision, City of Rockwall, Rockwall County, Texas, zoned Single-Family 10 (SF-10) District, addressed as 709 Forest Trace, and take any action necessary (**2nd Reading**).
3. Consider an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation, Mid-Tex Division regarding the 2023 Rate Review Mechanism filing, adopting tariffs as part of the settlement, and take any action necessary.
4. Discuss and consider review and acceptance of a "Certificate of Insufficiency" related to a local option election petition circulated within the City of Rockwall, and take any action necessary.
5. Consider approval of an emergency repair performed by Bluefrog Plumbing in the amount of \$43,897 for plumbing repairs at the Rockwall Police Department, amending the FY 23 Internal Operations Department Operating Budget for the same amount, utilizing General Fund Reserves, and take any action necessary.

Councilmember Moeller pulled item #4 for further discussion. Councilmember Jorif moved to approve the remaining Consent Agenda items (#s 1, 2, 3 and 5). Councilmember Thomas seconded the motion. The ordinance captions were read as follows:

**CITY OF ROCKWALL
ORDINANCE NO. 23-42
SPECIFIC USE PERMIT NO. S-309**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, AMENDING THE UNIFIED DEVELOPMENT CODE (UDC) [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AS PREVIOUSLY AMENDED, SO AS TO GRANT A SPECIFIC USE PERMIT (SUP) FOR *RESIDENTIAL INFILL IN AN ESTABLISHED SUBDIVISION* TO ALLOW THE CONSTRUCTION OF A SINGLE-FAMILY HOME ON A 0.248-ACRE PARCEL OF LAND, IDENTIFIED AS LOT 13, BLOCK A, HIGHRIDGE ESTATES ADDITION, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS; AND MORE SPECIFICALLY DESCRIBED AND DEPICTED IN *EXHIBIT 'A'* OF THIS ORDINANCE; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

**CITY OF ROCKWALL
ORDINANCE NO. 23-43**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2023 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

The motion to approve the items passed by a vote of 7 ayes to 0 nays.

Regarding Consent Agenda item #4, Councilmember Moeller expressed that this (location option election) petition was an important one that a lot of work went into, and it warrants additional explanation. Councilmember Moeller went on to point out some of the main points contained within the "Certificate of Insufficiency." He did so, and an image of the actual Certificate of Insufficiency is hereby inserted in the minutes as follows:

**CERTIFICATE OF INSUFFICIENCY OF PETITION
FOR LOCAL OPTION ELECTION**

I Kristy Teague, City Secretary of the City of Rockwall, Texas, hereby certify that:

The initiative petition proposing that a local option election be called in accordance with the terms and provisions of Title 17, Chapter 277 of the Texas Election Code in the City of Rockwall to allow the "legal sale of all alcoholic beverages for off-premise consumption only" was filed with the City Secretary on July 18, 2023.

At the time of filing, the Petition was comprised of **951 pages** containing **8,729 signatures**.

In accordance with the Section 501.032 of the Texas Election Code, the number of signatures required for a sufficient local option election petition is thirty-five percent (35%) of the qualified voters in the most recent gubernatorial election. Per the last gubernatorial election, the number of registered voters of the City of Rockwall who voted in the most recent gubernatorial election was: 18,786, therefore the **petitioner was required to provide 6,576 valid signatures**.

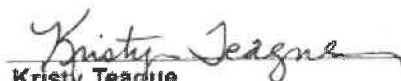
Based on verification against the voter registration rolls obtained from Rockwall County, I have determined the following facts regarding this local option Petition.

The raw-count number of signatures filed with the Petition was 8,729. The required number of valid signatures is 6,576. Based on the review of every Petition and line, it has been determined that the petition does *not* meet the requirement for the minimum number of signatures of valid voters, based on the required minimum of 6,576 valid signatures. Of the signatures submitted and checked, 2,481 of the Petition lines were disqualified. The reasons for the Petition lines being disqualified are as follows: (1) on account of bearing signature of persons not living in the City of Rockwall, 458 Petition lines were disqualified; (2) on account of bearing signature of persons not on the voter list, 618 Petition lines were disqualified; (3) on account of required Petition information not being provided, 393 Petition lines were disqualified; and (4) on account for signatures not matching Rockwall County Election records, 1012 Petition lines were disqualified. The remaining 6,248 Petition lines were validated as providing the required information.

Based on the above, the Petition is determined to be insufficient by at least 328 qualified entries.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Rockwall on this the 8th day of August, 2023.




Kristy Teague
City Secretary – Rockwall, TX

Councilmembers thanked staff for their hard work and efforts towards showing impartiality and towards verifying the signatures on the petition. City Secretary, Kristy Teague thanked the entire team of city staff who assisted with the efforts, pointing out that staff from several different city departments came together to help with the verification. Following brief, additional comments, Councilmember Lewis moved to approve Consent Agenda item #4. Councilmember Thomas seconded the motion, which passed by a vote of 7 ayes to 0 nays.

X. PUBLIC HEARING ITEMS

1. **Z2023-033** - Hold a public hearing to discuss and consider a request by Dennis and Melissa Cain for the approval of an ordinance for a Specific Use Permit (SUP) for *Residential Infill Adjacent to an Established Subdivision* for the purpose of allowing the construction of a single-family home on a 12.00-acre tract of land identified as Tracts 8-01 & 8-02 of the W. T. DeWeese Survey, Abstract No. 71, City of Rockwall, Rockwall County, Texas, zoned Agricultural (AG) District, addressed as 803 Dalton Road, and take any action necessary (1st Reading).

Planning Director, Ryan Miller provided background information concerning this agenda item. The applicant is wanting to construct a 9,436 square foot single family and an 862 square foot guest quarters/secondary living unit. This property is directly adjacent to The Shores North subdivision. Council is being asked to look at the size, location and architecture of what is being proposed in this case compared to the existing, surrounding housing product(s) in the area. The proposed guest quarters is substantially smaller than what the city's regulations allow for, and the proposed home and guest quarters do meet all of the city's zoning requirements. In addition, ninety-two notices were sent out to adjacent property and home owners located within 500' of the subject property. One notice was received back in favor, and one was received back in opposition. A third notice was received, but it was unclear if it was 'for' or 'against' the proposed home and guest quarters. In addition, the city's P&Z Commission approved a motion to recommend approval of this SUP request by a vote of 5 to 0 , with one commissioner (Hustings) being absent.

Mayor Johannesen opened the public hearing, asking if anyone would like to come forth and speak at this time. There being no one indicating such, he then closed the public hearing.

Councilmember McCallum briefly commented and then moved to approve Z2023-033. Councilmember Moeller seconded the motion. The ordinance caption was read as follows:

**CITY OF ROCKWALL
ORDINANCE NO. 23-XX
SPECIFIC USE PERMIT NO. S-2XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, AMENDING THE UNIFIED DEVELOPMENT CODE (UDC) [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AS PREVIOUSLY AMENDED, SO AS TO GRANT A SPECIFIC USE PERMIT (SUP) FOR *RESIDENTIAL INFILL ADJACENT TO AN ESTABLISHED SUBDIVISION* TO ALLOW THE CONSTRUCTION OF A SINGLE-FAMILY HOME AND GUEST QUARTERS/SECONDARY LIVING UNIT ON A 12.00-ACRE TRACT OF LAND, IDENTIFIED AS TRACTS 8-01 & 8-02 OF THE W.T. DEWEESE SURVEY, ABSTRACT NO. 71, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS; AND MORE SPECIFICALLY DESCRIBED AND DEPICTED IN *EXHIBIT 'A'* OF THIS ORDINANCE; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

The motion passed by a vote of 7 ayes to 0 nays.

2. **Z2023-034** - Hold a public hearing to discuss and consider a request by Dakota, Claire, Austen, and Sara Brewer for the approval of an ordinance for a Zoning Change from a Single-Family Estate 4.0 (SFE-4.0) District to a Single-Family 1.5 (SFE-1.5) District for a 5.24-acre tract of land identified as a Tract 4-2 of the W. W. Ford Survey, Abstract No. 80 and a 2.41-acre portion of Tract 4-06 of the W.W. Ford Survey, Abstract 80, City of Rockwall, Rockwall County, Texas, zoned Single-Family Estate 4.0 (SFE-4.0) District, addressed as 626 Cullins Road, and take any action necessary (1st Reading).

Planning Director, Ryan Miller provided background information concerning this agenda item. Earlier this year there was a zoning case to change this property from AG to a "Single-Family 4.0 District" so that the applicant at that time could put this into one, single property. However, the property has since changed ownership, and the new owner would like to change the zoning so that it can be subdivided into three, separate land parcels. The

subdivision plan that was submitted related to this request did not meet the city's lot depth requirements, so a variance was required. So, the applicant had to go before the city's Board of Adjustments, and the BOA did ultimately grant the request back in July of this year. The area is designated for low-density (2.5 units per acre), residential land uses. It allows for one dwelling unit per 1.5 acres. All other aspects of the case are conforming to the city's Comprehensive Plan. The P&Z Commission did vote 5 to 0 to recommend approval of this case to the City Council. In addition, city staff sent out 11 property owner notices to those living within 500 feet of the subject property. However, staff has not received any notices in return.

Mayor Johannesen opened the public hearing and asked if anyone would like to speak at this time. No one indicated such, so he closed the public hearing.

Councilmember McCallum sought and received brief clarification from Mr. Miller regarding how the property will be subdivided into three lots and which direction each lot will face. McCallum then moved to approve Z2023-034. Councilmember Lewis seconded the motion. The ordinance caption was read as follows:

**CITY OF ROCKWALL
ORDINANCE NO. 23-XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, AMENDING THE UNIFIED DEVELOPMENT CODE [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL, AS HERETOFORE AMENDED, SO AS TO APPROVE A CHANGE IN ZONING FROM A SINGLE-FAMILY ESTATE 4.0 (SFE-4.0) DISTRICT TO A SINGLE-FAMILY ESTATE 1.5 (SFE-1.5) DISTRICT FOR A 5.24-ACRE TRACT OF LAND IDENTIFIED AS A TRACT 4-2 OF THE W. W. FORD SURVEY, ABSTRACT NO. 80, AND A PORTION OF TRACT 4-06 OF THE W.W. FORD SURVEY, ABSTRACT 80, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AND BEING MORE SPECIFICALLY DESCRIBED AND DEPICTED IN EXHIBIT 'A' AND EXHIBIT 'B' OF THIS ORDINANCE; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

The motion passed by a vote of 7 ayes to 0 nays.

3. **Z2023-035** - Hold a public hearing to discuss and consider a request by Renee Ward, PE of Weir & Associates, Inc. on behalf of Conor Keilty, AIA of Structured REA-Rockwall Land, LLC for the approval of an ordinance for a Specific Use Permit (SUP) amending Ordinance No. 22-52 [S-287] for a *Golf Driving Range* on an 7.955-acre tract of land being portions of a larger 18.131-acre tract of land and a 12.868-acre tract of land identified as Tract 22 & 22-2 of the R. Irvine Survey, Abstract No. 120, City of Rockwall, Rockwall County, Texas, zoned Commercial (C) District, situated within the IH-30 Overlay (IH-30 OV) District, generally located near the terminus of Fit Sport Life Boulevard, and take any action necessary (1st Reading).

Planning Director, Ryan Miller provided background information concerning this agenda item. This property is located in the southeast corner of Stodghill Road and the IH-30 frontage road. It is currently zoned "Commercial." In October of 2022, the applicant sought and received approval for an SUP for a golf driving range. Along with that, the applicant was proposing an entertainment venue consisting of two restaurants, a bowling alley and arcade venue, rooftop garden, a green space with kids' playground, and a golf driving range. The applicant is coming back at this time to make some minor modifications to the original plan.

The applicant has submitted a revised concept plan for an entertainment venue that will consist of Outdoor Commercial Amusement, Restaurants, Banquet Facility/Event Hall, and a Golf Driving Range. The concept plan shows that the facility will incorporate two (2) restaurants (i.e. Culinary Wise Food Hall and the Nodding Donkey) consisting of 12,333 SF, an event / banquet space consisting of 5,248 SF, a kid's playground and family green space consisting of 18,000 SF, a 27,500 SF Outdoor Commercial Amusement space (i.e. Mini-Golf), and a Golf Driving Range consisting of 154,900 SF. The proposed facility will be three (3) stories in height and incorporate

370 parking spaces. In addition, the 1 Golf Driving Range will extend 200-yards and be enclosed using nets that will be supported with poles that will be 175-feet in height.

Nine notices were sent out to property owners and occupants located within 500' of the subject property, but no responses were received by staff. In addition, the city's P&Z Commission did recommend approval of this request by a vote of 5 to 0.

Mayor Johannesen opened the public hearing, asking if anyone would like to speak at this time. There being no one indicating such, he then closed the public hearing.

The applicant, Renee Ward (2201 E. Lamar Blvd.), briefly came forward and indicated she is happy to answer any questions Council may have. Councilmember Thomas asked when the venue is expected to open. The owner himself then came forth and briefly spoke, explaining that financing has been interesting; however, they are hoping to hit "fourth quarter" of 2024. They are currently fundraising, but the bank has approved it and the USDA has approved it. Right now, the hardest part is raising the funds. Councilmember Thomas expressed the belief that this will be a fun, family-friendly venue that will generally be an asset to the community.

Councilmember Jorif then moved to approve Z2023-035. Mayor Pro Tem Campbell seconded the motion. The ordinance caption was read as follows:

CITY OF ROCKWALL
ORDINANCE NO. 23-XX
SPECIFIC USE PERMIT NO. S-XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, AMENDING ORDINANCE NO. 22-52 AND THE UNIFIED DEVELOPMENT CODE [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL, TEXAS, AS PREVIOUSLY AMENDED, SO AS TO GRANT A SPECIFIC USE PERMIT (SUP) TO ALLOW FOR A GOLF DRIVING RANGE AND OUTDOOR COMMERCIAL AMUSEMENT/RECREATION ON A 9.942-ACRE TRACT OF LAND BEING A PORTION OF A LARGER 18.13-ACRE TRACT OF LAND AND A 12.868-ACRE TRACT OF LAND IDENTIFIED AS TRACT 22 & 22-2 OF THE R. IRVINE SURVEY, ABSTRACT NO 120, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OR FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

The motion to approve passed by a vote of 7 ayes to 0 nays.

4. **Z2023-036** - Hold a public hearing to discuss and consider a request by Richard Expo on behalf of Ryszard a bo Waszczuk for the approval of an ordinance for a Specific Use Permit (SUP) for a Carport that does not meet the minimum requirements on an 0.3492-acre parcel of land identified as Lot 7, Block A, Solar Village Addition, City of Rockwall, Rockwall County, Texas, zoned Single-Family 7 (SF-7) District, addressed as 820 E. Heath Street, and take any action necessary (1st Reading).

Planning Director, Ryan Miller provided background information concerning this agenda item. The applicant is asking for an SUP to allow for a 24'x26' carport that will be architecturally integrated into the existing (single-family home) structure, and it will stand 14' in height and will be 20' from the side yard property line. Carports are permitted in this zoning district; however, there are certain regulations that must be met. This proposed carport varies from the requirements because it is 124 sq. ft. larger than what is otherwise allowed. Also, this proposal does not quite meet the city's normal setback requirements (20' or more from the front façade). Staff did attempt to locate other carports in the immediate, adjacent area; however, none were able to be found. Staff mailed out 87 notices within 500' of the subject property, and two notices were received back in opposition to the proposal. Also, the city's P&Z Commission did review this case and has recommended its approval by a vote of 4 to 1 (in opposition).

Mayor Johannesen opened the public hearing, asking if anyone would like to speak at this time. There being no one indicating such, he then closed the public hearing.

Following brief clarification, Councilmember Lewis moved to approve Z2023-036 (including staff's recommendations). Mayor Pro Tem Campbell seconded the motion. The ordinance caption was read as follows:

**CITY OF ROCKWALL
ORDINANCE NO. 23-XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, AMENDING THE UNIFIED DEVELOPMENT CODE [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL, AS HERETOFORE AMENDED, SO AS TO GRANT A SPECIFIC USE PERMIT (SUP) FOR A CARPORT THAT DOES NOT MEET THE MINIMUM REQUIREMENTS ON AN 0.3492-ACRE PARCEL OF LAND IDENTIFIED AS LOT 7, BLOCK A, SOLAR VILLAGE ADDITION, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AND BEING MORE SPECIFICALLY DESCRIBED AND DEPICTED IN EXHIBIT 'A' AND EXHIBIT 'B' OF THIS ORDINANCE; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

The motion to approve passed by a vote of 7 ayes 0 nays.

5. Z2023-037 - Hold a public hearing to discuss and consider a request by James and Mary Blocker for the approval of an ordinance for a *Specific Use Permit (SUP)* for an *Accessory Building* on a 0.1199-acre parcel of land identified as Lot 8, Block A, Newport Place Addition, City of Rockwall, Rockwall County, Texas, zoned Planned Development District 19 (PD-19), addressed as 1796 Mystic Street, and take any action necessary (1st Reading).

Planning Director, Ryan Miller provided background information concerning this agenda item. This area is currently zoned for zero lot line homes and was zoned back in 1982. There is currently a 2,705 SF single-family home on the property, along with a 120 SF accessory building. The applicant is wanting to replace the existing accessory building with a new one. The proposed accessory building is slightly larger than that which the city's regulations allow; however, it does meet all of the city's other requirements. The City's P&Z Commission did recommend approval of the request by a vote of 5 ayes to 0 nays. Notices were mailed out to 141 property owners and occupants within 500' of the property; however, staff received no notices in reply.

Mayor Johannesen opened the public hearing, asking if anyone would like to speak at this time. There being no one indicating such, he then closed the public hearing.

Mayor Pro Tem Campbell moved to approve Z2023-037. Councilmember Thomas seconded the motion. The ordinance caption was read as follows:

**CITY OF ROCKWALL
ORDINANCE NO. 23-XX
SPECIFIC USE PERMIT NO. S-2XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, AMENDING PLANNED DEVELOPMENT DISTRICT 19 (PD-19) AND THE UNIFIED DEVELOPMENT CODE (UDC) [ORDINANCE NO. 20-02] OF THE CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AS PREVIOUSLY AMENDED, SO AS TO GRANT A SPECIFIC USE PERMIT (SUP) FOR AN ACCESSORY STRUCTURE ON A 0.1199-ACRE PARCEL OF LAND IDENTIFIED AS LOT 8, BLOCK A, NEWPORT PLACE ADDITION, CITY OF ROCKWALL, ROCKWALL COUNTY, TEXAS, AND MORE SPECIFICALLY DESCRIBED AND DEPICTED IN EXHIBIT 'A' OF THIS ORDINANCE; PROVIDING FOR SPECIAL CONDITIONS; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A

REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

The motion to approve passed by a vote of 7 ayes to 0 nays.

6. Hold a public hearing to receive comments regarding the proposed City of Rockwall Property Assessed Clean Energy ("PACE") Program and related program report, and take any action necessary.

City Manager, Mary Smith shared that this topic has come before the Council at previous meetings. Representatives from the PACE Program are here this evening to answer any questions as well.

Mayor Johannesen opened the public hearing, asking if anyone would like to speak at this time. There being no one indicating such, he then closed the public hearing.

Councilmember McCallum asked for an opportunity to speak to the PACE Program representatives who were present, specifically regarding the capital / the lender(s).

Sean Ribble
Nuveen Green Capital
9576 Ashcreek Drive
Dallas, TX 75228

Mr. Ribble came forth and provided details regarding his company, Nuveen Green Capital, which is a direct subsidiary of TIAA-CREF. Nuveen is the asset management arm of TIAA. The Teacher's Pension Fund is the same concept, and his company's funding comes directly from that. They place capital into the market for projects, and then the company owns the service of rights. His company basically services the loan. His company has about 100 employees, has been doing this for almost nine years, and has done 600 projects nationally totalling about 1.7 billion dollars of transactions. His company is, by far, the largest of its kind. Of those, there have not been any that have gone through a foreclosure process. They have experienced delinquencies before, but those have been easily and quickly resolved when they've occurred. Councilmember McCallum clarified that Nuveen does have 'lien capabilities,' so the primary lender works with Nuveen because they do not want to default and have the lien put into place. Mr. Ribble went on to provide further explanation regarding how the lending, funding, defaults and/or potential liens work under the PACE Program. It was clarified that the lending under this program does have an expiration and a payoff, and when the obligation is met, the project is considered 'paid off.' He went on to explain that his company is not a bank, and they do not do acquisition financing. However, banks utilize his company a lot since banks have a finite amount of lending they can put towards financing construction.

Councilmember Lewis asked and received additional clarification on how the program works, including potential liens. Mr. Ribble clarified that they do financing both on new construction as well as rehab / revitalization type projects, as it is difficult (otherwise) to get those projects funded through banks. He explained that using a bank to finance the purchase of the asset itself and then using PACE to make improvements to that asset works great. Councilmember Lewis clarified with City Attorney, Frank Garza that he has read the indemnification areas of the paperwork, and Mr. Garza is fine with the language. He does believe the language would protect the city.

Ryan McCormick with Lonestar PACE then came forth to, in part, answer questions from Councilmember McCallum related to the largest source of capital being lent to multi-family development. Mr. McCormick shared that multifamily developers have been looking to PACE to fill a gap in financing. If it were not for COVID, he believes those involved in Commercial office developments would have been taking more advantage of the PACE program as well.

Councilmember McCallum expressed concern about the program relative to multifamily housing lending, as he does not personally believe our city has a need for additional multifamily housing unless it is for seniors. He does

not want to create a tool that might make it more attractive for multifamily developers to want to come here. It was pointed out that the City of Dallas does have an administrative oversight and approval body in place regarding proposed PACE Program projects. When asked by Councilman McCallum, the city attorney indicated that our city could do so as well, if it so desired.

XI. ACTION ITEMS

1. Discuss and consider adoption of a resolution establishing the Property Assessed Clean Energy ("PACE") Program in the City of Rockwall, authorizing the City Manager to execute a Professional Services Agreement with "Lone Star PACE, LLC," as well as all related documents necessary for administration of the program, and take any action necessary.

Regarding this agenda item, Councilmember McCallum provided brief comments, indicating he has spent a lot of time researching this topic. The only thing he does not feel comfortable is that about 30% of financing goes to multifamily development. He would be okay with that as long as it were for redevelopment and improvements to already existing multifamily structures. He then moved to approve the resolution and associated authorization(s) with the caveat that the city include a sub-committee of three Councilmembers, legal counsel and the city manager to approve all PACE projects. Councilmember Thomas asked for clarification regarding if there are any other mechanisms that give the Council a review process in advance related to multi-family housing projects. Mrs. Smith indicated that any newly proposed multifamily projects do come through Council. However, if an existing property were just changing out windows and HVAC systems, those would not come through Council.

Mayor Johannesen shared that he too is not in favor of additional multi-family housing in Rockwall; however, he is also not necessarily in favor of an additional Council sub-committee. He believes that the city's current zoning process does allow for sufficient oversight. He hates to insert a lot of government activity into a private funding process, and he is also reluctant to create more work for Council.

Councilmember Thomas shared that there are some existing, run down apartments in the City, and he would be in favor of revitalization of some of those properties. He suggested that a subcommittee would perhaps not be needed for that type of project funding. Councilmember Thomas, during his comments, seconded Councilmember McCallum's motion.

Councilmember McCallum shared that he does not believe our city will see a ton of these applications. However, he would like to create a disincentive for those who might like to come forth with multifamily housing development proposals for funding.

Councilmember Lewis understands what Councilmember McCallum has concerns about related to multi-family housing projects. However, he believes the city has other processes in place that will allow for Council review of multi-family housing projects being proposed in our city. He is not necessarily in favor of establishing a city council subcommittee for this purpose. He would hate for an existing multifamily housing community to have to go through a council subcommittee review and approval process if they are simply trying to revitalize and improve their property.

After clarification and guidance from the city attorney, Councilmember McCallum amended his motion to specify that a Council subcommittee be established that would review *any* PACE Program project proposal.

Mayor Johannesen shared that it definitely goes against his preference to add an additional layer of government review, and it also goes against his preference to emulate anything that the City of Dallas has in place. Councilmember Thomas also does not want to add an additional layer of bureaucracy.

Councilmember McCallum shared that he is willing to remove the "council subcommittee" caveat from his original motion. Councilmember Thomas seconded the amended motion. After brief clarification, the motion to

approve the resolution (establishing the Property Assessed Clean Energy ("PACE") Program in the City of Rockwall, authorizing the City Manager to execute a Professional Services Agreement with "Lone Star PACE, LLC," as well as all related documents necessary for administration of the program) passed by a vote of 6 in favor with 1 against (Jorif).

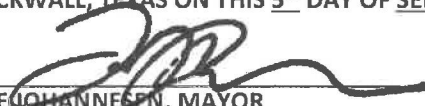
2. Discuss and consider granting permission for the allowance of alcohol at Harry Myers Park during city-sponsored events as related to Chapter 30, Article I, Sec. 30-2 'Regulated Activities in Parks' of the Code of Ordinances, and take any action necessary.

Parks & Rec Director, Travis Sales provided background information concerning this agenda item. He shared that the city's upcoming Rib Rub, Run and Roll event will be forthcoming on October 7. Council is being asked to consider allowing the presence and consumption of alcohol at all city-sponsored events (Founders Day, the 4th of July event, and the Rib Rub event) on an indefinite basis (until it might otherwise be revoked at some point in the future by Council). It was clarified that this is related to "BYOB" and not the sale of alcohol on the part of the city. Following brief clarification, Councilmember Thomas moved to allow alcohol at Harry Myers Park for all city-sponsored events moving forward (on an indefinite basis). Councilmember Lewis seconded the motion, which passed by a vote of 6 ayes with 1 against (Jorif).

XII. ADJOURNMENT

Mayor Johannesen adjourned the meeting at 7:09 p.m.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS ON THIS 5th DAY OF SEPTEMBER, 2023.


TRACE JOHANNESSEN, MAYOR

ATTEST:


KRISTY TEAGUE, CITY SECRETARY

