

THE FLOWER MOUND TOWN COUNCIL WORK SESSION MEETING HELD ON THE 21st DAY OF JUNE, 2012, IN THE FLOWER MOUND TOWN HALL, LOCATED AT 2121 CROSS TIMBERS ROAD IN THE TOWN OF FLOWER MOUND, COUNTY OF DENTON, TEXAS AT 6:00 P.M.

The Town Council met in a work session with the following members present:

| | |
|-------------------|---------------------------------|
| Tom Hayden | Mayor |
| Kendra Stephenson | Mayor Pro Tem (arrived at 6:10) |
| Mark Wise | Deputy Mayor Pro Tem |
| Bryan Webb | Councilmember Place 2 |
| Steve Dixon | Councilmember Place 4 |
| Jean Levenick | Councilmember Place 5 |

constituting a quorum with the following members of the Town Staff participating:

| | |
|------------------|--|
| Harlan Jefferson | Town Manager |
| Theresa Scott | Town Secretary |
| Kent Collins | Assistant Town Manager |
| Chuck Springer | Assistant Town Manager/CFO |
| Doug Powell | Executive Director of Development Services |
| Adrienne Lothery | Budget & Grants Manager |

A. CALL WORK SESSION TO ORDER

Mayor Hayden called the briefing session to order at 6:06 p.m.

B. INVOCATION

Councilmember Dixon gave the invocation.

C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG AND THE TEXAS FLAG

Mayor Hayden led the pledges.

D. WORK SESSION ITEM

1. Receive presentations, hold a discussion, and provide direction regarding the Community Support funding for various organizations.

Ms. Lothery announced the purpose of the item and she pointed out there are several new organizations applying for community support funding this year. She noted each organization has been asked to give a five minute presentation for the purpose of sharing information about their organization. Each of the following organizations gave a brief presentation outlining their services.

Representing Denton County Youth Today – (also known as Youth on Their Own - YOTO) – Julie Davenport

YOTO was created as a response to statistics regarding teen homelessness.

LaunchAbility, 4350 Sigma Rd, Ste. 100 Dallas, TX; 1701 North Collins Blvd, Richardson, TX - Julie Nichol (Director of Development) and Kathy Packard (CEO)

Mission Statement: To help children and adults with developmental disabilities achieve their maximum potential and lead fulfilling lives within our community.

Denise Griffith, Executive Director, Operation Peace of Mind (OPM)

Mission Statement: OPM provides children, teens, girls, and senior citizens education and training on how to avoid becoming involved with crime or being victims of crime, while providing them with opportunities to develop safer, more vital communities.

Mayor Hayden commented Council would like to take some time consider what was presented.

Mr. Springer summarized that community support funding levels and evaluations are usually discussed by Council in August, and the new organizations were brought forward in advance with a presentation for introductory purposes.

Mr. Dixon requested further clarification from some of the applicants as to how many actual Flower Mound residents were recipients of their services, noting it was not completely clear based on what was provided in the packet. He gave the examples of the Actors Conservatory and SPAN as needing more specific information in this area.

Mr. Springer indicated staff will seek to obtain some additional information from the applicants and include it in a future council communication.

2. Hold a discussion regarding The River Walk at Central Park development.

Mayor Hayden offered his comments as to what is anticipated for the River Walk project in relation to the original concept associated with the development, including a quality hotel and nice restaurants.

Mr. Powell provided a presentation on the River Walk Project which included:

- the concept plan and elements that changed since the original introduction, such as ground floor retail along Central Park Drive can be considered for office, and the size of the apartments was reduced
- overall design of the project
- phasing (noting currently the phasing is going according to plan with the hospital constructed, the medical office buildings (MOB) and apartments under construction, and Market Street soon to come on line)
- elevation plans

Mayor Hayden inquired as to if there was a location within the development for senior housing.

Mr. Powell responded that there were discussions about specific locations; however, there are multiple locations in which the development standards allow for such, however, it was not a requirement for the development.

Mayor Hayden asked for clarification as to the number of residential homes that were included, and does that include a breakdown in relation to rental versus ownership.

Mr. Powell responded the zoning caps the number of units at 1,250, noting when it first came forward it was in upwards of 3,000.

Mayor Hayden noted that out of those 1,250 units, six hundred units could be built initially, with the remaining after the River Walk amenity is in place. He asked for clarification as to what is the specific amenity that triggers the next phase of housing.

Mr. Powell responded it's the infrastructure that complies with the 404 permit which reshapes the flood plain and adds improvements within Timber Creek Park. He noted it's classified as an amenity due to the addition of the trails and other items such as benches, etc. in the pedestrian areas. He added it also includes park dedication fees.

Mayor Hayden stated that with regard to the park dedication fees it is his understanding those dollars need to be used in that immediate area, however, if the project is not completed by year 2014, those dollars can be distributed elsewhere in Town. He inquired as to what completion phase do they need to get for those dollars to be solely used at the River Walk.

Mr. Powell responded it's the River Walk amenity.

Various River Walk project stakeholders offered presentations in the way of progress updates:

Spencer Turner, President, Texas Health Presbyterian Hospital, 4400 Long Prairie Rd, Flower Mound, TX

Mr. Turner provided an update regarding the progress of the hospital. He reported business is good with a tremendous volume explosion in the last few months. He commented the medical campus is a regional draw due to the high quality finish outs and quality of doctors. He highlighted the benefits associated with their newest piece of equipment with the *da Vinci* robotic surgical system.

Mayor Hayden asked what could be done to help the hospital.

Mr. Spencer stated to continue to develop the community around them.

Mayor Hayden asked how many employees worked at the hospital.

Mr. Spencer responded 430 and they are adding 10 – 20 jobs per month.

Daryn Eudaly, Ranier Medical Investments, 13760 Noel Rd, Dallas, TX

Mr. Eudaly provided an update as to where they are in their current medical office building and what is anticipated in the future. He noted the part of the River Walk in which Ranier is involved with is the 21 acres that is termed medical campus which surrounding the two sides of the hospital. He gave a progress update on MOB # 103 currently under construction. He offered renderings and phasing plans for MOB # 101 (27,000 sf)

indicating they anticipate starting construction next week, and the third phase being MOB # 105.

Councilmember Levenick asked for clarification in relation to MOB 101 and the reference to a parking structure.

Mr. Eudaly noted the first three buildings don't require parking garages, however, as the remainder of the campus gets built (buildings 102 and 106), there will be a need for a 2 to 3 story multi-deck structured parking, or a 4-story deck to accommodate a hotel.

Councilmember Levenick pointed out there is a need for a dialysis center in Flower Mound.

Mr. Eudaly responded they are currently working on a letter of intent for one.

Mr. Eudaly commented that there will be 525 employees between the three buildings coming on line.

Mayor Hayden asked what is needed in order to begin MOD # 101 and the back side of MOD # 105.

Mr. Eudaly responded approval for medical office on the first floor.

Mr. Jefferson commented this can be done via administrative approval, which is what is being proposed by staff and no action is needed by Council.

Mayor Hayden commented there are no objections from Council to have medical on the first floor.

Mr. Eudaly pointed out MOB #101 is a very small building and is slated to have a single tenant with a deli.

Mr. Eudaly clarified that MOB #105 is a split and the front of that building (that faces 2499) would always be retail and the back would be a split of retail and office.

Mayor Hayden inquired as to what it would do to the success of the River Walk if there was an intention that a Town Hall would be in the area.

Mr. Eudaly noted yes, it would help because you create something for it to be built around.

Warren Creason, Market Street, 705 N Denton Tap Rd, Denton, TX

Mr. Creason provided background information in relation to the site selection process for Flower Mound and noted there have been some delays; however "they would rather get it right than done fast." He highlighted elements of the corporate culture related to customer service and community support. He noted Flower Mound will be a test store for a new 55,000 square foot prototype and it will be built to a higher standard than any of their previous stores. He highlighted elements of the store that will be different from their typical 70,000 square foot store. They employ over 200 employees and they gear up 90 – 120 days before opening for training.

Mayor Hayden asked Mr. Creason when they anticipate opening.

Mr. Creason responded summer of 2013, however, not later than the holidays. He indicated they have a 10-month build out for the store.

Mayor Hayden asked if there is anything Council can do to expedite their schedule.

Mr. Creason noted staff and Council have been very supportive, and there have been some challenges in relation to building orientation and those issues have been resolved.

Monte Wendler, Price Development Group, 104 W 9th Street, Ste. 205, Kansas City, MO 64105 (Developer of Park Central Apartments on Morriss Rd)

Mr. Wendler provided background information related to design of the building, and proposed landscaping.

He offered the following updates and project summary information:

- 307 units (650 – 1,500 sf range) with a mix of one and two bedroom options with Class A finishes
- Rent average is \$1,325 for a 900 sf unit
- 7,000 square feet of common amenity space
- Fitness room and separate spa areas for men and women, including a tanning/wet sauna
- Anticipate opening in 3 – 4 weeks
- Preliminary figures, based on leases signed to date and calls received, demonstrates 60% of residents are coming from within a 3-mile radius with average household incomes averaging at \$87,000
- Tenant demographics are 25% young/single; 25% double income no kids (dinks), 25% empty nesters (50+) and the balance is spread across a wide range of demographics

Councilmember Webb asked for clarification in relation to their plan to be build and operate for the long-term.

Mr. Wendler confirmed that is still their plan.

Mayor Hayden commented about the feedback received from the community regarding the close proximity to Morriss Rd.

Mr. Wendler pointed out that it will have a different feel once the landscaping is in.

Mayor Hayden commented there is an opportunity to build up to 1,200 residential units at this site and questioned if they plan to build more.

Mr. Wendler responded they are "building on all the land they own and they have enjoyed their experience, and should the Council decide on future land uses within the project they may consider something."

Mayor Pro Tem Stephenson inquired as to what percentage of the apartments is pre-leased, and if that figure is considered normal for this type of project.

Mr. Wendler responded approximately 10% is pre-leased, which is about normal. He stated they have a waiting list of about 500 people that want to take a look at the project once they open, which is a good size number.

Lynn Craft, President and CEO, Baptist Foundation, 3401 Lee Parkway, Dallas, TX

Mr. Craft provided background information related to the organization and their reasoning for investing in the project, as well as some of the transactions that have occurred to date, such as with Ranier and Market Street. He also pointed out some of the obstacles they encountered such as the economy, parking, etc. He noted their number one priority at this time is to seek an experienced developer to take on the project, with the number one issue being to get the water feature resolved as it's a key element of the project and there are challenges with drainage given the location within the flood plain.

Town Council recessed at 8:24 p.m. and reconvened at 8:46 p.m.

3. Review proposed enhancements to the Shop Flower Mound program

Staff Presentation

Mr. Springer provided background information related to history and purpose of the Shop Flower Mound program, and pointed out there was a need to enhance the program. For that reason Brandnu Marketing was hired in January 2012.

Melanie Hoffman of Brandnu Marketing, 2908 Pioneer Park Dr, Flower Mound, TX 75022

Ms. Hoffman provided a presentation which included:

- Process they went through to date
- Introduction of the Living Local logo options and concept
- Additional enhancements for program sustainability:
 - campaign ads
 - mobile web site
 - monthly E-blast
 - direct mail
 - community calendar
 - table tents, QR Codes, and posters within places of business
- Kick-off event in fall: Town meeting to educate businesses and gain buy in, present to local civic groups.

Questions/Comments from governing body

Mayor Hayden commented being in favor of having parks and trails information included, and Councilmember Webb noted it could be under the umbrella of recreation in general.

There was some discussion with regard to differences between the Mobile/website program vs. the existing FM In Touch App, and it was noted higher costs associated with an actual app program.

Mayor Pro Tem Stephenson commented she would like more information as to places that are using apps versus mobile web sites to better understand functionality. She mentioned the possibility of having an app that actually launches the website might be an option.

Ms. Hoffman responded to questions from Council regarding the structure of the focus groups, reasoning for the departure from the existing logo, confusion potential due to Chamber App duplication, program management, as well as cost and process for implementation.

Mr. Springer summarized that next steps include obtaining direction to move forward with the mobile site and which logo is preferred by Council.

There was discussion about the importance of rolling out of the program and getting the residential and business community involved.

Councilmember Levenick commented not being in favor of the first logo because of the height of the buildings nor the pothole reference in the dentist campaign ad.

Councilmember Webb commented being in favor of the logo as selected by the focus group.

Mayor Pro Tem Stephenson commented she believed the buildings cluttered up the logo and preferred more of a clean look.

Councilmember Dixon commented being in favor of the buildings because of the statement it makes – “to leave your home and go out and shop the businesses” – and that it tells a story.

Deputy Mayor Pro Tem Wise commented the logo with building is a bit busy, however, was indifferent and either is acceptable.

Mayor Hayden commented being in favor of the ads other than prefers no orange cones in the ads.

In addition there was some concern about getting the word out in the community and Roanoke was noted as an example of a community that offers promotions to get shoppers to the stores.

Mr. Springer summarized there was consensus by Council to not have the bike in the logo and there is direction to come up with a slight variation from the proposed Living Local logo.

4. Update on progress made to date by The Retail Coach and TIP Strategies

Staff Presentation

Mr. Springer provided background information in relation to the agreement and scope of services, along with a status update for each organization. He noted next steps included interviews with stakeholders; however that has been put on hold to make sure the direction was the same. He pointed out the community involvement component was removed for budget purposes and TIP Strategies indicated that component could be a staff orientated function.

His presentation is as follows:



**Economic Development Overview and Update
On The Retail Coach and TIP Strategies**

Town Council Work Session
June 21, 2012

Oversight of Economic Development

- ED division reports to Assistant Town Manager/CFO since 2006
- Direct oversight – daily interaction with all major decisions made by ATM/CFO
- Goals set annually by ATM/CFO
- Divisional expectations and professional standards set by ATM/CFO
- Open door policy for council, business community and staff

ED Experience of ATM/CFO

- Economic development experience with City of Arlington prior to Flower Mound:
 - Involved in following:
 - 1992 tax abatement agreement with General Motors (first for Arlington)
 - Subsequent tax abatement agreements
 - Rangers Ballpark in Arlington
 - Beginning in 2000 as City of Arlington Treasurer, responsible for oversight of tax abatements and economic development agreement implementation, TIRZ district management, and financial economic development negotiations
 - Negotiation and implementation of City of Arlington/Dallas Cowboys stadium agreements and bond issuance

Site Selection Factors

| Ranking | Factor | 2011 | 2010 |
|---------|---------------------------------|------|-----------|
| 1 | Highway accessibility | 93.8 | 97.3 (1) |
| 2 | Labor costs | 88.4 | 91.0 (2) |
| 2T | Availability of skilled labor | 88.4 | 85.9 (7) |
| 4 | Corporate tax rate | 86.0 | 86.3 (6) |
| 5 | Occupancy or construction costs | 85.9 | 89.8 (4) |
| 5T | State and local incentives | 85.9 | 89.3 (5) |
| 7 | Energy availability and costs | 84.8 | 82.1 (9) |
| 8 | Tax exemptions | 83.6 | 90.9 (3) |
| 9 | Proximity to major markets | 83.0 | 66.4 (17) |
| 10 | Low union profile | 81.0 | 75.4 (11) |

Source: Area Development Magazine

Site Selection

- What the business community wants:
 - One point of contact
 - Professional and responsive service
 - Quiet, coordinated site visits
 - Every response customized and tailored to their needs
 - Does the Town meet their need?
 - i.e. – location, price, accessibility to highways and markets, etc.

Prospect Handling

- Principles of professional prospect handling include:
 - Maintaining confidentiality; inform others on a need-to-know basis only
 - Responding promptly in all instances
 - Providing what is requested, not what you have available
 - Delivering what you promise and not promising what you cannot deliver
 - Making community contacts available to the prospect and handling all arrangements
 - Coordinating transportation for prospects visiting the community, even if you are not included during drive time

Confidentiality

- In the realm of economic development, prospects commonly ask for confidentiality during their site search process
- It is imperative to keep confidentiality when requested for fear of losing the prospect if it is not kept
- If confidence is lost with one prospect, it will affect all future contact with that representative and other prospects

Lead Generation

- How we get leads: make contacts, build relationships, be involved in real estate/allied organizations
- We deal with the following prospect representatives:
 - Brokers
 - Developers
 - Site consultants
 - ED allies (Dallas Regional Chamber/State)
 - Business representatives (existing and potential future)

Group Involvement

- The Economic Development division is involved with the following corporate and real estate associations and partnership agencies:
 - International Council of Shopping Centers (ICSC)
 - CoreNet Global Real Estate
 - National Association of Industrial and Office Parks (NAIOP)
 - North Texas Commercial Association of Realtors and Real Estate Professionals (NTCAR)
 - Flower Mound Chamber
 - Dallas Regional Chamber
 - Texas Economic Development Council (TEDC)
 - International Economic Development Council (IEDC)
 - TexasOne
 - Texas Office of the Governor, Economic Development and Tourism
- Staff also attends conferences and expos geared towards targeted industries (i.e. medical device and hotel)

TRC/TIP Progress

- Two agreements were approved at the April 16, 2012 Town Council meeting with The Retail Coach and TIP Strategies
 - The scope of services for The Retail Coach is Phase 1 of the firm's proposal
 - TIP Strategies' scope of services is for economic development consulting for a site opportunity plan
- Work has begun but has been slowed and completion dates are to be determined

The Retail Coach

| Item | Status | Detail |
|--|-----------------|---|
| 1. Kick-off Meeting | Complete | Held April 27 |
| 2. Area Market Analysis | Complete | Analysis of existing and developing submarkets, ingress and egress to retail areas from population clusters, survey of existing retail developments and opportunities along primary and secondary FM traffic arteries |
| 3. Retail Trade Area Determination and Analysis | In Progress | Completed components: area competition analysis, license plate analysis, national/regional retailer interviews – FM location |
| 4. Demographic and Psychographic Profiling | To be Completed | |
| 5. Retail Gap Analysis | To be Completed | |
| 6. Retailer and Developer Analysis and Selection | To be Completed | |

TIP Strategies

| Item | Status | Detail |
|---|-----------------|---|
| 1.1 Kick-off Meeting | Complete | Held May 10; Town driving tour; TIP has also completed an economic assessment; Early discussion of guiding principles as a component of the study |
| 1.2 Stakeholder Interviews | To be Completed | |
| 1.3 Business Climate and Infrastructure | To be Completed | |
| 2.1 Guiding Principles | To be Completed | |
| 2.2 Target Industry and Occupational Analysis | To be Completed | |
| 2.3 Opportunities Analysis and Findings | To be Completed | |

TIP Strategies (Cont'd)

| Item | Status | Detail |
|-----------------------------------|-----------------|--------|
| 3.1 Build-out Strategy | To be Completed | |
| 3.2 Business Development | To be Completed | |
| 3.3 Best Practices | To be Completed | |
| 3.4 Implementation Matrix | To be Completed | |
| 3.5 Final Report and Presentation | To be Completed | |

There was Council consensus to have representatives from TIP Strategies come to the July Strategic Planning Session for the purpose of understanding deliverables and to identify the best end result, followed by direction offered at that time. Furthermore, there was consensus to not reduce the component of community involvement because this will allow Council to understand what is desired by the citizens and business owners.

In the event they are not available for the Strategic Planning Session, it was suggested to have them come to a work session.

Councilmember Levenick inquired if a consultant had been hired in the past to conduct an economic development strategy plan.

Mr. Jefferson responded to his recollection there had not been one hired for that specific purpose.

5. Discuss topics for the July 13 and 14 Town Council Strategic Planning Session.

Mr. Jefferson stated this is an opportunity for Council to get feedback regarding what staff has received in the last several months as to what Council would like to discuss at the Strategic Planning Session. He indicated over the course of the next week would be the appropriate time for Council to add or amend any items. In this way staff can provide the appropriate data and direction would follow.

Mayor Hayden commented the theme for discussion will be "what can we do to encourage businesses to come to Flower Mound."

There was Council consensus to view the developer survey in its entirety instead of just the synopsis.

E. ADJOURN WORK SESSION

Mayor Hayden adjourned the work session at 10:05 p.m. on Thursday, June 21, 2012, and all were in favor.

TOWN OF FLOWER MOUND, TEXAS


THOMAS E. HAYDEN, MAYOR

ATTEST:


THERESA SCOTT, TOWN SECRETARY