

**MINUTES**  
**CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS**  
Regular Meeting, Tuesday, October 19, 2021

1. CALL TO ORDER: Mayor John Williams at 6:30 P.M.
2. QUORUM CHECK: Kristin Mueller, City Clerk

**Present:**

Mayor John Williams  
Mayor Pro Tem Richard Neville  
Councilmember Bear Goolsby  
Councilmember Tom Maxwell, arrived at 6:42p  
Councilmember Paul Najarian  
Councilmember William Shelby  
Councilmember Beverly Volle

**Present:**

Kim Turner, City Manager  
Matthew Longoria, City Attorney  
Michael Cassata, Development Services Director  
Randy Luensmann, Public Works Director  
Jessica Moore, Finance Director  
Kristin Mueller, City Clerk/Economic Dev Director

Mayor Williams noted a quorum was present.

3. INVOCATION: Councilmember Volle gave the invocation.
4. PLEDGE OF ALLEGIANCE TO THE U.S. AND TEXAS FLAG: Led by Mayor Williams.
5. VOTE TO CONSIDER THE EXCUSE OF ABSENT MAYOR/COUNCILMEMBERS:

Mayor Williams explained that Councilmember Maxwell flight was delayed and he will be arriving shortly.

6. AWARDS/PROCLAMATION/INTRODUCTION OF GUESTS: None.
7. MINUTES OF THE PREVIOUS CITY COUNCIL MEETING:

Mayor Pro Tem Neville moved to approve the minutes of the Tuesday, September 21, 2021 City Council Regular Meeting, with corrections. Councilmember Goolsby seconded the motion.

**Vote: Yeas: Neville, Goolsby, Najarian, Shelby, Volle**  
**Nays: None**

**Motion to approve carried.**

8. CITIZENS TO BE HEARD:
  - Dr. Milton Fields III, Deputy Superintendent of Administration and Operations for Judson ISD, gave an overview of the items for the Judson ISD Bond issue that is on the November 2, 2021 ballot.
  - John Herberling, 8434 Ulysses, stated that he worked at Calvary Baptist Church in Universal City and would be happy to have his class volunteer or complete a service project for the City of Universal City.

- Kim Igleheart, 736 Garden Meadow, on behalf of UC Tax Freeze, stated that she has tried to follow the law regarding campaign sign placement but has not received consistent information from the Development Services Department regarding where Public Right-Of-Way begins and ends.

9. BUSINESS:

Councilmember Maxwell arrived at 6:42 P.M.

Mayor Williams noted that the agenda will be reorganized and moved the Executive Session to the beginning of the meeting then discussing the PACE Program, followed by the Pat Booker concept plan, and lastly the budget amendment.

- A. Executive Session: The City Council will recess its open meeting and reconvene in a Closed Session pursuant to Texas Government Code Section 551.071 – Consultation with Attorney. To seek legal advice in connection with pending litigation: Cause No. 2021CI8486, *Robert Staudt Et AL VS City of Universal City*.**

Mayor Williams, City Council, City Attorneys, City Manager Kim Turner, and Development Services Director Michael Cassata convened into closed session at 6:45 P.M.

- B. The City Council will reconvene into Regular Session upon conclusion of the Closed Session and may recall any item posted for Closed Session for action, as necessary.**

Mayor Williams reconvened into regular session at 7:03 P.M.

Councilmember Maxwell moved to accept the engagement letter provided by Denton, Navarro, Rocha, Bernal & Zech to represent City of Universal City in Cause No. 2021CI8486, *Robert Staudt Et AL VS City of Universal City*. Councilmember Najarian seconded the motion.

**Vote: Yeas: Maxwell, Najarian, Neville, Goolsby, Shelby, Volle  
Nays: None**

**Motion to approve carried.**

- B. Discuss & Consider Resolution 926-2021: A Resolution of intent to establish a Universal City Property Assessed Clean Energy (PACE) Program.**

Mrs. Turner introduced Diane Rath, Executive Director of Alamo Area Council of Government, who presented the Property Assessed Clean Energy (PACE) Program. She presented a list of other municipalities and counties that have adopted the program. The program basically allows 100% up front financing to business owners who use the savings in energy that the new equipment would provide to pay for new equipment by allowing the life of the loan to extend to the life of the improvement. She said the loan does not tie up the businesses borrowing capacity, and transfers with the property. She gave several successful examples of businesses that utilized the program and stated that there has never been a PACE project default.

Mrs. Turner noted that there will be a Public Hearing on the subject as well as a Resolution adopting the Pace program at the November 16<sup>th</sup> City Council meeting.

Councilmember Shelby asked if there are any improvements required to get the new equipment installed can also be financed through the program. Ms. Rath confirmed that it could be.

Councilmember Goolsby asked where the additional funds come from. Ms. Rath responded that it came from her fund balance. AACOG does not make money on this program.

Councilmember Maxwell asked if the program was available for residential property improvements and Ms. Rath confirmed that it is not.

Councilmember Najarian moved to approve Resolution 926. Mayor Pro Tem Neville seconded the motion.

**Vote: Yeas: Najarian, Neville, Goolsby, Maxwell, Shelby, Volle  
Nays: None.**

- C. Consider Ordinance 663-2021: An Ordinance of the City of Universal City providing for a reasonable limit on the amount of time to be spent without charge for the repeat Public Information requestors; requiring payment for the time and expenditures incurred beyond this limit; providing for expectations; providing for an Open Meeting Clause; and providing an effective date. (2<sup>nd</sup> Reading).**

Mrs. Turner stated that the only change to the ordinance was to add the language that states where in the Texas Administrative Code to find the fee schedule.

Councilmember Shelby moved to approve Ordinance 663-2021. Councilmember Maxwell seconded the motion.

**Vote: Yeas: Shelby, Maxwell, Neville, Goolsby, Najarian, Volle  
Nays: None.**

- D. Present & Discuss Concept Plan for 2902 Pat Booker Road.**

Mrs. Turner said that the new Planned Unit Development process allows the property owner and developer to present to and request feedback from City Council prior to moving forward with further due diligence. The Council should use this time as an opportunity to present likes, dislikes, architectural preferences, including façade materials, as well as overall preferences and expectations on the development as a whole. Formal action is not required by the Council on the proposed concept plan, but instructive feedback will provide a benefit to the applicant as they move forward in their decision-making process.

Rob Killen, Land Use Attorney with Killen, Griffin, & Farrimond, PLLC, explained that Vaquero Ventures is looking to develop Class A apartments at 2902 Pat Booker Rd. Currently, 2902 Pat Booker Rd is zoned commercial and would need to be re-zoned to R5-Multifamily Residential. He explained that in addition to the concept plan for the apartments, they will also be presenting the financing structure they would like to use, a Public Finance Corporation.

Brandon Behrens, Vice President of Development for Vaquero Ventures, presented the proposed two different layouts of the apartment complex buildings. As for amenities, they are proposing a pool, fitness center, 2 amenity courtyards, a dog park and dog wash station and a bus lane.

Patrick Hazard, Senior Associate at Merriman Anderson Architects, presented the architectural features that can be expected on the development as well as the building materials that will be used.

Councilmember Goolsby asked if the stone being used will be cut stone or a veneer. Mr. Behrens explained that it would be a 1.5" limestone. Councilmember Goolsby said that the visualization being presented might not match what is really being proposed. He also mentioned he liked the articulation of the proposed buildings and the fact that they incorporated metal.

Councilmember Maxwell asked what demographics the development is targeting. Brandon answered that they are targeting young professionals, newly divorced people, and new families. There is a mixture of 1, 2, and 3 bedroom units.

Councilmember Shelby asked if the detention pond is covered or open. Brandon replied that if the detention pond could be covered, he would prefer it. It is a detention pond not a retention pond so it does leak, it doesn't hold water unless there is a big rainstorm and then will dissipate over time.

Mayor Pro Tem Neville asked if there were only open-air steel stairways. He wishes there would be an amenity that would help people not have to drag their things up three stories of stairs. Mrs. Turner interjected that unless the complex is four stories or more, an elevator is not required. Mayor Pro Tem Neville continued that he was not happy that they are presenting a product with hardboard siding and "woodlook fiber board" for the entrance of Universal City. He feels like the materials could be grander with the amount of rent they are looking to collect from the tenants.

Councilmember Najarian said that he was concerned that the elderly was not considered enough in this proposed development.

Councilmember Maxwell said that he likes the idea of young professionals in that area and reminded that there is focus on the senior demographic in the Aviation District.

Councilmember Shelby stated that he feels like from a materials standpoint, the building will have a good life on it. He hopes that it would encourage existing apartment complexes to renovate. He also said there may be an increase in shoppers at the Triangle Shopping Distance.

Scott Brymer, President of the Multifamily Division of Vaquero Ventures, defined a Public Finance Corporation. He explained that the developing entity receives a full property tax abatement in exchange for the City being 25% owner in the economic benefit of the apartment. It is governed by state statute and Mr. Brymer said he has done four of them to date. It helps to de-risk the transaction from the developer standpoint because eliminating the property taxes reduces operating expenses by 40-50%. It also requires the project to reserve 50% of the units for residents making 80% or less of Area Median Income. He believes that the project would generate an \$8M economic benefit to the City. It does not require an investment or use the City's bonding capacity.

Councilmember Shelby asked what the expected construction timeline would be. Mr. Brymer answered about 22 months. Shelby also asked if any of the trees will be removed and Mr. Behrens answered they will not remove those trees in the drainage area so that it will serve as a buffer between the development and the residential area. Lastly, Councilmember Shelby asked if they had done any environmental studies done on the property. Mr. Bymer answered that

they have not but that he does not see any environmental issues deterring the project as money can fix it.

Steven Adams, with Specialized Public Finance, said they have not seen Vaquero's financials yet. He says that PFCs can be very successful. He asked that the City to take a global look to see if this type of project fits in the City's master plan and determine if this project would potentially replace something that could earn more sales tax for the City. He said his job is to present the risks to the City, with the ultimate risk being that the project fails. One way to mitigate that is to partner with experienced developers like Vaquero Ventures. He doesn't think that the City would have any issues with the current developers, but once they sell the property in 5-10 years, the City doesn't know who the purchaser would be.

Mayor Pro Tem Neville said he could see some of the young airmen from the military base living in this development. But he still has concerns on the materials being used.

Councilmember Goolsby asked if the City will own the property after 75 years and Mr. Bymer confirmed that it would. The developer deeds the property to the City at closing, then the City ground leases it for 75 years. Then once the developer recoups their cost, the City will receive \$0.25 for every dollar made. Councilmember Goolsby asked how long it takes the developer to recoup the \$54M that it costs. Mr. Bymer said when they go to sell it in 5 years, it will probably sell for \$72M, so the City would get their portion of the profit.

Councilmember Shelby questioned if there was a period that the City is stuck holding the liability. Mr. Bymer said that the City will hire a great law firm to negotiate the terms of default and the City does have the opportunity to withdraw from the PFC.

Councilmember Maxwell asked if the City will absorb the maintenance of the grounds. Mr. Bymer said that the developer will, and it will be detailed in their operating model.

City Manager Kim Turner asked for Council to give their opinion on the use of the parcel, the architectural design of the project, as well as the interest of Council to move forward with a PFC.

Mayor Pro Tem Neville said that Council has been looking at that parcel for a commercial development for many years and the City cannot afford to lose the property to an apartment development.

Councilmember Goolsby said he doesn't know enough about the PFC to be comfortable with it and Councilmember Maxwell agreed.

#### **D. Discuss & Consider FY2020-2021 Budget Amendment.**

Finance Director Jessica Moore presented the proposed FY2020-2021 Budget Amendment and answered questions accordingly.

Councilmember Shelby moved to approve the Fiscal Year 2020-2021 Amended Budget. Councilmember Maxwell seconded the motion.

**Vote: Yeas: Shelby, Maxwell, Neville, Goolsby, Najarian, Volle**  
**Nays: None.**

10. CITY MANAGER COMMENTS:

Mrs. Turner:

1. Reminded that Thursday-Sunday is the last weekend for the Fall Clean-Up at the Public Works Department;
2. Invited everyone to attend the last Happy Hour of the year at Olympia Hills on Thursday;
3. Congratulated Shelby Haver on earning her Level 1 Court Certification;
4. Informed that the estimated completion date for the Loop 1604 construction as well as the Aviation construction is the end of the year;
5. Announced that Gather Brewery received their Certificate of Occupancy;
6. The hotel on I-35 is anticipating to open on December 30<sup>th</sup>;
7. Dutch Bros coffee is opening November 1<sup>st</sup>; and
8. Announced that Olympia Hills ended the fiscal year with 41,500 rounds breaking a records from 2014.

12. COUNCILMEMBER COMMENTS:

Councilmember Volle said that the pumpkin patch is going gangbusters and it is helping a lot of nonprofits in the City.

Councilmember Goolsby made no comments.

Councilmember Neville made no comments.

Councilmember Maxwell made no comments.

Councilmember Najarian said that he and Councilmember Maxwell represented the City at the Texas Municipal League conference in Houston. They had a great time, met a lot of great people, and hear da lot of great seminars.

Councilmember Shelby gave thanks to everyone involved in making the pumpkin patch possible.

13. MAYORAL COMMENTS:

Mayor Williams:

1. Said they received a thank you letter from the Williams family for the flowers for Betty's funeral;
2. Informed that Council will change into their winter uniforms for the November meeting; and
3. Thanked everyone for attending the meeting; and
4. Reminded that Early Voting has started and said that the District 118 Election is not at the Universal City Library until Election Day.

14. ADJOURNMENT: Mayor Williams adjourned the meeting at 9:01 P.M.

ATTEST:

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John Williams, Mayor

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Kristin Mueller, City Clerk