



MEETING AGENDA
City Council
REGULAR SESSION CITY COUNCIL
February 1, 2022

HAL BALDWIN MUNICIPAL COMPLEX COUNCIL CHAMBERS
1400 SCHERTZ PARKWAY BUILDING #4
SCHERTZ, TEXAS 78154

CITY OF SCHERTZ CORE VALUES

Do the right thing

Do the best you can

Treat others the way you want to be treated

Work cooperatively as a team

AGENDA

TUESDAY, FEBRUARY 1, 2022 at 6:00 p.m.

City Council will hold its regularly scheduled meeting at 6:00 p.m., Tuesday, February 1, 2022, at the City Council Chambers. In lieu of attending the meeting in person, residents will have the opportunity to watch the meeting via live stream on the City's YouTube Channel.

Call to Order

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

A. Mayor Pro-Tem Oath of Office - Oath of Office administered to Councilmember David Scagliola. (B. Dennis)

Presentations

- Proclamation recognizing Career and Technology Education Month. (Mayor/Amy Massasy SCUCISD)

New Employee Introductions:

- 311 Public Affairs: Guadalupe Martinez - 311 Customer Relations
- EDC: Casey Moeller - Business Engagement Manager
- EMS: Samantha Sommers, Paramedic; Tyler Warneke, EMT
- Fire: Annaliese Fielder - Firefighter
- Inspections: Natalie Galindo and Amanda Cox - Permit Technician
- Police Department: Bridget Arambula - Police Records Specialist, Catherine Gibbs -

- Communications Officer, Melissa Hurst - Civilian Evidence Technician
- Public Works: Jonathan Chapman, Jose Sanchez - Street Worker II - Elijah Allen - Street Worker I
- Public Works: Robert Pfeil, Michael Claxton - Service Worker I. Nicholas Ferris - SCADA Technician

City Events and Announcements

- Announcements of upcoming City Events (B. James/C. Kelm/S. Gonzalez)
- Announcements and recognitions by the City Manager (M. Browne)
- Announcements and recognitions by the Mayor (R. Gutierrez)

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.

Discussion by the Council of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

Discussion and Action Items

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the meetings of January 11, 2022. and January 25, 2022. (B. Dennis/S. Edmondson)

Public Hearings

2. **Ordinance No. 22-M-06** - Hold a public hearing, consider action amending Chapter 21 Community Development of the City of Schertz Code of Ordinances by adding Article III Enterprise Zones, enabling nomination of qualifying projects to the State of Texas for Enterprise Project Designation. ***First Reading*** (M. Browne/A. Perez)

Roll Call Vote Confirmation

CLOSED SESSION

3. 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 Secretary Brenda Dennis

Reconvene into Regular Session

- 3a. Take any action based on discussions held in Closed Session under Agenda Item 3.

Roll Call Vote Confirmation

Requests and Announcements

- Announcements by the City Manager.
- Requests by Mayor and Councilmembers for updates or information from staff.
- Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda.
- Announcements by Mayor and Councilmembers
 - City and community events attended and to be attended
 - City Council Committee and Liaison Assignments (see assignments below)
 - Continuing education events attended and to be attended
 - Recognition of actions by City employees
 - Recognition of actions by community volunteers

Adjournment

CERTIFICATION

I, BRENDA DENNIS, CITY SECRETARY OF THE CITY OF SCHERTZ, TEXAS, DO HEREBY CERTIFY THAT THE ABOVE AGENDA WAS PREPARED AND POSTED ON THE OFFICIAL BULLETIN BOARDS ON THIS THE 28th DAY OF JANUARY 2022 AT 2:45 P.M, WHICH IS A PLACE READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THAT SAID NOTICE WAS POSTED IN ACCORDANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

BRENDA DENNIS

I CERTIFY THAT THE ATTACHED NOTICE AND AGENDA OF ITEMS TO BE CONSIDERED BY THE CITY COUNCIL WAS REMOVED BY ME FROM THE OFFICIAL BULLETIN BOARD ON ____ DAY OF _____, 2022. TITLE: _____

This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1030.

The City Council for the City of Schertz reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

Closed Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel and the presence

of any subject in any Closed Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

COUNCIL COMMITTEE AND LIAISON ASSIGNMENTS

Mayor Gutierrez Audit Committee Investment Advisory Committee Main Street Committee	Councilmember Scagliola – Place 5 Cibolo Valley Local Government Corporation - Alternate Hal Baldwin Scholarship Committee Interview Committee for Boards and Commissions - Alternate Schertz-Seguin Local Government Corporation
Councilmember Davis– Place 1 Interview Committee for Boards and Commissions Main Street Committee - Chair Schertz Housing Authority Board TIRZ II Board	Councilmember Scott – Place 2 Interview Committee for Boards and Commissions Schertz Animal Services Advisory Commission
Councilmember Whittaker – Place 3 Audit Committee TIRZ II Board	Councilmember Dahle – Place 4 Cibolo Valley Local Government Corporation Interview Committee for Boards and Commissions TIRZ II Board
Councilmember Heyward – Place 6 Animal Advisory Commission Audit Committee Investment Advisory Committee Main Street Committee	Councilmember Brown – Place 7 Main Street Committee Schertz-Seguin Local Government Corporation - Alternate

CITY COUNCIL MEMORANDUM

City Council Meeting: February 1, 2022
Department: City Secretary
Subject: Minutes – Consideration and/or action regarding the approval of the minutes of the meetings of January 11, 2022. and January 25, 2022. (B. Dennis/S. Edmondson)

BACKGROUND

Council held a regular meeting on January 11, 2022 and on January 25, 2022.

RECOMMENDATION

Recommend approval of the minutes of the regular meetings of January 11, 2022 and January 25, 2022.

Attachments

01-11-2022 Draft minutes
01-25-2022 Draft Minutes

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 Penshorn Vincent, 8310 Trainer Hale Rd., Schertz TX
- Mark Penshorn, 8320 Trainer Hale Rd., Schertz, TX
- Cathy Penshorn, 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. McLinney)
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 Penshorn-8320 Trainer Hale Rd-deferred time to Kay Vincent
- Diana Moravitz-8924 Trainer Hale Rd-deferred time to Kay Vincent
- Kay Vincent Penshorn-showed a video opposing amending the Comprehensive Land Use Plan
- Mark Penshorn-8320 Trainer Hale Rd
- Ross Luensmann-8602 Trainer Hale Rd
- Steven Penshorn-8220 Trainer Hale Rd
- Rachel Escobedo-8646 Quail Wood Run
- Ronnie Hewlett-7993 Trainer Hale Rd
- Kay Vincent Penshorn-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 develop 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.

ATTEST:

Ralph Gutierrez, Mayor

Brenda Dennis, City Secretary

DRAFT

MINUTES REGULAR MEETING January 25, 2022

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on January 25, 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 Ralph Gutierrez; Mayor Pro-Tem Michael Dahle; Councilmember Mark Davis; Councilmember Jill Whittaker; Councilmember David Scagliola; Councilmember Allison Heyward; Councilmember Tim Brown

Absent: Mayor Pro-Tem Rosemary Scott

City Staff: City Manager Dr. Mark Browne; Assistant City Manager Brian James; Assistant City Manager Charles Kelm; City Attorney Adolfo Ruiz; 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 p.m.

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas. (Mayor Pro-Tem Dahle)

Mayor Pro-Tem Dahle provided the opening prayer followed by the Pledges of Allegiance to the Flags of the United States and the State of Texas.

Presentations

1. Presentation: Annual Fleet Performance Update (FY 2020-2021) and some highlights for current FY 2021-2022.

Mayor Gutierrez recognized Fleet Manager Chris Hernandez who provided a PowerPoint presentation regarding the Health of the Fleet Department/Vehicles. Highlights included:

- Overview
- Goals and Objectives
- Fleet Authorized Staff
- Fleet Authorized Vehicles
- Take Home Policy
- Performance Measures FY 18-19, FY 19-20 and FY 20-21 Work Order Counts
- Types of Work Orders - Scheduled vs Unscheduled
- Performance measures - Scheduled vs Unscheduled Work Orders -and Work Orders Completed
- 10 Year Replacement Forecast
- New Fleet Maintenance Facility Bldg. 27

Mr. Hernandez thanked the Council specifically for their new building he also addressed questions. Mayor and Council provided their comments.

Mayor Gutierrez stated that before he continues, Agenda Item 5, Ordinance Number 22-S-01, he knows this item is concerning the property on Trainer Hale Road. It is not a public hearing, so if anyone wants to speak on Item #5, there is one more opportunity to sign up if you wish too, otherwise when we get to the item, we will not be allowing any public comments. To speak, it needs to be during the Hearing of Residents.

City Events and Announcements

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

Mayor recognized Assistant City Manager Charles Kelm who provided the following announcements:

- Tuesday, February 1st - Next regular scheduled Council Meeting, 6:00 p.m., Council Chambers
- Friday, February 4th, Strategic Planning Retreat, 8:30 a.m., Community Room, Fire Station #3, 11917 Lower Seguin Road

- Announcements and recognitions by the City Manager (M. Browne)

Mayor Gutierrez recognized City Manager Dr. Browne who thanked Public Safety for the work they are doing with the tremendous caseload of COVID in the community. Great effort in keeping our community safe.

- Announcements and recognitions by the Mayor (R. Gutierrez)

No announcements were provided.

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.

Discussion by the Council of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

Mayor Gutierrez recognized the following:

- Daniel Jamesen, 1048 Richmond Drive, who provided information on the recent passing of his mom. He doesn't have a time and date yet, but the services will be held at Colonial Funeral in Universal City on Kitty Hawk. Please keep our family in your prayers. He also stated that he will continue to work with the Assistant City Managers regarding the drainage issue on Gettysburg and Richmond Drive.
- Richard Dziewit 2550 Chasefield Drive, who stated that one of the things he would like to do is, he understands that there are always diversification whether they be in Council, whether they be in the City, but one of the things that we have as one City that is kind of united really very well. He attended today at 3:00 p.m. where the City was giving out the checks to all those businesses and special organizations that are here to help the City. It is extremely great to see the unification between Staff, Council and the City to be able to support our businesses especially during what we have had in the past couple of years with everything that has been going on. He thanked the City and is glad he lives in Schertz and that Council and Staff are here to help.

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:

2. **Resolution No. 22-R-14** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing EMS debt revenue adjustments, Utility Billing debt revenue adjustments and Schertz Magazine debt revenue adjustments for certain inactive outstanding receivables and other matters in connection therewith. (M. Browne/J. Walters)
3. **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)
4. **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)

Mayor Gutierrez asked if Council wished for any items to be removed, as there were none Mayor Gutierrez called for a motion to approve Consent Agenda Items 2-4.

Moved by Councilmember Allison Heyward, seconded by Councilmember Tim Brown to approve Consent agenda item items 2 through 4.

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

Passed

Discussion and Action Items

Mayor Gutierrez read the following item into record:

5. **Ordinance No. 22-S-01** - Consideration and/or action approving an Ordinance by the City Council of the City of Schertz, Texas 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. (*Final Reading*) (*B. James/L. Wood/M. Harrison)

Mayor Gutierrez read the following 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 asked if Council needed a presentation as Council did not request a presentation, he called for questions. As there were no questions, Mayor called for a motion.

Moved by Councilmember Tim Brown, seconded by Mayor Pro-Tem Michael Dahle to approve Ordinance No. 22-S-01 on final reading.

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

NAY: Councilmember David Scagliola

Passed

Roll Call Vote Confirmation

Mayor Gutierrez recognized City Secretary Brenda Dennis who provided the roll call vote confirmation for Agenda Items 2-5.

Workshop

6. Appointment of the Mayor Pro Tem - Discussion and consideration and/or action regarding the confirmation, appointment or election of the Mayor Pro-Tem. (Mayor/Council)

Mayor Gutierrez stated for the courtesy of those reviewing the video, the Mayor Pro-Tem is a member of the Council who performs the duties of the Mayor during his incapacity or his absence. The Mayor Pro-Tem is selected by the majority vote of this Council and among its membership. The Mayor Pro-Tem retains the right to vote on all matters before Council while performing his or her duties as the Mayor. The Mayor Pro-Tem's term is for six months, and he would like to thank Mayor Pro-Tem Dahle for performing these duties between August 2021 and January 2022. Based upon our procedures the consideration and the appointment of the next Mayor Pro-Tem is Councilmember Scagliola to serve the term between February 2022 to July 2022. Mayor Gutierrez opened the floor for discussion.

Moved by Councilmember Tim Brown, seconded by Councilmember Allison Heyward to appoint Councilmember David Scagliola as the next Mayor Pro-Tem for a term of six months.

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

Passed

Roll Call Vote Confirmation

City Secretary Brenda Dennis provided the roll call vote confirmation for Agenda Item 6.

Closed Session

The Mayor read the following Closed Session items into record.

7. City Council will meet in Closed Session under Section 551.071 of the Texas Government Code, Consultation with the Attorney regarding contract negotiations with Schertz-Seguin Local Government Corporation (SSLGC) and Cibolo Valley Local Government Corporation (CVLGC) regarding water development projects.

Mayor Gutierrez recessed the meeting into Closed Session at 6:33 p.m.

8. 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.

Reconvene into Regular Session

Mayor Gutierrez reconvened back into Regular Session at 8:29 p.m.

- 7a. Take any action based on discussions held in Closed Session under Agenda Item 7.
No action was taken.

- 8a. Take any action based on discussions held in Closed Session under Agenda Item 8.

Motion was made by the Chair seconded by Councilmember Whittaker to extend Dr. Browne's contract for 2 years, authorize a 2% pay increase effective the next pay period, and authorize the Mayor to execute the City Manager's Contract.

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

Passed

Roll Call Vote Confirmation

Mayor recognized City Secretary Brenda Dennis who provided the roll call vote confirmation for Agenda Item 8.

Information available in City Council Packets - NO DISCUSSION TO OCCUR

Mayor Gutierrez mentioned Agenda Item 9 was in their packets and was also made available to the public.

9. **Monthly Update** - on Major Projects in progress/CIP. (B. James/K. Woodlee)

Requests and Announcements

- Announcements by the City Manager.

City Manager Mark Browne thanked the City Council and appreciates their confidence in him and to approve a 2-year contract extension and a 2% pay increase.

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

Councilmember Brown would like the Schertz Police Department to follow up on the request he had in October 2021 for truck traffic study on Schertz Parkway.

- 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 Davis-Main Street Meeting

Councilmember Whittaker-NEP Luncheon, Ribbon Cutting and Prestige Tax and Notary, Held a town hall meeting for residents for the Crossvine, Clemen's Musical-Annie

Councilmember Scagliola-ARPA Small Business Grant Ceremony

Councilmember Heyward-NEP Luncheon, Main Street Meeting, ARPA Small Business Grant Ceremony

Councilmember Brown-Main Street Meeting, NEP Luncheon

Adjournment

Mayor Gutierrez adjourned the meeting at 8:35 pm.

ATTEST:

Ralph Gutierrez, Mayor

Brenda Dennis, City Secretary

CITY COUNCIL MEMORANDUM

City Council Meeting: February 1, 2022
Department: Economic Development Corporation
Subject: Ordinance No. 22-M-06 - Hold a public hearing, consider action amending Chapter 21 Community Development of the City of Schertz Code of Ordinances by adding Article III Enterprise Zones, enabling nomination of qualifying projects to the State of Texas for Enterprise Project Designation. *First Reading* (M. Browne/A. Perez)

BACKGROUND

This action adds Section III to Chapter 21 of the City of Schertz Code of Ordinances titled Community Development. Section III defines the City of Schertz intent to participate in the Texas Enterprise Zone Program (EZIP).

The Texas Enterprise Zone Program (EZIP) is a state sales and use tax refund program designed to encourage private investment and job creation in economically distressed areas of the state. Texas communities must nominate companies in their jurisdiction to receive an Enterprise Zone designation and thus be eligible to receive state sales and use tax refunds on qualified expenditures. Companies must meet minimum capital investment thresholds and create and/or retain jobs that employ a certain percentage of economically disadvantaged individuals, enterprise zone residents, or veterans.

A community with less than 250,000 in population, may have up to six enterprise projects in a single biennium.

GOAL

To enhance the competitiveness of the City of Schertz to secure jobs and investment through nomination of qualifying projects to the State Enterprise Zone Program.

COMMUNITY BENEFIT

Participation in the State Enterprise Zone Program allows the City of Schertz to enhance its incentive offerings to include nomination of up to six projects per biennium for a State Sales Tax rebate (not local sales tax). This provides another tool to encourage companies to locate or expand operations and create new jobs in the community.

SUMMARY OF RECOMMENDED ACTION

Approve Ordinance No. 22-M-06 to enable participation in the State Enterprise Zone Program and enhance the competitiveness of Schertz in securing new jobs and investment.

FISCAL IMPACT

None. Successful nomination of a project to receive an enterprise project designation will result in the State of Texas rebating its portion of sales tax revenue paid by the project. Local sales tax is not rebated as a result of participation in this program.

RECOMMENDATION

City staff recommends approval of Ordinance No. 22-M-06 amending Chapter 21 Community Development of the City of Schertz Code of Ordinances by adding Article III Enterprise Zones, enabling nomination of qualifying projects to the State of Texas for designation as enterprise projects.

Attachments

Ordinance 22-M-06

Enterprise Zone Program Summary

ORDINANCE NO. 22-M-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING CHAPTER 21 COMMUNITY DEVELOPMENT OF THE CITY OF SCHERTZ CODE OF ORDINANCES BY ADDING ARTICLE III ENTERPRISE ZONES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Schertz, Texas (the “City”) has previously adopted guidelines and regulations for community development and established the Schertz Economic Development Corporation to accomplish said public purpose; and,

WHEREAS, the State Legislature has previously established the state enterprise zone program to establish a process that clearly identifies severely distressed areas of the state and provides incentives by state and local government to induce private investment in those areas by removing unnecessary governmental regulatory barriers to economic growth and to provide tax incentives and economic development program benefits; and,

WHEREAS, territory in the municipal boundaries and in the extraterritorial jurisdiction of a municipality is considered to be in the jurisdiction of the municipality for purposes of establishing an enterprise program; and,

WHEREAS, before nominating a project or activity of a qualified business in Schertz for designation as an enterprise project, the City Council of the City of Schertz must hold a public hearing and, by ordinance, must identify and summarize briefly any local incentives available; and,

WHEREAS, the City Council held a public hearing on February 1, 2022 at which interested persons were allowed to speak and present evidence for or against the City’s participation in the program; and

WHEREAS, the City Council hereby finds that establishment of an enterprise zone program is in the best interest of the community and would enhance and further the community development of Schertz.

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

Section 1. Chapter 21-Community Development of the Schertz Code of Ordinances is hereby amended by adding Article III Enterprise Zones as set forth in the attached Exhibit A.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All ordinances or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 4. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

This Ordinance shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED on first reading this 1st day of February 2022.

PASSED AND ADOPTED on second and final reading this 8th day of February 2022.

CITY OF SCHERTZ, TEXAS

Mayor Ralph Gutierrez

ATTEST:

City Secretary Brenda Dennis

EXHIBIT A

CHAPTER 21-COMMUNITY DEVELOPMENT OF THE CITY OF SCHERTZ CODE OF ORDINANCES IS HEREBY AMENDED BY ADDING ARTICLE III ENTERPRISE ZONES AS SET FORTH BELOW:

Article III. - Enterprise Zones

Sec. 21-50. Definitions

In this article, the following terms shall have the meanings assigned to them in this section unless the context clearly requires otherwise:

Enterprise project. The term “enterprise project” shall mean a project or activity designated as an enterprise project pursuant to the Texas Enterprise Zone Act and within the jurisdiction of the City as said jurisdiction is defined by the Texas Enterprise Zone Act.

Enterprise zone. The term “enterprise zone” shall mean an area within the jurisdiction of the City as said jurisdiction is defined by the Texas Enterprise Zone Act and designated as an enterprise zone pursuant to the Texas Enterprise Zone Act.

Nominated projects or activities. The term “nominated projects or activities” shall mean any project or activity nominated by the City for status as an enterprise project.

Qualified business. The term “qualified business” shall have the meaning assigned to that term in the Texas Enterprise Zone Act.

Qualified employee. The term “qualified employee” shall have the meaning assigned to that term in the Texas Enterprise Zone Act.

Texas Enterprise Zone Act. The term “Texas Enterprise Zone Act” shall mean Texas Government Code Chapter 2303.

Sec. 21-51. Intent to participate in the Texas Enterprise Zone Program; Existing enterprise zones reconfirmed.

It is the intent of the City Council that the City of Schertz shall participate in the Texas Enterprise Zone Program as provided in this article.

Sec. 21-52. Incentives available in enterprise zones.

To the fullest extent allowed by law, the following local incentives, at the election of the City Council, may be made available to projects or activities in an enterprise zone, including without limitation nominated projects or activities of qualified businesses in an enterprise zone:

- (a) The city may abate taxes on the increase in value of real property improvements and eligible personal property that locate in an enterprise zone. The level of abatement shall

be based upon the amount of capital investment by the business receiving the abatement, the extent to which the business receiving the abatement creates jobs for qualified employees, and any other applicable criteria set forth in the City's Amended and Restated Criteria and Guidelines for Tax Abatement, as same may from time to time be amended by the City Council.

(b) The City may provide:

1. Incentives thru its economic development corporation as allowed by law;
2. Grants or incentives through Chapter 380 agreements;
3. Other tax deferrals, tax refunds or tax incentives.
4. Local Sales Tax Refund
5. Freeport Exemption
6. Upon a recommendation from the Schertz Economic Development Corporation, Economic Development Sales Tax (4B) Contribution

(c) The City may create Tax increment Reinvestments zones to aid in the revitalization of areas with Tax Increment Financing.

(d) The City may provide regulatory relief to businesses, including:

1. Zoning changes or variances;
2. Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
3. Streamlined permitting.

(e) The City may provide enhanced municipal services to businesses, including:

1. Improved police and fire protection
2. Institution of community crime prevention programs; or
3. Special public transportation routes or reduced fares.

(f) The City may provide improvements in community facilities, including:

1. Capital improvements in water and sewer facilities;
2. Road repair; or
3. Creation or improvement of parks.

(g) The City may provide improvements to housing, including:

1. Low-interest loans for housing rehabilitation, improvement, or new construction; or
2. Transfer of abandoned housing to individuals or community groups.

(h) The City may provide business and industrial development services, including:

1. Low-interest loans for business;
2. Use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
3. Provision of publicly owned land for development purposes, including residential, commercial, or industrial development; The City may sell real property owned by the City and located in the enterprise zone in accordance with Section 2303.513 of the Texas Government Code.
4. Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
5. Promotion and marketing services.

(i) The City with cooperation with local educational institutions may provide job training and employment services to businesses, including:

1. Retraining programs;
2. Literacy and employment skills programs;
3. Vocational education; or
4. Customized job training.

Sec. 21-53. Enterprise zones designated as reinvestment zones for tax abatement.

The enterprise zone areas within the city are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Sec. 21-54. Designation of enterprise zone liaison.

The Executive Director of the Schertz Economic Development Corporation shall serve as the City's liaison to communicate and negotiate with the Office of the Governor Economic Development & Tourism through the Economic Development Bank and enterprise project(s) and to oversee enterprise zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

TEXAS ENTERPRISE ZONE PROGRAM

Under the statewide cap of 105 projects per biennium, a community with less than 250,000 in population, may have up to six enterprise projects. A community with 250,000 in population or greater may have up to nine enterprise projects.

Upon a community designating a business as an enterprise project, and upon that project's designation being approved by the state, the business would be eligible for the following incentives:

State Sales and Use Tax Refunds

An enterprise project is eligible for a refund for all state sales and use taxes paid and used at the qualified business site. The total amount of any refund will continue to be predicated on investment amount and number of jobs created/retained.

The refund for each designation can be an amount ranging from a minimum of \$2,500 per job to a maximum of \$7,500 per job as follows:

1. Half Enterprise Project: If project investment amount is greater than \$40,000 and equal to \$5 million or more, then refund amount is \$2,500 per job up to a maximum of 250 jobs created/retained. Maximum refund available is \$625,000;
2. Enterprise Project: If project investment amount is equal to or greater than \$5 million or more, then refund amount is \$2,500 per job up to a maximum of 500 jobs created/retained;
3. Double Jumbo Enterprise Project: If project investment amount is equal to or greater than \$150 million and less than \$250 million, then refund amount is \$5,000 per job up to a maximum of 500 jobs created;
4. Triple Jumbo Enterprise Project: If project investment amount is equal to or greater than \$250 million, then refund amount is \$7,500 per job up to a minimum of 500 jobs created. Maximum refund available is \$3.75 million.

Receipts for purchases of building materials and machinery and equipment and payroll information are required to be retained as part of the audit process. *(Note: All contracts should separate the costs for building materials and/or equipment from the costs of labor and services in order to be eligible.)*

The refund for sales and use tax must be for all eligible items for use at the qualified business site. For more information, visit <https://gov.texas.gov/business/page/texas-enterprise-zone-program>.