

DRAFT

MINUTES REGULAR MEETING January 11, 2022

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on January 11, 2022, at 6:00 p.m. in the Hal Baldwin Municipal Complex Council Chambers, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Present: Mayor Pro-Tem Michael Dahle; Councilmember Mark Davis; Councilmember Rosemary Scott; Councilmember Jill Whittaker; Councilmember David Scagliola; Councilmember Allison Heyward; Councilmember Tim Brown

City Staff: City Manager Dr. Mark Browne; Assistant City Manager Brian James; Assistant City Manager Charles Kelm; City Attorney Daniel Santee; City Secretary Brenda Dennis; Assistant to the City Manager Sarah Gonzalez; Deputy City Secretary Sheila Edmondson

Call to Order

Mayor Gutierrez called the meeting to order at 6:00 pm.

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas. (Councilmember Whittaker)

Councilmember Whittaker provided the opening prayer followed by the Pledges of Allegiance to the Flags of the United States and the State of Texas.

City Events and Announcements

- Announcements of upcoming City Events (B. James/C. Kelm/S. Gonzalez)

Monday, January 17th

Martin Luther King, Jr. Day
City Offices Closed

Tuesday, January 25th

Next regular scheduled Council meeting, 6:00 PM, Council Chambers

Hearing of Residents

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.

All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.

Mayor Gutierrez recognized the following:

Mr. Eric Hohman, 210 Veda Main, Drive, Candidate for U.S. House Texas District 28, introduced himself to the audience. His focus is on border security, backing law enforcement and against vaccine mandates.

Citizens who spoke to Item #9-Amending the Comprehensive Land Use Plan by changing approximately 363 acres on the Future Land Use Map from Agricultural Conservation/Estate Neighborhood use to Single-Family Residential land use.

Approve:

- Ed Minter, 8210 & 8086 FM 1518, Schertz, TX
- Bryan Bryson, 7820 FM 1518, Schertz, TX
- Wayne Ashabraner, 1200 Old Bastrop Hwy, San Marcos, TX
- Larry Hartman, 318 Chaparral Trail, Blanco, TX

Disapprove:

- Diana Myers, 8841 Trainer Hale Rd., Schertz, TX
- Elaine Doege, 845 Scull Crossing, Lavernia, TX
- Kay Peshorn Vincent, 8310 Trainer Hale Rd., Schertz TX
- Mark Peshorn, 8320 Trainer Hale Rd., Schertz, TX
- Cathy Peshorn, 8320 Trainer Hale Rd., Schertz, TX
- Lisa Schmidt, 8206 Trainer Hale Rd., Schertz TX

Ms. Maggie Titterington, 1730 Schertz Parkway- Ms. Titterington provided updates for the Chamber:

- Chamber Luncheon, Tuesday, January 18, 2022- Schertz Civic Center-The State of the Chamber Address
- Chamber Mixer will now be a quarterly event. Next Chamber Mixer-January 20th, 2022 at Blue Bonnet Palace from 5:30pm to 7:00 pm.
- Health and Wholeness Fair, Saturday, January 29, 2022, at Schertz Civic Center from 10:00am to 1:00pm.

Ms. Titterington introduced the Leadership Core Program candidates:

- Ms. Sarah Gonzalez
- Ms. Diana Gonzalez
- Ms. Jessica Davis
- Ms. Ciara Mateo-Morrison
- Ms. Sharon Medellin

Ms. Lana McKnight, 8869 Stack Stone, Schertz, TX- Ms. McKnight spoke about the planned multi-family project across from The Crossvine subdivision. She has many concerns about the possibility 300+ units planned with the additional traffic, safety and lack of amenities.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

Mayor Gutierrez read the following items into record:

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the meeting of January 4, 2022. (B. Dennis)

2. **Ordinance No. 22-T-03** - Consideration and/or action approving an Ordinance by the City Council of the City of Schertz, Texas, authorizing an adjustment to the Fiscal Year 2021-2022 Budget to provide funding for the purchase of HVAC equipment for the Civic Center HVAC Replacement Project, repealing all ordinances or parts of ordinances in conflict with this ordinance; and providing an effective date. (*Final Reading*) (C. Kelm/S. Williams/S. McClelland)
3. **Resolution No. 22-R-11** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the City Manager to enter into a job order contract with Sullivan Contracting Services for the purchase of HVAC equipment relating to the Civic Center HVAC Replacement Project. (C. Kelm/S. Williams/S. McClelland)
4. **Resolution No. 22-R-08** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing approval of the Guadalupe Appraisal District (G.A.D.) Facility Parking Lot Expansion. (M. Browne)
5. **Resolution No. 22-R-04** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the City Manager to reject all proposals received for BID 2021-019 regarding the Mobile/Modular Home for EMS and other matters in connection therewith. (M. Browne/J. Kurz/J. Golke)
6. **Resolution No. 22-R-10** - Consideration and approval of a Resolution by the Schertz City Council approving a Bond Resolution previously adopted by the Board of Directors of the Schertz/Seguin Local Government Corporation authorizing the issuance of obligations designated as “Schertz/Seguin Local Government Corporation Contract Revenue Refunding Bonds, Taxable New Series 2022”; acknowledging that these obligations will be sold pursuant to the provisions of a purchase contract; ratifying, reconfirming, and readopting the provisions of a Regional Water Supply Contract executed between the City of Schertz, Texas, the City of Seguin, Texas, and the Schertz/Seguin Local Government Corporation; authorizing the Mayor, the City Manager, and the City Secretary of the City of Schertz, Texas to execute on behalf of the City of Schertz, Texas all documents in connection with this transaction; and other matters in connection therewith. (C. Kelm/S. Williams/M. McLIney)
7. **Resolution No. 22-R-13** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the City Manager to enter into an agreement for the purchase of one (1) Modular building and associated equipment. (C. Kelm/J. Mabbitt)
8. **Resolution No. 22-R-12** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the purchase of two generators from Holt Power Systems to be installed at the Nacogdoches and Morning Drive Water Facilities. (C. Kelm/S. Williams/S. McClelland)

Mayor Gutierrez asked Council if there were any items they wished removed for separate action. Item #2-Ordinance No. 22-T-03 Budget Adjustment for HVAC Project and Item #3-Resolution No. 22-R-11 Contract to purchase HVAC Equipment, were removed due to revisions in the design specs and postponed for future discussion.

Mayor Gutierrez asked for a motion to approve Consent Agenda Items 1, 4-8.

Moved by Councilmember Jill Whittaker, seconded by Councilmember Allison Heyward

AYE: Councilmember Rosemary Scott, Councilmember Mark Davis, Councilmember Jill Whittaker, Mayor Pro-Tem Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

Mayor Gutierrez acknowledged the many residents that came to the meeting to speak on Item #9. Therefore, he moved the Public Hearing to after the Discussion and Action Items on the agenda.

Discussion and Action Items

9. **Ordinance No. 22-B-02** - Consideration and approval of an ordinance by the City Council of the City of Schertz, Texas authorizing the issuance of “City of Schertz, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; and other matters incident and related thereto. *(First & Final)* (M. Browne/J. Walters/M. McLiney)

Mayor Gutierrez read the following item into record:

ORDINANCE NO. 22-B-02

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN OFFICIAL BID FORM; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENT WITH THE CITY’S FINANCIAL ADVISORS; AND PROVIDING AN EFFECTIVE DATE

Mayor Gutierrez recognized Finance Director James Walters and Mr. Andrew Friedman, Sr. Managing Director with SAMCO Capital who gave a presentation on the Certificates of Obligation, Series 2022. The City received some bids for the bond issuance for up to \$10,150,000 for the various projects that include energy saving projects, street enhancement projects and utility relocations for the FM 1518 TxDot Widening Project.

- \$5,000,000 for utilities relocation on FM 1518 -to be amortized over 20 years
- \$3,900,000 for roadway improvements-to be amortized over 20 years
- \$1,250,000 for energy efficiency project-to be amortized over 20 years

Mr. Friedman presented the bid information and explained the repayment plan. Upon approval the City will received funds on February 2, 2022 and available for expenditure towards the projects.

This financing will not result in a tax rate or utility rate increase.

Mayor Gutierrez asked for a motion to approve Ordinance No. 22-B-02 on First and Final Reading.

Moved by Councilmember David Scagliola, seconded by Councilmember Jill Whittaker

AYE: Councilmember Rosemary Scott, Councilmember Mark Davis, Councilmember Jill Whittaker, Mayor Pro-Tem Michael Dahle, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

10. **Resolution No. 22-R-06** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing expenditures for the purchase of steel poles in advance of the FM 1518 Widening Project. (C. Kelm/S. Williams)

Mayor Gutierrez read the following into record:

RESOLUTION NO. 22-R-06

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS
AUTHORIZING EXPENDITURES FOR THE PURCHASE OF STEEL POLES IN ADVANCE
OF THE FM 1518 WIDENING PROJECT, AND OTHER MATTERS IN CONNECTION
THEREWITH**

Mayor Gutierrez recognized Assistant Public Works Director Scott McClelland who presented a PowerPoint presentation on the purchase of steel poles in advance of the FM 1518 Widening Project. This is a TxDot driven project and CPS Energy is required to relocate the utility poles.

There are several Cost Options to consider to replacing the current wooden poles.

Option 1: CPS Energy Pricing for steel poles for total project

- Steel Poles: \$1,995,803.00
- Wood Pole Reimbursement: \$748,070.00
- Final Cost to Schertz: \$1,247,733.00

Option 2: KBS pricing for steel poles for total project

- Steel Poles: \$1,253,511.00
- Wood Pole Reimbursement: \$748,070.00
- Final Cost to Schertz: \$505,411.00

Option 3: CPS Energy Pricing for wood poles for total project

- Wood poles: \$748,070.00
- Final Cost to Schertz: \$0

Fundamentals:

Option 1-steel poles

- Most expensive option
- Turnkey for Schertz

Option 2-steel poles

- Lower cost for Schertz
- Schertz will need to manage coordination

Option 3-wood poles

- No cost to Schertz
- Turnkey for Schertz

Staff Recommendation: Option 2: KBS pricing for steel poles for total project. The funding will come from reserves.

Mayor Gutierrez recognized Councilmember Scott who asked if the wood poles need to be replaced, would CPS replace them with steel poles? Mr. McClelland responded that CPS Policy is to replace the poles with like for like (wood for wood and steel for steel). Assistant City Manager Charles Kelm added that it is in our Franchise Agreement that CPS would replace the poles with like for like. Councilmember Scott thanked the Staff for going out and getting the information to present the three different options, but does not think Option #2-replace the current wooden poles with steel and pay the difference of \$505,411.00 is a good decision.

Councilmember Whittaker asked if CPS would replace a wood pole with a steel pole because that is our standard in the UDC. Mr. Brian Bartos, Sr. Director, Distribution Engineering at CPS responded that if either a wood or steel pole needed to be replaced, it is CPS's policy to replace with a wood poles. If the city wanted a steel pole replacement, the city would have to pay CPS the difference for the upgrade. Assistant City Manager Charles Kelm acknowledged that currently our UDC Policy and the CPS Franchise Agreement are conflicting. He stated that when the CPS Franchise Agreement goes up for renewal, this is one of the topics they will discuss with CPS. With this clarification, Councilmember Whittaker stated she was not in favor of Option #2.

Councilmember Heyward asked if the steel poles in Option #2 are the same specs that CPS would require. KBS was given the specs of the same type of steel pole. KBS is the distributor of the steel poles, and TAPP is the manufacturer, who manufactures the steel poles in Texas.

Councilmember Davis asked about the spacing of the steel poles vs. wood poles and how many poles have been replaced lately.

Mayor Gutierrez asked for a motion and an Option Choice on Resolution No. 22-R-06.

Councilmember Scagliola made a motion to approve Resolution No. 22-R-06 with: Option #2

Option # 2: KBS pricing for steel poles for total project

- Steel Poles: \$1,253,511.00
- Wood Pole Reimbursement: \$748,070.00
- Final Cost to Schertz: \$505,411.00

Moved by Councilmember David Scagliola, seconded by Councilmember Allison Heyward

AYE: Councilmember Mark Davis, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember Rosemary Scott, Councilmember Jill Whittaker, Mayor Pro-Tem Michael Dahle

Passed

- 11. Ordinance No. 22-T-04** - Consideration and/or action approving an Ordinance by the City Council of the City of Schertz Texas, authorizing an adjustment to the Fiscal Year 2021-2022 Budget to upgrade electrical poles, repealing all ordinances or parts of ordinances in conflict with this ordinance; providing an effective date; and declaring an emergency. *First and Final Reading* (M. Browne/C. Kelm/J. Walters)

Mayor Gutierrez read the following into record:

ORDINANCE NO. 22-T-04

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING AN ADJUSTMENT TO THE FISCAL YEAR 2021-2022 BUDGET TO UPGRADE ELECTRICAL POLES, REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY

Mayor Gutierrez asked for a motion to approve Ordinance No. 22-T-04 (First and Final Reading).

Moved by Councilmember Tim Brown, seconded by Councilmember Allison Heyward

AYE: Mayor Pro-Tem Michael Dahle, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember Rosemary Scott

Passed

- 12. Resolution No. 22-R-07** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the allocation of the American Rescue Plan Act of 2021 (ARPA) funds for the Schertz Small Business Grant Program. (M. Browne)

Mayor Gutierrez read the following into record:

RESOLUTION NO. 22-R-07

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING THE ALLOCATION OF THE AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) FUNDS FOR THE SCHERTZ SMALL BUSINESS GRANT PROGRAM

Mayor Gutierrez recognized City Manager Dr. Mark Browne who provided a PowerPoint Presentation on the Allocation of Funds for the Schertz Small Business Grant Program.

Background:

- The American Rescue Plan Act (ARPA) authorized public grants to businesses to help recover losses during the COVID pandemic
- The City of Schertz approved up to \$1M in grants to Schertz businesses as part of its total ARPA allocation
- The City formed a 5-person committee to review applications consisting of two council members, the Mayor, The Chamber President, and the Economic Development Director
- The City established an application process which ran from October 1, 2021, to December 1, 2021
- A total of 56 applications were received and considered by the committee
- The committee is requesting council approval of 22 applications with a value of \$302,500
- Four applications did not meet the criteria because the business was located outside of Schertz
- The remaining 30 applications require further review and documentation of loss before a decision on funding can be made
- The committee anticipates bringing these final 30 back to council for consideration at the February 8th, 2022 meeting

Fiscal Impact and Recommendation:

- Fiscal Impact

- The awarded funds do not come out of Schertz' tax revenue but are part of the allocation of funds from the total ARPA allocation

- Recommendation

- Staff recommends Council approve Resolution 22-R-07 and award \$302,500 to the 22 Schertz businesses

Councilmember Davis explained that the City received approx. ten million dollars from the ARPA Allocation Program. There are certain categories that the funds can be used for and allocating funds to help businesses is allowed. Councilmember Davis would like a more detailed summary of the qualifications that the businesses provided to the City to show why they would qualify for a ARPA Grant. He also asked that a summary of this data would be put on the city website to show transparency of the funds being allocated to these businesses. Mayor Gutierrez stated the committee will get together and put together a general summary of the recipients applications.

Mayor Gutierrez asked for a motion to approve Ordinance No. 22-R-07.

Moved by Councilmember Rosemary Scott, seconded by Councilmember Allison Heyward

AYE: Mayor Pro-Tem Michael Dahle, Councilmember Mark Davis, Councilmember Rosemary Scott, Councilmember Jill Whittaker, Councilmember David Scagliola, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

- 13. Ordinance No. 22-S-01** - Hold a public hearing, consider and make a recommendation on a request to amend the Comprehensive Land Use Plan by changing approximately 363 acres of the Future Land Use Map from Agricultural Conservation and Estate Neighborhood land use designation to Single-Family Residential land use, generally located 6,050 feet east of the intersection of Trainer Hale Road and FM 1518, also known as Bexar County Property Identification Numbers, 310053, 310060, 310061, and 310121, City of Schertz, Bexar County, Texas. *First Reading* (*B. James/L. Wood/M. Harrison)

Mayor Gutierrez read the following items into record:

ORDINANCE NO. 22-S-01

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING THE COMPREHENSIVE LAND USE PLAN BY CHANGING APPROXIMATELY 363 ACRES OF THE FUTURE LAND USE MAP FROM THE AGRICULTURAL CONSERVATION AND ESTATE NEIGHBORHOOD TO THE SINGLE-FAMILY RESIDENTIAL LAND USE DESIGNATION, GENERALLY LOCATED APPROXIMATELY 6,050 FEET EAST OF THE INTERSECTION OF TRAINER HALE ROAD AND FM 1518, ALSO KNOWN AS BEXAR COUNTY PROPERTY IDENTIFICATION NUMBERS 310053, 310060, 310061, AND 310121, CITY OF SCHERTZ, BEXAR COUNTY, TEXAS.

Mayor Gutierrez recognized City Planner Megan Harrison who provided a PowerPoint presentation on the Sterling Grove Comprehensive Land Use Plan Amendment.

Current Comprehensive Plan Future Land Use Designations

- Estate Neighborhood

- Consists of mainly large-lot (1/2acre minimum lot size) residential and allow flexibility for neighborhood design
- Intended to maintain 50% open space

- Agricultural Conservation

- Consists of mainly large-lot (5 acre minimum lot size) residential and agricultural uses with some agricultural related commercial uses being
- Intended to maintain 70% open space

Proposed Comprehensive Plan Future Land Use Designation

- Single-Family Residential

- Intended to be comprised of primarily conventional detached dwellings
- Focus on a traditional neighborhood design with a mix of single-family residential lot sizes, park/open space, and created a walkable neighborhood.

Staff Recommendation

- Staff understand that the intention of the Amendment in 2013 was to maintain the character of Southern Schertz as the rural/agricultural feel and to have larger lots with 50-70% open space. However, due to the evolving needs that we are seeing and the recent Comprehensive Land Use Plan Amendments, allowing this amendment to the Single-Family Residential land use designation would allow for the mixture of lot sizes, open space/park amenities, and walkable neighborhoods that are now desired.

- The Planning and Zoning Commission met on December 8, 2021 and held a public hearing. The Commission made a recommendation to the City Council to deny the request for the Comprehensive Land Use Plan Amendment with a vote of 4-0.

- Therefore, staff is recommending approval of the proposed Comprehensive Land Use Plan.

Mayor Gutierrez recognized the applicant, Mr. Marcus C. Moreno, Vice President, Scott Felder Homes, LLC. Mr. Moreno provided a presentation about who Scott Felder Homes, LLC is and what their development plan on this property will be. They build approx. 20,000 home starts per year in San Antonio Metro. In Sterling Grove Plan, there would be different lot sizes available, where you could purchase your first home, and then upgrade and staying in the Sterling Grove area.

Mayor Gutierrez opened the public hearing for those wishing to speak and recognized the following:

Citizens who spoke to Item #9-Amending the Comprehensive Land Use Plan by changing approximately 363 acres on the Future Land Use Map from Agricultural Conservation/Estate Neighborhood use to Single-Family Residential land use.

Against:

- Charlie Luensmann-8447 Trainer Hale Rd.
- Reagan Rawe-7793 Trainer Hale Rd.
- James Barr- 8758 Trainer Hale Rd
- Megan Wiederstein-7993 Trainer Hale Rd, Unit 2
- Lisa Schmidt-8206 Trainer Hale Rd
- Tommy Peshorn-8320 Trainer Hale Rd-deferred time to Kay Vincent
- Diana Moravitz-8924 Trainer Hale Rd-deferred time to Kay Vincent
- Kay Vincent Peshorn-showed a video opposing amending the Comprehensive Land Use Plan
- Mark Peshorn-8320 Trainer Hale Rd
- Ross Luensmann-8602 Trainer Hale Rd
- Steven Peshorn-8220 Trainer Hale Rd
- Rachel Escobedo-8646 Quail Wood Run
- Ronnie Hewlett-7993 Trainer Hale Rd
- Kay Vincent Peshorn-8320 Trainer Hale Rd

- Kathy Penshorn-8310 Trainer Haler Rd
- Rod Ellison-12732 Woman Hollering Rd
- Gladys Hacker-8205 Trainer Hale Rd

For:

- Karen Dahle-9120 East FM 1518 North
- Wayne Ashabraner-1200 Old Bastrop Hwy, San Marcos, TX
- Jimmy Fox-200 North West Drive, San Antonio, TX
- Caprice Fredrickson-7820 FM 1518
- Rebecca Wiederstein Robertson-9275 Weir Rd
- Diane Wiederstein Hunter-144 Santa Ana Drive, Seguin TX
- Valerie Hartman-621 Woodknot Lane, Seguin, TX
- Eric Holman-12250 Schaeffer Rd
- Aiden Folks- 834 Lodge Creek Dr, New Braunfels, TX

Mayor Gutierrez closed the Public Hearing. Mayor Gutierrez wanted the record to show City Council received 65 letters: 20 letters inside the buffer and 45 letters outside the buffer.

Mayor Gutierrez stated that the growth that City of Schertz is experiencing is quickly changing the city. The Schertz area is appealing to folks who are seeking an area with a small town feel, better schools, lower crime, affordable living and quality of life. Growth creates challenges, with this issue we have property owners that have an opportunity to sell vs. property owners surrounding the area that do not want the area to change.

Councilmember Scott asked why is there an urgency in changing the Comprehensive Land Plan, and when she inquired about it, she was told, it will be looked at in its entirety in 12-24 months. There were several statements from the public that concerned her. Traffic concerns, opinions on 5 acre lots, drainage concerns and the ecosystem. The quality of life and the statements from some speakers about "keeping promises" and such, she feels we need to keep our word and let the area stay agricultural/5-acre lot home plots.

Councilmember Whittaker stated when she decided to move to Schertz, she had the choice to decide where to live. Councilmember Whittaker explained that the number of the residents in a community does not make it a small town feel. The growth in our community does not necessarily mean it would make it a larger city. She understands the opportunity for property owners to sell, and for them the timing is right. She stated we have to look at the city as a whole and decided what is best for the city.

Councilmember Scagliola stated when this area was being considered to be annexed, the majority of those citizens wanted to keep this area agricultural. He believes the city needs to keep the promise they gave those residents. Councilmember Scagliola is not in favor of any amendment change.

Councilmember Davis appreciated the folks who came in and spoke about how long the land has been in their families. He stated that plans are not written in stone, they are guidelines on how to approach a subject. He was here in 2013 when they developed the Sector Plan and the majority of south Schertz wanted to stay agricultural. However, times have changed and opinion of keeping it all agricultural is changing. Councilmember Davis is a supporter of property owners rights and knows it is not an easy decision for City Council. He would like to move forward and get the Comprehensive Land Plan updated and hear from all residents of Schertz.

Councilmember Heyward stated it is a tough decision tonight. Change is inevitable, and she understands the landowners wish to sell and move forward. Texas is a property right's state and supports the owners that wish to sell. It is a tough decision tonight, but she supports the right of the property owners.

Councilmember Brown stated that many folks like the idea of 5 acre lot homes, but the reality is that they are not selling. The development that is planned is a will be a quality product and will be built to the City of Schertz standards. Councilmember Brown supports the amendment that property owners can sell their land when they want to.

Mayor Pro-Tem Dahle stated this is a very difficult decision and there are passionate residents on both sides of this issue. He reiterated Councilmember Whittaker's statement about timing and opportunity. He was involved with the planning of the Charettes years ago, and the majority were in favor of keeping it agricultural. However, tonight it seems to be a pretty even split. Mayor Pro-Tem Dahle supports the right of the owner to sell and believes the City needs to balance growth and development.

Councilmember Scagliola stated he has difficulty with the decision of going Agricultural to Single Family Residence. He would like to see a compromise of what would fit in this general location.

Assistant City Manager Brian James stated the land use proposal is going from a rural condition to a suburban condition. What size lots and types of lots is a zoning issue. There is a varying range of what could be planned.

Mayor Gutierrez asked Mr. James is the city capable of managing the growth with this proposed development. Mr. James stated the city will make thoughtful decisions, and we are considering the implications of the decisions that we make, so we understand going forward.

Mayor Gutierrez asked for a motion to approve Ordinance 22-S-01 on the first reading.

Moved by Councilmember Jill Whittaker, seconded by Councilmember Tim Brown

AYE: Mayor Pro-Tem Michael Dahle, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Allison Heyward, Councilmember Tim Brown

NAY: Councilmember Rosemary Scott, Councilmember David Scagliola

Passed

Roll Call Vote Confirmation

Mayor Gutierrez recognized City Secretary Brenda Dennis who provided the roll call for Items Consent Agenda Items 1, 4-8, and Items 9-13.

Workshop

Mayor Gutierrez read the following into record:

- 14.** Discussion creation of a Housing Finance Corporation or a Public Finance Corporation associated with a proposed multifamily project on approximately 14 acres of land located at 9120 E FM 1518N, approximately 2,500 feet south of the intersection of Lower Seguin Road and FM 1518, also known as Bexar County Property Identification Numbers, 309999 and 309997, City of Schertz, Bexar County, Texas. (M. Browne/B. James)

Mayor Gutierrez stated for full disclosure and transparency that this property is owned by Mayor Pro-Tem Dahle. Mayor Pro-Tem Dahle attended the meeting via TEAMS Meeting, and when the workshop started he recused himself and left the meeting.

Mayor Gutierrez recognized Assistant City Manager Brian James who presented a PowerPoint

presentation. City Staff was approached by the NRP Group about a proposed multi-family project in Schertz.

- They wanted to discuss a rezoning request and development standards.
- City support for an income restricted apartment complex in this location
- Interest on the part of the City in partnering on the project through the creation of a Public Facility Corporation (PFC) or Housing Finance Corporation (HFC)

The NRP Group is proposing approximately 300 units of multi-family housing on approximately 14 acres.

- The Property is zoned PRE
- The Land Use Designation is Estate Neighborhood and request to change to Mixed Use Neighborhood Center – Scheduled for P&Z consideration on January 12, 2022
- A rezoning request would follow – likely to a PDD

City Support for an Income Restricted Apartment Complex in this Location

- Developers requesting Income Housing Tax Credits (LIHTC) for rental housing development projects through the Texas Department of Housing and Community Affairs (TDHCA) seek letters of support from the City for their projects.
- These letters provide additional points for their applications for the tax credits.
- The NRP Group is wanting to inform Council on their project and anticipated request for support.

The NRP Group is seeking to gauge City interest in creating a HFC or PFC to partner on this project.

- HFCs and PFCs are created to address the need for affordable housing, as defined by the state.
- They are created for the purpose of assisting government entities in financing, refinancing, or providing public facilities.

They provide for the acquisition, construction, rehabilitation, renovation, repair, and furnishing of public facilities of the city.

- Allowed as per the Texas Local Government Code.

As proposed by the NRP Group:

- The City would create a PFC to partner with the NRP Group to development the multifamily project.
- The PFC would issue tax-exempt multifamily housing revenue bonds (affordable- workforce) to finance the development.
- At land closing, the title is conveyed to the PFC and the PFC signs a lease with the NRP Group.
- The PFC owns the land and the apartment complex.
- The apartment complex would be managed and maintained by the NRP Group.
- The project would be tax exempt – so the City would not receive property tax from the project.
- As part of the partnership agreement with the NRP Group, the City would receive fees from the project annually.
- After a contractually agreed upon time frame (15 years) the PFC could retain ownership or sell the project – the NRP Group would have a right of first refusal to control it.

Schertz Housing Authority

- The Schertz Housing Authority has created a PFC.
- City staff and the NRP Group have met with the director of the Schertz Housing Authority about their willingness to partner on the project instead of the City.
- The NRP Group is agreeable to partnering with the Schertz Housing Authority instead of the City.
- The Schertz Housing Authority Director expressed a willingness to do so and is proposing to have a presentation in February from the NRP Group to her board.

Staff Recommendation

- Staff is recommending that requests for partnering on affordable/workforce projects go to the Schertz Housing Authority as this is more in their area of expertise and would provide a funding source for their mission.
- Staff is recommending approval of the Comprehensive Plan amendment.

Councilmember Tim Brown supports the NRP Group approaching the Schertz Housing Authority about a partnership on affordable/workforce projects.

Councilmember Whittaker wanted to clarify that this project is for workforce housing, and its focus is on the residents who would make 50-70% of the family median income in Bexar County which is currently approximately \$74,000. Mr. James explained that the workforce housing development is different from Section 8 vouchers for payment. This project is planning to accept Section 8 vouchers. Councilmember Whittaker supports that the Schertz Housing Authority work in partnership with the NRP Group.

Councilmember Davis and Councilmember Scott supports that the NRP Group works with Schertz Housing Authority towards a partnership with this development.

Assistant City Manager Brian James provided information on what the NRP Group is and the projects they have worked on in Texas. Mr. James asked for City Council feedback about how they feel about these types of projects in the city and do they want to be part of these projects or have the Schertz Housing Authority to be the entity to partnership with the NPR Group. The NRP Group will be putting together a presentation for the Schertz Housing Authority to discuss partnering with this project.

Councilmember Brown, Councilmember Whittaker, Council Davis and Councilmember Scagliola were all in agreement to letting the Schertz Housing Authority work with the NRP Group.

Closed Session

15. The City Council will meet in closed session under Section 551.074 of the Texas Government Code, Personnel Matters, to conduct the annual evaluation of the City Manager, Dr. Mark Browne.

Mayor Gutierrez postponed the Closed Session under Section 551.074 of the Texas Government Code, Personnel Matters, to conduct the annual evaluation of the City Manager, Dr. Mark Browne.

Requests and Announcements

- Announcements by the City Manager.

No further announcements.

- Requests by Mayor and Councilmembers for updates or information from staff.

No updates requested at this time.

- Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda.

No items requested.

- Announcements by Mayor and Councilmembers

Councilmember Whittaker attended the TIRZ Meeting, Ribbon Cutting-Wendy's Cake and Catering

Councilmember Brown attended the Polar Bear Plunge

Adjournment

Mayor Gutierrez adjourned the meeting at 11:21 pm.

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary