

February 2, 2005

Bobby and Anita McNeese
7717 Terry Lane
North Richland Hills, Texas 76180

Dear Mr. and Mrs. McNeese:

Thank you for your email of January 22, 2005. You mentioned a number of issues and I will do my best to respond to these.

You commented about Frank Metts, Jr., and I really cannot speak or respond for Mr. Metts on the matters that you raised in your email. It would be my suggestion that you talk with Mr. Metts directly about this matter. I can only tell you that in my serving with Councilman Metts, he has always been a very honorable and caring individual and one who has a deep love and respect for this community. Beyond that, again, it would be my suggestion that you talk directly to him on the matter of concern you have expressed in your email.

First off it is important to note that the City of North Richland Hills has complied, and continues to comply, with all State Laws concerning the formation of TIF 2 and alluding to the contrary is inaccurate.

Plans for Home Town, also known as Town Center, have been very public and have received a significant amount of media attention. A time line of public meetings on items related to this project as well as a time line of media coverage and articles that have appeared in the City's newsletter since the inception of the Home Town concept follow this information. In general, discussions about this project began in late 1997 and there have been over 60 public agenda items including public hearings, public meetings, and/or public agenda items before the City Council as well as a week of public forums held at the onset of this project. The public forums included citizens, stakeholders and any other interested parties. These public forums were held to receive input and ideas regarding the Town Center concept and this is where the idea to locate public facilities such as the Library and Recreation Center in this area was generated. There were also a number of public hearings and meetings before the Planning and Zoning Commission, and a joint public meeting of the City Council, the Planning and Zoning Commission, the Park and Recreation Board and the Land Use Ad Hoc Committee was held on June 29, 1999. In addition, there were 10 public hearing and agenda items related to the creation of the Tax Increment Financing (TIF) District that includes Home Town, and at least 7 presentations to local civic and neighborhood organizations including the Northeast Lions Club, City Boards and Commissions, and information broadcast on the City's cable channel. A number of other public meetings were held with the governing bodies of the other entities involved in the TIF District including Tarrant County College, Tarrant County Hospital District, and Tarrant County. Fifty-one (51) articles regarding Home Town and plans to locate public facilities in Home Town have appeared in the Star

Telegram, the Dallas Morning News, the Dallas Business Journal, the Fort Worth Business Press, and North Richland Hills News since 1997.

I do not doubt that someone told you that “a lot of developers would have sold their soul to the devil to develop this area and without benefit of any concessions...”. However, the owners of this property wanted to develop a unique community area and seek the highest and best use. The City responded by working with them on the Town Center zoning to accomplish this. No concessions were made for this area. The City agreed to certain improvements and the developer did as well. The City has done this in other areas as well.

According to Texas Tax Code, certain procedures must be followed to create a reinvestment zone. Among these are “The governing body of a municipality by ordinance may designate a contiguous geographic area in the jurisdiction of the municipality to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future,” which was the case in this area. After a City complies with all procedures to create the reinvestment zone the accompanying ordinance must also comply with certain things such as include boundaries, create a board of directors, etc. More importantly the State Code states that the reinvestment zone must “contain findings that A) improvements in the zone will significantly enhance the value of all the taxable real property in the zone and will be of general benefit to the municipality.” In other words the proposed zone must benefit the municipality, which this project does by bringing in quality residential and commercial development and ultimately public facilities which will be a great asset to the entire city.

During the creation of TIF 2 in August of 1999, the Council unanimously voted on the TIF under State criterion that the area must, as is stated, “be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality”. Resolution No. 99-60 adopted on 8/23/99 communicated the City’s intent to form reinvestment zone number 2. At that time the City noted that the 280+ acre area encompassing and surrounding the proposed NRH Town Center met the State’s criteria and that a developer had the option to develop these acres into a unique, mixed-use complex. Before this proposal was brought to the city, this property was in fact open land with obsolete and/or incompatible land uses such as industrial zoned properties. The Town Center zoned area of town in TIF 2, since its inception, continues to be a uniformly developed area that promotes quality development in the City. In fact, the money generated by this development will help the City provide new facilities such as the public library and recreation center proposed in Home Town. These new amenities will be available for the entire city to enjoy for many years to come. You have also raised questions stemming from the TIF board itself. Again State Law requires that a board be formed to handle functions associated with zone, such as issuing bonds, approving project plans, evaluating financial reports, progress reports, etc. This board consists of individuals from all taxing agencies (County, Hospital District, College District, and City), all of whom the City has the utmost level of confidence in. Meetings of the TIF 2 Board are open to the public and adhere to all the requirements of the Texas Open Meetings Act.

You also inquired about revisions to the sign ordinance. Few ordinances, either in this City or any other, are without some need for update, clarification or correction with the passage of time. It is the duty of staff to research and bring forth to Council any ordinance amendments as they become necessary. The City Council has been approached by staff on two occasions to consider amendments to the sign ordinance: one was relative to clarifying a table in which pole signs are to be considered legally applicable, and the second instance concerning update and correction amendments to the section of the sign ordinance affecting political and weekend advertising signs. In each circumstance the City Council concurred that these amendments were improvements and were needed. I do not believe that ordinances are being illegally enforced.

In reference to your comments on the two lawsuits against the City of North Richland Hills regarding the Troy Davis and Pat Hughes cases, I am not able to elaborate on either of these since they are pending litigation. I can only say that I believe it is my responsibility as a Council member to make the best business judgment possible related to legal actions against the City. As you know, there are always two sides to a legal case, and these matters must be properly and professionally handled through the court system. For us to “try these cases” in the media as some would like us to do, it would certainly not be in the best interest of the taxpayers or anyone else, except perhaps the plaintiff attorneys. I can only assure you that I will certainly do my part in making sure that practical business decisions are made in resolving these two cases and any others where we have legal challenges against the City of North Richland Hills. In both of the cases that you have mentioned, it is the plaintiff’s attorneys that have continued to drag these cases out, require extensive and in many cases, useless, depositions for hours on end, and run up the cost for this litigation. As I am sure you are aware, we are required to respond to each and every allegation and request. This therefore necessitates our City Attorney to prepare necessary responses. This is not something we necessarily want to do; it is something we are required to do.

I could not really say whether or not our City Attorney is actually “cat napping” at Council Meetings or not. I can only say that whenever we have a question, he is alert and ready to respond to it. I think the City Attorney’s body language and the way he sits is more an appearance of “cat napping” rather than his really doing that. But again, I can only say that when we do ask for his advice or comment, he is alert and ready to respond.

In reference to your comments on Iron Horse Golf Course and NRH2O, the objective of the golf course and Water Park operation is not to show a profit, but rather to be self sufficient operations that meet their financial obligations and deliver an excellent product. Both operations finished fiscal year 2004 with positive cash balances. They paid all of their bills and made substantial capital improvements. Both have also paid all their debt service, except the initial capital improvements of NRH2O is being paid by the voter approved 1/2¢ sales tax for park development.

The City absolutely follows GAAP. We have an outside, independent audit every year. Deloitte & Touche is our current auditor and we periodically rotate auditors. We do not distort income statements. You are welcome to review Deloitte & Touche audit report.

Several years ago, a citizen ad hoc committee suggested the City improve its corridors and entrances to better identify when you entered North Richland Hills. It was suggested that the City provide entry way signs that would be large enough and distinguish us from other cities. This led to the existing signs. Not that that is the reason, but many other cities have such signs to identify their city limits. We have received numerous positive comments. City entry signs were installed at the following locations:

- Type B at Glenview East
- Type A at Glenview West
- Type A at Mid-cities Blvd East
- Type B at North Tarrant Parkway West
- Type A at Bedford-Eules Road
- Type C at NE Loop 820 (Iron Horse)
- Column at Mid-Cities West

The City continues to actively beautify and improve its image. This is not because we feel that the City is not beautiful or has a poor image; it is because we believe that taking the extra effort to distinguish us from other communities helps to shape and promote our vision of excellence. I understand some citizens like the larger signs and others do not. I believe they provide not only a good image for North Richland Hills, but certainly a clearer identification of our City limits to drivers and visitors.

The City of North Richland Hills City Council and its staff spend a significant amount of time maintaining working relationships with existing businesses in our community. To think otherwise is to be sorely misinformed. Businesses relocate for many reasons well beyond the ability or authority of municipal government to control. These at a minimum include trends in market conditions, competition and consumer preferences. North Richland Hills would be a rare City indeed if it were to master the forces of a free and independent market economy. The best that any market sensitive organization can do (public or private) is to anticipate the future by preparing a cognitive reaction to chance occurrence, presuming that choice is better than chance.

You commented on a building owner wanting to raze a building and spend a million dollars on a new structure. Neither the City Council nor the City staff has been approached by this person. He made this as a passing comment, but has not brought forth any plans. We would welcome this. If this project was viable for him, I believe he would bring it forward.

The problems associated with the present library location are more than just parking issues. Yes, the widening of Loop 820 will effectively remove all the parking along the north side of the property, but this is not the most significant issue causing relocation. There are several other issues necessitating the relocation of our library. Even before the 820 project or the Home Town project, a library needs assessment was conducted. The current building is inadequate to serve our citizens in the future. First, the present library is in a very old building that used to be a church. It is expensive to maintain and a constant problem, especially concerning the roof. Second, the current facility is full to capacity at this time and there is no room for growth. It has approximately 32,000 s.f., and we anticipate to serve the community to build out we will need approximately 60,000 square feet. There is not enough room to adequately add-on to this building

while accommodating the needs for parking. Third, the present site is not centrally located. We anticipate that the City of North Richland Hills will only need to build one main library.

With these issues, the needs assessment looked at several options which included remaining on 820 and purchasing additional land, going to another site and building two facilities—north and south of the same size. It was determined that the 820 site would not be cost effective and a new location would be needed. Since it is a one time shot, it is better for the entire community to have it more centrally located, such as the plan to put it in Hometown. The current site of the Library is in a highly valuable location for retail or commercial development. If this site is abandoned from public use, which is non-taxable and non-revenue producing, it affords an opportunity to put the property into a potential, high revenue producing development. This transition will be good for the City overall. If developed properly, this property could potentially produce enough extra revenue to support a large part of the operational costs of a new library.

You commented that the City Council needs more members that will take an active stance against special interest groups and ones that will ask more questions, especially with regard to expenditures. I will have to respectfully take exception to your comments about special interest groups. Certainly there are issues that come before the City Council that have folks with specific interest in those and certainly there are those that come before the Council that have a desire to see projects occur within the City. But for a person to identify special interest groups to come forth and try to control the community is something that I would have to disagree with. You could probably name anyone as a “special interest group” that had a specific project, but I do not believe that any particular group has any significant impact on the City Council in North Richland Hills. We cover too many types of activities and services to have any special interest group take hold of that. As far as questioning expenditures, I believe I have done this on many occasions where I believe that it is appropriate and something that needs attention or clarification. I have observed this from many Council members during my tenure on the Council, and even before that. I have not observed, since serving on the City Council or even before, that questioning was solely by only one or two individuals. The Council as a whole has asked many questions about expenditures, projects, and therefore I believe that we do respond to the “5 W’s” as you call them, the who, what, when, where, why, and we even ask how.

In response to your questions about Why Councilman Lewis took a picture of a motor home that was located outside of NRH, I would suggest that you ask Councilman Lewis that. I believe I know the answer and that would be he did not want to identify any particular North Richland Hills citizen in his example, and therefore used one that was not in our City. But again, it would be my suggestion that you ask Mr. Lewis about that, as I know that he would be happy to respond to your question. Regarding your last question in that paragraph, I would again have to take exception to, because you imply that perhaps Mr. Lewis has done something improper. I have known John Lewis for a number of years and believe him to be a man of high integrity and capability. It is bothersome that you would infer something contrary to that.

The circumstances that face Ms. Stevens and the use of her property for the storage of recreational vehicles (RV’s) are indeed troubling and a source of serious concern for both the City Council and staff. The problem that both face is twofold: first, neither the

City Council (collectively or individually) nor the staff have the authority to grant Ms. Stevens' request to continue her use. To do so, per an opinion of the City Attorney, would be illegal. This is due to the fact that Ms. Stevens' storage of RV's began (1994) after an ordinance was placed in effect (1967) that did not allow for the commercial storage of vehicles on agriculturally zoned property. The only option (currently or in the past) is the rezoning of her property to a zoning classification that would permit vehicle storage. The only zoning classifications (currently or in the past) that would allow such a use range in intensity from commercial to industrial. Admittedly, several complaints have been received concerning Ms. Stevens' storage of RV's from an adjacent, newly developing residential subdivision. But, it must be noted that this subdivision is being developed well within past and current recommendations of the City's Comprehensive Plan and is in complete accordance with the City's Zoning Ordinance. It is a fact, often regrettably, that rural areas are subject to change from urban development pressures. Such is the case with Ms. Stevens' property.

In the eyes of Council and staff the complaint of one citizen is equal to that of another. Would anyone truly seek to balance the scales otherwise?

I am sorry that you are mad. I am sorry that you have been shocked and dismayed. But I will have to tell you that I believe that North Richland Hills has accomplished many good things over the last several years, and even the past year. I believe we have made some substantial improvements to our community. I believe that we have provided good public services in all areas and I believe that we have a good, bright future ahead. Yes we have some areas in which we need to make improvements. We do need to improve our communications with not only the City Council members, but also with the citizens as well. I believe we can do that and I believe we have made improvements in the last year. We have a good group of City Council members working now. I believe we can continue to work together, have diverse opinions, and still move forward. We do not need to interpret that one position is always right and one position is always wrong. We need to find the good in all of these and make this a better community. I, for one, am certainly open and do welcome any suggestions or ideas. I do not believe that it is necessary for any of us to attack one another or to be negative about what the other says. There is plenty of room in this world for differences of opinion, and recognizing that that is what they are—just differences of opinion. They are not necessarily right or wrong, they are opinions.

I do appreciate your commenting to me about these matters and hope that this is helpful to you to see the perspective that I have on these matters.

Respectfully,

Timothy J. Welch, P.E.
Councilman, Place 7
City of North Richland Hills