



City of Seguin

210 E. Gonzales Street
Seguin TX, 78155

Meeting Minutes

City Council

Tuesday, December 3, 2024

5:30 PM

Council Chambers

Public & Virtual

1. Call to Order

Mayor Dodgen called the meeting to order at 5:31 P.M.

2. Invocation - Bishop Tim Bird, The Church of Jesus Christ of Latter Day Saints

Mayor Dodgen announced that Bishop Bird was not able to attend and gave invocation herself.

3. Pledge of Allegiance/Salute to the Texas Flag

4. Roll Call

Excused: 1 - Councilmember Joe Rea

Present: 7 - Councilmember David Eveld, Councilmember Jim Lievens, Councilmember John Carlsson, Councilmember Paul Gaytan, Councilmember Monica N. Carter, Councilmember Bill Keller, and Councilmember Jason Biesenbach

Presiding: 1 - Mayor Donna Dodgen

5. Hearing of Residents

Invitation to hear citizens and council members in advance of regular business on items other than what is on the agenda, which shall be limited to five (5) minutes. Due to the Open Meetings Act discussions on matters not on the agenda are not allowed, therefore discussion shall be limited to 1) Statements of specific factual information given in response to any inquiry; 2) A recitation of existing policy in response to an inquiry; 3) A proposal to place the subject on the agenda for a future meeting; 4) For the record, please state your name and address before speaking.

Director of Public Works John Donnelly announced that his department has 3,500 Cubic Yards of recycled base for sale. He also said they have 1,800 yards of millings for sale at \$7 per yard.

Director of Parks and Recreation Jack Jones invited everyone to attend the Holiday Stroll Parade on Thursday night. He informed that the parade starts at 6:30 P.M. and that the route will be down N. Austin St., from College to the Coliseum. There are over 100 parade entries this year and the parade marshal is the late Sonia Mendez. Her family will ride in the parade in her honor. After the parade, everyone will meet back a

Central Park to light up downtown. Santa will be there and food and drinks will be available to purchase.

Main Street/CVB Director Kyle Kramm invited everyone to attend the Sip & Stroll on Friday night. There are 37 chocolateers participating this year. Then, the Jingle Bell 5K is Saturday morning followed by the North Pole Stroll. The Shoe Box Parade is scheduled for 11 A.M.

Councilmember Lievens thanked Animal Services Director Shelley Lutz for her presentation on stray cats a few meetings ago, but asked if the City can now address stray dogs. He asked if a special committee should be formed to compare our ordinances with the ordinances of other cities. He opined that new subdivisions with smaller yards are creating a barking dog situation.

Mayor Dodgen announced that Guadalupe Regional Medical Center will have a ground breaking tomorrow at 11 A.M. Texas Lutheran University's Winterfest is tomorrow evening. The kick-off of the Light the World Campaign is also tomorrow at First United bank. Mayor Dodgen invited everyone to participate in the annual Holiday Toy & Food Drive hosted by KWED 1580 Radio Station and the Seguin Police Department's Blue Santa Program and also invited everyone to attend the Guadalupe County versus Seguin Police Department Softball game on December 7th. Spectators are encourage to bring a toy to donate. Also, Mayor Dodgen announced; that TLU Christmas Vespers tickets are available, that there is a Christmas Concert on Sunday at the Texas Theater, and the Palace Theater will be open during Sip & Stroll and will be showing a Christmas movie.

6. Presentation

a. Guadalupe Regional Medical Center FY2025 Budget. - Kody Gann, Guadalupe Regional Medical Center Chief Financial Officer

Indexes:

Dr. James Lee, the chairman for the Guadalupe Regional Medical Center's board of managers, gave a report of last year's accomplishments, to include the new staff, awards, and distinctions. He reported that the hospital had over 4,000 admissions, 700 babies delivered, 33,000 emergencies, 478,000 lab tests, and 9,800 surgeries. Of the 4,500 hospitals in the nation, Guadalupe Regional Medical Center is ranked 12, and is the only city-county owned hospital remaining. He commented that Elaine Bennett has worked very hard and aided GRMC in receiving \$10M in state funding to build a new facility, that will be comparable to the Willow. Also, he commended the success of their fundraising events this year; Bras for a Cause, Race for Raise, and the Hospital Gala.

Kody Gann, Guadalupe Regional Medical Center Chief Financial Officer, gave an overview of the Fiscal Year 2025 budget, stating that there is an estimated \$150M in Total Revenue, about \$9M ahead of 2024. He reported that the Total Expenses are budgeted at \$142M, for a net income of \$8M, about \$2M more than 2024.

b. Presentation by Bitterblue Group regarding the Development Plan for the Walnut Springs project, a proposed 1,140 home Planned Unit Development located north of IH-10 off of Huber Road.

Indexes:

Director of Economic Development Josh Schneker introduced Scott Tetter, Developer with Bitterblue Group, to present on the Walnut Springs project, a 415 acre master-planned community that will consist of 1,100 homes and will set the gold standard for residential developments in Seguin.

Mr. Teeter thanked the City for their cooperation on this project, announcing that this project is close to six years in the making and will be the first true master-planned community on the north side of Seguin. The project will result in \$34M in regional infrastructure, consist of 80 acres of open space, nine miles of pedestrian trails and a 30 acre regional park, the first public park on the north side of Seguin.

Councilmember Lievens said he was excited and thankful for this development coming to Seguin.

City Manager Steve Parker reminded City Council that several years ago they created a Public Improvement District (PID) Policy because projects like this do not happen without some type of incentive. A PID structure for this type of development makes sense for the community because there is no recourse to the City. All the amenities are financed through the PID and are paid for by the homeowners in the development through PID assessments. PIDs are a financing tools that cities are using all over the state and country get that next level development as it provides a financing at a better interest rate to the developer while providing the City with the ability to negotiate for higher end infrastructure and amenities and to participate in the improvements as well. He reported that the City has budgeted about \$2M for amenities for a regional park. He stated that Seguin wanted to do their first PID project with a quality developer and Bitterblue Group has the reputation for being one. He mentioned that the City will begin the PID finance documents, and possibly even a Tax Increment Reinvestment Zone (TIRZ). The goal is that once this development is complete, it will compel other new developments to match the new gold standard even without an incentive. He said that Bitterblue has been good partners and the City is excited to work with them on this project.

7. Consent Agenda

Mayor Dodgen announced that item 7.g will be pulled from the Consent Agenda and discussed and voted on separately.

A motion was made by Councilmember Keller, seconded by Councilmember Biesenbach, that this be approved on the Consent Agenda. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

a. Minutes of the November 19, 2024 City Council Regular Meeting.

Indexes:

This Minutes was approved.

- b. Check Report November 16, 2024 through November 29, 2024.

Indexes:

The Check Report was acknowledged.

- c. Resolution authorizing the submission of a Texas Community Development Block Grant Program application for the 2025-2026 TxCDBG. - Kate McCloud, Grants Administrator

Indexes:

This Resolution was approved.

Enactment No: RES 2024R-274

- d. Resolution authorizing the submission of an Environmental Protection Agency grant application for the Solid Waste Infrastructure for Recycling grant program. - Kate McCloud, Grants Administrator

Indexes:

This Resolution was approved.

Enactment No: RES 2024R-275

- e. Resolution authorizing the submission of a US Department of Homeland Security, Federal Emergency Management grant application for the Assistance to Firefighters Grant program. - Kate McCloud, Grants Administrator

Indexes:

This Resolution was approved.

Enactment No: RES 2024R-276

- f. Resolution authorizing the City Manager to approve a professional service with Roadway Asset Services, LLC for street maintenance rehabilitation. - John Donnelly, Public Works

Indexes:

This Resolution was approved.

Enactment No: RES 2024R-277

- h. Ordinance on second reading amending the Seguin Code of Ordinances Chapter 98, Section 98-107, No Parking Zones, to restrict parking on the north side of College Street at the Seguin ISD Baseball and Softball Complex; authorizing City Staff to prepare this Ordinance as a supplement to the City Code of Ordinances;

providing for a severability clause; providing for publication; and declaring an effective date. - Melissa Reynolds, PE, MPA, CFM - Director of Engineering & Capital Projects

Indexes:

This Ordinance was adopted.

Enactment No: ORD 2024-062

- i. Ordinance on second reading amending the Seguin Code of Ordinances Chapter 98, Section 98-161, to allow bicycles within Walnut Springs Park; authorizing City Staff to prepare this ordinance as a supplement to the City Code of Ordinances; providing for a severability clause; providing for publication; and declaring an effective date. - Melissa Reynolds, PE, MPA, CFM - Director of Engineering and Capital Projects

Indexes:

This Ordinance was adopted.

Enactment No: ORD 2024-063

- j. Ordinance on second reading amending the Seguin Code of Ordinances Chapter 98, Section 98-103, Reserved Parking; authorizing City Staff to prepare this ordinance as a supplement to the City Code of Ordinances; providing for a severability clause; providing for publication; and declaring an effective date. - Melissa Reynolds, PE, MPA, CFM - Director of Engineering and Capital Projects

Indexes:

This Ordinance was adopted.

Enactment No: ORD 2024-064

- k. Ordinance on second reading amending the Seguin Code of Ordinances Chapter 2, Administration, Article IV, Officers, and Employees, Division 3, Ethics Policy, to change the date required for Ethics Commission Meetings; providing a severability clause; authorizing City Staff to prepare this ordinance for submission as a supplement to the Code of Ordinances; and providing for an effective date. - Kristin Mueller, City Secretary

Indexes:

This Ordinance was adopted.

Enactment No: ORD 2024-065

8. Action Items - Discussion and Possible Motion to Approve

- g. Resolution approving the purchase of downtown restrooms through Corworth Restroom Facilities. - Kyle Kramm, Main Street & CVB Director/HPO.

Indexes:

Director of Main Street and CVB Kyle Kramm stated that the bathrooms in Central Park are highly needed as they will encourage longer stays in the park and reduce the City's need for portable toilets. The proposed Corworth Bathrooms will be placed on the northeast corner of Central Park and will consist of 2 unisex stalls with a chaise in the middle, have a brick facade, flat roof, and an awning over the doors. There will be a baby changing station in one stall and an adult changing station in one stall. The bathroom doors will have electronic locks that will be set to park hours. City staff will have the ability to change the locking schedule, lock and unlock the bathrooms remotely. Corworth is the same company that installed the bathrooms at the pickleball courts on Mountain St. This resolution approves the purchase of the bathrooms for Central Park in the amount of \$236,343.

City Manager Steve Parker stated that the bathrooms will not be air conditioned. Mr. Kramm confirmed that it would not but that it could be retrofitted if it is determined to be needed in the future.

Councilmember Biesenbach applauded staff for adding an adult changing station to the plans after a resident made the request.

Mr. Parker added that the bathroom is funded with federal grant money, ARPA, which must be allocated by the end of the year.

Mayor Dodgen professed her excitement for this project and reminded that it aligned with the City's masterplan for downtown.

Councilmember Carlsson stated that he was glad the project was funded with grant money. He asked if people can get out when doors are locked and Mr. Kramm confirmed they could get out but not in. Mr. Kramm also explained that they will get notified if there is an improper door seal and if water is used after the doors are locked.

A motion was made by Councilmember Gaytan, seconded by Councilmember Biesenbach, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-278

- a. Election of Mayor Pro Tem to serve a period of one year. - Donna Dodgen, Mayor

Indexes:

Mayor Dodgen announced that since 2020 Mayor Pro Tem has served a period of two years but that City Council votes on it annually. Mayor Pro Tem Carter has completed her first year and recommended that she be elected to serve for another one year period.

A motion was made by Councilmember Keller, seconded by Councilmember Lievens, that Mayor Pro Tem Carter continue to serve as Mayor Pro Tem for another one year period. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

- b.** Resolution authorizing the City Manager to enter into an agreement with Texas Chiller System for an amount not to exceed \$129,241.00 for new HVAC control remote access in several facilities around the city, and declaring an effective date. - Randy Kell, Director of Facilities.

Indexes:

Director of Facilities Randy Kell explained that some of the City's older facilities are on a local HVAC control system. The limited monitoring capabilities result in inconsistent temperatures throughout the buildings which can lead to condensation issues, allowing for moisture and mildew to build up in the facility. This purchase would install an HVAC remote system at Midway Hall, Development Services, Police Department, Fire Stations #2 and #3, the clubhouse at the Golf Course, and the Parks Office. This project is funded through ARPA grant funds for a total cost not to exceed \$129,241.

A motion was made by Councilmember Eveld, seconded by Councilmember Biesenbach, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-279

- c.** Resolution authorizing the City Manager to enter into an agreement with Southwest Solutions Group Inc., an OMNIA purchasing coop partner, for the purchase and installation of a new evidence storage system in the police station, in the amount of \$138,907.09, and declaring an effective date. - Randy Kell, Director of Facilities.

Indexes:

Director of Facilities Randy Kell reported that he has been working with Police Department to create more storage space for evidence. The current storage facility has the capacity for 618 bins. This proposed system would have the capacity for 1,024 bins while utilizing the same footprint, providing the City with 6-10 more years for storage ability without having to build.

Councilmember Lievens asked how long evidence needed to be stored and Chief Brady answered that different evidence has different retention periods, some of it is stored indefinitely.

A motion was made by Councilmember Keller, seconded by Councilmember Lievens, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-280

- d.** Resolution authorizing the City Manager to enter into an agreement with Sullivan Contacting Services, a Choice Partners purchasing cooperative member, for the renovation of an office into a new narcotics evidence storage room in the police station, in the amount of \$59,982.49, and declaring an effective date. - Randy Kell, Director of Facilities.

Indexes:

Director of Facilities Randy Kell explained that currently narcotics are stored in the current evidence room, which shares an HVAC system with the building, exposing staff to the fumes. The goal is to move the narcotics storage to a sealed and secured independent area with its own HVAC system by repurposing an office that is not currently being used. The cost of design and construction is not to exceed \$59,982.49. Narcotics Storage Room

Councilmember Carlsson asked if there will be an increase in security or an improved door and Chief Brady replied that the current door will be removed and the wall sealed. The door to the narcotics storage area will be located inside the evidence storage room which is already restricted access and then the narcotics storage room's door will have restricted access as well.

A motion was made by Councilmember Biesenbach, seconded by Councilmember Gaytan, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-281

- e. Resolution authorizing the City Manager to execute a Facility Use Agreement between the City of Seguin and Rivermonster Baseball LLC for the use of “Smokey” Joe Williams Field for the Seguin River Monsters summer 2025 Texas Collegiate League baseball season; and declaring an effective date. - Jack Jones, Director of Parks and Recreation

Indexes:

Parks and Recreation Director Jack Jones announced that the River Monsters wants to come back to Seguin for the fourth year to Smokey Joe Williams Field. This year's agreement is similar to last years. The River Monsters will prep the field for game day and clean up the trash. There are no proposed fees again this year as the goal is to continue building interest in the league. Mr. Jones reported that there are six teams in the Texas Collegiate League. He reported that about 4,554 fans attended 18 games last season, about 253 per game. Of the 49 players on the team, half are local and half are not. The games bring people from outside of Seguin to Seguin, including scouts from Rutgers University and other universities for a period of about two weeks. Several of the players in this league are afforded the opportunity to play at the next level.

In addition to regular field maintenance, the River Monsters have agreed to pay for the top dressing on the field, to level the fields before the season.

A motion was made by Councilmember Biesenbach, seconded by Councilmember Eveld, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-282

- f. Resolution authorizing the City Manager to enter into an Agreement with Landmark Aquatic regarding a BuyBoard quote in the amount of \$52,356 to repaint the Wave Pool and kiddie pool located at Max Starcke Park; and declaring an effective date. - Jack Jones, Director of Parks and Recreation

Indexes:

Parks and Recreation Director Jack Jones requested that City Council approve an agreement with Landmark Aquatic in the amount of \$52,356. The proposed work would

include pressure washing, cleaning, etching, and painting the wave pool, to include a 3' line in the wave pool and kiddie pool and adding extra slip resistant grit/sand as needed. The life of these improvements is about five years.

A motion was made by Councilmember Gaytan, seconded by Councilmember Biesenbach, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-283

- g.** Resolution authorizing the City Manager to enter into an Agreement with Sullivan Contracting Services regarding a Choice Partners quote in the amount of \$104,173.72 to add basketball court LED lighting, drinking fountain, and a baseball/softball backstop at Pachanga Park; and declaring an effective date. - Jack Jones, Director of Parks and Recreation

Indexes:

Parks and Recreation Director Jack Jones reminded that this project is funded through the ARPA federal funding and requested approval of an agreement with Sullivan Contracting Services in the amount of \$104,173.72 to add basketball court LED lighting, drinking fountain, and a baseball/softball backstop at Pachanga Park. He informed that the drinking fountain would have a faucet at the bottom that the Spirit of Joy Church will use to water their community garden. It will also have a water bowl for animals.

A motion was made by Councilmember Eveld, seconded by Councilmember Gaytan, that this Resolution be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: RES 2024R-284

- h.** Ordinance on second reading amending the Seguin Code of Ordinances, Chapter 102, Utilities, Article VII, Drought Contingency and Water Emergency Response Plan to adopt the 2024 Drought Contingency and Water Emergency Response Plan for the City of Seguin; providing for a severability clause; providing for publication of this Ordinance; authorizing City staff to prepare this Ordinance as a supplement to the Seguin Code of Ordinances; and declaring an effective date. - Timothy J. Howe,

Director - Water / Wastewater Utilities

Indexes:

Water and Wastewater Director Tim Howe explained that the State requires water suppliers to develop and submit an updated Drought Contingency and Water Emergency Response Plan every five years. Seguin's plan was last updated in 2019. The changes to the Seguin Drought Contingency and Water Emergency Response Plan include updated drought contingencies and water emergency response procedures to protect public health and safety.

A motion was made by Councilmember Biesenbach, seconded by Councilmember Keller, that this Ordinance be approved on first reading. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: ORD 2024-066

- i. Ordinance on second reading amending the Seguin Code of Ordinances, Appendix D - Discharges for Industrial Wastes to adopt revised technically based local limits for the City of Seguin Wastewater Treatment Plants; providing for a severability clause; providing for publication of this Ordinance; authorizing City staff to prepare this Ordinance as a supplement to the Seguin Code of Ordinances; and declaring an effective date. - Timothy J. Howe, Director - Water / Wastewater Utilities

Indexes:

Water and Wastewater Director Tim Howe explained that the City of Seguin operates a Federally approved pretreatment program to protect the treatment process at both wastewater treatment plants. Every treatment plant has a capacity to treat certain levels of pollutions. The development of Technically Based Local Limits (TBLL) provides wastewater discharge limits calculated to protect the biological processes at the treatment facilities. As industries grow and change in Seguin, so will the TBLL. The proposed TBLL is more stringent than the current limits. After evaluating the proposed TBLL and its impact to existing industries, compliance issues are not expected.

Councilmember Biesenbach said there were some significant changes to the limits and asked why they dropped so much. Mr. Howe replied that if the contaminants that are being limited were a piece of pie, as more industries are discharging the limited contaminant, the pieces of the pie get smaller.

Councilmember Lievens said he was surprised that the City enforces TBLL as he thought it would be monitored by TCEQ. Mr. Howe explained that Title 40 establishes the requirement for a pretreatment program at the Federal government level. Because the City of Seguin has a pre-treatment program approved, the Federal Government delegates monitoring authority to the State, which delegates it to the municipality.

A motion was made by Councilmember Gaytan, seconded by Councilmember

Biesenbach, that this Ordinance be approved on first reading. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Enactment No: ORD 2024-067

9. Adjourn the Regular City Council Meeting and Convene the Seguin Public Finance Corporation.

Mayor Dodgen adjourned the Regular Meeting and convened the Public Finance Corporation at 6:45 P.M.

- a. Resolution inducing the Lily Springs Apartments in partnership with the Lightpath Corporation, to be located at approximately the Northeast Corner of Cordova Road and Highway 46; and authorizing the execution of a term sheet; and authorizing an agreement with Navarro Independent School District regarding revenue sharing from the project; and other matters in connection therewith. - Steve Parker, City Manager

Indexes:

City Manager Steve Parker reminded that City Council considered a term sheet with Vaquero Partners Limited in September 2022, to facilitate a way to bring workforce housing to Seguin finance through a Public Finance Corporation (PFC). Through a PFC, the City owns the property and leases the land to a developer for a period of 75 years. The property is tax exempt for that period, but the City would receive a benefit through rental payments in lieu of the property tax revenue. The target market for workforce housing are those employed in public safety, retail, and first year teachers. In November 2022, for the first time in the state of Texas, the City agreed to give two-thirds of the revenue from the PFC with Navarro ISD. Shortly after, Vaquero Partners Limited backed out of the deal due to financial constraints. Now, a new developer, Lightpath is interested in building a similar property.

Mr. Parker informed that if the Lightpath development comes to fruition, the City would also give the \$500,000 it would receive at the closing of the property sale to Navarro ISD to help offset the costs of some of improvements required with new Navarro High School. Mr. Parker introduced John Kirk, Founder of Lightpath, to give a presentation on his proposed project.

John Kirk, Lightpath Founder, informed that he is grateful for the collaboration that has taken place and that he has three children in Navarro ISD. He stated that he has been in the apartment development business for over 20 years, and about a year and a half ago he started his own business. He is excited about the location of this project because he thinks it is special to have one so close to home. He introduced Lily Springs Apartments, a three-story, 282 unit, Class A apartment complex inclusive of the typical amenities geared towards working professionals. The estimated timeline for the project is to close on the land late next year, subject to the completion of the water line on SH-46. Construction on the water line is scheduled to begin in January 2025.

Councilmember Carlsson announced that the Vaquero project is the reason he ran for City Council. He asked for an explanation on how a PFC works and how a recent project of his is performing. Mr. Kirk replied that Ms. Summer Greathouse will speak on the details of the PFC, but he would select a property manager for the complex based on certain approval criteria, then present that manager to the City for approval. Mr. Parker added that a separate presentation by Ms. Greathouse will go into detail on the dynamics of a PFC.

Mr. Parker stated that 10% of the units would be at 60% Adjusted Median Income (AMI), 40% of the units at 80% AMI, and 50% of the units would rent at market rate. He also thanked Mandy Epley, Navarro ISD Superintendent, for being engaged in this process and for drafting the revenue sharing agreement.

Councilmember Lievens announced that in addition to Ms. Epley, the newly elected Navarro ISD School Board President Melissa Sartain is attending this meeting as well.

Summer Greathouse, Partner at Bracewell, shared that she attended Navarro Elementary when it was a 1A school and had 52 students in her grade. She explained that a Public Facility Corporation (PFC) is a non-profit corporation formed by a political subdivision, governed by Chapter 303 of the Texas Local Government Code, for the purpose of financing, operating, and owning public facilities, including workforce housing. The property would be tax exempt for the term of the lease and the developer would not pay sales tax on materials during construction. The developer assumes all financial risks and brings the capital to build the project, indemnifies the project, and holds insurance for the PFC. If the project is not successful, Seguin PFC and Navarro ISD won't make projected profits, but will have no investment. There is a possibility that Seguin PFC be removed upon foreclosure and lose control of the property, but the property would lose its tax exempt status.

Mr. Greathouse gave an overview of the structure, terms, and conditions of the proposed PFC with Lightpath. She highlighted that the City is not losing any real revenue because the property being considered for the project currently carries an agricultural exemption.

City Manager Parker added that the PFC would have audit privileges. And that the property tax exemption is only valid for 60 years, but can be approved again to add an additional 15 years, totaling 75 years.

Every ten years, a needs assessment is required to evaluate the condition of the property, and at the end of the lease, the City will own the project outright.

Councilmember Carlsson asked what would happen if City Council opts to not participate in this project. Mr. Parker replied that the concern is that other PFCs across the state will purchase the property without the City, School District, or public having any input or any knowledge if it happening. He used Walnut Springs apartments as an example. In 2022, it paid over \$50,000 in property taxes. Since then, it was purchased by a different housing corporation and came off the tax rolls in 2023. Now, that complex will pay not property tax or rental fees to the City or School District that is providing its infrastructure and educational services. He explained that PFC's is an initiative used all over the state to aid improve economic mobility and workforce housing necessary for a sustainable city. The City's focus is to use the proceeds from the PFC to aid Navarro ISD in their efforts to become whole on the debt service portion of the tax rate.

Councilmember Gaytan asked if there is currently another entity threatening to come in

and buy this project if the City does not participate. Mr. Parker replied to the City's knowledge there is not.

Councilmember Lievens commented that the City was unaware when Cameron County HFC purchased Walnut Springs either. He believes it is dangerous to vote no and give an opportunity for another sponsoring governmental entity to can finance this, leaving the City and the school district receiving no benefit. He declared that he hopes the City works with legislatures to prevent an entities from purchasing projects outside of their own jurisdiction in the future.

Councilmember Gaytan reiterated that he does not think it is a credible threat. He opined that the City could sue them, that it must be unconstitutional. He said if other reasons can justify the project, then so be it but he doesn't want to vote out of fear. He declared that this project would exempt property taxes for 75 years and would just make next generations carry the tax burden. He stated that he asked the City Manager for proof of the County's support in this project but has not received any yet. He believes the project puts an unfair advantage on Navarro ISD and the County and is not in favor. He said that the project not being in his district is not a reason to not be passionate about it.

Councilmember Biesenbach commented that when he looks at a project like this, he always tries to understand the why behind it. He agreed that 75 years is a long time to exempt a property tax.

Councilmember Lievens reiterated that there is a threat of another entity sponsoring the property tax exempt status, commented that Guadalupe County did not have to take this item to commissioners court because they are not beneficiaries of the agreement, and that the PFC does have the support of Navarro ISD., county didn't have to take it to commissioners court, and this does have the support of Navarro ISD. Mr. Parker confirmed the County opted to not put this item on their agenda.

Mandy Epley, Navarro ISD Superintendent, stated that this has been difficult. The history of the project, which was before her time, was very contentious. Unfortunately, Navarro ISD does not have the industrial and commercial development to pull tax revenue from, so the burden falls on residential rooftops. When this project resurfaced with a new developer, not all School Board members were in favor of the abatement, but they understand the risk of another entity sponsoring the tax exempt status and losing all opportunity for revenue from this property. Ms. Epley stated that she lives in Spring Branch and Spring Branch developed a lot of retail and fast food very quickly, but because they didn't have the housing to support the people to work in those businesses, the businesses sat empty. She stated that while this deal is everything they wanted, some revenue potential was better than risking it a receiving nothing.

Councilmember Biesenbach asked if this has been a topic at a School Board meeting and if it has received public input. Ms. Epley answered that it had not been.

Councilmember Lievens asked if there is anything that the City or County can do to be made aware of another PFC or Housing Corporation purchasing a property in Seguin in advance and Mr. Parker answered there is not.

Councilmember Carlsson asked how does he get to a yes. Councilmember Gaytan what it would take to get him to vote yes and Gaytan replied that he will not be voting yes. Carlsson then asked if the vote on this item can be tabled to another meeting. Mr. Parker replied that it could not. The developer has run out of extensions for his

funding and his current approval expires this week. The City committing to giving the developer an answer tonight, one way or the other.

Councilmember Eveld also asked if this item could be tabled as he hasn't had a enough time to familiarize himself with the project and a PFC. Mr. Kirk replied that he had his initial meeting with Navarro ISD in July and has already had multiple extensions on his funding. He added that financing a project like this in today's climate is difficult.

A motion was made by Councilmember Carter, seconded by Councilmember Carlsson, that this Resolution be approved. The motion failed by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Nay: 4 - Councilmember Eveld, Councilmember Gaytan, Councilmember Keller, and Councilmember Biesenbach

Aye: 3 - Councilmember Lievens, Councilmember Carlsson, and Councilmember Carter

10. Adjourn the Seguin Public Finance Corporation and Reconvene the Regular City Council Meeting

Mayor Dodgen adjourned the Public Finance Corporation meeting and reconvened the Regular Meeting at 7:47 P.M.

11. Closed Session

Mayor Dodgen adjourned the Open Session and Convened the Closed Session at 7:48 P.M.

- a. EXECUTIVE/CLOSED SESSION - An executive/closed session will be held pursuant to sections 551.071(2) and 551.072 of the Texas Government Code, consultation with attorney/staff and deliberation regarding the purchase and/or value of real property near the intersection of Huber and IH-10 (Groundwater Surface Water Loop Project) and real property near the intersection of SH-123 and Nolte Farms Drive (Geronimo Creek Wastewater Treatment Plant Force Main) in Guadalupe County, Texas. Possible action may follow in Open Session.

Indexes:

12. Reconvene into Open Session and Take Action on Items as a Result of Closed Session, if Necessary

Mayor Dodgen adjourned the Closed Session and reconvened the Open Session at 8:04 P.M.

Authorize the City Manager to execute a Purchase Agreement between the City of Seguin and Jetbird Properties Inc., related to the acquisition of approximately 0.55 acres of permanent utility easement, and 0.81 acres as a

temporary construction easement, for the Groundwater Surface Water Loop Project, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Carlsson, seconded by Councilmember Biesenbach, that this Action Item be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 6 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

Abstain: 1 - Councilmember Gaytan

Authorize the City Manager to execute a Purchase Agreement between the City of Seguin and Nolte Farms, LLC, related to the acquisition of approximately 2.06 acres of permanent utility easement, and 1.21 acres as a temporary construction easement, for the Geronimo Creek Wastewater Treatment Plant Force Main Project, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Eveld, seconded by Councilmember Gaytan, that this Action Item be approved. The motion carried by the following vote:

Excused: 1 - Councilmember Rea

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Eveld, Councilmember Lievens, Councilmember Carlsson, Councilmember Gaytan, Councilmember Carter, Councilmember Keller, and Councilmember Biesenbach

13. Adjournment

Mayor Dodgen adjourned the meeting at 8:06 .PM.

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary