REGULAR MEETING
LOCKHART CITY COUNCIL APRIL 18, 2023 6:30 P.M.

CLARK LIBRARY ANNEX-COUNCIL CHAMBERS, 217 SOUTH MAIN STREET, 3RD FLOOR, LOCKHART, TEXAS

Council present:
Mayor Lew White
Councilmember John Castillo
Councilmember Brad Westmoreland
Councilmember Juan Mendoza
Councilmember Kara McGregor
Councilmember Jeffry Michelson
Mayor Pro-Tem Angie Gonzales-Sanchez

Staff present:
Steve Lewis, City Manager
Monte Akers, City Attorney
David Fowler, Planning Director
Sean Kelley, Public Works Director
Julie Bowermon, Civil Service/HR Director
Pam Larison, Finance Director
Mike Kamerlander, Interim Economic Development Director
Travis Hughes, Parks Director
Gary Williamson, Police Chief

Citizens/Visitors Addressing the Council: Cailtin Admire of Freese and Nichols; Will Wachel of TRC Engineering; Brian Baitin of Titan Lockhart Land Investors; James Hemenes of Halff; Luke Caraway of Viewpoint Engineering; Mark Estrada, Lockhart Independent School District Superintendent; and, Dr. John Turner.

Work Session 6:30 p.m.
Mayor White opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

DISCUSSION ONLY
A. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.087, TO DELIBERATE OR DISCUSSION REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR TO DELIBERATE THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO A BUSINESS PROSPECT.
Mayor White announced that the Council would enter Executive Session at 6:35 p.m. to discuss the following:

A. Discussion regarding economic development negotiations with Project Apple Pie.
B. Discussion regarding economic development negotiations with Project Titan.

OPEN SESSION
Mayor White announced that the Council would go into Open Session at 6:50 p.m. and he reconvened the meeting.

A. Discussion regarding economic development negotiations with Project Apple Pie.
Mayor Pro-Tem Sanchez made a motion to authorize the City Manager to negotiate incentives with the prospect Apple Pie, as discussed in the closed session. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

B. Discussion regarding economic development negotiations with Project Titan.
Mayor White stated that the item would be voted on during the regular meeting.

Work Session resumed.

B. DISCUSS AMENDED AND RENEWAL OF INTERLOCAL AGREEMENT WITH PLUM CREEK WATER PARTNERSHIP AND AUTHORIZING THE CITY MANAGER TO SIGN THE DOCUMENT IF APPROVED.

Mr. Kelley stated that the Plum Creek Partnership was created in 2006 and was established to restore and protect the waters of the Plum Creek. In 2011, the City along with the other governmental agencies and utilities entered into an Interlocal Agreement regarding the partnership, which was renewed January 1, 2018. The Amended and Renewal Interlocal Agreement establishes the primary responsibilities and tasks of the Plum Creek Watershed Coordinator, found on Attachments A & B. The agreement also sets forth the annual financial commitment for each entity based on population and square miles. The City's annual commitment is $2,686. The term of the agreement is for (1) year and will automatically renew each year.

C. DISCUSS A PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS FOR DEVELOPMENT OF A COMPREHENSIVE PLAN UPDATE.

Mr. Fowler stated that on January 10, 2023, City Planning staff issued a Request for Qualifications (RFQ) for Comprehensive Planning Services, specifying a deadline date for submissions of February 10. The city received 5 submissions in response to the RFQ. From the submissions, three finalists were selected, with in-person interviews occurring on March 22, 2023. From the interviews, Freese and Nichols emerged as the staff's choice to provide planning services. The City Attorney has reviewed the provided contract materials. Under the terms of the contract, the planning process is scheduled to last for 18 months. Several meetings and events will be held as part of the planning process, including a kick-off meeting, five meetings of a comprehensive plan advisory committee, 10 smaller stakeholder meetings or community presentations, and three larger community events. As part of the process, two update briefings to City Council would be provided, as well as adoption meetings with the Planning and Zoning Commission and City Council. During the plan process Freese and Nichols will create and maintain a Comprehensive Plan website that will have interactive elements in both English and Spanish. Based on the scope of services to be provided, Freese and Nichols is requesting $231,032 for completion of the specified services. $100,000 has been allocated for the current fiscal year, while $131,032 would need to be allocated for the plan in the upcoming budget for the 2024 fiscal year.

Cailtin Admire of Freese and Nichols provided information about the firm's plan to conduct the Comprehensive Plan update. There was discussion.

D. DISCUSS A CHAPTER 380 INCENTIVE AGREEMENT WITH TITAN LOCKHART LAND INVESTORS, LLC.

Mr. Kamerlander stated that Titan is currently under contract for 31.485 acres for $2.89 million in LEDC's Industrial Park 3. During Titan's due diligence period on the property unexpected additional costs were determined by the company. To incentivize this closing and to ensure a development of a new speculative building, the Chapter 380 agreement before City Council provides a 50% rebate of road impact fees up $326,000 and require an investment in a building and the property to be at least $16 million. The taxes realized by the City for this new industrial development would be approximately $100,000 per year not including whatever personal property would go into the building which would be added by the, at this moment unidentified, tenant. Titan must submit plans for a site permit within 180 days after closing and complete construction and obtain a certificate of occupancy within 18 months from a building permit issued by the City of Lockhart.

Brian Baitin of Titan Lockhart Land Investors provided information about the progress on the construction and the progress of the development.

E. DISCUSS ENTERING A PROFESSIONAL SERVICES AGREEMENT WITH TRC REGARDING THE DEVELOPMENT OF A WATER/WASTEWATER MASTER PLAN.

Mr. Kelley stated that during the Growth Planning Workshops, projected growth trends, regulatory agency triggers/ milestones, and utility capacities were discussed. An outcome of the meeting was the recommendation to engage and develop a Water and Wastewater Master Plan to keep up with the growing demand of the water and wastewater utility systems.

The Water and Wastewater Master Plan will evaluate the existing water and wastewater system conditions. The plan is a forward-looking study that aims to anticipate system constraints by addressing and removing them prior to occurrence. The scope of work for the Master Plan includes:

- Distribution System Water Modeling and Evaluation of the Potable Water System (Review existing data/ infrastructure, filling gaps in data, peak/average/minimum demands, WTP, storage capacities, pressure planes, flow patterns and future flow projections)
- Collection System Modeling and Evaluation of Wastewater System (Review existing data/infrastructure, survey flows/ evaluations/ pipe diameters, evaluated rain data collected, lift stations, WWTPs)
- Progress Meeting and Presentation to City Council, Planning and Zoning Commission, and staff

Mr. Kelley stated that the Master Plan will also create a companion Capital Improvement Plan Document that will address the timing, milestone horizons and probable costs for improvements that will be necessary. This document will aid staff in budgeting and planning capital improvements.

Will Wachel of TRC Engineering provided details about the aspects that the firm will focus on to generate a water/wastewater master plan to accommodate the city's needs.

There was discussion.

F. DISCUSS THE MID-YEAR FINANCIAL REPORT FOR FISCAL YEAR 2023.

Ms. Larison stated that in an effort to keep the City Council updated and informed on the City of Lockhart's budget, a mid-year financial status report is presented that focuses on the financial and operational performance and provides updates on revenues and expenditures for the remainder of the fiscal year. This financial management practice is recommended by the Government Financial Officers of America (GFOA). She provided detailed information of the Mid-Year Finance Report for Fiscal Year 2023. There was discussion.

G. DISCUSS THE 2ND QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2022-23.
Ms. Larison stated that the Public Funds Investment Act requires local governments to review and accept Quarterly Investment Reports for each quarterly reporting period of the year. She provided details about the 2nd Quarter for Fiscal Year 2023, ending March 31, 2023.

H. DISCUSS ORDINANCE 2023-08 VACATING AND ABANDONING APPROXIMATELY 0.112 ACRES OF UNUSED PUBLIC RIGHT-OF-WAY CONSISTING OF AN ALLEY RANGING FROM 7 TO 12 FEET IN WIDTH EXTENDING SOUTHWARD FROM THE 200 BLOCK OF WEST OLIVE STREET AND A 10-FOOT WIDE ALLEY EXTENDING WESTWARD FROM THE SOUTHERN TERMINUS OF THE SOUTHWARD ALLEY TOWARDS THE 800 BLOCK OF NORTH BLANCO STREET.
Mr. Fowler stated that the owners of neighboring properties have petitioned the City to release the alley connecting North Blanco Street to West Olive Street. The property owners have expressed interest in platting their properties to include their share of the alley area and fencing the property lines to reflect the portions of the property that they would acquire. The alley is not paved, and none of the subject right-of-way has been used for any purpose by the City, and it is not anticipated that it will be needed in the future. If the alley is abandoned, a deed or deeds will be created, through which abutting residents would each obtain half of the right-of-way, to the center of the alley. There was discussion.

I. DISCUSS A WORK AUTHORIZATION FOR HALFF ASSOCIATES, UNDER THE MASTER GENERAL SERVICES AGREEMENT, TO RENOVATE LIONS PARK.
Mr. Hughes stated that Halff Associates has been contracted to provide General Services for the Parks & Recreation Department to renovate the city parks and assist with ongoing projects. The third Work Authorization provides for the scope of work to renovate Lions Park. He stated that the firm's name has changed from Halff Associates to Halff. He provided details about the renovation of the Lions Park and stated that they would be delicate with the historic Brock Cabin during the renovation.

James Hemenes of Halff stated that the renovation could take approximately four months and he provided a brief detail about the project timeline. There was discussion.

RECESS: Mayor White announced that the Council would recess for a break at 7:45 p.m.

<u>REGULAR MEETING</u>

<u>ITEM 1. CALL TO ORDER.</u>
Mayor Lew White called the meeting to order at 8:07 p.m.

ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.
Councilmember Mendoza gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

ITEM 3. PUBLIC COMMENT.
Mayor White requested citizens to address the Council. There were none.

ITEM 4-A. POSTPONE PUBLIC HEARING REGARDING APPLICATION ZC-23-03 BY MONTE J. GUIDRY REQUESTING A ZONING CHANGE FROM CHB COMMERCIAL HEAVY BUSINESS DISTRICT TO TO RMD RESIDENTIAL MEDIUM DENSITY DISTRICT ON A TOTAL OF 0.205 ACRES IN THE BYRD LOCKHART LEAGUE, ABSTRACT NO. 17, LOCATED AT 1013 NORTH COLORADO STREET (US 183) UNTIL MAY 16, 2023 AT 7:30 PM.
Mayor White announced that the public hearing would be postponed until May 16, 2023.

ITEM 6-F. DISCUSSION AND/OR ACTION TO CONSIDER ADOPTION OF ORDINANCE 2023-08 VACATING AND ABANDONING APPROXIMATELY 0.112 ACRES OF UNUSED PUBLIC RIGHT-OF-WAY CONSISTING OF AN ALLEY RANGING FROM 7 TO 12 FEET IN WIDTH EXTENDING SOUTHWARD FROM THE 200 BLOCK OF WEST OLIVE STREET AND A 10-FOOT WIDE ALLEY EXTENDING WESTWARD FROM THE SOUTHERN TERMINUS OF THE SOUTHWARD ALLEY TOWARDS THE 800 BLOCK OF NORTH BLANCO STREET.
Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2023-08, as presented. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

ITEM 5-A. CONSENT AGENDA - APPROVE AMENDED AND RENEWAL OF INTERLOCAL AGREEMENT WITH PLUM CREEK WATER PARTNERSHIP AND AUTHORIZING THE CITY MANAGER TO SIGN THE DOCUMENT IF APPROVED.
Councilmember Michelson made a motion to approve the Amended and Renewal of Interlocal Agreement with Plum Creek Water Partnership, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-A. PRESENTATION AND CONSIDERATION OF A PROFESSIONAL SERVICES CONTRACT WITH FREESE AND NICHOLS FOR DEVELOPMENT OF A COMPREHENSIVE PLAN UPDATE.
Mayor Pro-Tem Sanchez made a motion to approve the Professional Services Contract with Freese and Nichols, as presented. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-B. DISCUSSION AND/OR ACTION REGARDING A CHAPTER 380 INCENTIVE AGREEMENT WITH TITAN LOCKHART LAND INVESTORS, LLC.
Councilmember McGregor made a motion to approve a Chapter 380 Incentive Agreement with Titan Lockhart Land Investors, LLC, as discussed. Councilmember Castillo seconded. The motion passed by a vote of 7-0.

ITEM 6-C. DISCUSSION AND/OR ACTION TO CONSIDER ENTERING A PROFESSIONAL SERVICES AGREEMENT WITH TRC REGARDING THE DEVELOPMENT OF A WATER/WASTEWATER MASTER PLAN.

Councilmember Michelson made a motion to approve a Professional Services Agreement with TRC for the development of a water/wastewater master plan, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-D. DISCUSSION AND CONSIDERATION OF THE MID-YEAR FINANCIAL REPORT FOR FISCAL YEAR 2023.

Mayor Pro-Tem Sanchez made a motion to approve the Mid-Year Financial Report for Fiscal Year 2023, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-E. DISCUSSION AND CONSIDERATION OF THE 2ND QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2022-23.

Mayor Pro-Tem Sanchez made a motion to approve the 2nd Quarter Investment Report for Fiscal Year 2022-2023, as presented. Councilmember Mendoza seconded. The motion passed by a vote of 7-0.

ITEM 6-G. DISCUSSION AND/OR ACTION REGARDING A WORK AUTHORIZATION FOR HALFF ASSOCIATES, UNDER THE MASTER GENERAL SERVICES AGREEMENT, TO RENOVATE LIONS PARK.

Councilmember Michelson made a motion to approve a work authorization for Halff under the Master General Services Agreement to renovate the Lions Park, as presented. Councilmember Westmoreland seconded. The motion passed by a vote of 7-0.

ITEM 6-H. PRESENTATION BY RED OAK DEVELOPMENT AND DISCUSSION REGARDING A PROPOSED MASTER-PLANNED COMMUNITY OF APPROXIMATELY 500 ACRES NEAR THE INTERSECTION OF FM 1322 AND SEAWILLOW ROAD.

Mr. Fowler stated that in mid-2022 Red Oak development contacted staff regarding proposed development in what was then the City's ETJ. The first project resulting from this effort is the Seawillow subdivision, which consists of approximately 420 single-family residential units on 89.775 acres east of the Summerside Subdivision. This area was annexed into the City in September 2022 and the Preliminary Plat was approved in March 2023. The second project is the one to be discussed in the scheduled workshop; an approximately 500-acre mixed-use development including several types of residential, commercial, parkland and other development areas, including a school parcel. This development is largely located in the Lockhart ETJ, immediately east of the Seawillow subdivision. Despite being adjacent to the city limits, the applicant does not plan to annex the project into the city and extend city utilities to the project area. This project is instead proposed as a Municipal Utility District (MUD) which would remain outside the city, despite the fact that the project abuts the city and would be adjacent to a subdivision served by City utilities. The applicant has provided a document which answers several questions from city staff regarding the type of development proposed and the sources of major types of public services. The applicant held a workshop at the April 12th Planning and Zoning Commission meeting. Several questions were asked regarding the reason for the project not being located in the City, despite the site's location adjacent to the city limits. The City Attorney suggested the possibility of financing using a Public Improvement District (PID) instead of a MUD in order to allow the project to be located in the city, which would provide much greater tax revenue for the city in comparison to a MUD within the City's ETJ.

Luke Caraway of Viewpoint Engineering on behalf of Red Oak Development stated that Red Oak will donate 40 acres to the Lockhart Independent School District. He provided details about the development of teacher housing and building a new school.

Mark Estrada, Lockhart Independent School District (LISD) Superintendent provided details about the project which entailed building a new school and building affordable housing dedicated for LISD teachers.

Mr. Caraway provided additional information about the development that also includes a proposed Regional Hospital and medical offices.

Dr. John Turner provided information about the plan to provide medical care to the community. He stated that the hospital would primarily be for out-patient medical procedures and short-term hospital stays in addition to possibly adding emergency medical services. The hospital will initially be built to accommodate the current population and it will have the opportunity to add to the hospital building as the population increases.

There was discussion.

ITEM 7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION

- Fire Station No. 1 project update.
- Recommendations from the Impact Fee Advisory Committee will be considered in a public hearing on May 2nd.
- Update on TXDOT landscaping / irrigation improvements at the overpass located at U.S. 183 and Cemetery Street.
- Update on improvements in Nueces Park.

ITEM 8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

Councilmember Westmoreland asked citizens to be patient with the construction on Highway 142.

Councilmember Mendoza thanked the Lower Colorado River Authority for the step forward day. He commended staff for painting the picnic tables at the City Park.

Mayor Pro-Tem Sanchez expressed condolences to families that have recently lost a loved one. She congratulated El Leon Cigar Company and Mr. Cisneros who celebrated their 2nd Anniversary.

Councilmember McGregor reminded citizens about the Old Settlers Festival this weekend.

Councilmember Castillo invited everyone to the Mariachi del Fiesta at the Library. He thanked staff for the improvements at Nueces Park.

Councilmember Michelson thanked staff for sidewalk improvements. He welcomed Chief Williamson to the Lockhart Police Department.

Mayor White invited everyone to the Courthouse Nights event this weekend and to the Running of the Bulls event on Saturday. He provided details about the upcoming Cinco de Mayo event.

ITEM 9. ADJOURNMENT
Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 9:31.

PASSED and APPROVED this the 19th day of March, 2024.

CITY OF LOCKHART

Lew White, Mayor

ATTEST:

Julie Bowermon
City Secretary