



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, March 19, 2019

6:00 PM

City Council Chambers

630 E. Hopkins

I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Hughson at 6:04 p.m. Tuesday, March 19, 2019 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Present: 7 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Council Member Melissa Derrick, Mayor Jane Hughson, Council Member Ed Mihalkanin, Council Member Joca Marquez and Council Member Mark Rockeymoore

III. Invocation

A moment of silence was observed.

IV. Pledges Of Allegiance - United States And Texas

Council Member Marquez led the assembly in the Pledges of Allegiance.

V. 30 Minute Citizen Comment Period

Mary Beth Harper, spoke on issues regarding the SMART Terminal. She stated Council voted unanimously last meeting opposing a pipeline in order to protect our river and environment. She hopes Council will also consider sewage regarding the SMART Terminal project. If a sewage spill is to occur it is only two City blocks from the San Marcos River. She is concerned that the new Land Development Code has not been tested on a project this size. Ms. Harper is highly opposed to the location of this project.

Joe Ptak, asked Council to delay vote for six months to allow for all questions to be adequately answered. The first of two Public Hearings was held two weeks before Christmas and he feels this is shady in the timing of these meetings. He recalled a time when General Electric and Rohr Industries promised to install 5 clean aerospace technology plants as long as the City promised to provide tax breaks and put in water, wastewater, and electric infrastructure to handle the load. The companies were air and water polluters and were going to use two banned substances. He mentioned the construction

of the Woods Apartments and believes the SMART Terminal will bring some of the same harmful effects such as flooding to its neighbors. On a positive note he mentioned the location of the San Marcos Conference Center and Embassy Hotel and said this is a good location and has done quite well. Let's slow things down, there is too much riding on this to make a hasty decision.

Kyler Rucker, Texas State student since 2015 and made the decision to stay in town to attend this meeting. He fears that a vote in favor of this tells your constituents that you care more about tax revenues than about the environment and safety of your citizens. We must be good stewards of our City or we will lose our City. He quoted Council members that stood where he is standing back in 2012 when a development on Sessom was discussed. There are a lot more members of the Texas State Community that would have liked to be here, but were unable to disrupt their Spring Break.

Will Holder, expressed his support of the SMART Terminal. He expressed his appreciation Staff and City Council have put into this project. Any city is held together by jobs, it allows for a city to be a Multigenerational City. The best way to control change is to embrace that change. I trust the process the City Council and Staff have done to this point. There have been important and legitimate concerns raised, but he trusts the future leaders of this City.

John Thomaides, read briefly from a letter signed by six previous Mayors of the City of San Marcos. The letter expressed their support of the SMART Terminal citing that the Code SMTX and improved environment and flood mitigation will be used and enforced to protect community members both upstream and downstream. Katerra will bring an initial investment of \$109 million and the guarantee of 542 career jobs with benefits. He asked that Council support the SMART Terminal for the benefit of all our citizens. This letter was signed by himself along with, Mayor Daniel Guerrero, Mayor David Chiu, Mayor Susan Narvaiz, Mayor Kathy Morris, and Mayor Frank T. Arredondo. If we want to lift people out of a cycle of poverty, low wages, food insecurity and advance our affordable housing initiative, isn't a good paying job the best way to accomplish this? He stated that a yes vote will instantly create 550 jobs with likely thousands more to come in just a few years. These jobs will mean a lot to our citizens, a college education, a new home, a real vacation, and a real retirement.

Bucky Couch, expressed his condolences on the loss of Bibb Underwood. Mr. Couch listened to many hours of conversation regarding the SMART Terminal. He expressed his support of this project. They own several businesses

in San Marcos and he has a rich love for this City. He says to trust the land development process and the Staff for oversight into this development. He heard much about the positive impacts this development would create, and we need projects like this to help families thrive. We have heard about Students leaving the City after graduation due to lack of jobs.

Michael Cardona, expressed his appreciation to speak this evening on the SMART Terminal. As superintendent he works hard to bring San Marcos students in alignment with City and Workforce development to make sure they are college confident, and career and military ready when they graduate. The harmonious partnership between the school district and business community can benefit students and the community. The district has worked hard to build relationship with many businesses in the community and continue with local companies, and nonprofit organizations. Let's continue to grow partnerships and thank you for your time and service to the community.

Brian McCoy, CEO of McCoy Building Supply, stated he has seen the community grow and change over the last 44 years and he is aware of the responsibility to give back. He expressed his support of SMART Terminal and appreciate the opportunity to be heard. The need for good paying jobs is so important to our economic well-being. Solid job creation is the better and more permanent solution to affordable housing. He spoke on Katterra and does not believe they will be a customer of McCoys and his support comes solely from the economic benefit to San Marcos and Hays County.

Hoppy Haden, Caldwell County Judge, spoke in support of the SMART Terminal. Commissioners Court has entered into a 381 Agreement with Katterra and they are pursuing grants to help with infrastructure. Katterra is projected to have a \$46,000+ average salary. Employer sponsored health benefits and the manufacturing sector has grown slightly in the last few years. We are happy to hear that an agreement has been reached with developer to have less impervious cover and will have drainage and water quality treatment standards that exceeds the normal requirements. This has the potential to better the lives of many Caldwell County Residents.

Jordan Buckley, could not understand how he signed up to speak at 8:08 a.m. but there were so many people in front of him. Many spoke on how the new Land Development Code is the saving grace to building in a floodplain. Mr. Buckley made an analogy about a cookie recipe and said you would make it for a few before you make it for many. You need to see if something works before you apply it untested. He read a few of the questions that were created

by SMARTER San Marcos. These came from those that live next to this proposed development. He mentioned the claims that this property sits in the Martindale ETJ. If it is in their ETJ and they sue the City of San Marcos we would lose millions in damages if annexation is undone. Two packets received, one is a deeper dive into these questions. He stated the lack of transparency is appalling and is not happy this meeting was scheduled during Spring Break when half of the community that care about the environment are not here to voice their concerns.

Rob Roark, who has worked in manufacturing spoke on engagement. He stated Mr. Parker responded quickly to him regarding Hotel/Motel Occupancy tax and that it has decreased by 15%. He also stated sales tax from the Outlet is flat. We are not growing, we have demands and everything people want. Council has directives for jobs and affordable housing, and although he doesn't agree with everything it must be dealt with. There are two ways to get the job done, you engage you deal with this and you engage and mitigate or you let it go a different direction. Mr. Roark spoke on Cape's Dam and said we have three options: leave it, fix it, or take it down. He would like to see the cost of all three options. Lastly, he spoke to the City Manager and asked that he go to Ms. Coppoletta's neighborhood and meet the people, see what is going on over there. He also hopes Council looked into the 5G issues he addressed at the last meeting. Look at ways we can engage and do what's best for the City.

Sara Lee Underwood, appreciates the Council that is seated and their concern for the environment and the river. Tonight, you have a decision to make and with the attorney and City Staff she is confident the right decision will be made.

David Sergi, spoke on the statement made by Mr. Roark, regarding engaging people. The students wanted to come and speak and they are the future leaders and they are different than the older generation. They are deeply concerned with the environment and the river. Some may stay for jobs but many will leave because of this type of development. He spoke on the claim made by the City of Martindale regarding this property being located in their ETJ. These issues need to be resolved before this project is approved. Mr. Sergi said he ran into Mr. Garza and he expressed concerns of the possibility that native American artifacts could be on this property. This is behind Camp Gary and there are heavy metals that runoff those need to be looked into before this development moves forward.

Dianne Wassenich, represents San Marcos River Foundation, spoke on the letter she sent and they are not opposing this development. They have been

involved in the process regarding the code and the restrictions placed on this development is much stricter than the previous code. We are grateful for your diligence and going beyond those code regulations and doing so much more for your development agreement. We are not sure people are understanding there are different regulations since the Woods was built. San Marcos River Foundation would be glad to host a meeting to discuss this in depth regarding watershed plan or flood regulations specific to this project. People do not understand what the regulations will do and how it will protect them.

Frank Parrot, spoke in opposition of the SMART Terminal and on behalf of SMARTER San Marcos. He spoke with the Mayor recently and asked what if this project fails? From her expression and lack of response he feels this was never discussed. Has anyone with the City seen the developer's pro form? Has anyone asked for the financing plan? Does City Council think this project is to big to fail? In fairness to Council they may be privy to this information, but may be bound to confidentiality agreements. If the development timeline is drawn out or ends with Katerra, what provision has the City made to deal with the debt caused to extend service to the project? The developer says \$4 billion will be added to the property tax base, but what is the timeline for 100% completion? He noted that the last industrial park in San Marcos, which is River Ridge Park is still 50% vacant. This was platted and filed in Hays County in 1986, please do not vote for the SMART Terminal.

Becky Patterson, in a memo dated February 16, 2019 from Laurie to Steve and Bert addressed three maps. They were based on GIS information from Commercial services such as Google or ESI and there is a disclaimer that says all maps are not suitable for legal, engineering or surveying purposes. Many have reported flooding or standing water for a period of time after a rain event. She asked when is someone going to engage an engineering firm to address the assumptions made in these maps? One of the mitigation steps to retain runoff is to construct detention ponds, is the developer doing some drilling or mapping to find the extent of flow in this area? The developer will construct 50-60 feet deep detention ponds, these ponds could cut off flow and negatively affect those relying on it for water. There are federal regulations that may limit onsite detention at the Airport and Gary Job Corp. She asked when will the City determine if there are federal regulations that will impact how the developer must construct detention facilities.

Katie Frank, attorney at Sergi and Associates, spoke in regards to all the talk about the jobs that will be created by Katerra, but there is no discussion on what those jobs entail. Will the highly skilled jobs actually match the

workforce that is currently unemployed. Little on automation is decreasing the amount of manufacturing jobs for actual people. They are tech-based company that uses robotics. They also pride themselves that they will decrease truck drivers work by 500,000 miles and this is a decrease in this City's workforce.

Mark Gleason, spoke in support of Katerra and the SMART Terminal. We have the opportunity to do something unique. This will bring jobs and tax revenue to the City. There is no perfect location to build such a large complex, but this is a good location. Rail is the easiest and most efficient way to move cargo. As someone affected by flooding he is aware of any impact we have downstream. As a member of the Planning & Zoning Commission he voted in favor of this project and it was approved. He thanked Council for their service and asked for approval of this project.

Camille Phillips, requested that Council table this item and answer everything. Our river and neighbors could be endangered, but jobs could be created and that would be great.

Lisa Marie Coppoletta, spoke about sidewalks and asked that we halt all projects related to the GAP Program and open up an internal study. She cited the following reasons:

1. Complete Streets Programs are not aligned with Code SMTX or Transportation Master Plan
2. Waste of \$52,000 dollars
3. Destroying property value of her and her neighbors as it is taking up half of their yards and driveways
4. Silent mentality especially by City Management. They are not talking to other departments regarding Historic Resource Survey which is going to hit her neighborhood soon. This is absent from the memo that was sent to her the Friday before Spring Break.
5. They never allowed her to speak to an arborist nor her neighbors and they are now concerned for their trees and flooding.
6. No public input while they site survey data that the public wants. Public is alarmed this is being shoved down our throats when other neighbors are clamoring for a sidewalk
7. No priority matrix, why are you hitting my section first then not doing one on Hoffeinz and Dixon where the actual bus stop needs to be. Why are you waiting until 2020 to do other side of Belvin?
8. Undercutting the authority of other Boards/Commissions, such as the Historic Preservation Commission
9. Bert is ignoring the model used by the City of Austin which allows citizens

to buy property if they don't want a sidewalk, but she doubts we have access to this

10. The City is trying to use right of way without completing streets. She stated Bishop Street is more dangerous now than ever to cross

11. Not following your own documents. It states schools, not school bus stops, Staff is not responding to emails

12. Broken promises. She was promised a shovel test and less than week later they broke ground and put up a bus stop.

13. Poorly planned, an arbor report was never created, no land survey, and no historical resource survey. There is a green belt going down a working-class neighborhood. She stated former Mayor's and City Council member are going to call you. They were promised there would be no one sided sidewalks.

EXECUTIVE SESSION

1. Consider action, by motion, regarding:

A.) Executive Session in accordance with Section 551.087, Economic Development, to receive a staff briefing and deliberate regarding Project Big Hat

B.) Executive Session in accordance with Section 551.087, Economic Development and Section 551.071, Consultation with Attorney, to receive a staff briefing and deliberate regarding a potential Chapter 380 Economic Development incentive agreement for the S.M.A.R.T Terminal Project.

During Executive Session discussion was held on both items in executive session with no action occurring on Project Big Hat. Action will be taken later this evening regarding a potential Chapter 380 Economic Development incentive agreement for the S.M.A.R.T Terminal Project.

CONSENT AGENDA

A motion was made by Council Member Gonzales, seconded by Council Member Rockey Moore, to approve the consent agenda, with the exception of item #4, 5, 7, and 9 which were pulled and considered separately. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockey Moore

Against: 0

2. Consider approval, by motion, of the following meeting Minutes:

A) March 5, 2019 Work Session Meeting Minutes

B) March 5, 2019 Regular Meeting Minutes

3. Consider approval of Ordinance 2019-10, on the second of two readings, amending the

City's 2018-2019 Fiscal Year Budget to allocate a total amount not to exceed of \$65,000.00 from State Seized Asset Funds to provide funding for Unmanned Aerial Vehicle (drone) equipment and supporting hardware to support the capabilities of the Police Department's unmanned robotics team; and providing an effective date.

4. Consider approval of Resolution 2019-50R, approving the award of a construction contract to T.F. Harper and Associates, LP, through the Buyboard Cooperative (Contract No. 512-16), for the installation of shade canopies at Ramon Lucio Park in the amount of \$61,590.00; authorizing the City Manager or his designee to execute the appropriate documents related to this contract on behalf of the City; and declaring an effective date.

Council Member Marquez asked if the City will be charged for assembly or will it be done by our city staff. Drew Well, Interim Director of Community Services stated the contract includes installation and materials.

A motion was made by Mayor Pro Tem Prewitt, seconded by Council Member Derrick, to approve Resolution 2019-50R. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

5. Consider approval of Resolution 2019-51R, amending the Guiding Principles for the City's 2019 State Legislative Action Program; and declaring an effective date.

MAIN MOTION: a motion was made by Mayor Pro Tem Prewitt, seconded by Council Member Rockeymoore, to approve Resolution 2019-51R.

MOTION TO AMEND: A motion was made by Mayor Hughson seconded by Council Member Mihalkanin to amend Resolution 2019-51R by removing the following language from the Guiding Principles: Support legislative action to fund school and firearm safety plans and programs and replace it with the following language: Support legislative action to fund School Safety Action Plans and the continued emergency responder training provided by the Texas State Advanced Law Enforcement Rapid Response Training (ALERT) program. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

Main Motion: to approve Resolution 2019-51R, as amended. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

6. Consider approval of Resolution 2019-52R, approving the purchase of ten 2019 Dodge Pursuit Police Patrol Vehicles for \$250,080.00 from Grapevine Dodge Chrysler Jeep through the Texas Local Government Cooperative Buyboard Contract for Vehicles, Heavy Duty Trucks, Police Motorcycles, Parts and Service Labor (Contract No. 521-16) each for use by the Police Department; authorizing the City Manager or his designee to execute all appropriate documents to complete these purchases; and declaring an effective date.
7. Consider approval of Resolution 2019-53R, approving a one-year agreement between the City and Southwest Land Services, Inc., for the Consultant's provision of professional support, advice, and assistance to the Planning and Development Services Department, the Engineering and Capital Improvement Department, and the City Manager's Office in an amount not-to-exceed \$67,500.00; authorizing the City Manager or his designee to execute this agreement on behalf of the City; and declaring an effective date.

A motion was made by Mayor Pro Tem Prewitt, seconded by Council Member Gonzales, to approve Resolution 2019-53R. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

8. Consider approval of Resolution 2019-54R, confirming the City Manager's re-appointment of Wayman Mullins to the San Marcos Civil Service Commission; and declaring an effective date.
9. Consider approval of Resolution 2019-55R, supporting Hays County's submission of an application to the Texas Secretary of State to participate in a program to use Countywide Polling Places for Elections, also known as Vote Centers, as an alternative to having a polling place located in each County Election Precinct; and declaring an effective date.

Council Member Marquez expressed her support of this item. Council Member Mihalkanin expressed his concern with no paper receipt. Jamie Lee Case, City Clerk, stated this is not what has been discussed and there will be a paper trail. Mrs. Case stated there are numerous public discussions and approvals that still need to occur prior to approval. Mayor Pro Tem Prewitt inquired about public meetings on this topic and Mrs. Case will send out information on these meetings once the dates and locations are finalized. Mrs. Case and Mayor Hughson will serve on the county-wide committee.

A motion was made by Mayor Pro Tem Prewitt, seconded by Council Member Derrick, to approve Resolution 2019-55R. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

10. Consider approval, by motion, of Change Order # 1 for Contract 218-010, Smith Contracting Co., Inc. for sanitary sewer and water infrastructure relocation/replacement for the CM Allen Roadway Reconstruction Project in the amount of \$131,494.16.

NON-CONSENT AGENDA

11. Consider approval of Ordinance 2019-01, on the second of two readings, annexing to the City approximately 734.6 acres of land, comprised of six tracts of land out of the William Pettus Survey, Abstract No. 21 and located along State Highway 80 and FM 1984; approving a service plan for this area; including procedural provisions; and providing an effective date.

This item was taken up after approval of the item # 13, approving a Chapter 380 Economic Incentive and ETJ Development Agreement for the SMART Terminal Project.

A motion was made by Council Member Mihalkanin, seconded by Council Member Gonzales, to approve Ordinance 2019-01, on the second of two readings. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin and Council Member Rockeymoore

Against: 1 - Council Member Marquez

12. Consider approval of Ordinance 2019-02, on the second of two readings, amending the official zoning map of the City by designating approximately 734.6 acres of land, out of the William Pettus Survey, Abstract No. 21 and located along State Highway 80 and FM 1984 as "HI" Heavy Industrial District; including procedural provisions; and providing an effective date.

This item was taken up after approval of the item # 13, approving a Chapter 380 Economic Incentive and ETJ Development Agreement for the SMART Terminal Project and after item # 14, annexing to the City approximately 734.6 acres of land located along State Highway 80 and FM 1984.

A motion was made by Council Member Gonzales, seconded by Council Member Derrick, to approve Ordinance 2019-02, on the second of two

readings. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin and Council Member Rockeymoore

Against: 1 - Council Member Marquez

13. Consider approval of Resolution 2019-49R, approving a Chapter 380 Economic Development Incentive and ETJ Development Agreement with Curby D. Ohnheiser, Diane M. Deringer, Carolyn J. Scurlock, Van Lee, LLC, Ohnheiser Properties and Texas Transportation Alliance, Ltd, a Texas Limited Partnership, that provides economic development incentives for the location of an Industrial Rail Park (commonly referred to as the SMART Terminal Project) located along Highway 80, waives certain development standards, prohibits certain land uses, and provides additional standards for water quality and flood prevention; authorizing the City Manager to execute said agreement on behalf of the city; and declaring an effective date.

Assistant City Manager Steve Parker, provided a presentation outlining the timeframe of the project, location of the project, the timeline of the Extraterritorial Jurisdiction (ETJ), and developments near this property. Mr. Parker discussed Watersheds and Tributaries and the discharge to the San Marcos River. He stated that runoff would actually be reduced by 10% with the proposed development. Mr. Parker explained there will be a future flood control channel and detention pond which will carry overflow from Blanco river and alleviate any negative impacts to Blanco River Village.

Laurie Moyer, Director of Engineering, explained the results of the 2-D modeling that was completed to show the effects of flooding on the existing property. Ms. Moyer stated the drainage coming from the airport is fairly well contained (Tributary 1). Tributary 2, the larger of the two, overflows across 1984. This is validated by some of the emails received from citizens expressing their concern of flooding in this area. Our ordinance allows no increase in runoff, in the development agreement proposed, the developer has agreed to decrease runoff by 10% in this area.

Mr. Parker continued the presentation and discussed the regulation comparison chart. This was created by Staff to show the differences between this development being built in the ETJ vs. the proposed 380 Agreement. Mr. Parker provided an overview of the 380 Agreement, the zoning map, and the prohibited uses on this property.

Council Member Rockeymoore asked Ms. Moyer to speak to the level of flooding that occurred in 2015 near this property. Ms. Moyer discussed the 2-D modeling exhibit discussed earlier and stated this model illustrates a 100-year

event. The 2015 flood was closer to a 200-year event. Staff is ensuring the proposed SMART terminal development will not increase flooding, but actually decrease the runoff. Council Member Rockey Moore asked for an explanation of the impact of the 200-year flood to that area. Staff is looking at climate change and we are experiencing more intense rainfall events. The development agreement does speak to this categorized by Atlas 14 (data over a longer period of time) and the developer must look at their improvements utilizing Atlas 14 data. The developer is required to be two feet above the 100-year floodplain elevation. They have to mitigate fill they bring in to elevate their buildings with cut so there is no loss of floodplain storage.

Council Member Marquez inquired about the effect of additional drainage from this site would cause to Tributary 1 and how much additional drainage would Tributary 1 and Bypass Creek expect to receive during and after development. Ms. Moyer stated that each tributary would see 10% less flow than the property currently experiences undeveloped. Council Member Marquez inquired about the proximity of this development to defined environmentally sensitive areas. Ms. Moyer went back to one of the tools used in the Comprehensive Plan, the land suitability map, which maps all the environmental constraints in our City Limits and ETJ. The suitability map is ranked 1-5, with 5 being the most environmentally constrained and 1 being the least environmentally constrained. The SMART terminal site is identified as a 2. Council Member Marquez asked about the effect unregulated drainage would have on the City. Ms. Moyer stated that development occurs where we allow it in regards to the detriment of life for not only us, but our neighbors and to future citizens.

Council Member Prewitt stated this council cares greatly about the quality of life for our citizens and how much we care for our community, the river, and the recharge zone. None of us take this lightly and we understand the concern and worry of citizens. There have been intense floods in the past, but what we have heard from our Staff is that we work hard we can develop San Marcos and make it safe. Building a strong relationship with the developers is very important, this can really create positive outcomes in the future. Many of us were activists before we became Council Members, and we had little trust, but we have worked hard to build trust with our citizens. She expressed her appreciation to everyone that has commented and asked questions and she feels this has made the product better. She stated she will support this development and this will be better for the environment than what is there right now. If we say no to these agreements, we could lose this project. There is still a willing seller and if we say no the future buyer may not be as excited to

ask for an annexation and a 380 agreement.

Council Member Derrick expressed her support of this project. She reflected on the development of the new Land Development Code and how she feels lucky to have been seated on Council while this was being amended. A better, stronger Code has been created to be reflective of our standards. She stated this is one of the best and most restrictive environmental code in the State of Texas.

Council Member Derrick read a letter that Dianne Wassenich sent:

"Dear Mayor and Council members: The San Marcos River Foundation (SMRF) board wanted me to write you a note of thanks before you address the rezoning next Tuesday evening. After reviewing the development agreement, the SMRF board has decided NOT to oppose this rezoning.

We thank the city council and staff for working on this agreement so diligently. We also recognize the importance of the years of work done by the city with the help of the entire community on the new development code and flood regulations, which will also govern how each site in this 734.6 acres will be planned and constructed. The geology or soils of this area are so much more suitable for development than the recharge zone, and that suitability is the cornerstone of the new development regulations now implemented.

Not harming downstream residents is also the basis of the very strict flood plain regulations now enforced in San Marcos, which we believe are among the very strictest in Texas. This was necessary because of our community's physical location, where two rivers join, at the foot of the hills. The Council has gone above and beyond their development and flood plain regulations with this additional development agreement, and we appreciate their attention to detail."

Council Member Rockey Moore made final statements regarding the love Staff has for this community and he has worked closely with Mr. Lumbreras and various staff members. This developer has gone above and beyond

Deputy Mayor Pro Tem Gonzales made comments regarding the flood his mother went through three years ago. He understands what effects a flood has on the citizens. However he believes the Code we have in place is one of the best thing this Council has done and he believe this will help some of the flooding that we have experienced in the past. He stated he will be supporting

this project.

Council Member Mihalkanin noted that all protections are in multiple documents and the restrictions and the requirements are tied to the land, and not just the owner. In the paper, there was an article that was titled most households struggle. We have been struggling for years to provide job and economic opportunities to our citizens. We need increase tax revenue and this will bring job opportunities. The runoff requirements are very strict with this agreement. The developer has worked with City Council and Staff to create a positive development. He stated he will be supporting this project and expressed his appreciation to Staff for their work.

Mayor Hughson closed with comments and expressed her support of this project. This is a good opportunity for city and residents due to job creation. We have a responsibility as elected officials to those that live here now and for future residents. She stated that she has voted against bad projects in the past, and if she felt this was a bad project she would vote against it. However, with the recently adopted Land Development Code we have regulations to ensure water quality and they are among some of the strictest in the State. Council will make sure we adhere to these rules and it will be watched. Mayor Hughson asked staff, early in the process, to create a Frequently Asked Questions (FAQ) Sheet to include every question and provide a factual answer. She also noted the maps, agreements and other documents pertaining to this development have been placed on the City website homepage. It will create jobs and opportunities for those unemployed, under-employed, or driving to another City in traffic on a daily basis. Mayor Hughson thanked everyone that has provided constructive criticism to make this project better, Staff for their endless hours of work, to the developer, and to Council for listening to residents and thoughtfully making a decision. Council and Staff will keep a close eye on the entire process.

A motion was made by Council Member Mihalkanin, seconded by Mayor Pro Tem Prewitt, to approve Resolution 2019-49R. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin and Council Member Rockeymoore

Against: 1 - Council Member Marquez

14. Consider approval of Resolution 2019-26R (LIHTC-19-01 (Riverstone)), providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs for the proposed Riverstone Multifamily Housing Project located at 1430 Wonder World Drive; approving findings

related to such application; imposing conditions for such no objection; providing authorizations for execution or submission of documents related to the such application; and declaring an effective date.

Shannon Mattingly, Director of Development Services, provided a brief presentation on the Riverstone Project.

The developer of this project spoke in regards to the flexibility that will be given to applicants regarding credit checks. Mayor Pro Tem Prewitt asked if it is possible to receive some type of report regarding the number of applicants that have applied and if they met the criteria and how many they were able to accommodate. The developer stated he would speak with asset management to determine if this is something they could create. Council Member Derrick expressed her appreciation for meeting with the workforce housing committee and offering the social services and various programs that you are working on. This will be a big asset to our community.

A motion was made by Mayor Pro Tem Prewitt, seconded by Council Member Derrick, to approve Resolution 2019-26R to include the amended version that was included within the packet. This amendment includes the addition of the following language in Part 3, subsection c. "The Project shall be constructed to have substantially the same appearance as represented in the rendering attached as Exhibit "A." The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

- 15. Consider an appointment to fill a vacancy on the following Boards or Commissions, and provide direction to staff:**

- A) Citizen Utility Advisory Board**
- B) Convention and Visitor Bureau Board - Texas State Athletics Representative and Hotel with less than 90 Rooms.**
- C) Parks and Recreation Board**

A) Council Member Mihalkanin nominated Keely Sonlitner, Gabriel Garcia, and Mark Rockeymoore to serve on the Citizen Utility Advisory Board. Following a roll call vote, all members were unanimously appointed.

B) Mayor Pro Tem Prewitt nominated Josh Keller, Texas State Athletics Representative, and Sunit Patel, Representative from a hotel with less than 90 rooms, to serve on the Convention and Visitor Bureau Board. Following a roll call vote, both members were unanimously appointed.

C) Mayor Hughson nominated Nicholas Aluotto and Council Member Marquez nominated Jordan Buckley to fill a vacancy on the Parks and Recreation Board. Following a roll call vote, Jordan Buckley received a majority of the votes and was appointed to serve on the Parks and Recreation Board.

- 16.** Discuss and consider appointments or reappointments to Positions One, Two, Three, Five, and Six of the Tax Increment Reinvestment Zone (TIRZ) Number 4 - Paso Robles (now known as Kissing Tree) Board of Directors, and provide direction to Staff.

**Mayor Hughson nominated Steve Parker for Position 1, Chair
Council Member Derrick nominated Mayor Pro Tem Prewitt for Position 2
Mayor Pro Tem Prewitt nominated Council Member Derrick for Position 3
Council Member Mihalkanin nominated Chad Matheson for Position 5
Council Member Marquez volunteered to serve for position 6**

After a roll call vote, all members were unanimously approved for appointment.

- 17.** Discuss and consider appointments or reappointments to Positions One, Two, Three and Five of the Tax Increment Reinvestment Zone (TIRZ) No. 5 (Downtown) Board of Directors, and provide direction to Staff.

**Council Member Mihalkanin nominated Mayor Hughson to Position 1
Council Member Derrick nominated Council Member Mihalkanin to Position 2
Council Member Mihalkanin confirmed appointment of Debbie Gonzales Ingalsbe to Position 3
Mayor Hughson nominated Bobby Warren to Position 5 (Will require confirmation by Hays County)**

After a roll call vote, all members were unanimously approved for appointment.

- 18.** Hold discussion regarding the current definition of purpose-built student housing within the Land Development Code; possible revision of that definition; student housing leasing practices, in San Marcos; and provide direction to Staff.

Mayor Hughson gave a brief background on Student Housing and stated a Conditional Use Permit (CUP) is required prior to development. One of the biggest discussions previously is what happens when the development is not completed on time. Currently there is concern of the definition of purpose built student housing. What happens if someone does not intend for the property to be a purpose built student housing development, but students begin leasing, this development then bypasses the CUP process. Shannon

Mattingly, Director of Development Services gave an example of a recent property that asked if they needed a CUP. Their intent was not purpose built student housing. They laid out how it would be developed and the determination by the development staff was they did not meet the definition of student built housing so a CUP was not necessary. The problem could arise if the developer did not develop a bathroom per bedroom style unit, but students lease these and we can't control who leases these properties. Mayor Hughson just wants to ensure these properties are placed in the right location as to not impact neighborhoods. Michael Cosentino, City Attorney provided the definition of purpose built student housing: "One or more buildings, each containing two or more living units, that are designed, marketed, or used for the primary purpose of housing college students." Mayor Hughson asked if the developer fails to apply for CUP and they build a purpose built student housing development what are the consequences. Mr. Cosentino stated that most of these investors and developers are savvy and know the process. However if this did occur there could be criminal penalties and the City can obtain an injunction against the developer.

19. City Council Reports:

- a) Mayor Hughson will provide a brief update regarding her membership on various Capital Area Council of Governments (CAPCOG) committees.
- b) Mayor Hughson will provide a brief update related to her membership on the Capital Area Metro Planning Organization (CAMPO).
- c) Mayor Hughson will provide a brief updated related to her recent meeting with Paul Fletcher, CEO of Workforce Solutions Rural Capital Area.

Mayor Hughson provided a brief update on the Capital Area Council of Governments (CAPCOG) committees. There has been an executive committee to review the recommendations regarding the Homeland Security Grant Funds for Texas. Emergency Notifications was the main topic of discussion.

Warncentraltexas.org is the website they encourage everyone to sign up for in order to get an alert.

Mayor Hughson stated there was no Capital Area Metro Planning Organization (CAMPO) meeting in March.

Mayor Hughson met with Paul Fletcher, CEO of Workforce Solutions Rural Capital Area, Al Lopez, COO, and Dr. Cara Ryan, Chief Strategy Officer. A full discussion was held regarding workforce development and how this is one of the top five priorities of the City. There is one task force and they are starting one and they will ensure there is no duplication and we won't miss anything. There was discussion on the role of Austin Community College (ACC) and their assistance in providing the training. Discussion was also held

on the need for soft skills training, along with the current technical training that is available.

VI. Question and Answer Session with Press and Public.

None.

VII. Adjournment.

Mayor Hughson adjourned the Regular Meeting of the San Marcos City Council at 9:57 p.m.

Jamie Lee Case, TRMC, City Clerk

Jane Hughson, Mayor

Note

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Hughson at 6:00 p.m. Tuesday, March 19, 2019 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666.

Note