



AGENDA

**CITY COUNCIL WORK SESSION
City of Garland
Work Session Room, City Hall
200 North Fifth Street
Garland, Texas
March 17, 2014**

6:00 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 direction from the Council or providing information in a written format.

Verbal Briefing: These items do not require 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 are often accompanied by a formal presentation followed by discussion.

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

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

(1) Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, TEX. GOV'T CODE.

(2) The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, TEX. GOV'T CODE.

(3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, TEX. GOV'T CODE.

(4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, TEX. GOV'T CODE.

(5) The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, TEX. GOV'T CODE.

(6) Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or

to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, TEX. GOV'T CODE.

(7) Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:

- generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
- bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
- effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
- risk management information, contracts, and strategies, including fuel hedging and storage;
- plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
- customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; TEX. GOV'T CODE; Sec. 552.133, TEX. GOV'T CODE]

1. Written Briefings:

a. Modifications to the Water Conservation Ordinance

The City must submit its Water Conservation Ordinance to the State of Texas by May 1, 2014. The current ordinance (adopted in 2009) requires minor changes to reflect updated technical data and water use goals. If Council concurs, this item will be scheduled for formal consideration at the April 1, 2014 Regular Meeting.

b. Amendment of 911 Fees Ordinance

Council is requested to consider adopting an amendment to Section 26.11 of the Code of Ordinances to remove Section 26.11(B)(4) listing a cellular 911 fee. If Council concurs, this item will be scheduled for formal consideration at the April 1, 2014 Regular Meeting.

c. SH-190/Campbell Road Study

At the request of Mayor Pro Tem Lori Barnett Dodson and Council Member Tim Campbell, an update on the status of the SH-190/Campbell Road study that is currently underway is provided for Council's review and information.

Item	Key Person
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2. Verbal Briefings:

a. Payday, Title, and Similar Loan Operations

Neighbor

Council is requested to consider for adoption an ordinance regulating payday, title, and similar loan operations located in the City. The Community Services Committee considered a proposal and recommended the adoption of an ordinance in its report to the Council at the February 3, 2014 Work Session.

**b. Consideration of Invitation to
Ambassador of the Republic of Panama**

Williams/Dodson

At the recent National League of Cities Congressional City Conference, several Council members had the opportunity to meet with The Honorable Mario E. Jaramillo, Ambassador of the Republic of Panama to discuss transportation, trade, and economic development initiatives. During the meeting, Ambassador Jaramillo expressed an interest in visiting Garland to share potential transportation, trade, and economic development opportunities in the Panama Canal Zone with City, business, and community leaders. At the request of Council Member B. J. Williams and Mayor Pro Tem Lori Barnett Dodson, Council is requested to discuss extending an official invitation to Ambassador Jaramillo and provide direction for planning of such a visit.

3. Consider the Consent Agenda

Council

A member of the City Council may ask that an item on the consent agenda for the next regular meeting be pulled from the consent agenda and considered separate from the other consent agenda items. No substantive discussion of that item will take place at this time.

4. Announce Future Agenda Items

Council

A member of the City Council, with a second by another member, or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or a committee of the City Council. No substantive discussion of that item will take place at this time.

5. Adjourn

Council



Meeting: Work Session

Date: March 17, 2014

Policy Report

MODIFICATIONS TO THE WATER CONSERVATION ORDINANCE

ISSUE

The City must submit its Water Conservation Ordinance to the State of Texas by May 1, 2014. The current ordinance (adopted in 2009), requires minor changes to reflect updated technical data and water use goals.

OPTIONS

- A. Adopt the changes to the Water Conservation Ordinance
- B. Other action as directed by the Council

RECOMMENDATION

Option A. If Council concurs, the item will be placed on the April 1 Council Agenda for formal consideration.

COUNCIL GOAL

Sustainable Quality Development and Redevelopment
Consistent Delivery of Reliable City Services

BACKGROUND/CONSIDERATION

The City's primary mechanism that governs water conservation during a non-drought period is the Water Conservation Ordinance. During drought conditions, additional conservation measures are implemented through the Drought Contingency Ordinance. By state law, both Ordinances must be submitted to the Texas Commission on Environmental Quality (TCEQ) every five years. The deadline for submittal this period is May 1, 2014.

The current Water Conservation Ordinance was adopted in 2009. Minor updates are required to reflect current technical data and updated water use goals. No updates are necessary for the Drought Contingency Ordinance.

An annotated copy of the proposed revisions to the Water Conservation Ordinance and accompanying Water Utility Profile are attached. The indicated water use goals have been developed using data consistent with the Region C Water Planning Group, one of

16 regional water planning groups that contribute to the overall State Water Plan. The City of Garland is located within Region C.

ATTACHMENTS

1. Proposed modifications to the Water Conservation Ordinance
2. Proposed Water Utility Profile

Submitted By:

John Baker
Managing Director of Public Works

Date: March 10, 2014

Approved By:

William E. Dollar
City Manager

Date: March 10, 2014

- DRAFT -

FOR DISCUSSION PURPOSES ONLY

ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 51, "GENERAL UTILITY PROVISIONS" OF THE CODE OF ORDINANCES OF THE CITY OF GARLAND, TEXAS; PROVIDING A SAVINGS CLAUSE AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That Sec. 51.118 of Chapter 51, "General Utility Provisions", of the Code of Ordinances of the City of Garland, Texas, is hereby amended to read as follows:

"Sec. 51.118 Water utility profile

The director shall endeavor to set water conservation goals for the City based on data collected and reported in the water utility profile ~~attached to Ordinance 6305 as appendix A~~ filed with the Texas Commission on Environmental Quality (or successor agency) as required or provided by law. The profile shall include information regarding population and customer data, water use data, water supply system data, and wastewater system data. ~~The water utility profile is herewith adopted and incorporated herein by reference. One (1) copy is to remain on file in the City Secretary's office. The director shall ensure that a copy of the most current filed report is available for public inspection and copying.~~

Section 2

That Sec. 51.119 of Chapter 51, "General Utility Provisions", of the Code of Ordinances of the City of Garland, Texas, is hereby amended to read as follows:

"Sec. 51.119 Water conservation goals

Water conservation goals are established to provide a reduction in the per capita water use over current water use. These goals can be realized from incorporation of water savings measures. The planning goals for the City include the following:

Municipal per capita water use at or below ~~157.0~~ 141.0
gallons per capita per day (gpcd) by the year ~~2013~~ 2019

- DRAFT -

FOR DISCUSSION PURPOSES ONLY

and at or below ~~154.0~~ 138.0 gpcd by the year ~~2018~~ 2024.
Municipal per capita water use shall be calculated on an
annual basis."

Section 3

That Chapter 51, "General Utility Provisions", of the Code of Ordinances of the City of Garland, Texas, as amended, shall be and remain in full force and effect save and except as amended by this Ordinance.

Section 4

That the terms and provisions of this Ordinance are severable and are governed by Sec. 10.06 of the Code of Ordinances of the City of Garland, Texas.

Section 5

That this Ordinance shall be and become effective immediately upon and after its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



Texas Commission on Environmental Quality

UTILITY PROFILE AND WATER CONSERVATION PLAN REQUIREMENTS FOR MUNICIPAL WATER USE BY RETAIL PUBLIC WATER SUPPLIERS

This form is provided to assist retail public water suppliers in water conservation plan development. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Name: City of Garland Water Utilities

Address: 2343 Forest Lane, Garland TX 75042

Telephone Number: (972) -2053209 Fax: (972) -2053201


Water Right No.(s): _____

Regional Water Planning Group: Region C

Form Completed by: Robert Ashcraft

Title: Field Operations Director

Person responsible for implementing conservation program: Bonny Patrick Phone: (972) -2053285

Signature:  Date: 3/12/2014

NOTE: If the plan does not provide information for each requirement, include an explanation of why the requirement is not applicable.

UTILITY PROFILE

I. POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Attach a copy of your service-area map and, if applicable, a copy of your Certificate of Convenience and Necessity (CCN).
2. Service area size (in square miles): 57
(Please attach a copy of service-area map)
3. Current population of service area: 231,618
4. Current population served for:
 - a. Water 231,618
 - b. Wastewater 336,756

5. Population served for previous five years:

<i>Year</i>	<i>Population</i>
2009	225,865
2010	226,608
2011	227,726
2012	228,060
2013	231,618

6. Projected population for service area in the following decades:

<i>Year</i>	<i>Population</i>
2020	243,337
2030	243,421
2040	243,522
2050	243,631
2060	243,761

7. List source or method for the calculation of current and projected population size.
Population projections from the proposed 2016 Region C Water Plan.

B. Customers Data

Senate Bill 181 requires that uniform consistent methodologies for calculating water use and conservation be developed and available to retail water providers and certain other water use sectors as a guide for preparation of water use reports, water conservation plans, and reports on water conservation efforts. A water system must provide the most detailed level of customer and water use data available to it, however, any new billing system purchased must be capable of reporting data for each of the sectors listed below. http://www.tceq.texas.gov/assets/public/permitting/watersupply/water_rights/sb181_guidance.pdf

1. Current number of active connections. Check whether multi-family service is counted as ☒ Residential or ☐ Commercial?

<i>Treated Water Users</i>	<i>Metered</i>	<i>Non-Metered</i>	Totals
Residential	64146		64146
Single-Family	63335		63335
Multi-Family	811		811
Commercial	5204		5204
Industrial/Mining			
Institutional	270		270
Agriculture			
Other/Wholesale	59		59

2. List the number of new connections per year for most recent three years.

<i>Year</i>	2011	2012	2013
<i>Treated Water Users</i>			
Residential	66	17	159
Single-Family	66		152
Multi-Family		17	7
Commercial	18	23	39
Industrial/Mining			
Institutional			
Agriculture			
Other/Wholesale			

3. List of annual water use for the five highest volume customers.

	<i>Customer</i>	<i>Use (1,000 gal/year)</i>	<i>Treated or Raw Water</i>
1.	Daisy Brand	207,675.1	Treated
2.	GISD	190,197.5	Treated
3.	Kraft Foods	93,925.0	Treated
4.	Praxair	88,280.7	Treated
5.	Plasticpak Packaging	63,983.6	Treated

II. WATER USE DATA FOR SERVICE AREA

A. Water Accounting Data

- List the amount of water use for the previous five years (in 1,000 gallons). Indicate whether this is ☐ diverted or ☒ treated water.

<i>Year</i>	2009	2010	2011	2012	2013
<i>Month</i>					
January	863,939	788,528	857,439	685,859	678,523
February	756,379	708,069	709,307	702,627	656,027
March	829,873	791,461	889,022	662,111	816,777
April	946,728	992,312	1,004,543	859,098	758,121
May	847,877	1,057,846	953,063	1,052,201	960,930
June	1,236,629	1,466,147	1,329,532	1,090,094	913,263
July	1,353,798	1,284,082	1,689,493	1,292,193	1,054,081
August	1,342,386	1,836,492	1,863,881	1,349,962	1,193,601
September	1,022,297	1,054,237	1,302,612	1,316,910	1,271,371
October	845,908	1,147,358	1,132,162	984,022	841,046
November	757,246	921,271	867,870	947,082	766,416
December	719,000	989,801	787,195	726,088	698,333
Totals	11,522,060	13,037,604	13,386,119	11,668,247	10,608,489

Describe how the above figures were determine (e.g, from a master meter located at the point of a diversion from the source, or located at a point where raw water enters the treatment plant, or from water sales).

Master meters located at 5 connection points from wholesale water supplier North Texas Municipal Water District.

- Amount of water (in 1,000 gallons) delivered/sold as recorded by the following account types for the past five years.

<i>Year</i>	2009	2010	2011	2012	2013
<i>Account Types</i>					
Residential	6,588,738.5	7,244,901.9	7,836,439.8	7,510,520.0	6,976,696.8
Single-Family	5,878,951.0	6,444,511.0	6,997,516.0	6,288,068.0	5,779,411.0
Multi-Family	709,787.5	800,390.9	838,923.8	1,222,452.0	1,197,285.8
Commercial	2,637,718.7	2,837,856.2	3,698,881.7	2,375,155.7	2,254,737.8
Industrial/Mining					
Institutional	384,059.7	460,886.0	445,237.9	466,971.9	375,972.6
Agriculture					
Other/Wholesale					

3. List the previous records for water loss for the past five years (the difference between water diverted or treated and water delivered or sold).

<i>Year</i>	<i>Amount (gallons)</i>	<i>Percent %</i>
2009	1,911,543,100	16.6%
2010	2,493,959,900	19.1%
2011	1,405,559,600	10.5%
2012	1,315,599,400	11.3%
2013	1,001,081,800	9.4%

B. Projected Water Demands

If applicable, attach or cite projected water supply demands from the applicable Regional Water Planning Group for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Water Supply Sources

List all current water supply sources and the amounts authorized (in acre feet) with each.

<i>Water Type</i>	<i>Source</i>	<i>Amount Authorized</i>
Surface Water	N/A	0
Groundwater	N/A	0
Contracts	North Texas Municipal Water District (Surface Water)	Demand based contract with minumum take or pay.
Other	N/A	0

B. Treatment and Distribution System

1. Design daily capacity of system (MGD): 225.06
2. Storage capacity (MGD):
 - a. Elevated 4.85
 - b. Ground 42.0

3. If surface water, do you recycle filter backwash to the head of the plant?
☐ Yes ☐ No If yes, approximate amount (MGD): N/A

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD): 64
2. Treated effluent is used for ☐ on-site irrigation, ☐ off-site irrigation, for ☒ plant wash-down, and/or for ☒ chlorination/dechlorination.
 If yes, approximate amount (in gallons per month): 110
3. Briefly describe the wastewater system(s) of the area serviced by the water utility. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

Treatment Plant Name	TCEQ Number	Operator	Owner	Receiving Stream
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Duck Creek	10090-001	City of Garland	City of Garland	Duck Creek
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Rowlett Creek	10090-002	City of Garland	City of Garland	Duck Creek
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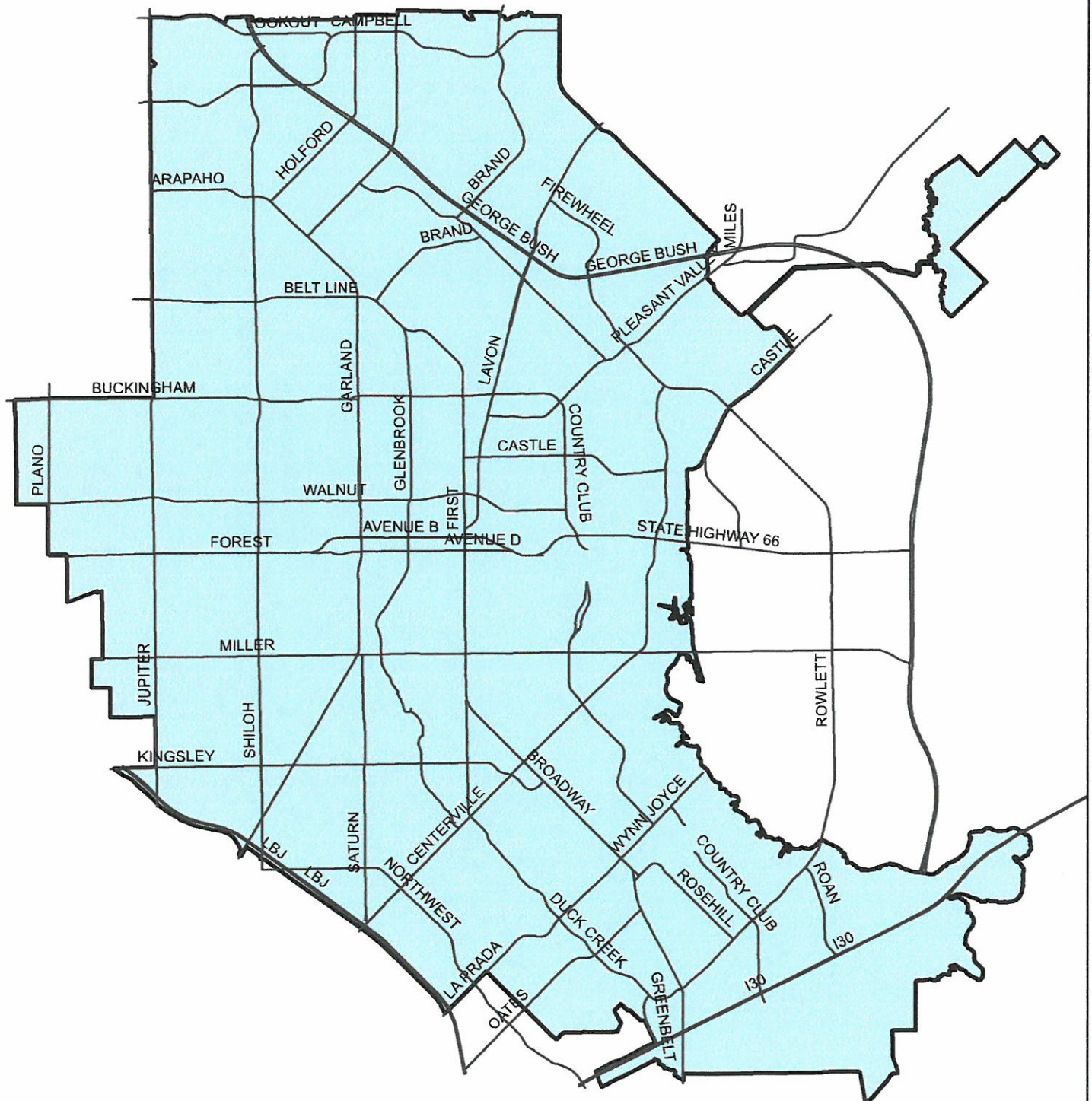
B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: 100 %
2. Monthly volume treated for previous five years (in 1,000 gallons):

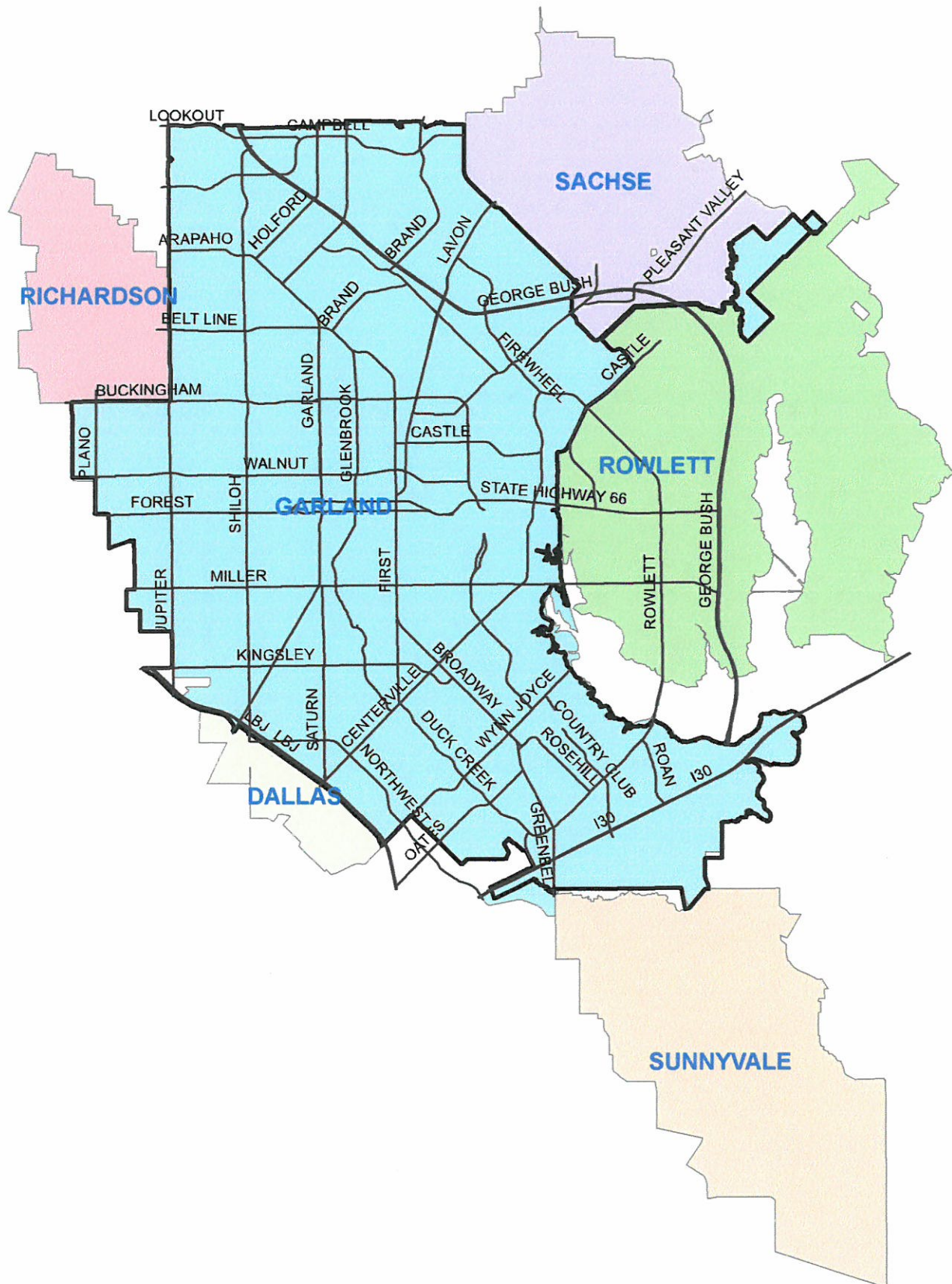
<i>Year</i>	2009	2010	2011	2012	2013
<i>Month</i>					
January	810,000	1,198,390	1,008,700	1,150,970	939,030
February	868,920	1,726,780	1,227,140	1,036,890	966,070
March	1,061,600	1,364,830	994,830	1,110,970	876,070
April	1,006,330	973,330	1,033,000	913,330	949,000
May	1,096,130	829,030	1,043,550	750,640	1,020,000
June	859,000	849,000	858,300	863,600	968,300
July	713,870	866,770	624,840	604,190	761,600

August	<u>756,770</u>	<u>817,090</u>	<u>561,610</u>	<u>677,100</u>	<u>647,100</u>
September	<u>1,111,330</u>	<u>1,117,330</u>	<u>733,000</u>	<u>770,000</u>	<u>743,300</u>
October	<u>1,720,960</u>	<u>917,420</u>	<u>822,260</u>	<u>795,480</u>	<u>810,320</u>
November	<u>1,254,330</u>	<u>1,114,600</u>	<u>771,660</u>	<u>829,660</u>	<u>874,660</u>
December	<u>1,226,770</u>	<u>948,710</u>	<u>991,610</u>	<u>797,740</u>	<u>910,640</u>
	<u>12,486,010</u>	<u>12,723,280</u>	<u>10,670,500</u>	<u>10,300,570</u>	<u>10,466,000</u>
Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

CITY OF GARLAND WATER SERVICE AREA



CITY OF GARLAND SEWER SERVICE AREA





Meeting: Work Session

Date: March 17, 2014

Policy Report

AMENDMENT OF 911 FEES ORDINANCE

ISSUE

Council is requested to consider adopting an amendment to Section 26.11 of the Code of Ordinances to remove section 26.11(B)(4) listing a cellular 911 fee.

OPTIONS

- A. Authorize the amendment of Section 26.11 of the Code of Ordinances to remove section 26.11(B) (4) listing a cellular 911 fee.
- B. Do not authorize the amendment of Section 26.11

RECOMMENDATION

Option A: Authorize the amendment of Section 26.11 to remove the cellular 911 fee. If Council concurs, this item will be scheduled for formal consideration at the April 1, 2014 Regular Meeting.

COUNCIL GOAL

Consistent Delivery of Reliable City Services

BACKGROUND

Section 26.11(B) (4) of the Code of Ordinances lists a cellular 911 of \$0.75 remitted to City of Garland by cellular service providers. When the ordinance was originally adopted, Home Rule Cities were permitted to set and collect cellular 911 fees. However, changes to Health and Safety Code Chapter 771 enacted by the 75th Legislature, prevent a political subdivision from imposing a fee on a wireless (cellular) service provider or subscriber. Following this change, all cellular 911 fees are remitted to the State Comptroller who then distributes the fees collected to Regional Planning Commissions, Home Rule Cities and Emergency Districts based on percentage of state population.

CONSIDERATION

This amendment is needed as the City of Garland is prohibited by law to collect cellular 911 fees.

This is a technical correction in the ordinance only. The City has not and is not currently collecting cellular 911 fees.

ATTACHMENT

Draft proposed ordinance amendment.

Submitted By:

Mitch Bates
Police

Date: March 10, 2014

Approved By:

William E. Dollar
City Manager

Date: March 10, 2014

ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 26, "POLICE--MISCELLANEOUS", OF THE CODE OF ORDINANCES OF THE CITY OF GARLAND, TEXAS; PROVIDING A SAVINGS CLAUSE AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That Sec. 26.11 of Chapter 26, "Police-Miscellaneous", of the Code of Ordinances of the City of Garland, Texas, is hereby amended by deletion of subsection 26.11(B)(4) and to read as follows:

Sec. 26.11. 911 Fees

". . .

(B) Fees. The following monthly fees are imposed on all customers within the City for 911 services:

- (1) Residential: \$0.75.
- (2) Business, on not more than 100 local exchange access lines: \$1.25.
- (3) PBX, on not more than 100 local exchange access lines: \$2.00."

Section 2

That Chapter 26, "Police Miscellaneous", of the Code of Ordinances of the City of Garland, Texas, as amended, shall be and remain in full force and effect save and except as amended by this Ordinance.

Section 3

That the terms and provisions of this Ordinance are severable and are governed by Sec. 10.06 of the Code of Ordinances of the City of Garland, Texas.

Section 4

That this Ordinance shall be and become effective immediately upon and after its passage and approval.

PASSED AND APPROVED this the ____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



Policy Report

SH 190 / CAMPBELL ROAD STUDY

ISSUE

This item is a briefing on the SH 190 / Campbell road study currently underway.

OPTIONS

This item is for information only.

RECOMMENDATION

No action is needed

BACKGROUND

The area along the north side of President George Bush Turnpike (PGBT), west of Holford Road has been shown on the City's Future Land Use Map (FLUM) as suitable for nonresidential uses since at least the 1980's. Within the current Envision Garland Comprehensive Plan, this area is one of the seven Catalyst Areas identified for targeted efforts to encourage development and redevelopment. As this area contains much of the remaining vacant land area within the City, it is critically important that any potential development be carefully considered to ensure that what ultimately develops is in the best long-term interest of the City. The vision for the area has long been that it has potential for regionally important office and employment centers with an integrated high end residential component and support retail.

The current (and many years in-place) zoning on the property also reflects this: none of the property is presently zoned to allow residential uses as it all has either office, industrial or retail base zoning. Even beyond that, there are private deed restrictions in place for much of this property which specifically preclude any residential uses.

In early 2012 staff was approached by one of the owners to discuss potential uses for the development of his property. The conversation centered on the FLUM recommendation and whether the envisioned land use pattern was still viable or if the City would consider allowing zoning changes which would permit single family and multifamily development. After these discussions, the owner engaged RCLCO, a real estate advisory firm, to perform a market analysis on approximately 117 acres of land

located north of PGBT. The 117 acres included his 25.5 acre tract and an adjoining property of 91.5 acres. This study examined the feasibility of residential development (both single family and multifamily) on the subject properties and, in a report finalized on June 21, 2012, concluded that the market would support both types. It should be noted that the report did not examine the potential market for office or retail development.

Also during this time period (mid 2012) representatives for the entire 117 acres engaged a design firm (TBG) to prepare a conceptual land use plan for the two tracts. Several versions were prepared and all included large numbers of small single family lots and as many as 1,300 multifamily units with a small amount of support retail. As word spread in the real estate community that these discussions were ongoing, staff was approached by prospective developers for almost every tract in this area and all wanted to construct single family or multifamily projects.

Simultaneously, in July of 2012 a zoning application was submitted for properties on the south side of PGBT. This application was approved in December of 2012 and established a Planned Development which permits a mix of office, retail, senior living and multifamily residential uses. Given the location, configuration and topography of the site, it was seen as suitable for these uses and not as suitable for employment centers.

As staff was now being approached by owners, owner's representatives and prospective developers regarding virtually every site in the area, it was decided that a market analysis examining the feasibility of office and employment center development on these properties was needed to determine if the Future Land Use Map recommendation was still valid. Consequently, in January of 2013, the City hired Ricker-Cunningham, a firm of market economists, to conduct this study. Their market context analysis was submitted on March 28, 2013 and concluded "The site is well positioned for a business center concept with supporting uses" while acknowledging that it was not something that would happen in the short term. After doing a fiscal analysis examining the potential revenue versus the potential cost to serve development on these properties, the report further concluded that "...allowing a residential development here would likely result in an operating deficit for the City." This study was presented to and discussed with the property owners and various representatives.

Subsequently, in May of 2013 a meeting was convened with all of the property owners or owner's representatives to discuss the issues. Also attending were District 1 Councilman Campbell and Mayor Athas. As a result of this meeting and other individual meetings, it was agreed that the City would engage the services of a firm to prepare a conceptual master plan for the entire area which would encompass all of the properties and would take into account both the RCLCO and Ricker Cunningham studies. An RFP outlining the desired scope of services was prepared and posted; Gateway Planning was the only respondent to the posting and they were hired in October of 2013.

Since that time, two meetings (December 12, 2013 and February 19, 2014) have been held with all property owners, representatives as well as City staff and facilitated by Gateway Planning. The land owners and staff were asked to discuss their ideas and thoughts regarding the development of the area. Based on these discussions, the consultant has presented some ideas on a framework plan for the overall development and is now refining the proposed concepts for additional review.

It is intended that the end result will be a conceptual master plan and a framework for the zoning of the entire area that everyone, owners and the City, will agree to.

ATTACHMENT

Area Map

Submitted By:

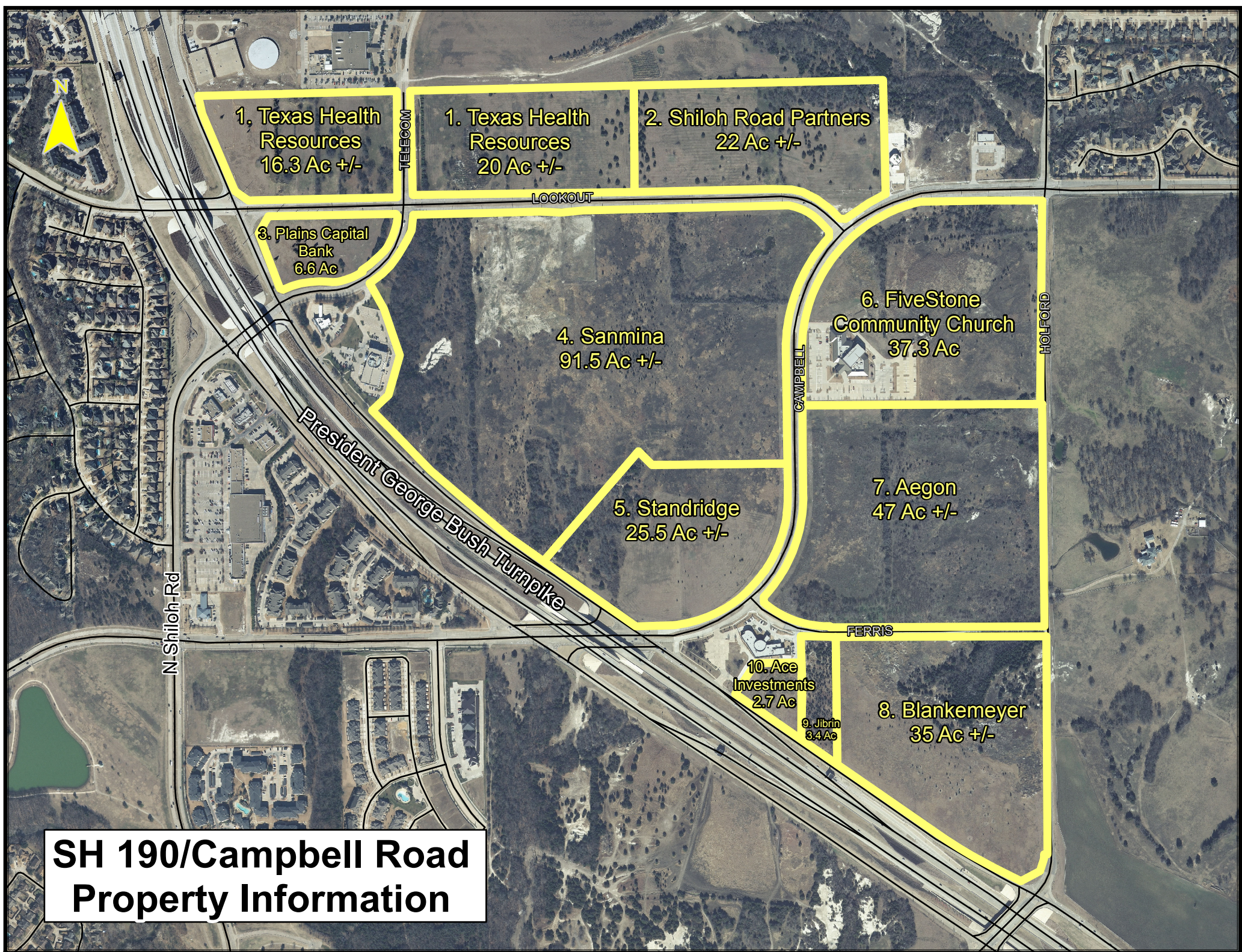
Neil Montgomery
Senior Managing Director of
Development Services

Date: March 12, 2014

Approved By:

William E. Dollar
City Manager

Date: March 12, 2014



1. Texas Health Resources
16.3 Ac +/-

1. Texas Health Resources
20 Ac +/-

2. Shiloh Road Partners
22 Ac +/-

3. Plains Capital Bank
6.6 Ac

4. Sanmina
91.5 Ac +/-

6. FiveStone Community Church
37.3 Ac

5. Standridge
25.5 Ac +/-

7. Aegon
47 Ac +/-

10. Ace Investments
2.7 Ac

9. Jibrin
3.4 Ac

8. Blankemeyer
35 Ac +/-

SH 190/Campbell Road Property Information



City Council Item Summary Sheet

☒ Work Session

☒ Agenda Item

Date: March 17, 2014
March 18, 2014

Payday, Title, and Similar Loan Operations

Summary of Request/Problem

Council is requested to consider for adoption an ordinance regulating payday, title, and similar loan operations located in the City. The Community Services Committee considered a proposal and recommended the adoption of an ordinance in its report to the City Council at the February 3, 2014 Work Session. The proposed ordinance was crafted on the basis of a model ordinance promulgated by the Texas Municipal League (TML) and adopted by a number of cities in Texas. After the committee report, the City was contacted by representatives on both sides of the payday loan issue. The industry representatives propose modifications as shown in the draft. The consumer representatives advocate the adoption of a TML-modeled ordinance. Both sides intend to present their positions to the Council when the matter is scheduled on a regular agenda.

Recommendation/Action Requested and Justification

Approve an ordinance regulating payday, title, and similar loan operations located in the City of Garland.

Submitted By:

Brad Neighbor
City Attorney

Approved By:

William E. Dollar
City Manager

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- For Discussion Purposes Only -

ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER __, "_____", OF THE CODE OF ORDINANCES OF THE CITY OF GARLAND, TEXAS RELATING TO THE REGULATION OF CERTAIN CREDIT ACCESS AND "PAYDAY LOAN" BUSINESSES; PROVIDING A PENALTY UNDER THE PROVISIONS OF SEC. 10.05 OF THE CODE OF ORDINANCES OF THE CITY OF GARLAND, TEXAS; PROVIDING A SAVINGS CLAUSE AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

Section 1

That Chapter __, "_____", of the Code of Ordinances of the City of Garland, Texas, is hereby amended by adding a new article, Article __, to read as follows:

"ARTICLE __ CREDIT ACCESS BUSINESSES

Sec. __. Definitions

As used in this article:

- (1) Certificate of registration means a certificate of registration issued by the director under this article to the owner or operator of a credit access business.
- (2) Consumer means an individual who is solicited to purchase or who purchases the services of a credit access business.
- (3) Consumer's language of preference is the language the consumer understands best between the English and Spanish languages.
- (4) Credit access business has the meaning given that term in Section 393.601 of the Texas Finance Code.
- (5) Deferred presentment transaction has the meaning given that term in Section 393.601 of the Texas Finance Code.
- (6) Director means the director of the _____ department.
- (7) Extension of consumer credit has the meaning given that term in Section 393.001 of the Texas Finance Code.

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(8) Motor vehicle title loan has the meaning given that term in Section 393.601 of the Texas Finance Code.

(9) Reference Amount is an inflation-adjusted consumer income reference amount for determining borrowing limits. The initial reference amount is twenty eight thousand dollars. This amount shall be adjusted annually in accordance with the Consumer Price Index.

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(109) Registrant means a person issued a certificate of registration for a credit access business under this chapter and includes all owners and operators of the credit access business identified in the registration application filed under this chapter.

(1110) State license means a license to operate a credit access business issued by the Texas Consumer Credit Commissioner under Chapter 393, Subchapter G of the Texas Finance Code.

Sec. __. Violations and penalties

(A) A person who violates a provision of this article, or who fails to perform an act required of the person by this article, commits an offense. A person commits a separate offense for each and every violation relating to an extension of consumer credit, and for each day during which a violation is committed, permitted, or continued.

(B) An offense under this article is punishable in accordance with the provisions of Sec. 10.05 of this Code.

(C) A culpable mental state is not required for the commission of an offense under this article and need not be proved.

(D) The penalties provided for in Subsection (B) are in addition to any other remedies that the city may have under city ordinances and state law.

Sec. __. Defenses

It is a defense to prosecution under this article that at the time of the alleged offense the person was not required to be licensed by the state as a credit access business under Chapter 393, Subchapter G, of the Texas Finance Code.

Sec. __. Registration required

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A person commits an offense if the person acts, operates, or conducts business as a credit access business without a valid certificate of registration. A certificate of registration is required for each physically separate credit access business located in the City.

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Sec. __. Registration application

(A) To obtain a certificate of registration for a credit access business, a person must submit an application on a form provided for that purpose to the director. The application must contain the following:

(1) The name, street address, mailing address, facsimile number, and telephone number of the applicant.

(2) The business or trade name, street address, mailing address, facsimile number, and telephone number of the credit access business.

(3) A copy of a current, valid state license held by the credit access business pursuant to Chapter 393, Subchapter G of the Texas Finance Code.

(4) A non-refundable application fee for the amount established by Sec. 30.__.

(B) An applicant or registrant shall notify the director within 45 days after any material change in the information contained in the application for a certificate of registration, including, but not limited to, any change of address and any change in the status of the state license held by the applicant or registrant. A change of status includes a denial of issuance, a suspension, revocation, surrender, expiration without renewal, or other termination of the registrant's state license.

Sec. __. Issuance and display of certificate of registration

(A) The director shall issue to the applicant a certificate of registration upon receiving a completed application under Sec. __.

(B) A certificate of registration issued under this section must be conspicuously displayed to the public in the credit access business. The certificate of registration must be presented upon request to the director or any peace officer for examination.

Sec. __. Expiration and renewal of certificate of registration

(A) A certificate of registration expires on the earliest of:

(1) One year after the date of issuance; or

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(2) The date of suspension, revocation, surrender, expiration without renewal, or other termination of the registrant's state license.

(B) A certificate of registration may be renewed by making application in accordance with Sec. _____. A registrant shall apply for renewal at least thirty days before the expiration of the registration.

Sec. ____ Non-transferability

A certificate of registration for a credit access business is not transferable.

Sec. ____ Maintenance of records

(A) A credit access business shall maintain a complete set of records of all extensions of consumer credit arranged or obtained by the credit access business at, by or through the location for which a certificated of registration has been issued, which must include the following information:

- (1) The name and address of the consumer.
- (2) The principal amount of cash actually advanced.
- (3) The length of the extension of consumer credit, including the number of installments and renewals.
- (4) The fees charged by the credit access business to arrange or obtain an extension of consumer credit; and
- (5) The documentation used to establish a consumer's income under Sec. ____ of this article.

(B) A credit access business shall maintain a copy of each written agreement between the credit access business and a consumer evidencing an extension of a consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer).

(C) The records required to be maintained by a credit access business under this section must be retained for at least three years and made available for inspection by the City at the registered location upon request during the usual and customary business hours of the credit access business.

| Sec. ____ Restrictions on extension of consumer credit

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(A) The cash advanced under an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a deferred presentment transaction may not exceed:

(1) twenty ~~five~~ percent of the consumer's gross monthly income if the consumer's gross monthly income is less than the reference amount, or thirty five percent of the consumer's gross monthly income for a single payment transaction; and

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(2) ten percent of the consumer's gross monthly income if the consumer's gross monthly income is less than the reference amount, or fifteen percent of a consumer's gross monthly income for a scheduled payment of a transaction that provides for repayments in installments.

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(B) The cash advanced under an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a motor vehicle title loan may not exceed the lesser of:

(1) ~~six three~~ percent of the consumer's gross annual income if the consumer's gross annual income is less than the reference amount, or eight percent of the consumer's gross annual income for a single payment transaction; ~~or~~

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(2) twenty percent of the consumer's gross monthly income if the consumer's gross monthly is less than the reference amount, or thirty percent of a consumer's gross monthly income for a scheduled payment of a transaction that provides for repayments in installments; or

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(3) seventy percent of the retail value of the motor vehicle.

On and after the effective date of this article, an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a motor vehicle title loan may only be made on a non-recourse basis.

(C) A credit access business shall use a recent paycheck or other reliable documentation establishing income to determine a consumer's income.

(D) An extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining and that

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provides for repayment in installments ~~shall may not~~ be payable on a fully amortizing, declining principal balance basis in not more than:

(1) 180 days for a deferred presentment transaction; or

(2) 365 days for a motor vehicle title loan.

~~in more than four installments inclusive of fees and interest. Proceeds from each installment must be used to repay at least twenty five percent of the principal amount of the extension of consumer credit.~~ An extension of consumer credit that provides for repayment in installments may ~~not~~ be refinanced or renewed once.

(E) An extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining and that provides for a single lump sum repayment may not be refinanced or renewed more than:

(1) four ~~three~~ times for a deferred presentment transaction; or

(2) six times for a motor vehicle title loan. ~~Proceeds from each refinancing or renewal must be used to repay at least twenty five percent of the principal amount of the original extension of consumer credit.~~

(F) If an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining has been refinanced or renewed the maximum number of times permitted by this section, a credit access business must offer the consumer a repayment plan to repay any remaining balance owed without additional fees prior to taking any further collection activities. The repayment plan must have a term of at least four payments equal in length to the payment, or payments, in the original extension of consumer credit.

(G) For purposes of this section, an extension of consumer credit that is made to a consumer within five ~~seven~~ days after a previous extension of consumer credit has been paid by the consumer constitutes a refinancing or renewal.

Sec. __. Requirement of consumer understanding of agreement

(A) Every agreement between the credit access business and a consumer that evidences an extension of consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer), must be written in the consumer's language of preference. Every credit

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access business location must maintain on its premises, to be available for use by consumers, agreements, disclosures and notices in the English and Spanish languages.

(B) For every consumer who cannot read, a copy of an agreement between the credit access business and a consumer that evidences an extension of consumer credit written in Spanish (including, but not limited to, any refinancing or renewal granted to the consumer) must be given ~~read~~ to the consumer in its entirety if ~~in~~ the consumer's language of preference is Spanish, prior to the consumer's signature.

(C) For every consumer who cannot read, every disclosure and notice required by law must be given ~~read~~ to the consumer ~~in~~ its entirety in the consumer's language of preference, prior to the consumer's signature on any loan application or agreement."

(D) Every consumer who cannot read has three days from the origination date of an extension of consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer) to cancel the transaction without penalty.

Section 2

That a violation of any provision of this Ordinance shall be a misdemeanor punishable in accordance with Sec. 10.05 of the Code of Ordinances of the City of Garland, Texas.

Section 3

That Chapter __, "_____", of the Code of Ordinances of the City of Garland, Texas, as amended, shall be and remain in full force and effect save and except as amended by this Ordinance.

Section 4

That the terms and provisions of this Ordinance are severable and are governed by Sec. 10.06 of the Code of Ordinances of the City of Garland, Texas.

Section 5

That this Ordinance shall be and become effective immediately upon and after its passage and approval.

PASSED AND APPROVED this the ____ day of _____, 2014.

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CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary

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CURRENT ZONING PROVISIONS REGARDING
ALTERNATIVE FINANCIAL INSTITUTIONS

Section

That the schedule of uses contained in Section 10-200 of Ordinance 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by adding, as a land use allowed under the division "Office and Retail" a land use for "Alternative Financial Establishments" and designating such use as allowed only by specific use permit in the Commercial-1 (C-1) District.

Section

That the schedule of uses contained in Section 10-200 of Ordinance 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by substituting the term "Bank or Financial Institution" for the term "Financial Institution" in the category "Office and Retail".

Section

That Section 10 of Ordinance No. 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by adding a new subsection 10-316 to read as follows:

"10-316 Alternative Financial Establishments

When developed as a permitted use, an alternative financial establishment shall comply with the development standards of the district in which it is located."

Section

That Section 38, "Definitions" of Ordinance No. 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by adding the following definitions, in appropriate

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alphabetical order:

Alternative Financial Establishment. A check cashing business, payday advance or loan business, or a car title loan business. The term does not include a bank or financial institution. With respect to a check cashing business, the term does not include: (1) a pawnshop or a grocery store; or (2) a convenience store or similar retail business that cashes checks or money orders or issues money orders or money transfers for a minimum flat fee as a service incidental to its main purpose of business provided the check cashing service does not constitute 50% or more of the trade of that business.

Car Title Loan Business. An establishment that makes small, short-term consumer loans that leverage the equity value of a customer's motor vehicle as collateral by taking physical possession of title to the vehicle, by executing a sale-leaseback agreement with the customer or by executing a power of attorney with the customer, by means of which the borrower's failure to repay the loan or make interest payments to extend the loan allows the car title loan business to take possession of the vehicle from the customer.

Check Cashing Business. An establishment that for a fee or other payment taken out of the proceeds of the transaction, provides payment to the customer - regardless of an existing checking or other relationship between the establishment and the customer - of an amount of money equal to the face of a check, draft, warrant, written authorization for an electronic transfer of money, or similar representation of payment owed by a third-party to the customer.

Payday Advance or Loan Business. An establishment that makes small consumer loans, usually backed by postdated check or authorization to make an electronic debit against an existing financial account, in which the check or debit is held for an agreed-upon term or until the customer's next payday, and then cashed or debited unless the customer repays the loan within the agreed time.

Section

That Section 38, "Definitions" of Ordinance No. 4647, the comprehensive zoning ordinance of the City of Garland, Texas is hereby amended by amending the definition for "Financial Institution" to read as follows:

"*Bank or Financial Institution* means an establishment such as a bank, savings and loan association, or credit union; that is regulated by federal or state law; that accepts and maintains deposits from individuals, businesses, or other institutions; that makes both short and long-term loans including loans secured by collateral other than personal property; and that provides related financial services to its customers."

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[The following is the TML model payday loan ordinance]

ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER __, "_____", OF THE CODE OF ORDINANCES OF THE CITY OF GARLAND, TEXAS RELATING TO THE REGULATION OF CERTAIN CREDIT ACCESS AND "PAYDAY LOAN" BUSINESSES; PROVIDING A PENALTY UNDER THE PROVISIONS OF SEC. 10.05 OF THE CODE OF ORDINANCES OF THE CITY OF GARLAND, TEXAS; PROVIDING A SAVINGS CLAUSE AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

WHEREAS, certain credit access businesses engage in abusive and predatory lending practices, offering easy money to those members of our community who are in a tight spot with onerous terms and fees; and

WHEREAS, the practices of certain access businesses cause members of our community to become trapped in a cycle of short term, high interest loans resulting in large debt and huge payments; and

WHEREAS, the Pew Charitable Trusts, in their publication entitled Payday Lending in America: Who Borrows, Where they Borrow, and Why, (July 2012), wrote that "payday loans are sold as two-week credit products that provide fast cash, but borrowers are actually indebted for an average of five months per year." The report further noted that "on average, a borrower takes out eight loans of \$375 each per year and spends \$520 on interest;" and

WHEREAS, the Pew Charitable Trusts, in their publication entitled Payday Lending in America: Who Borrows, Where they Borrow, and Why, (July 2012), also noted: "How much borrowers spend on loans depends heavily on the fees permitted by their state. The same \$500 storefront loan would generally cost about \$55 in Florida, \$75 in Nebraska, \$87.50 in Alabama, and \$100 in Texas, even if it were provided by the same national company in all those states. Previous research has found that lenders tend to charge the maximum permitted in a state;" and

WHEREAS, the Pew Charitable Trusts, in their publication entitled Payday Lending in America: Who Borrows, Where they Borrow, and Why, (July 2012), also stated that "the vast majority of borrowers use the loans on a long-term basis, not temporary one. Thus it seems that the payday loan industry is selling a product few people use

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as designed and that imposes debt that is consistently more costly and longer lasting than advertised;" and

WHEREAS, the Community Financial Services Association of America (CFSA), the national trade association for companies that offer small dollar, short-term loans or payday advances includes the following in the "Member Best Practices" as listed on its internet site (<http://cfsaa.com/cfsa-member-best-practices.aspx>): "Members shall not allow customers to rollover a payday advance (the extension of an outstanding advance by payment of only a fee) unless expressly authorized by state law, but in such cases where authorized will limit rollovers to four or the state limit, whichever is less." The need for consumer understanding was also outlined on this website: "A contract between a member and the customer must fully outline the terms of the payday advance transaction. Members agree to disclose the cost of the service fee both as a dollar amount and as an annual percentage rate ("APR");" and

WHEREAS, the Center for Responsible Lending, a non-profit, non-partisan organization, states on its internet site (<http://www.responsiblelending.org/other-consumer-loans/tools-resources/fast-facts.html>) that: "car title loans are based on the value of a borrower's car - the ability to repay the loans is not factor in the lending decision..."; "loan rates for a car title are typically 20-30 times that of rates charged by credit card issuers..."; "the average car title customer renews their loan 8 times..."; and, "on a \$500 title loan, this average customer will pay back \$650 in interest over eight months; the principal borrowed will be in addition;" and

WHEREAS, lenders hold onto the motor vehicle title and when borrowers cannot continue to pay the fees, they can lose their vehicles, which can drastically affect the borrower's means of transportation for work and other essential household functions.

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

Section 1

That Chapter __, "_____", of the Code of Ordinances of the City of Garland, Texas, is hereby amended by adding a new article, Article __, to read as follows:

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"ARTICLE __ CREDIT ACCESS BUSINESSES

Sec. __. Purpose

(A) This article may be known and cited as "Credit Access Businesses Regulation."

(B) The purpose of this article is to protect the welfare of the citizens of the City of _____ by monitoring credit access businesses in an effort to reduce abusive and predatory lending practices. To this end, this article establishes a registration program for credit access businesses, imposes restrictions on extensions of consumer credit made by credit access businesses, and imposes recordkeeping requirements on credit access businesses.

Sec. __. Definitions

As used in this chapter:

(1) CERTIFICATE OF REGISTRATION means a certificate of registration issued by the director under this article to the owner or operator of a credit access business.

(2) CONSUMER means an individual who is solicited to purchase or who purchases the services of a credit access business.

(3) CONSUMER'S LANGUAGE OF PREFERENCE is the language the consumer understands best.

(4) CREDIT ACCESS BUSINESS has the meaning given that term in Section 393.601 of the Texas Finance Code.

(5) DEFERRED PRESENTMENT TRANSACTION has the meaning given that term in Section 393.601 of the Texas Finance Code.

(6) DIRECTOR means the director of the department designated by the City Council, City Manager, or City Councilor City Manager's Designee, to enforce and administer this chapter.

(7) EXTENSION OF CONSUMER CREDIT has the meaning given that term in Section 393.001 of the Texas Finance Code.

(8) MOTOR VEHICLE TITLE LOAN has the meaning given that term in Section 393.601 of the Texas Finance Code.

(9) PERSON means any individual, corporation, organization,

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partnership, association, financial institution, or any other legal entity.

(10) REGISTRANT means a person issued a certificate of registration for a credit access business under this chapter and includes all owners and operators of the credit access business identified in the registration application filed under this chapter.

(11) STATE LICENSE means a license to operate a credit access business issued by the Texas Consumer Credit Commissioner under Chapter 393, Subchapter G of the Texas Finance Code.

Sec. __. Violations; Penalty

(A) A person who violates a provision of this chapter, or who fails to perform an act required of the person by this chapter, commits an offense. A person commits a separate offense for each and every violation relating to an extension of consumer credit, and for each day during which a violation is committed, permitted, or continued.

(B) An offense under this chapter is punishable by a fine of not more than \$500.

(C) A culpable mental state is not required for the commission of an offense under this article and need not be proved.

(D) The penalties provided for in Subsection (b) are in addition to any other remedies that the city may have under city ordinances and state law.

Sec. __. Defenses

It is a defense to prosecution under this article that at the time of the alleged offense the person was not required to be licensed by the state as a credit access business under Chapter 393, Subchapter G, of the Texas Finance Code.

Sec. __. Registration Required

A person commits an offense if the person acts, operates, or conducts businesses as a credit access business without a valid certificate of registration. A certificate of registration is required for each physically separate credit access business.

Sec. __. Registration Application

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(A) To obtain a certificate of registration for a credit access business, a person must submit an application on a form provided for that purpose to the director. The application must contain the following:

(1) The name, street address, mailing address, facsimile number, and telephone number of the applicant.

(2) The business or trade name, street address, mailing address, facsimile number, and telephone number of the credit access business.

(3) The names, street addresses, mailing addresses, and telephone numbers of all owners of the credit access business, and the nature and extent of each person's interest in the credit access business.

(4) A copy of a current, valid state license held by the credit access business pursuant to Chapter 393, Subchapter G of the Texas Finance Code.

(5) A copy of a current, valid certificate of occupancy showing that the credit access business is in compliance with the City of _____ Code.

(6) A non-refundable application fee for the amount established.

(B) An applicant or registrant shall notify the director within 45 days after any material change in the information contained in the application for a certificate of registration, including, but not limited to, any change of address and any change in the status of the state license held by the applicant or registrant.

Sec. __. Issuance and Display of Certificate of Registration; Presentment upon Request.

(A) The director shall issue to the applicant a certificate of registration upon receiving a completed application under Section __.

(B) A certificate of registration issued under this section must be conspicuously displayed to the public in the credit access business. The certificate of registration must be presented upon request to the director or any peace officer for examination.

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Sec. __. Expiration and Renewal of Certificate of Registration

(A) A certificate of registration expires on the earliest of:

- (1) One year after the date of issuance; or
- (2) The date of revocation, suspension, surrender, expiration without renewal, or other termination of the registrant's state license.

(B) A certificate of registration may be renewed by making application in accordance with Section 5.17.040. A registrant shall apply for renewal at least 30 days before the expiration of the registration.

Sec. __. Non-transferability

A certificate of registration for a credit access business is not transferable.

Sec. __. Maintenance of Records

(A) A credit access business shall maintain a complete set of records of all extensions of consumer credit arranged or obtained by the credit access business, which must include the following information:

- (1) The name and address of the consumer.
- (2) The principal amount of cash actually advanced.
- (3) The length of the extension of consumer credit, including the number of installments and renewals.
- (4) The fees charged by the credit access business to arrange or obtain an extension of consumer credit; and
- (5) The documentation used to establish a consumer's income under Section _____.110 of this ordinance.

(B) A credit access business shall maintain a copy of each written agreement between the credit access business and a consumer evidencing an extension of a consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer).

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(C) A credit access business shall maintain copies of all quarterly reports filed with the Texas Consumer Credit Commissioner under Section 393.627 of the Texas Finance Code.

(D) The records required to be maintained by a credit access business under this section must be retained for at least three years and made available for inspection by the city upon request during the usual and customary business hours of the credit access business.

Sec. __. Restriction on Extension of Consumer Credit

(A) The cash advanced under an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a deferred presentment transaction may not exceed 20 percent of the consumer's gross monthly income.

(B) The cash advanced under an extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining in the form of a motor vehicle title loan may not exceed the lesser of:

- (1) Three percent of the consumer's gross annual income; or
- (2) 70 percent of the retail value of the motor vehicle.

(C) A credit access business shall use a paycheck or other documentation establishing income to determine a consumer's income.

(D) An extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining and that provides for repayment in installments may not be payable in more than four installments. Proceeds from each installment must be used to repay at least 25 percent of the principal amount of the extension of consumer credit. An extension of consumer credit that provides for repayment in installments may not be refinanced or renewed.

(E) An extension of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining and that provides for a single lump sum repayment may not be refinanced or renewed more than three times. Proceeds from each refinancing or renewal must be used to repay at least 25 percent of the principal amount of the original extension of consumer credit.

(F) For purposes of this section, an extension of consumer credit

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that is made to a consumer within seven days after a previous extension of consumer credit has been paid by the consumer will constitute a refinancing or renewal.

Sec. __. Requirement of Consumer Understanding of Agreement

(A) Every agreement between the credit access business and a consumer evidencing an extension of consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer), must be written in the consumer's language of preference. Every credit access business location must maintain on its premises, to be available for use by consumers, agreements in the English and Spanish languages.

(B) For every consumer who cannot read, every agreement between the credit access business and a consumer evidencing an extension of consumer credit (including, but not limited to, any refinancing or renewal granted to the consumer) must be read to the consumer in its entirety in the consumer's language of preference, prior to the consumer's signature.

(C) For every consumer who cannot read, every disclosure and notice required by law must be read to the consumers in its entirety in the consumer's language of preference, prior to the consumer's signature.

Sec. __. Referral to Consumer Credit Counseling

A credit access business shall provide a form, to be prescribed by the Director, to each consumer seeking assistance in obtaining an extension of consumer credit which references non-profit agencies that provide financial education and training programs and agencies with cash assistance programs. The form will also contain information regarding extensions of consumer credit, and must include the information required by Sec. __ (a)(1)-(5) of this ordinance specific to the loan agreement with the consumer. If the Director has prescribed a form in the consumer's language of preference, the form must be provided in the consumer's language of preference."

Section 2

That a violation of any provision of this Ordinance shall be a misdemeanor punishable in accordance with Sec. 10.05 of the Code of Ordinances of the City of Garland, Texas.

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Section 3

That Chapter __, "_____", of the Code of Ordinances of the City of Garland, Texas, as amended, shall be and remain in full force and effect save and except as amended by this Ordinance.

Section 4

That the terms and provisions of this Ordinance are severable and are governed by Sec. 10.06 of the Code of Ordinances of the City of Garland, Texas.

Section 5

That this Ordinance shall be and become effective immediately upon and after its passage and approval.

PASSED AND APPROVED this the ____ day of _____, 2014.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary



City Council Item Summary Sheet

☒ **Work Session**

Date: March 17, 2014

☐ **Agenda Item**

Consideration of Invitation to Ambassador of the Republic of Panama

Summary of Request/Problem

At the recent National League of Cities Congressional City Conference, several Council members had the opportunity to meet with The Honorable Mario E. Jaramillo, Ambassador of the Republic of Panama to discuss transportation, trade, and economic development initiatives. During the meeting, Ambassador Jaramillo expressed an interest in visiting Garland to share potential transportation, trade, and economic development opportunities in the Panama Canal Zone with City, business, and community leaders.

At the request of Council Member B. J. Williams and Mayor Pro Tem Lori Barnett Dodson, Council is requested to discuss extending an official invitation to Ambassador Jaramillo and provide direction for planning of such a visit.

Recommendation/Action Requested and Justification

Council discussion.

Submitted By:

Approved By:

William E. Dollar
City Manager