

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the City Council of the City of Lake Jackson met on Monday June 20, 2016 at 6:30 p.m. in Regular Session at 6:30 p.m. at 25 Oak Drive, Lake Jackson, Texas, in the Council Chambers at the Lake Jackson City Hall with the following in attendance:

Joe Rinehart, Mayor  
Ralph Buster Buell, Council member  
Heather Melass, Council member  
Gerald Roznovsky, Council member  
Will Brooks, Council member  
J. B. Baker, Council member

William P. Yenne, City Manager  
Modesto Mundo, Asst. City Manager  
Alice A. Rodgers, City Secretary  
Sherri Russell, City Attorney  
Jeremy Bubnick, Parks & Rec Director  
Sal Aguirre, City Engineer  
Michael Coon, Asst. to City Manager  
Eddie Herrera, Engineering Tech  
David Van Riper, Public Works Director  
Carmen Williams, Personnel Director  
Rick Park, Police Chief

PLEDGE OF ALLEGIANCE

Council member Melass led the pledge of allegiance to the United States flag and the Texas Flag.

INVOCATION

Council member Brooks led the invocation.

VISITORS

There were no visitors present.

COMMENDATION FOR THE WORK SAFETY PROGRAM FOR THE UTILITIES OPERATIONS DEPARTMENT

Dan McGill, Utilities Superintendent presented a commendation to the Utilities Operations Department stating a goal was set for the Utilities Operations Department to work 365 days without a lost time accident or injury. The Utilities Operations Department has worked since May 25, 2014, a period currently of 730 days without a lost time accident or injury.

On behalf of the City of Lake Jackson he commended the Utilities Operations employees for exemplifying the character trait of ENDURANCE vs. Discouragement – the inward strength to withstand stress and do my best.

A new goal has been set for the Utilities Operations employees to continue working without a lost time accident or injury for 1095 days, May 25, 2017.

PRESENTATION FROM PUBLIC WORKS ON AWARDS FOR THE PUBLIC WORKS ASSOCIATION COOK OFF

David Van Riper, Public Works Director presented an award won at the Public Works Association Cook Off. He stated that on May 19th Lake Jackson participated in the 2016 annual Texas Public Works Association Picnic and Cook Off. Public Works put together a team consisting of several employees from

different divisions of Public Works. This was the first year Lake Jackson participated. Lake Jackson submitted ribs, brisket, chicken, and a mystery protein. They also submitted a fire hydrant painted to represent Lake Jackson and the Public Works Department. The team placed second in ribs and third place for the art project. The whole experience was great team building and they hope to have more participation next year with the City's blessing. He presented the trophy for ribs and the plaque for the art project to the Mayor and Council.

#### CONSENT AGENDA

- A. Approval Of Minutes – May 31 & June 6, 2016
- B. Minutes Of Boards And Commissions
- C. An Ordinance To Place Stop Signs At The Intersection Of Plantation Drive And Plantation Court– Second Reading
- D. Approve Kennemer, Masters And Lunsford, Llc As The City's Auditors For The Fiscal Year Ended September 30, 2016

On motion by Council member Buell second by Council member Brooks with all members voting "aye" the consent agenda was approved as follows:

- A. Approval Of Minutes – May 31 & June 6, 2016 - approved
- B. Minutes Of Boards And Commissions - accepted
- C. An Ordinance To Place Stop Signs At The Intersection Of Plantation Drive And Plantation Court– Second Reading – passed and adopted on second and final reading.
- D. Approve Kennemer, Masters And Lunsford, Llc As The City's Auditors For The Fiscal Year Ended September 30, 2016 - approved

#### DISCUSS AND CONSIDER A MOTION TO RECONSIDER REZONING A COMBINATION OF A 5.066 ACRE TRACT OF LAND, BEING LOT 2 AND A 3.846 ACRE TRACT OF LAND, BEING THE REMAINDER OF LOT 3 OF THE AMENDED REPLAT OF TRACT "A" OUT OF THE OAKS OF FLAGRIDGE SUBDIVISION (ALSO KNOWN AS THE RANDALL STORE AND UNDEVELOPED TRACTS) FROM B-1 (NEIGHBORHOOD BUSINESS) TO C-1 (COMMERCIAL)

Mayor Rinehart stated this was brought back to Council at the June 6<sup>th</sup> meeting. Council member Melass made a motion to bring this back for reconsideration by the Council. The reason being there was a part of the presentation that went to the Planning Commission that did not come to the City Council.

On motion by Council member Melass second by Council member Baker with all members voting "aye" approval was granted to reconsider rezoning a combination of a 5.-66 acre tract of land, being lot 2 and a 3.846 acre tract of land, being the remainder of lot 3 of the amended replat of tract "a" out of the Oaks of Flagridge subdivision (also known as the Randall store and undeveloped tracts) from B-1 (neighborhood business) to C-1 (commercial).

#### DISCUSS AND CONSIDER AN ORDINANCE TO REZONE A COMBINATION OF A 5.066 ACRE TRACT OF LAND, BEING LOT 2 AND A 3.846 ACRE TRACT OF LAND, BEING THE REMAINDER OF LOT 3 OF THE AMENDED REPLAT OF TRACT "A" OUT OF THE OAKS OF FLAGRIDGE SUBDIVISION (ALSO KNOWN AS THE RANDALL STORE AND UNDEVELOPED TRACTS) FROM B-1 (NEIGHBORHOOD BUSINESS) TO C-1 (COMMERCIAL) – FIRST READING

Council member Melass moved to approve an ordinance rezoning a combination of a 5.-66 acre tract of land, being lot 2 and a 3.846 acre tract of land, being the remainder of lot 3 of the amended replat of tract "a" out of the Oaks of Flagridge subdivision (also known as the Randall store and undeveloped tracts) from B-1 (neighborhood business) to C-1 (commercial), second by Council member Roznovsky.

Jim Gessler, Plano TX stated they need the rezoning in order to build a hotel. Woodspring Suites is the concept for the hotel. They are the Houston Franchisee and they have built 8 in Houston and 4 in other

cities in Texas. They are about to begin construction on a hotel in Richmond. This is the next market they would like to enter. The hotel will have 121 rooms. His company does primarily retail, office, medical and residential. He showed examples of other developments done in Port Arthur, Plano, Sulphur Springs, Harlingen Texas and Spartanburg South Carolina. He reviewed his site plan noting that the hotel is the only known factor. They will not start on the Randall's property until negotiations have been completed. Examples of the interior of the hotel were shown. He stated that the Jason's Deli that is shown on the site plan is a very strong possibility of being developed.

Mayor Rinehart asked if each room had its own work station.

Mr. Gessler stated they have their own work stations and kitchens. He continued to show other developments his company has completed.

Council member Baker asked about the old Randall's building and if Mr. Gessler intended to develop it into a medical facility.

Mr. Gessler stated they are thinking to replace it with retail or office. A medical component could work.

Mayor Rinehart stated that at the last meeting they reviewed the uses allowed under C-1. Some of the uses could possibly become conditional uses such as a brickyard. Amending the C-1 zone could be reviewed by the Planning Commission.

Rick Clark, 201 Timbercreek stated he felt Mr. Gessler's plan is to put in self storage in this area. Based on the 1,3,5 feasibility study there is not room for another storage facility within Lake Jackson. He stated that once the construction boom is over there will not be a need for a hotel with low occupancy.

Marty Morgan, General Manager for Best Western Plus said their concern is the type of clientele this will bring in. The Value Place concept brings in low end clientele such as crew workers etc. From an industry perspective it will bring in low end clientele. It will bring in people who can't pay for an apartment, prostitution, and drug rings. The buildings look nice on the exterior but after a year or so the buildings will look run down. They are concerned with the type of people this will bring to the area. They are concerned that they will start experiencing break ins.

Mayor Rinehart stated that the Best Western has a large number of contractors staying at it. Mayor Rinehart stated he had an issue with Mr. Morgan's comparison between his hotel and the proposed hotel.

Mr. Morgan stated that their clients are told where to stay. The contractors that don't have that luxury can choose where they stay. The proposed hotel attracts people who normally would be approved for an apartment due to credit issues they have.

Council member Roznovsky stated he felt Mr. Morgan was only giving an opinion and not giving data that could be backed up. The question before Council is whether this property should be rezoned to C-1 that would allow a hotel regardless of the hotel brand.

Nancy Freshour 53 Lavender Court was present to speak against the rezoning of this property. There is a gradation of zones for residential areas and a gradation of zones for commerce in the city code. This has been historically zoned as residential business zoning. She felt B-1 or B-1A would be a better buffer zone.

With all members voting "aye" an ordinance rezoning a combination of a 5.-66 acre tract of land, being lot 2 and a 3.846 acre tract of land, being the remainder of lot 3 of the amended replat of tract "a" out of the Oaks of Flagridge subdivision (also known as the Randall store and undeveloped tracts) from B-1 (neighborhood business) to C-1 (commercial) was passed on first reading.

AN ORDINANCE AMENDING CHAPTER 98 TRAFFIC OF THE LAKE JACKSON CODE OF ORDINANCES TO DESIGNATE ABNER JACKSON PARKWAY AS A NO PARKING ZONE – SECOND READING

On motion by Council member Melass second by Council member Buell with all members voting “aye” an ordinance amending Chapter 98 Traffic of the Lake Jackson Code of Ordinances to designate Abner Jackson Parkway as a no parking zone was passed and adopted on second and final reading.

DISCUSS AND CONSIDER AN ORDINANCE AMENDING CHAPTER 98 TRAFFIC OF THE LAKE JACKSON CODE OF ORDINANCES TO INCREASE SPEED LIMIT ON THE ENTIRE LENGTH OF MEDICAL DRIVE FROM 30 MPH TO 35 MPH – SECOND READING

Council member Baker moved to approve the increase in speed limit on Medical Drive, second by Council member Brooks.

Council member Melass stated that she drove this roadway during rain and felt the road was slick and the electrical poles were too close to the roadway. She was concerned that without curbing this could be a hazard.

Council member Roznovsky stated this would be no different than Old Angleton Road.

Mayor Rinehart stated that he too felt the road was slick in rain and the electrical poles were too close to the roadway.

With 3 members voting “aye”, Mayor Rinehart and Council members Buell and Melass voting "nay" motion failed to increase the speed limit on Medical Drive.

DISCUSS AND CONSIDER AMENDING CHAPTER 110 ZONING OF THE CITY OF LAKE JACKSON CODE OF ORDINANCES TO AMEND THE PARKING REQUIREMENTS FOR COMMERCIAL, INSTITUTIONAL, AND BUSINESS AREAS

Harry Sargent and Brenda Colegrove were present to explain the proposed changes to the parking ordinance.

Ms. Colegrove stated they collected information from comparable cities throughout Texas. They obtained a book from a Traffic Engineer. The main change to the ordinance is to just organize the information in the ordinance.

On motion by Council member Brooks second by Council member Melass with all members voting “aye” to proceed with a public hearing for these changes to the parking ordinance.

DISCUSS AND CONSIDER THE QUALITY OF THE NEW PORTION OF PLANTATION DRIVE

Mayor Rinehart stated this is the roughest road in Lake Jackson, the sidewalk is not complete and there are no safety signs. We need to do something in the future regarding the quality of the road.

Council member Roznovsky asked if the road was built to specification.

Sal Aguirre stated that it is built to specification but the workmanship is not to our standards. The paving was done by a parking lot contractor and managed by the Plantation Park developers. He suggested that in the future we not let a developer oversee road construction.

Council member Roznovsky stated that another example would be Lake Road in which the developer built the road.

Sal Aguirre stated that in the future we should assume the contract for road work to ensure quality work and have the developer reimburse the city.

Sherri Russell stated that if the city assumes the contract we will need to bid it out. She stated she would look into this.

DISCUSS AND CONSIDER RECOMMENDATION OF TRAFFIC COMISSION FOR A FOUR-WAY STOP AT THE INTERSECTION OF GARDENIA AND CYPRESS

On motion by Council member Buell second by Council member Melass with all present voting "aye" approval was granted to bring this back in ordinance form.

DISCUSS AND CONSIDER CHANGES TO THE DISTRIBUTION OF THE HOTEL – MOTEL OCCUPANCY TAX

Mayor Rinehart stated there has been some discussion to possibly reorganize the distribution of the hotel motel occupancy tax. Council members Roznovsky and Buell met with the different entities, the Chamber, the museums and the center for arts and sciences. There were three options considered. One was to stay the course with the present funding mechanism, second was to create two funding levels; one was to set distribution amounts based on the 14-15 actual distributions, option three was to remove percentage distribution of revenues to each organization and each organization would then submit their budget request for funding.

Mayor Rinehart stated that from what he studied there was not a significant amount of agreement on any of those three.

Council member Roznovsky stated they met with the group and the feedback from the groups was they would prefer to keep it the way it is. Every year when new revenues would come in through the HOT it would be spread to those organizations by the percentages. Also if revenue went down, then the distribution would go down. If the funds continue to grow, they would see increases in their level of funding as time moves forward. Discussion was had that the reason the group was brought together was that if there were opportunities to manage the distribution of the HOT in a better way. We have all sat on council and seen requests come in for additional opportunities for funding whether it is for registrations for tournaments, etc things that would meet the requirements of the law. People who came and we were not able to provide some of those opportunities through this fund. We had to take it out of the Special Events Funds we set aside to be able to make it happen. This is becoming a larger sum of money with additional hotels coming on board. Option three was not well received by the group. Option 3 is the recommendation from the Texas Hotel Lodging Association – to not do historical funding, you do application and request for funding on an annual basis.

Council member Buell said that after the budgets are submitted should something come up during the year, they could submit special requests to Council.

Council member Roznovsky stated that would be the second level funding. They discussed option 2 and said up to two levels of funding could be done. We talked about caps on the funding. Everybody has heartburn about the caps. There really are two levels of funding. The first level of funding is set using 2014-15 actual distribution as the base line. Then for change in the economy we used the CPI as an adjustment, it is the same the city uses for a lot of its calculations. Once the funding for the base line is distributed any additional funds are set aside as a source that can be used for the second level of funding. That amount of funds would grow depending on how fast you consumed it as time went on. The second level of funding would be available to any organization receiving funding or any other organization that has opportunity or meet requirements set by state law. That is not unusual that what many cities do today.

Council member Roznovsky reviewed with the group what the city of Victoria does on their request form that came from the Texas Hotel Lodging Association. This is a process accepted by the THLA for funding. What we wanted to do was meet with the group discuss options and to come back with recommendations to City Council. The group stated that option two would be more palatable if instead of using the 2014-15 funding as baseline that we use 2016-17 as a baseline. What was presented to Council in their packets was option 2.

Mayor Rinehart stated this will be brought back in a workshop session prior to going to the budget workshop.

Council member Roznovsky reviewed the numbers for option one and option two. Option one uses a percentage distribution which is current practice and option two uses a baseline funding with option of additional funding by requests. Most cities have a subcommittee that oversees this fund and most are made up of the local hotel organization. He stated the recommended subcommittee for Lake Jackson would be comprised of those currently receiving the funds, members of administration staff and a representative from the local hotels. They would meet on an as need basis to discuss the second level of funding. The committee would hear all requests and prioritize the projects and submit to council during the budget process. There could be request made during the year for special events that could come up.

Council member Melass asked what happens if a recession hits or the bottom falls out of the market? Is the City still committed for the \$500,000?

Council member Roznovsky stated it is still whatever comes in through hotel occupancy. The group could come in and ask for the fund balance not to be spent down in order to keep funds there for the peaks and valleys in the fund. When he brought this issue to Council he wanted a discussion to have a clear understanding of what the process will be and why it is set this way.

Jack Brown, Brazoria was present to speak for the Chamber of Commerce. He stated he was speaking against the option to cap the funding for the Chamber of Commerce. They do all they can do to bring visitors into the area. Annual reports and quarterly reports are shared with Lake Jackson. Capping the Chamber at this time with all the hotels and motels is like climbing the ladder of success and pulling the ladder up behind you once you reach the top. Vying for dollars on the second level funding puts the Chamber at a disadvantage. They cannot list all the items the money is spent for. But they use some of their HOT dollars to advertise for several museums and for the arts. They attract people here to spend money in Lake Jackson by listing any and all others vying for the same HOT dollars the Chamber would be vying for. Those that the Chamber advertises for may actually knock the Chamber out of funding. When he goes on vacation he looks at that area's Chamber for information on what to do. Don't shoot yourself in the foot by capping the Chamber. You could cap the other entities and not the Chamber since we advertise for them as well. He urged the city not to do this just because someone else is doing it.

Bob Sipple 16 Heritage Oak Court said it was wise to investigate what is out there to do juris prudence for the tax dollars. His concern would be adding another layer of bureaucracy in the process. The distribution has been fair. He felt every organization that is involved here is well worth funding. The Chamber does not look at this as a feeding trough or an entitlement. They plan and budget and fund according to that. The Chamber makes their presentation each year on what they have done or what they want to do. The city receives quarterly reports. He stated he felt that perhaps the Chamber was not being transparent enough in their presentations to the city on how the funds were distributed by the Chamber. Right now quarterly reports are presented to the Council and monthly reports could be presented if needed. Relative to the utilization of the increased funds is in the secondary funding part or the redistribution or possible change of the blend of that comes at the benefit of one and the expense of another. He has concerns about that. How these funds are spent for example in terms of the incremental funds today, 2013-14 the funding was \$87,343, in 2014-15 the funding was \$138,176? That is a substantial increase. Most of that came from the

Best Western opening. With these funds we provided more activity in our trade shows, brochures, advertising, visitations etc. The funds provided for circulation helped us increase our point of interest; circulation that went from 5 million to 12 million, which is substantial. The increased circulation provides for increase in website hits and we can provide more professional boost, we can work more trade shows, increase our participation to generate more traffic for the city. We work with the industry, state, county and the cities to support investment in the Brazosport Area. We will do the lobbying that is necessary to bring more business here. From that standpoint we align with the Lake Jackson Economic Development Council very well. We need to work closer to bring more business to the area. The distribution method in place now where we get 29% of the tax is working well and we appreciate the work that has been done. We appreciate the support we receive.

Council member Roznovsky stated that for clarification the HOT funds cannot be used for economic development. He asked Mr. Sipple that as a business owner or as a city we decide to invest 29% in marketing through tourism and things are going up and business is good wouldn't he keep the marketing at 29% because we think what we are doing with that 29% is enough.

Bob Sipple stated he did feel what Council has done was prudent. In looking at both options he did not see the benefit of option two exceeding what is happening today.

Council member Roznovsky stated he felt we needed to look at where those dollars would be best used. There has never been a presentation before Council asking for x amount of dollars for what they needed.

Wes Copeland, 311 Cypress, stated the Fine Arts Center asks to be part of any workshop held on this item. They have demonstrated the value they bring to the area.

Jim Mahon, 306 Balsam, Manager for Candlewood Suites thanked Council for looking into this. He suggested that since the purpose was to be used to promote tourism in the convention and hotel industry you might want to consider what the hotel operators in the think rather than just those that spend the money. What are the organizations doing for advertising? This fund is supposed to promote tourism and put heads in beds. He would like to see some of these monies spent on audio visual upgrades at the Civic Center. He liked the idea of having a hotel representative on the committee.

Harry Sargent, 201 Live Oak asked that Council look at the ration between the amounts of tax the organization receives versus an overall budget.

Joe Ripple 512 Oak Drive stated he was representing both the Chamber and the Museum and felt the ones to make the decisions on these funds are us, the ones that live in the community and the ones that understand the community.

Mayor Rinehart stated Council will do its best to come up with the right funding for these monies.

City Council set a workshop meeting to be held on June 27th at 6:00 p.m.

Heather Melass stated as the city has been looking at things they want to fund, sports, tourism, host regionals for the Babe Ruth World Series, things like that, doing something with Veterans Memorial or a Farmer Market, there are so many possibilities, no one has said they want to cut the Chamber and take money from everyone else. It was finding a way of meeting other needs without taking from someone who is already receiving funds. This is more about finding ways to meet more people's needs.

Edith Fisher stated that those same groups also come to them asking for money and at times stating that the City has sent them to the Chamber.

DISCUSS AND CONSIDER MAINTENANCE AGREEMENT WITH KEMPER SPORTS MANAGEMENT FOR PARKS GROUNDS MAINTENANCE DURING TIMES THAT KEMPER CANNOT PERFORM GROUND MAINTENANCE AT THE WILDERNESS GOLF COURSE

Mr. Yenne stated that even though this is no longer needed, staff felt it was wise to have in place.

On motion by Council member Melass second by Council member Brooks with all members voting “aye” approval was granted for a maintenance agreement with Kemper Sports Management for parks grounds maintenance during times that Kemper cannot perform ground maintenance at the Wilderness Golf Course.

DISCUSS AND CONSIDER EXCEPTION TO CHAPTER 38 ARTICLE II NOISE TO ALLOW FOR EARLY MORNING CONCRETE POURS TO BEGIN AT 4:00 A.M. FOR THE HERITAGE BANK DEVELOPMENT ON SOUTH PARKING PLACE

On motion by Council member Buell second by Council member Roznovsky with all members voting “aye” approval was granted for an exception to Chapter 38 Article II Noise to allow for early morning concrete pours to begin at 4:00 a.m. for the Heritage Bank Development on South Parking Place.

UPDATE ON DRAINAGE IN THE PARKWOOD SUBDIVISION NEAR MOSS, CHESTNUT AND PALM LANE

Mr. Sanchez was not present. No update was provided.

UPDATE ON CONSTRUCTION PROJECTS

- CONSTRUCTION FUNDS FINANCIAL UPDATE
- SIDEWALK PROJECTS
- UTILITY REPAIR PROJECTS
- DRAINAGE REPAIR PROJECTS
- SOUTH PARKING PLACE
- MASTER PLAN UPDATE
- WAYSIDE PUB UPDATE

There were no comments on the construction projects.

ITEMS OF COMMUNITY INTEREST

Council member Buell reminded everyone of the concert on the Plaza Friday night.

Council member Roznovsky stated during the flood our shelter took in over 580 animals.

Mayor Rinehart stated an outstanding job was done in the EOC by Mr. Yenne and his staff.

EXECUTIVE SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE SEC. 551.087(2) TO DISCUSS ECONOMIC DEVELOPMENT NEGOTIATIONS WITH AC BRAZOS MALL PARTNERS, LLC BECAUSE THE CITY DESIRES THAT THE MALL STAY AND/OR EXPAND IN CITY OF LAKE JACKSON

Mayor Rinehart convened the meeting to executive session at 8:27 p.m.

RECONVENE TO REGULAR SESSION

Mayor Rinehart reconvened the meeting to regular session at 8:50 p.m.

ADJOURNMENT

There being no further business the meeting adjourned at 8:50 p.m.

These minutes read and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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Joe Rinehart, Mayor

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Alice A. Rodgers, City Secretary