



City of League City, TX

300 West Walker
League City TX 77573

Meeting Minutes City Council

Tuesday, May 27, 2025

5:00 PM

Council Chambers
200 West Walker Street

Council Work Session

The City Council of the City of League City, Texas, met in a work session in Council Chambers at 200 West Walker Street on the above date at 5:00 p.m.

Mayor:

Nick Long

City Council Members:

Andy Mann
Tommy Cones
Tom Crews
Courtney Chadwell
Scott Higginbotham
Chad Tressler
Sean Saunders

City Manager:

John Baumgartner

Assistant City Manager:

Rick Davis

Assistant City Manager-CFO:

Angie Steelman

Interim City Attorney:

Michelle Villarreal

City Secretary:

Diana M. Stapp

Chief of Police:

Cliff Woitena

Executive Director of Capital Projects

Ron Bavarian

Executive Director of Development Services:

Christopher Sims

Director of Finance:

Kimberly Corell

Director of Human Resources/Civil Service:

James Brumm

Director of Parks & Cultural Services:

Chien Wei

Director of Public Works:

Jody Hooks

1. CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Long called the meeting to order at 5:00 p.m. and called the roll. All members of Council were present. Andy Mann arrived at 5:08 p.m.

Present 8 - Mayor Nick Long, Mr. Andy Mann, Mr. Tommy Cones, Mr. Tom Crews, Mr. Courtney Chadwell, Mr. Scott Higginbotham, Mr. Chad Tressler and Mr. Sean Saunders

2. PUBLIC COMMENTS**3. PRESENTATION AND DISCUSSION REGARDING INCLUSION OF THE MIDLINE DEVELOPMENT IN THE BAYBROOK MUNICIPAL UTILITY DISTRICT**

Michelle Villarreal, City Attorney, gave introductory remarks and introduced Angie Lutz, attorney with Allen Boone Humphries Robinson, LLP, who gave a presentation.

MidlineDevelopment: Three-Part Approval Framework

- 1. Utility Agreement –Establishes who builds, pays for, and maintains infrastructure.**
 - 2. Tri-Party Agreement –Secures necessary consent from Houston and sets jurisdictional terms.**
 - 3. Planned Unit Development (PUD) –Defines land use, layout, and development standards; requires P&Z and Council approval.**
- **All three parts are interdependent and must align for full project approval.**

Utility Agreement –League City, Baybrook MUD & Developer

- **Parties: Baybrook MUD No. 1, BC-SB Baybrook JV, LLC, City of League City**
- **Purpose: Provide utilities to ~450-acre Clearfield Tract within League City**
- **Developer constructs infrastructure; MUD finances via bonds**
- **City consents to annexation into MUD**
- **City inspects and accepts completed infrastructure (excluding parks/detention unless agreed)**
- **City owns/maintains accepted infrastructure; Developer pays capped CRFs (max 5% increase)**

Utility Agreement - Financial & Governance Framework

- **MUD issues bonds; Developer fronts costs (City not liable)**
- **Tax cap: \$1.00 per \$100 valuation; No new bonds after 2060**
- **Includes residential, commercial, and parkland (10 acres park + 10% commercial)**
- **Mandatory Disannexation: League City portion removed from MUD by bond payoff or Dec. 31, 2060**
- **City assumes full jurisdiction after disannexation**

Tri-Party Agreement Overview

- **Parties:** City of Houston, Baybrook MUD No. 1, City of League City
- **Purpose:** Enable Baybrook MUD to annex ~450-acre Clearfield Tract
- **District provides infrastructure** (water, sewer, drainage, roads, parks)
- **League City takes over services** after bonds are paid or by Dec. 31, 2060
- **All infrastructure must meet League City and Houston standards**

Tri-Party Agreement - Key Legal & Financial Provisions

- **Houston's consent required** due to historic ETJ authority over the MUD
- **MUD tax rate capped at \$1.00 per \$100 valuation in League City**
- **Bonds issued to fund improvements; no new bonds post-2060**
- **Mandatory disannexation of Clearfield Tract** once debt is retired or by 2060
- **League City assumes full jurisdiction and service responsibility at that point**

PUD Summary –Midline Project

- **Total Development: ±466.5 Acres**
- **Residential: 1,337 proposed single-family lots**
- **Commercial: 48.1 acres designated**
- **Fire Station: 4-acre tract dedicated for public safety use**
- **City Park: 15 acres dedicated to League City**
- **Private Parks: 18.2 acres reserved for residents' recreation**
- **Must be reviewed by P&Z and then Council**
- **Council approval of the PUD is contingent on approval of UA and Tri-Party.**

Why not create a new MUD?

- **Baybrook has no single-family residents and is a fully commercial MUD that has**
 - o **A Strong Operating Balance**
 - o **An Investment-Grade Credit Rating**
 - o **Sufficient bonding authorization for build out of Midline**
- **Established MUD to accelerate value creation and infrastructure funding**
- **Reverse Model**
 - o **Typically, a community will start its development with residential, hoping to achieve the**

rooftops that draw commercial. This is the reverse. This MUD starts with a very strong commercial base and residential will follow.

Advantages for City Taxpayers

- **Houston rebates sales and use tax to BMUD that fund both operating and road construction**
- **No start up costs and lower borrowing rates**
- **Due to commercial, high probability of a future BMUD homestead exemption (vs. zero chance in a new start up MUD)**
- **No need for start up capital (developer advances), avoiding additional debt that burdens future taxpayers**
- **Ability to issue bonds quicker and with lower borrowing rates**
- **Beamer Road Project completion leads to overall mobility for LC residents**

Disadvantages for City Taxpayers

- **With LC oversight and financial benefit of BMUD, we see no disadvantages from annexing into BMUD vs. a start up MUD**
- **The developer has accelerated reimbursement allowing for more dollars spent on amenity and beautification projects**

Benefits to the Developer

- **Reduced upfront capital requirements**
- **Acceleration of spend for beautification and amenity projects**
- **Faster Development timeline**
- **A rapidly declining tax rate makes homes in Midline more affordable and increases demand**
- **Infrastructure certainty attracts builders and commercial anchors**

How do we ensure LC taxpayers aren't subsidizing others?

- **Midline residents pay LC water/sewer rates**
- **BMUD residents pay Houston (or higher) water/sewer rates**
- **BMUD O&M tax rate will become minimal with the majority of the tax rate servicing infrastructure debt**
- **Houston sales and use rebate subsidizes the operating account, which benefits all BMUD residents**

Fiscal Safeguards: Caps and Dissolution

- **Hard Tax Cap Rate of \$1.00 when BMUD issues Midline debt**
- **Automatic deannexation of LC from BMUD once the debt is paid or December 31, 2060**

Average Price in Midline

- **Homes are expected to average \$500,000 with price points ranging from \$400,000 to \$700,000**
- **Initial offerings will produce product for 40', 45', 50', 55', 60' and 70' lots**
- **The target market includes move-up buyers and executive-level families**

Final Thoughts

- **Midline will be the new “front door” to League City and transformative to the region**
- **This structure helps finance its infrastructure in the most efficient and cost-effective manner**
- **Deliver development faster because of the jump start and accelerated growth of BMUD**
- **We request your support for the annexation, coupled with the approval of the Utility Agreement and Tri-Party Agreement to help create Midline in League City**

4. ADJOURNMENT

At 5:53 p.m. Mayor Long said, there being no further business this meeting is adjourned.

**NICK LONG
MAYOR**

**DIANA M. STAPP
CITY SECRETARY**

(SEAL)

MINUTES APPROVED: