

MINUTES
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS
Regular Meeting, Tuesday, 07 March 2023

1. **CALL TO ORDER:** Mayor John Williams at 6:35 P.M.
2. **QUORUM CHECK:** Kristin Mueller, City Clerk

Present:

Mayor John Williams
Councilmember Bear Goolsby
Councilmember Paul Najarian
Councilmember William Shelby
Councilmember Phil Vaughan
Mayor Pro Tem Richard Neville

Staff Present:

Kim Turner, City Manager
Megan Santee, City Attorney
Kristin Mueller, City Clerk/Economic Dev. Director
Michael Cassata, Development Services Director
Randy Luensmann, Public Works Director
Maribel Garcia, Deputy City Clerk

Virtually Present:

Councilmember Steven Buck

Mayor Williams noted a quorum was present.

3. **INVOCATION and PLEDGE OF ALLEGIANCE:**

Councilmember Vaughan gave the invocation. The Pledge of Allegiance to both the United States and Texas flags were led by Mayor Williams.

4. **VOTE TO CONSIDER THE EXCUSE OF ABSENT MAYOR/COUNCILMEMBERS:**

No action was necessary; all councilmembers were present.

5. **AWARDS/PROCLAMATION/INTRODUCTION OF GUESTS:**

Mayor Williams thanked Ms. Kim Igleheart for bringing Sunshine Week to his attention. He explained that Sunshine Week was established by the American Society of News Editors in their fight for the freedom of information. Furthermore, National Freedom of Information Day lands on March 16th. In the spirit of open government and freedom of information, Mayor Williams invited and encouraged citizens to continue to participate in local government and attend meetings.

6. **CONSENT AGENDA:**

Councilmember Shelby moved to approve the items under the consent agenda.

- a) Consider the minutes of Tuesday, February 21, 2023 City Council Regular Meeting
- b) Consider Ordinance 655-I-2023 (PC 566 SU 013): An Ordinance approving a Specific Use Permit for an Administrative and Business Offices use, and Financial Services use in a C3-Commercial Services District on property located at 2101 Pat Booker Road, Suite 104 (CB 5047 [Universal Medical Plaza] BLK 1 LOT 1). (2nd Reading).
- c) Consider Resolution 947-2023: A resolution of the Universal City Economic Development Corporation authorizing the purchase of Real Property located at 520 Pat Booker Road, Universal City, Texas; and providing for signatory authority. (2nd Reading).

Councilmember Goolsby seconded the motion.

Councilmember Vaughan requested item C be voted on separately.

Councilmember Shelby amended his motion to approve items A and B. Councilmember Goolsby seconded the motion.

Vote: Yeas: Shelby, Goolsby, Neville, Buck, Najarian, Vaughan
Nays: None.

Motion to approve carried.

Councilmember Shelby moved to approve Resolution 947-2023. Councilmember Goolsby seconded the motion.

Vote: Yeas: Shelby, Goolsby, Neville, Buck, Najarian
Nays: Vaughan

Motion to approve carried.

7. CITIZENS TO BE HEARD:

- Ashton Bulman, 12807 El Dorado, appreciated the Venue Tax being on the agenda but expressed her hope that the item would be made into an action item placing it on the ballot soon.
- Bernard Rubal, 635 Balboa Drive, expressed concern about Councilmembers serving both on Council and the Economic Development Corporation (EDC). He believed this created a conflict of interest where the vote in Council is unfairly weighted by those also holding positions on the EDC. He addressed the Venue Tax, stating its original promise for capital improvements. He argued that since the Venue Tax is no longer serving its original purpose, it should be put on the ballot. He asked Council to consider citizen input when making decisions on taxes.
- Kim Igleheart, 737 Golden Meadow, referred to a 2008 comprehensive study of streets used to make a ten-year plan for street maintenance. She asked what happened to this plan due to the current state of streets. She expressed concern that poorly maintained infrastructure would decrease property values and lead to rising crime rates. She argued for the Venue Tax to be put to a citizen vote, and for the 1/2 of one percent be divided into 4/8ths with 3/8ths going to street maintenance and 1/8th going to the general fund. She recognized Sunshine Week and shared that open records requests informed her of the ten-year plan.
- Richard Edwards, 209 Trudy, was concerned about Aviation District development. He argued that underlying intents of the plan include increasing Venue Tax revenue, eradicating dilapidated neighborhoods, and constructing high-density housing. He added that the utility proceeds and property taxes would increase. He questioned how the Aviation District would affect the surrounding neighborhoods.
- Ken Mitts, 13410 Adonis, thanked the Mayor for education on Sunshine Week. He clarified he is not anti-golf course. He stated he wanted his packet handouts disseminated to voters. He noted the 1997 Bond was not about funding a golf course but about creating revenue for the City. He shared that original handouts campaigning for the golf course stated citizens would not pay for it; that it would fund itself. However, citizens did pay for it. He stated the golf course did not provide promised funds and argued the golf course and event center should be considered separately. He argued for citizens to vote for the Venue Tax again. Additionally, he asked Council

to set a dollar threshold that requires City contracts to be placed for bid, to establish a media of general circulation to comply with Code, arguing that one was not in circulation, and for Council and Staff to give monthly updates on the Aviation District, Venue Tax, and the Street Maintenance Bond.

- Hector Lopez, 146 Andorra Drive, expressed concern that all discussion of the golf course involved lies. He shared his frustration over perceived bias in fulfilling requests for services from citizens. He argued the problem is not the golf course, golfers, or money, but rather image and demonstrating inclusion. He wished that the City repurpose the golf course into a more inclusive space for all residents rather than something of an exclusive club.

8. BUSINESS:

B. Discuss and Consider a Petition for Preliminary Acceptance of Public Improvements for the Cibolo Crossing Subdivision, Unit One.

Mrs. Turner explained that Cibolo Crossing has three phases of which this is phase one. She went over specifics of the property including the number of lots and causes of delays. She said they are asking for Preliminary Acceptance of Public Improvements, including water systems, sanitary sewer systems, drainage, and streets. She further explained that the subdivision would be on preliminary acceptance for about one year, after which the City would inspect the site and go on to final acceptance of phase one.

Councilmember Vaughan inquired if the retaining wall would be the responsibility of the City.

Mrs. Turner clarified the retaining wall is on private property and not the responsibility of the City.

Councilmember Goolsby asked if an engineer signed off on the subdivision in addition to Mr. Luensmann, Public Works Director.

Mrs. Turner clarified that in addition to Mr. Luensmann, the Public Works Manager and the Engineer also signed off on this development.

Councilmember Goolsby moved to approve the Petition for Preliminary Acceptance of Public Improvements for the Cibolo Crossing Subdivision, Unit One. Councilmember Shelby seconded the motion.

**Vote: Yeas: Goolsby, Shelby, Neville, Buck, Najarian, Vaughan
Nays: None.**

Motion to approve carried.

C. Discuss and Consider a Petition for Preliminary Acceptance of Public Improvements for the LaVonne Villa Subdivision.

Mrs. Turner explained that LaVonne Villa's Preliminary Acceptance process is similar to the Cibolo Crossing Subdivision, Unit One Preliminary Acceptance. She went over the specifics of the development. She said this is also under Preliminary Acceptance, where they will be under the one-year guidelines. She clarified the project is near the old Northview school.

Councilmember Shelby asked for further clarification of the location.

Mrs. Turner clarified that the development is to the right of where the school was if looking at the school.

Mayor Pro Tem Neville asked about the public space locations and if they could be moved.

Mr. Cassata clarified the reasons for their locations, including anticipated need for additional parking, the open spaces requirements, and the location making sense for the development.

Councilmember Buck asked for history of the subdivision.

Mrs. Turner clarified that this property is not a PUD. She stated that the property has transferred ownership multiple times. One of the original owners had requested a conditional use permit which was denied by Planning and Zoning, and though Staff recommended rejection, Council overruled and allowed for conditional use as a subdivision. Council believed this use to be a good fit. The property combined six small parcels into one, with two street fronts. Design was influenced by size, shape, and fire/emergency medical services concerns.

Councilmember Najarian moved to approve the Petition for Preliminary Acceptance of Public Improvements for the LaVonne Villa Subdivision. Councilmember Shelby seconded the motion.

**Vote: Yeas: Najarian, Shelby, Neville, Buck, Goolsby, Vaughan
Nays: None.**

Motion to approve carried.

D. Discuss and Consider an extension of the Memorandum of Understanding (MOU) with Reunion Development Partners, LLC.

Mrs. Turner stated the EDC and City purchased property behind Walmart on Kitty Hawk and held the property until now. In 2022, a Special Election was held authorizing the removal of park property for the City to develop. An RFP was sent out, proposals were considered, Reunion Development was chosen, and an MOU was made. The MOU requires them to work with Council and the EDC to comply to set parameters for the development. The MOU expired and Reunion Development is requesting that the MOU be extended after one year with significant progress on the development.

Councilmember Buck requested clarification on what this item was asking for.

Mrs. Turner answered that the only request is an extension of time.

Councilmember Buck inquired what noteworthy progress has been made that would allow them to extend their MOU with the City and EDC.

Mrs. Turner clarified Staff has had discussions with Council on this item, but that it has been in Closed Sessions. Staff has been working on preliminary redesign for the light going into the Walmart entrance to mitigate increased traffic. They also have drafted an agreement for additional land, authorizing land for the development's frontage along Kitty Hawk Road. The layout for streets and cost of streets, and a generalized phasing and concept plan have been discussed. Preliminary discussions with TXDOT for frontage road ingress/egress points on 1604 have been had. Mr. Cassata has worked on PUD components, as well as defining zoning and intended uses. Processes with legal counsel on the transfer and sale of land have been considered and scheduled. Design schematics for cuts and islands have been discussed and

started by Staff considering streets are part of the development that is incumbent upon Staff. A draft development agreement has been discussed with Reunion Development as well.

Councilmember Buck clarified he did not mean to say that Staff had not communicated with Council, as he knows and has been informed throughout the process. He commended Mrs. Turner, Mr. Cassata, and Staff on the work they have done for the development.

Councilmember Goolsby asked for clarification that the extension of the MOU is because Staff has done their due diligence in finding the best ideas for development of the property rather than rushing due to an arbitrary date on the contract.

Mrs. Turner confirmed and added that Staff has also done risk assessments.

Councilmember Shelby moved to approve the extension of the MOU with Reunion Development Partners, LLC. Councilmember Najarian seconded the motion.

**Vote: Yeas: Shelby, Najarian, Neville, Buck, Goolsby, Vaughan
Nays: None.**

Motion to approve carried.

Mrs. Turner reminded Council that many of these developments take time, and that much of the process requires presentations, design, and paperwork which take copious amounts of time.

N.T.1. Presentation and update on the Aviation District Master Plan.

Mrs. Turner reminded Council that they and the EDC have had meetings on the Aviation District since 2019, but just as the previous item, these things take time. She stated that Staff thought it would be prudent to give Council and the public an update to show the progress of the District.

Mr. Cassata gave visual presentations on the progress of the District. He said about 2.5 years ago the Master Plan for the District went before Planning and Zoning and Council and was passed. He explained different components of the Aviation District Master Plan using a map. He stated all of the different components are interchangeable – able to be moved around the property. He said there are five steps that have already been taken. 1) Updating infrastructure along Aviation Blvd. 2) Investing in existing businesses in the Aviation District, such as Gather Brewery. 3) Purchasing dilapidated residential property, put up for sale to the City by the property owners, to be converted into food and beverage spaces synergistic with the food truck park in development next to it. The food truck park was not purchased or developed on land purchased by the EDC. 4) Preliminary talks with TXDOT to discuss changes on Pat Booker Road considering the new development and expected increased traffic. This discussion with TXDOT is to ensure the safety of pedestrians, drivers, and business owners in the area. 5) Purchasing other properties in the Aviation District. He explained that by buying properties in the Aviation District, the City controls how they are developed and can keep them in line with the vision of the District. Mr. Cassata clarified the City and EDC will not develop those properties but will be able to control and provide framework for who does. He went through the concept plan, which can be found on the City website under the Departments then Development Services tabs.

Mrs. Turner clarified the distinction between “life at night” versus “night life.” She stated “night life” often refers to bars and used 6th street in Austin. Conversely, “life at night” can be anything that is done after work and can be very family friendly. She clarified the District is meant to provide a space for anyone who would like to have “life at night” rather than just staying home.

Mrs. Turner also addressed the purchase of property, stating the City and EDC are only focusing on the commercial area right now, and that most properties that have been purchased have been owner initiated; they have not been approached by the City but have been sold at the suggestion of the property owner. She also addressed the fact that this plan is conceptual rather than permanent and stated the difference between public and private investment. She explained that public investment is sometimes necessary for growth of private investment.

Mayor Williams clarified that Council has consistently been updated on this project, and that the item is really for the public to benefit from the dissemination of information.

Councilmember Vaughan asked about bonds issued by the EDC and whether they would be enough to cover the investments.

Mrs. Turner answered the EDC currently has enough land to start on the plaza concept. She opined that the EDC has wisely used their money in this plan.

Mrs. Mueller clarified that the EDC has committed \$2.5 million out of the approximately \$5 million for property acquisition and street projects.

Councilmember Vaughan asked whether there was a backup plan if the plans for the vision of the District fell through if developers do not show interest or are asking for too much assistance.

Mrs. Turner responded that the City could build the plaza area itself without private development. She said many residents in the area do not have a place to go at night, and expressed belief in the Aviation District being a good investment to create a downtown area, business center, or a place for life at night. She shared that an idea for the interim period of development was to have market days in the area to generate interest. She also shared that there has been plenty of interest in the Aviation District plan.

Councilmember Shelby inquired if the EDC would get their money back plus increased property value if their property goes to a private developer.

Mrs. Turner answered that Staff has already calculated return on investment and suggested there would be a positive return on investment.

Councilmember Buck asked if the City has used eminent domain and expressed the concern of residents about developing the property against the best interest of the community.

Mrs. Turner clarified the City does not use eminent domain because there is no need to when the City can negotiate in good faith. She added if eminent domain were to be used, the City would have to give property owners fair market value and possibly more. She reiterated that the City and EDC are only acquiring commercial properties, and the residential properties they acquired were in commercial districts and willingly sold by the property owners to the City. She shared that the EDC, by state law, only works on commercial projects. She clarified that apartments are considered commercial, not residential.

Mayor Williams shared his support for the plan and commended Gather Brewery for their award of Best Brewery according to the SA Express News. He wished the project well.

Mrs. Turner added that the idea for the District started because of a consultant who came in and surveyed citizens of Universal City to ask what they would like in that area, and the community vision resulted in the Aviation District plan.

N.T. 2. Discuss Venue Tax Revenue.

Mrs. Turner thanked Council for their input so that Staff could have direction in the conversation. She began with stating common themes; she received consensus that no one wants to get rid of the golf course, that golf course needs were identified, that for fiscal year 2023 the Venue Tax has already been committed, that for fiscal year 2024 there are options for how to move forward, and that there are considerations for how to divide and reallocate the Venue Tax. She went over what Council has not agreed upon yet, including the end goal, and options for compromises and alternatives to the end goal. She mentioned the need for a discussion of financial planning for repairs and refunding the general fund. She also mentioned the need for a decision on whether the golf course stays an enterprise fund or not, redefining the Venue Tax, and a timeline. She presented options for moving forward with the Venue Tax. She listed capital improvements, general fund transfers, expansion of the definition of the Venue Tax to include parks and other developments, asking the voters if they'd like to split the Venue Tax or when they would like to do this, asking voters if they would like to move the Venue Tax into the general fund, and considered new options from future Council discussion. Mrs. Turner went over prospective goals of decorum in discussion. She hoped Council would decide to memorialize options considering the last times the golf course has been put to a vote, the options were not memorialized other than the voting item itself. She wanted the complexity of the issue to be memorialized so that final decisions can be explained through the memorialization. She also wished that Council not become polarized on this issue and that they consider all options thoroughly with consideration for future generations.

Mayor Williams added another consideration of State level legislative developments. He stated the Governor has considered reducing the State's take of sales tax, leaving cities with a higher percentage of sales tax available for distribution. He reiterated Mrs. Turner's concern that Council may hastily make decisions without considering future developments of this year's legislative session.

Councilmember Buck also wished future conversations not become polarized. He shared his belief that Council has an obligation to both the residents of Universal City and the golf course, but that residents take priority. He gave a prepared statement summarized by the following: In 1997, the City, along with military and community members, lobbied for a golf course. Lobbying materials stated the golf course would be self-sustaining and produce revenue. Given assurances, the ballot measure passed. Afterwards, promises of revenue and self-sufficiency were not met, and the course faced defaulting. The Venue Tax was proposed in 2002 and passed. The majority of the Venue Tax has gone to the golf course. He clarified he does not claim intentional deception. However, assertions made in marketing materials for the course did not happen. From residents' perspectives it follows they would feel misled. He emphasized he does not believe there was malfeasance, and he is not anti-golf course. He said residents should vote on the Venue Tax again. He believed reallocation of the Venue Tax can address other priorities, but for now, use of the Venue Tax is limited. He recognized the golf course is a priority, but stated there are others as well. He mentioned public facilities such as the library, animal shelter and splash pad which do not generate revenue. He felt the course should be treated the same. He clarified that First Responder services should not be included because they are a separate category than recreation facilities. He asked Council to support him in the following: 1) Directing Staff to research alternatives to the Venue Tax, such as increasing the general revenue tax if possible or establishing a street maintenance tax to offset street bonds; 2) Direct Staff to present alternatives to Council at the April 4th Regular Meeting. He asked that Council decide which measures to put on the November 2023 ballot at the same meeting and instruct staff to move forward with ballot language. He reiterated his belief that citizens deserve a say in golf course funding.

Councilmember Vaughan expressed his belief that Mrs. Turner overcomplicated the Venue Tax by asserting the consideration should be how much money to allocate to the golf course rather than focusing on how to spend the City's revenue. He expressed appreciation for her presentation. He reiterated the option of making the Venue Tax a streets maintenance tax. He said afterwards, Council and the City could still consider how much money should go to the golf course. He also stated, referencing his previous budget presentation, the golf course is now producing a surplus and reiterated that the Venue Tax funds would reach the golf course until April 1st, 2024 if voted on in November 2023. He addressed Mrs. Turner's proposal of the golf course reimbursing the general fund, which he considered something to look past. He stated he is in favor of a bond election for the golf course and not in favor of the golf course becoming part of the general fund rather than an enterprise fund. He said he would like the Venue Tax revenue to be considered in terms of needs rather than wants to avoid unwise investments in the future, noting that residents want to prioritize streets. He expressed support for Staff presenting options at the April 4th meeting.

Mayor Williams asked about the deadline to decide to put the Venue Tax on the ballot.

Mrs. Turner said the last day to call for a ballot measure on the November ballot is August 21st.

Councilmember Goolsby expressed his concern that this process may be rushed without understanding the ramifications.

Mayor Williams suggested Council hold a workshop within the next month solely focusing on the Venue Tax to explore options. It would be held in a public place under the Open Meetings Act.

Councilmember Shelby compared this process to the Aviation District meetings that took time to consider. He shared his belief that big changes should not be taken with haste. He reiterated Councilmember Buck's belief that Council must consider citizens, and referred to citizens who purchased property near the golf course. He reminded everyone Councilmembers are elected at large, representing everyone in the City including those around the golf course. He also asked everyone to understand not everyone will agree with the changes. He addressed the option of turning the golf course into a park, which would still cost money and not bring in revenue. He reiterated his belief that an option should be put to a vote, but that Council should weigh options thoroughly before this happens. He expressed his concern that the golf course would become abandoned. He stated Council in 1997 made what they thought was the best decision, including their belief the golf course would create revenue, and asked today's Council not to make a rash choice. He supported Mrs. Turner's request to memorialization the process.

Mayor Pro Tem Neville expressed concern of changing circumstances due to State Legislature actions in the coming session.

Mayor Williams reiterated concerns of changes due to State Legislature. He also reiterated his recommendation for a workshop.

Councilmember Goolsby asked whether ballot language could have multiple options.

Ms. Santee clarified that a ballot measure must be "for" or "against." She cautioned against multiple ballot measures with "for" or "against" options because that could lead to murky results with no direction or competing results leaving action in stagnation.

Councilmember Najarian thanked Councilmember Buck for his research and shared support for Councilmember Shelby's comments. He clarified he was not against action on the Venue Tax in

previous meetings but felt that action on the Venue Tax was happening too fast without consideration for other options. He shared support for a workshop.

Councilmember Buck agreed with Councilmember Shelby that the decision should not be a hasty one. He asked that the workshop focus on how to reallocate the Venue Tax with action for a ballot measure, not whether Venue Tax reallocation is put to a vote.

Mrs. Turner reminded Council that a venue tax must be geared toward a facility that's primary use includes charging a fee to the public according to State law. A Venue Tax cannot be used for a primarily public facility. She stated that she, along with Staff and the Mayor, would work on workshop content and scheduling.

Mayor Williams was given consensus for a workshop on the Venue Tax. He stated the workshop would be publicized to alert the public, and that there would be a Citizens to be Heard portion before Council goes into work session.

9. CITY MANAGER COMMENTS:

Mrs. Turner reminded the public that May 6th is both Election Day and Pancake Breakfast Day. She said Staff has been working with TXDOT and Union Pacific Railroad on the Pat Booker/FM78 traffic lights. Union Pacific will also look at working on the tracks. She told Council the Home Schoolers Association is looking for speech and debate judges for their championship. She also said the Universal City Fire Department needs two trucks to be replaced in the next budget cycle.

10. COUNCILMEMBER COMMENTS:

Councilmember Vaughan suggested a Councilmember Message Board which would provide a forum of engagement between Council, citizens, and occasionally Staff. He referenced the Councilmember Message Board in San Marcos. This message board would be published on the City's website.

Mrs. Turner expressed concern over violation of the Open Meetings Act.

Councilmember Vaughan explained that the San Marcos message board is in line with the Open Meetings Act. They post agenda packets on the board. It allows Citizen and Council to communicate, which he asserted would save some time in Council meetings. He asserted it could be a great way to have Council ask Staff questions and mentioned documents could be marked up and edited on the message board by Council. He requested that this option be explored.

Mayor Pro Tem Neville thanked everyone for their discussion. He was concerned that the Gateway is outdated once it is sent out and published and asked to make the Gateway more current.

Mrs. Turner explained the only way to do this would be to make the Gateway totally online. She stated that the turnaround time with the publisher and mail cause delay in the Gateway getting out.

Mayor Pro Tem Neville reiterated his view that Gateway information is two months behind.

Councilmember Shelby shared that he had prepared a statement which was he had no statement.

Councilmember Goolsby wanted to remind the public that citizens should talk with Staff when they are issued citations after they make efforts to comply with Code. Often, these citations can be waved because they are mainly a way to get citizens' attention when they are out of compliance with Code. He said Staff is very reasonable when waiving citations once compliance is given. He

thanked Staff for remedying these situations. He expressed support for the Aviation District and shared his view that it would benefit the City. He expressed concern about having the Venue Tax workshop at the golf course on a Saturday due to lack of parking and other parking issues.

Mrs. Turner clarified that the workshop must only be in the City at a public facility.

Councilmember Goolsby addressed concerns about the exclusiveness of the golf course and stated there have been talks for how to make the course more inclusive. He stated he is interested in other options for making the course more inclusive but said that many of his clients go to the golf course and he knows the golf course sees a lot of attendance from outside Universal City.

Councilmember Buck thanked Staff for their presentations. He thanked Jeremy and Sal at the golf course for their tour of the course and their answers to questions. He shared the history of the fiscal year which used to run March 1st to February 29th, then changed by Council vote to October 1st through September 30th. He also shared the 1963 budget which was \$24,590.

11. MAYORAL COMMENTS:

Mayor Williams shared that brush pickup would start March 27th. He also reminded the public that Sunday, March 12th starts daylight savings time.

12. ADJOURNMENT: Mayor Williams adjourned the meeting at 8:42 P.M.

APPROVED:

Attest:

John Williams, Mayor

Kristin Mueller, City Clerk