

**LAKEWOOD VILLAGE TOWN COUNCIL**

**COUNCIL MEETING**

**MAY 27, 2016**

**Council Members:**

Dr. Mark Vargus, Mayor  
Carl Menckhoff, M.D., Mayor Pro-Tem - ABSENT  
Clint Bushong  
Ray Duff  
Gary Newsome  
Ed Reed

**Town Staff:**

Linda Asbell, TRMC, Town Secretary

**SPECIAL SESSION - 6:00 P.M.**

With a quorum of the Council Members present, Mayor Vargus called the Special Session of the Town Council to order at 7:00 p.m. on Friday, May 27, 2016, in the Council Chambers of the Lakewood Village Town Hall, 100 Highridge Drive, Lakewood Village, Texas.

**PLEDGE TO THE FLAG:**

**(Agenda Item A)**

Mayor Vargus led the pledge of allegiance

**VISITOR/CITIZENS FORUM:**

**(Agenda Item B)**

No one requested to speak

**PUBLIC HEARING:**

**(Agenda Item C)**

A public hearing was held to provide an opportunity for the owner, lienholder, mortgagee of 665 Woodcrest Drive to show-cause why the building or portion thereof shall not be declared to be an unsafe building and why the Town Council should not order said building to be vacated, repaired, removed, or demolished. Mayor Vargus opened the public hearing at 6:00 pm.

Mayor Vargus reviewed the deficiencies in the property and the tabling of council action for 90 days to take action. Mr. Sammy Hooda, attorney for Wells Fargo, stated that he spoke to Wells Fargo this morning. His client wants to market the property publically as a property to demolish. Wells Fargo would agree to list Town's conditions for demolition of the property to be a disclosure attached to the sale. Mayor Vargus expressed concern with Wells Fargo placing the property back on Auction.com during the 90 day stay of council action and without disclosure of the pending demolition order. Mayor Vargus stated that this is the third year the property has been sitting vacant without any legal attempt to repair or demolish the property and comply with

the Town's requirements. The town has no trust that the owner will deal honestly with the town. There was some discussion about Wells Fargo desiring to sell the property for the market value of the land minus the cost of demolition of the structures. There was some discussion about the actual value of the land and the actual cost of the demolition of the structures. Mr. Hooda requested the town submit a line-item breakdown of the cost of demolition and capping of the water and sewer lines that he can present to Wells Fargo as a way to facilitate the sale of the property. Councilman Bushong stated the town can provide a breakdown on the cost of the demolition of the property. Mayor Vargus stated that the property is beyond rehabilitation and demolition is the only option for the property. There was some discussion about why Wells Fargo is unwilling to demolish the property themselves. Councilman Newsome stated that the Town obtaining ownership is presenting Wells Fargo the best option for the property. Mr. Hooda stated that presenting Wells Fargo an intimidated list of the costs of demo along with a deadline will allow him to motivate his client to respond.

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilman Newsome, council voted four (4) "ayes" and no (0) "nays" to close the public hearing at 6:30 pm. *The motion carried.*

**REGULAR AGENDA:**

**(Agenda Item D)**

**Consideration of Ordering 665 Woodcrest Drive to be Declared an Unsafe Building and Ordering it to be Vacated, Repaired, Removed, or Demolished (Vargus)**

**(Agenda Item D.1)**

**MOTION:** Upon a motion made by Councilman Duff and seconded by Councilman Bushong, council voted four (4) "ayes" and no (0) "nays" to order Wells Fargo to make all repairs necessary to bring the property at 665 Woodcrest Drive into full compliance with all Town Ordinances, or demolish the structures and remove all appurtenances within 31 days (Monday, June 27) or the town will abate the property and assess a lien for the full associated costs. *The motion carried.*

**Discussion of Creation and Financing of a Public Improvement District (Vargus)**

**(Agenda Item F.7)**

Mayor Vargus reviewed the typical operation of a public improvement district. Mayor Vargus reported that he has discussed breakdown of Public Improvement District fees with LandPlan; 50% to fund improvements that will benefit the entire town, 25% to LandPlan for development, and 25% to the town for general use. If the town underwrites the debt the PID would have a

lower interest rate than if LandPlan finances the debt. The town would also receive a fee for administering the debt. There was some discussion about the potential uses of the funds. There was some discussion about the impact of the PID on the marketability of the properties inside the PID. There was some discussion about the timing of the implementation of the PID.

**Consideration of Well Study to be Completed  
by Town Engineers, Kimley Horn (Vargus)**

**(Agenda Item D.3)**

Councilman Bushong reviewed the benefits of having a well study done prior to spending the funds to drill a new water well. The cost of the study would be \$25,000. There was some discussion of the information that would be included in a well study. Councilman Bushong reviewed the results of a report Summer Paulsen prepared comparing water usage. There was some discussion regarding the necessity of the study.

**MOTION:** Upon a motion made by Councilman Reed and seconded by Councilman Duff, council voted four (4) “ayes” and no (0) “nays” to authorize Mayor Vargus to execute the agreement with Kimley Horn for completion of a Well Study. *The motion carried.*

**Discussion of Melody Lane Repair or  
Replacement (Vargus)**

**(Agenda Item D.4)**

Mayor Vargus reported that he did a study to determine the cost of constructing concrete roads in the rest of the town. Based on the study, the tax rate would increase by \$0.50/\$100 valuation. Council discussed that a tax rate of \$0.80/\$100 valuation is too high. Mayor Vargus recommended increasing the franchise fee by \$2.00 to provide additional funding for Melody Lane replacement. There was some discussion about the coordinating the timing of the Melody Lane repair with the installation of LandPlan roads for cost savings.

**Discussion of Sales Tax on New Residential  
Construction (Vargus)**

**(Agenda Item D.5)**

Mayor Vargus reported that he researched the tax regulations on construction of new homes. If the job is built as “cost plus,” the builder is required to pay sales tax to the town on the cost of the construction supplies. There was discussion about including this information in the builder packet. Builders must be notified they are required to collect and remit sales tax. The new home buyers can be notified of the benefit of a tax deduction available on the payment of the sales tax.

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**EXECUTIVE SESSION:**

**(Agenda Item E)**

At 8:03 p.m. Mayor Vargus recessed into executive session in compliance with (1) § 551.071 Texas Government Code to wit: Consultation with the Town Attorney regarding pending or contemplated litigation, re: Town of Lakewood Village V. Harry Bizios; (2) § 551.072 Texas Government Code to wit: deliberations about real property; and (3) § 551.087 Texas Government Code to wit: Economic Development Negotiations

**RECONVENE:**

**(Agenda Item H)**

Mayor Vargus reconvened the regular session of the Lakewood Village Town Council at 8:57 pm.

**COUNCIL AND STAFF COMMENTS**

**(Agenda Item I)**

No comments

**ADJOURNMENT**

**(Agenda Item J)**

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilman Duff, council voted five (5) “ayes” and no (0) “nays” to adjourn the Special Session of the Lakewood Village Town Council at 8:58 p.m. on Friday, May 27, 2016. The motion carried.

These minutes approved by the Lakewood Village Town Council on the 8th day of July 2016.

APPROVED

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Dr. Mark E. Vargus  
MAYOR

ATTEST:

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Linda Asbell, TRMC  
TOWN SECRETARY