

FEBRUARY 27, 2013

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, FEBRUARY 27, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 5:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Dianne Leubert, Commissioner
Noel Pena, Commissioner
Arturo Pecos, Commissioner
Al Garcia, Commissioner

CITY STAFF PRESENT:

Vincent J. Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Mark Rushing, Finance Director
Mike Kellam, Director of Planning & Development Services
David Mason, Purchasing/IT Director
Emilio Garcia, Health Director
Naim Kahn, Public Works Director/City Engineer
Rose Morrow, Municipal Court Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chamber at 5:05 P.M. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Mayor Fugate asked if there were no objections from anyone, as he would like to forego the preliminary proceedings and go straight into agenda items. No objections were made. Mayor Fugate proceeded to Public Comments.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

None

II. Public Hearing - (Required by Law).¹

1. None.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor. No formal action can be taken on these items at this time."

Mr. Vince Capell, City Manager reported that Wild Wood Trails project has been an ongoing project for a year. It is known that the City is in need of housing to allow those who work in Kingsville, reside in Kingsville. Mr. Capell further stated that he has proposed to put in an additional \$200,000 into this development to assist the developer with infrastructure needs. The additional monies will be

expended from the Fiscal Year 2012 budget savings. He stated that the County's participation with this project is absolutely necessary in order for the City to move forward. He further stated he wants to be sure that the Commission gets all their questions answered and that they are comfortable with the development as its proposed. The next step would be to bring forward a Economic Development Agreement for Commission approval stating all the specific provisions of the agreement with First Compass Homes.

Mrs. Courtney Alvarez, City Attorney reminded staff that the deadline to submit agenda items for the March 11th Commission meeting is Friday, March 1st.

Mayor Fugate reported that Austin, TX hosted Kingsville Days on Tuesday, February 26, 2013. City staff attended this function in which they were able to meet with members of the Legislature.

IV. Public Comment on Agenda Items³

1. Comments on all agenda and non-agenda items.

V. Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Discuss the City of Kingsville's housing needs and Comprehensive Housing Plan as it relates to the Wildwood Trails Housing Development. (Director of Planning & Development Services).

2. Discuss the proposal with First Compass Homes for Wildwood Trails Housing Development. (City Manager).

3. Discuss the potential Economic Development Agreement with First Compass Homes. (Director of Planning & Development Services).

Mayor Fugate opposed a question to Mrs. Courtney Alvarez, City Attorney if there would be any objection discussing all three agenda items at one time. Mrs. Alvarez stated that since all items listed on the agenda are for discussion, there would be no objections. Mayor Fugate read all three items on the agenda and proceeded to the discussion of those items.

Mr. Mike Kellam, Director of Planning & Development Services stated that in January 2012, Commission was presented with a proposed housing plan which was approved and adopted. The proposal was for the designs and guidelines for the frame work to create quality homes. This would promote high quality life, longevity and ownership as well as community pride. After working with the developer and engineer, the City has been able to work through some of the design aspects that are laid out in the housing plan. These guidelines allow for high quality life homes and neighborhoods. These include sidewalk network, interconnectivity with the sidewalk, walking trails, common area with open space for recreational activities. The developer will be constructing 184 new homes on a 52 acre tract lot located between Senator Carlos Truan Boulevard and Caesar Street. These homes will have different price points to attract different income

levels. Mr. Kellam stated this would be a quality neighborhood that will meet today's standards.

Mayor Fugate stated that after speaking with Dr. Tallant of Texas A&M University-Kingsville, the University's enrollment will be increasing within the next few years and Kingsville will have a problem with housing shortage.

Mr. Capell asked Mr. Mark Dizdar of First Compass Homes to speak to the Commission with regards to the development.

Mr. Dizdar reported that this development will bring in 184 new structures on 52 acre tract lot. With Texas A&M University-Kingsville enrollment increasing and having NAS-Kingsville and the Border Patrol, the need for housing will be in high demand. He stated that Wild Wood Trails is part 2 of an 8 part plan. Part 1 being Paulson Falls which is still under development and moving steadily towards completion. He further stated that after meeting with City staff, details of the new development have been worked out. He further spoke about the details of the development with a presentation board to the Commission of the Wild Wood Trails development. He stated that the benefits to Kingsville and Kleberg County with the build out are \$33,500,000 total value of homes with \$2,000,000 in sales tax revenue in construction for County, City and State. This development will bring in 600 to 800 new residents into Kingsville. He reported that with the economic multiplier, additional sales tax to Kingsville will be around \$645,000 and Kleberg County \$215,000. He further stated that the incentives needed are as follows; 1) \$300,000 cash at completion of improvements and plat recording; 2) \$620,750 net real estate tax rebate for Kingsville; 3) \$620,750 net real estate tax rebate for Kleberg County; 4) contribution of labor for hot mix asphalt pavement; 5) Local caliche as road base; 6) City wide entities commitment to budget to promote living in Kingsville; and 7) hike and bike trail as presented or \$200,000 cash at completion of improvements and no hike and bike trail.

Mr. Capell stated that the reason for the \$200,000 is to leave out the incline contribution by staff. In the Paulson Falls development, the City provided labor and the developer provided the material for streets. The proposed \$200,000 is to provide enough incentives so the City would not have to do the incline but also because there is a challenge with coming up with enough cash for the infrastructure. He further stated that the incline can still be discussed if the Commission wishes to go that route.

Mr. Capell stated that his concern was if staff is working on the incline and trying to do regular duties, it may become a problem. He stated the reason for the \$200,000 is that the city has plenty of other needs for streets. He further stated that a well-functioning successful Home Owners Association, collecting dues will pay for the common area maintenance within the development. A suggestion was also made to the developer to use caliche for building roads. Due to limestone being so expensive, using caliche may be a wiser substitute.

Mayor Fugate asked what the timeline for this project was.

Mr. Dizdar stated that the construction of homes would be sometime in December, 2013 if all goes well.

Mayor Fugate stated that the City is pretty close to make this development happen as long as the County is on board.

Commissioner Garcia stated that he personally would like to see the hike and bike trail included in this project.

Mr. Capell stated that with the extra common areas provided in this project, a strong and successful Home Owners Association would need to be in place. The HOA fees collected would pay the upkeep of those common areas. He further stated that the Home Owners Association will be the responsibilities of the developer until a certain amount of homes are built. At that, the developer will turn over responsibility to the Home Owners Association which will allow the home owners themselves to place a Home Owners Association Board.

Mayor Fugate stated that what's keeping Kingsville from bringing in new retail shops and restaurant is the housing shortage. Building more homes will attract new businesses for our city. Mayor Fugate stated that he would like for the City Manager to put in place an Economic Development Agreement with Wild Wood

Trails and place an item for consideration on the March 11, 2013 Commission meeting.

Commissioner Pena asked for the square footage of the homes being built.

Mr. Dizdar stated that these homes will be in the minimum of 950sqft. up to 4,000sqft. He stated that after building homes in Kingsville in the past, he has an idea of the square footage Kingsville citizens demand in homes.

Commissioner Leubert opposed a question to Mr. Dizdar regarding the number of bedrooms on the smaller homes. Mr. Dizdar stated that between 3-2 bedrooms in the 950sqft homes and in the larger homes 3-2 to 4-2.

Commissioner Pena stated that maybe Kingsville would need to see more apartment or garden style homes. He asked Mr. Dizdar if 184 homes are what need to be built within this 52 acre tract. Mr. Dizdar stated that 184 homes are what are to be built in this location. Mr. Dizdar further stated that originally 191 homes were to be built, after reviewing plans, it was considered to only build 184 homes.

Commissioner Leubert stated that the selling points to sale these homes will be the hike and bike trail and the walking ability as well as its tress.

Mr. Capell stated that the City's agreement and contribution is contingent with Kleberg County as well as private investors and bank financing in order for the City to move forward with this proposal. He further stated that in speaking with some members of the Kleberg County Commissioner Court, they have been very positive with the proposal and the development of Wild Wood Trails. He further stated that after 8-9 years from the completion of the development, the City and County will collect 100% of the taxes collected, which is \$280,000 for the City.

Commissioner Pecos asked if the County was contributing cash. Mr. Capell stated that he hasn't asked the County for cash contribution, but it can be asked for the County to contribute some cash.

Commissioner Garcia stated that this project is too important to Kingsville to not proceed because of \$100,000. Commissioner Garcia would like for the City to consider the additional \$100,000 to foresee this project. He further stated that he would like to know what the expectance is from the County.

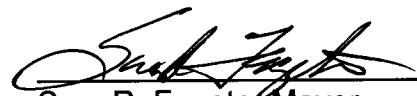
Mr. Capell stated that the discussion with the County was about their contribution of \$620,000 which is \$200,000 less than what the City will pay. He stated that his proposal is that the City and County give \$620,000 each with a neutral tax refund program and the City pay an additional \$200,000 from the original \$300,000 being asked for by the developer.

Commissioner Pecos stated that he would like for the County to come up with the additional \$100,000.

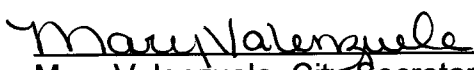
Mayor Fugate stated that he will be asking the County to place an item on their agenda where he will ask the County to contribute an additional \$100,000 that is needed for the Wild Woods Trail project.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:20 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary