



City of League City, TX

300 West Walker
League City TX 77573

Meeting Minutes City Council

Tuesday, November 27, 2018

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 6:00 p.m.

Mayor:

Pat Hallisey

City Council Members:

**Andy Mann
Hank Dugie
Larry Millican
Todd Kinsey
Greg Gripon
Keith Gross
Nick Long**

City Manager:

John Baumgartner

Assistant City Manager

Bo Bass

Assistant City Manager

Michael Kramm

City Attorney:

Nghiem Doan

City Secretary:

Diana M. Stapp

Chief of Police:

Gary Ratliff

Director of Budget/Project Management

Angie Steelman

Director of Engineering:

Christopher Sims

Director of Finance:

Allena Portis

Director of Human Resources/Civil Service:

Janet Shirley

Director of Parks & Cultural Services:

Chien Wei

Director of Planning/Development:

David Hoover

Director of Public Works:

Jody Hooks

1. CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Hallisey called the meeting to order at 5:00 p.m. and called the roll. All members of Council were present except Keith Gross. Mr. Mann arrived at 5:20.

Absent 1 - Mr. Keith Gross

Present 7 - Mayor Pat Hallisey, Mr. Andy Mann, Mr. Hank Dugie, Mr. Larry Millican, Mr. Todd Kinsey, Mr. Greg Gripon and Mr. Nick Long

2. **PRESENTATION AND DISCUSSION REGARDING DRAFT LIST OF BOND PROGRAM PROJECTS**

Assistant City Manager Bo Bass, Director of Engineering Christopher Sims, Director of Budget and Project Management Angie Steelman, and City Attorney Nghiem Doan gave the presentation.

A TIME FOR ACTION

- Sentiment of the community is that we need to move forward NOW
- City staff proposes May 2019 General Obligation Bond Election
- City staff proposes May 2019 ¼ ¢ Sales Tax Election

POTENTIAL BOND ITEMS

Drainage	\$121	million
Mobility	\$ 88.5	million
Library	\$ 22.5	million
Public Safety	\$ 17	million

DRAINAGE PROJECTS

Drainage Project Summary

Project	Cost Estimate
1. Bay Colony Area Detention Modification	\$ 2,750,000
2. Bay Ridge Area Diversion Channel	\$30,664,890
3. Bay Ridge Flood Reduction, Phases I-IV	\$ 8,986,210
4. Benson Watershed Regional Detention Pond	\$11,500,000
5. Bradshaw Ditch Drainage Improvements	\$ 3,400,000
6. Brittany Bay Subdivision Drainage Improvements	\$ 465,000
7. Comprehensive Drainage Plan & Flood Early Warning System (FEWS)	\$ 800,000
8. Countryside Subdivision Drainage Improvements	\$ 315,000
9. Dove Meadows Detention Pond	\$ 5,750,000
10. FM 518 & Wesley Drive Drainage Improvements	\$ 3,084,834
11. Hidden Oaks – Calder Rd Drainage Improvements	\$ 68,455
12. Hughes Lane/W. Deats Rd. Culvert Crossing Improvements	\$ 3,500,000
13. Interurban Ditch Channel Improvements	\$ 2,800,000

14. Magnolia Bayou Diversion Channel to Dickinson Bayou & Detention Pond	\$15,500,000
15. Magnolia Creek & Cedar Gully Channel Improvement, Phase I and II	\$ 7,500,000
16. Newport & Ellis Landing Subdivisions Drainage Improvements	\$ 4,900,000
17. Nottingham Ditch Channel Improvement	\$ 4,900,000
18. Oaks of Clear Creek Detention Ponds	\$ 3,503,520
19. Oaks of Clear Creek Overland Flow & Acquisition	\$ 1, 297,194
20. Oaks of Clear Creek Section 3 Drainage Improvements	\$10,000,000
21. Robinson Gully Extension	\$ 750,000
22. Rustic Oaks Subdivision Drainage Improvements	\$ 350,000
23. The Landing Subdivision Drainage Improvements	\$ 470,000
24. The Meadows Subdivision Drainage Improvements, Ph I	\$ 700,000
25. The Meadows Subdivision Drainage Improvements, Ph II	\$ 800,000
26. Trailer Mounted Generators & By-pass Pumping Units City-wide	\$ 660,000
Total:	\$ 121,265,103

STREETS AND TRAFFIC PROJECTS

Project/General Scope	Cost Estimate
Calder Rd South Reconstruction Construction of concrete curb & gutter roadway from Ervin to Cross Colony	\$ 7,670,000
Grissom Rd Reconstruction Construction of concrete curb & gutter roadway from Booster Pump Station to West Nasa Blvd	\$ 11,175,000
North Landing Extension Construct north extension of Landing Blvd as 4-lane divided boulevard including a bridge over Clear Creek	\$ 33,110,000
Matching funds for partnerships Improvements to TxDOT roadways such as FM517, FM270, FM646, League City Parkway. Local cost for ROW & utility relocations	\$ 5,000,000
Grand Parkway Project development funding	\$ 5,000,000

League City Parkway at Hobbs Rd	\$ 451,191
Construct right turn lane on LC Pkwy just west of Hobbs	
SH3 & FM518 Intersection Improvements	\$ 421,000
Lane improvements at intersection	
FM518 @ SH3 RTL from Houston Ave	\$ 750,000
Add a right turn lane on west bound FM518 to northbound SH3 (extend to Houston Ave)	
RTL to FM518 @ Landing Blvd	\$ 212,000
Add a right turn lane on FM518 to southbound Landing Blvd	
New I-45 Frontage Rd to Hobbs Rd	\$ 1,662,000
Construct new roadway from I-45 feeder to Hobbs Rd	
Walker St Extension	\$ 1,512,750
Extend Walker Street from Texas Ave east to FM270	
New Traffic Signals on League City Parkway	\$ 4,090,000
New traffic signals and turn lane improvements at Brittany Lakes Dr/Fennigan Lane, Landing Blvd, Magnolia Lane, and West Bay Area Blvd	
Palomino Lane Extension	\$ 17,250,000
Construct extension of Palomino Lane with a bridge over Clear Creek to Grissom Rd	
TOTAL	\$ 88,303,941

LIBRARY PROJECT

League City current library system

Population – 108,993 (estimated January, 2019)

Square feet – 29,285 (Helen Hall Library)

Proposed additional branch – 40,000 square feet

**Needs assessment approved in 2019 Capital Improvement Program
(to be completed May 2019)**

Input from Jeff Bulla/PGAL and Maureen Arndt/720 Design – Library Design Experts

Construction Costs – 40,999 sq. ft x \$400/sq. ft	\$16,000,000
Design contingency	\$ 1,600,000
Utility connection/permit	\$ 20,000
Design fees at 9.2%	\$ 1,920,000
Contingency	\$ 800,000
Furniture, fixtures, equipment costs	\$ 1,600,000

TOTAL **\$22.5 million**
(Does not include land purchase)

PUBLIC SAFETY PROJECTS

Indoor Gun Range Project

Location – 555 W. Walker St

Construction costs are based on a tilt wall building constructed with a 25 year 10-lane range with additional space for office and storage.

Planning/Design	2020	\$ 230,000
Construction	2021	\$ 2,291,886
Equipment/Furnishings	2021	\$ 112,598
10% Increase for Inflation		\$ 263,448

TOTAL **\$ 2,897,932**

The indoor gun range is mission critical for training and qualifications for LCPD. LCPD competes for use of four different ranges with other law enforcement agencies. This indoor gun range will be used for qualifications, training sessions, and potentially the cornerstone for a basic police academy.

COURT PROJECT

- **New Building on Walker Street**
- **Two court rooms (one joint use as City Council Chambers)**
- **Offices and associated public and private spaces**
- **Remodeling for adaptive reuse of existing City Council Chambers**
- **Potential use of Public Educational & Government Access Television (PEG) Funds (for council chambers remodeling)**
- **Estimated cost of \$5 million**

CENTRAL FIRE STATION PROJECT

- Fire and EMS response units
- Drive-through truck bays for Fire and EMS
- Administrative offices for Fire, EMS and Fire Marshal's Office
- Dormitories for Fire and EMS
- Office space and storage space for inventory and supplies
- Training room, gym, meeting rooms and separate storage garage
- Proposed square footage: 30,540

Estimated Cost

Fire Station with administrative offices \$ 13,357,000

PROPOSED ¼ ¢ SALES TAX

- State law caps sales/use tax of all local governments at a combined total of 2.00%
- In League City, that total is 1.75%
- City Council has three options to reach the 2.00% cap (without creating a separate taxing entity)

The Council may call an election to:

- INCREASE the general sales/use tax by 0.25%;
- ADOPT an "additional sales/use tax" of 0.25% for the purpose of reducing the property tax rate; or
- ADOPT a sales/use tax of 0.25% for the "maintenance and repair of municipal streets" (in existence at time of election)

FINANCIAL IMPACTS

The first thing we looked at was our existing debt service. What do we owe? Year by year, when will things be paid off? We ran three scenarios. One at \$255 million, one at \$210 million and another at \$150 million. We'll show you options of what something that size might look like. We also used the assumption if the debt issuances would have basically even debt sales over a seven year period, which would be Fiscal Years 2020 through 2026 and the payments would start the following year. We also calculated even principal payments. There are lots of different ways you can pay that back, but we wanted to be pretty conservative so we did even principal payments. We talked to our financial advisor about what the interest rates might look like between the years of 2020 and 2026 for debt sales and those start at 3.84% and go up to 5.59% in 2026. So after looking at the debt side, the next thing to look at was how are we going to pay for that. On the property tax side, we looked at 4 % growth of property value annually, then we looked at splitting that

growth, so of that 4% growth 2.2% represents roughly the new property that we get each year. That would go to M&O also known as General Fund, and then our existing property growth is rough 1.8% of the 4% and that would go to our debt rate. We also looked at the property tax and what it would potentially do to the rate based on all those growth assumptions. We looked at that independently and we also looked at what would it do if we had the 1/4 cent sales tax. The 1/4 cent sales tax would be applied to debt service only and for our assumption on sales tax growth we used 7% annually from 2020 to 2025 and 5% growth from 2026 on.

GO BOND \$255M issued \$25-27 M/yr FY2020-2026

Sales Tax Revenue Outpaces Debt Service in FY2033

Property Tax Rate with \$0.25 Sales Tax Revenue

M&O Rate growth 2.2% thru FY2029; growth increases in FY2030

Debt Rate based on \$255M issued FY2020-2026

Property Tax Rate without Sales Tax Revenue

M&O Rate growth at 2.2% - Debt Rate based on \$255M issued FY2020-2026

Tax Rate increases \$0.10 in FY2027 over FY2019 rate

Property Tax without Sales Tax on \$250K Homestead at 2% growth in value

Rate based on \$255M issued FY2020-2026

Tax increases \$399 in FY2027 over FY2020 Rate

GO BOND \$210M issued \$30M/yr FY2020-2026

Sales Tax Revenue Outpaces Debt Service in FY2031

Property Tax Rate with \$0.25 Sales Tax Revenue

M&O Rate growth at 2.2% thru FY2028; growth increases in FY2029

Debt Rate based pm \$210M issued FY2020-2026

Property Tax Rate without Sales Tax Revenue

M&O Rate growth at 2.2% - Debt Rate based on \$210M issued FY2020-2026

Tax Rate increases \$0.06 in F2027 over Y2019 rate

Property Tax without Sales Tax on \$250K Homestead at 2% growth in value

Rate based on \$210M issued FY2020-2026

Tax increases \$307 in FY2027 over FY2020 Rate

GO BOND \$150M issued FY2020-2026

Debt Rate held at \$0.142 or less

Sales Tax Revenue Outpaces Debt Service

Property Tax Rate with \$0.25 Sales Tax Revenue

M&O Rate growth higher than 2.2% begins in FY2022 - Debt Rate at \$0.142 or less
Tax Rate held at \$0.55 to maximize M&O growth

Property Tax Rate without Sales Tax Revenue

M&O Rate growth at 2.2% thru FY2028, MO growth rate increases in FY2029
Debt Rate based on \$150M issued FY2020-2026
Tax Rate increases \$0.015 in FY2024 over FY2019 rate

Property Tax Impact without Sales Tax on \$250K Homestead at 2% growth in value

Rate based on \$150M issued FY2020-2026
Tax increases \$190 in FY2027 over FY2020 Rate

TIMELINE & PROCESSES

November 27	Work Session: Draft list of Bond Program Projects
December 11	Work Session: Discussion of Bond Program Projects
January 8	Council Finalizes List of Bond Program Projects
January 10	Town Hall: Bond Program Information
January 22	First Reading
February 7	Town Hall: Bond Program Information
February 12	Second Reading
February 15	Last day to order the election (Statutory Requirement)
March 7	Town Hall: Bond Program Information
April 4	Town Hall: Bond Program Information
May 4	Election Day

STAFF RECOMMENDATION

Request that the City Council place the following issues before the voters on a May 2019 election

date:

- A General Obligation Bond Election
- A 1/4¢ Sales Tax Election

QUESTION

- Is City Council comfortable with the total size and scope of the bond program as proposed?
- Is City Council supportive of considering a 1/4¢ sales tax election?

3. **PUBLIC COMMENTS**

4. **ADJOURNMENT**

At 6:10 p.m., Mayor Hallisey said there being no further business this meeting is adjourned.

PAT HALLISEY
MAYOR

JEANNE HAMMACK
DEPUTY CITY SECRETARY

(SEAL)

MINUTES APPROVED: February 26, 2019