

1 The City Council of the City of Seabrook met in regular session on Tuesday, January 05, 2016 at
2 7:00 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas to discuss, consider and if
3 appropriate, take action on the items listed below.
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5 **THOSE PRESENT WERE:**

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| 6 GLENN R. ROYAL | MAYOR |
| 7 ROBERT LLORENTE – Ex. Abs. | COUNCIL PLACE NO. 1 |
| 8 MIKE GIANGROSSO | COUNCIL PLACE NO. 2 |
| 9 GARY JOHNSON | MAYOR PRO TEM & COUNCIL PLACE NO. 3 |
| 10 | COUNCIL PLACE NO. 4 |
| 11 MELISSA BOTKIN | COUNCIL PLACE NO. 5 |
| 12 GLENN ADOVASIO | COUNCIL PLACE NO. 6 |
| 13 O.J. MILLER | CITY MANAGER |
| 14 GAYLE COOK | ASSISTANT CITY MANAGER |
| 15 SEAN LANDIS | CITY ATTORNEY |
| 16 STEVE WEATHERED | CITY SECRETARY |
| 17 ROBIN HICKS | |

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19 Mayor Royal called the meeting to order at 7:00 p.m. and led the audience in the United States
20 and Texas Pledge of Allegiance.
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22 **1.0 PRESENTATIONS**

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24 **1.1 Recognize Photojenic, Inc. as the winner of the 2015 Old Seabrook Holiday Decorating**
25 **Contest. (EDC)**
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27 The Mayor presented the winner's certificate Greg Vajdos, owner of Photojenic,
28 congratulated him on the interesting and unique display that includes a vintage
29 automobile, and invited everyone to come out and see the Old Seabrook Holiday
30 Decorations next year.
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32 **2.0 PUBLIC COMMENTS AND ANNOUNCEMENTS**

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34 **2.1 Mayor, City Council and/or members of the city staff may make announcements**
35 **about city/community events. (Council)**

36 Councilor Giangrosso announced several upcoming events including Police Officer of the
37 Year nominations which are due by January 15; MLK day and City office will be open
38 that day; the Yachty Gras Boat Parade; the rescheduled Christmas Boat parade; and the
39 Men Who Cook event.
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42 **5.1 Consider approval of proposed Resolution 2016-01, "Authorizing the Publication of**
43 **Notice of Intention to Issue Certificates of Obligation." (Cook / Roebuck)**
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45 **RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION**
46 **TO ISSUE CERTIFICATES OF OBLIGATION, IN AN AGGREGATE**
47 **PRINCIPAL AMOUNT NOT TO EXCEED 42,500,000 FOR THE ACQUISITION,**
48 **CONSTRUCTION AND IMPROVEMENT OF CERTAIN PUBLIC WORKS, AND**
49 **AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**
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51 The Mayor moved this item up in the agenda, so that the bond attorneys would not have
52 to wait until after the public hearing to give their presentation.
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54 Gayle Cook, City Manager, introduced Bond Counsel, John Robuck and Marcus Dietz,
55 from the law firm of McGuire Woods LLP. She explained that if Resolution 2016-01 is
56 approved tonight, the notice of Intention to Issue Certificates of Obligation can be
57 published in the newspaper, per legal requirements.
58

59 Mr. Robuck explained that the current bond market and environment is very strong right
60 now with low interest rates. The current rate for general obligation debt is 3.57%, and
61 the all time low for the same is 3.27%; therefore, the current rate is not much higher than
62 the all time low. The current rate is also 1.5% lower than the historical 25 year average.
63 The City has two different options for issuing certificates of obligation: a public sale with
64 a 20 year debt structure or a private placement sale with a 15 year debt structure. The
65 public sale is a little more labor intensive and would result in a total debt service of a
66 little over \$2.6 million. The private sale would allow underwriters/banks to place bids
67 based on the current interest rates. Because of the shorter debt structure of 15 years and
68 the cost savings of a little over \$200,000, it is recommended that Council choose a
69 private sale. A public sale, with an interest rate of 3.9%, would occur on February 16 and
70 close on March 8. The private bank bids, with an interest rate of a little under 3%, would
71 occur on February 15 and close on March 8.
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73 Ms. Cook reminded Council that staff has worked with Seabrook EDC for a possibility
74 fully funding this debt through an agreement between the City and SEDC. Staff is
75 recommending the private sale. Mr. Robuck explained that the entire amount can be paid
76 off with no penalty anytime after September 1.
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78 Motion was made by Councilmember Johnson and seconded by Councilmember Botkin
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80 To approve Resolution 2016-01, "Authorizing the Publication of Notice of Intention to
81 Issue Certificates of Obligation" through private sale.
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3.0 SPECIFIC PUBLIC HEARING(S)

3.1 Proposed Ordinance 2016-01 “Issuance of Conditional Use Permit to allow a Hotel without a full service restaurant”. (Landis)

AN ORDINANCE AMENDING THE CODE OF THE CITY OF SEABROOK, APPENDIX A, COMPREHENSIVE ZONING, ARTICLE 12, “TEMPORARY AND NONTEXT CHANGES,” SECTION 12.03, “CONDITIONAL USE PERMITS GRANTED” BY ADDING A NEW PARAGRAPH (21) GRANTING A CONITIONAL USE PERMIT FOR A “HOTEL (WITHOUT FULL SERVICE RESTAURANT”) TO BE LOCATED AT 2710 NASA PARKWAY, WITHIN THE C-2 (COMMERCIAL – MEDIUM) ZONING DISTRICT AND ESTABLISHING ANY APPLICABLE CONDITIONS FOR THE OPERATION OF THE BUSINESS IN ACCORDANCE WITH LAW; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$2,000.00 FOR VIOLATION OF ANY PROVISIONS HEREOF BY INCLUSION INTO THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

Mayor Royal opened the public hearing at 7:15pm.

Sean Landis, Deputy City Manager, stated that the applicant is here with a very detailed presentation. The request is to construct an 80 room, four story, Holiday Inn Express without a full service restaurant. The building will be 50 feet above finished grade. The property at 2710 Nasa Parkway is currently zoned C-2. The Planning and Zoning Commission unanimously recommended approval, with Mr. Hammann absent from the meeting. About one year ago City Council requested that the Planning and Zoning Commission vet out and draft an ordinance, which was eventually adopted by Council, that would require any small scale hotel without a full service restaurant go through the Conditional Use Process so that Council could control the number of small service hotels being constructed in the City in response to the opening of the cruise terminal.

The owner of the Quality Inn at 2720 Nasa Parkway spoke during the public hearing and asked if Council or staff has done any research to see what the current hotel occupancy rate is in Seabrook. He asked if Seabrook needs another hotel, as the current occupancy rate is around less than 45%.

130 The current application and conditional use permit request is for an 80 room Holiday Inn
131 Express, located at 2710 Nasa Parkway. The property is currently zoned C-2. Prior to
132 the adoption of the CUP ordinance, a small scale hotel was an allowable use by right in
133 the C-2 zoning district. As a reference point, the property to the north is zoned R-1, to
134 the northeast is zoned R-3, and across the street is zoned R-3. The hotel will be
135 configured so that the front of the hotel faces the east and the back of the hotel will be
136 adjacent to apartments on the west. The vehicular entrance is from NASA Parkway.
137 This property is where the dirt yard/mulch yard used to be. No additional condition is
138 required for approval of this application, except those that might be imposed by City
139 Council.

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141 Michael Gzertner, architect for the developer/project, stated that this project is strictly
142 controlled by the international hotel group, and not by the individual franchise
143 developer/owner. This location is not an ideal location for a larger scale hotel. The
144 construction will exceed the setback requirements on all sides. The swimming pool area
145 will be constructed closest to the apartments, to off-set the encroachment. The height of
146 the building will be higher than the height requirements so that people can see the hotel
147 sign from the road. There will be meeting space for about 20 people. A hot breakfast
148 will be offered free of charge in the mornings. All guest rooms will have a work space
149 and a functional storage unit. The owner/operator has contracted with Impact Data
150 Source for fiscal impact numbers. There are 174 properties in Texas that generate about
151 \$2.3 million per year in taxable receipts. The same type hotels in Houston generate about
152 \$2.4 million per year in taxable receipts. This Holiday Inn Express will create 39 full
153 time jobs and attract 5 full time residents. Over a 10 year period, taxable sales will be
154 approximately \$6 million, and about \$6 million will be added to the tax rolls. Over a ten
155 year period, net revenue to the taxing entities will be about \$4.6 million. An estimate of
156 the real and personal property tax value is around \$5 million. This property will be a
157 good addition to the area.

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159 Discussion ensued among Council members regarding the struggle with generating and
160 maintaining a high occupancy rate due to the hotel being set back 700 feet from Nasa
161 Parkway; the potential negative effect of a new hotel on other hotels in Seabrook when
162 occupancy rates are already low; the aesthetics due to a series of hotels located in the
163 area; the local and national trends for travel and hotel occupancy expected to go down in
164 2016, then up again in 2017; the industrial expansion in this area generating a need for
165 hotel rooms for industrial workers; the lack of availability of meeting rooms in Seabrook;
166 the name brand of Holiday Inn Express and customer loyalty to that brand; and the lack
167 of space available in Seabrook for larger hotels with more amenities.

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169 Mr. Gzertner reiterated that the operators have about 25 years of experience in the
170 market, giving them knowledge and experience in attracting customers. This project has
171 been vetted through the national chain, and the operators are confident this hotel will be a
172 success, being targeted for completion in the Spring of 2017.

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174 With no other speakers coming forward to speak, Mayor Royal closed the public hearing.

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4.0 CONSENT AGENDA

4.1 Approve an event permit for the Seabrook Intermediate Cross Country Meet on Monday, January 11, 2016 from 4:45 p.m. until 6:00 p.m. at Meador Park. All supporting items have been submitted and approved. (Hicks)

4.2 Approve request by Dow Hydrocarbons and Resources, LLC, for a permit to construct and operate a 12 inch (12”) Ethane Pipeline within the City limits of Seabrook. (Landis)

Motion was made by Councilmember Giangrosso and seconded by Councilmember Botkin

To approve the Consent Agenda as presented.

MOTION CARRIED BY UNANIMOUS CONSENT

END OF CONSENT AGENDA

5.0 NEW BUSINESS

5.1 Item 5.1 was moved up in the agenda by Mayor Royal.

5.2 Consider approval on first reading of Proposed Ordinance 2016-01, “Issuance of Conditional Use Permit to allow a Hotel without a full service restaurant”. (Landis)

AN ORDINANCE AMENDING THE CODE OF THE CITY OF SEABROOK, APPENDIX A, COMPREHENSIVE ZONING, ARTICLE 12, “TEMPORARY AND NONTEXT CHANGES,” SECTION 12.03, “CONDITIONAL USE PERMITS GRANTED” BY ADDING A NEW PARAGRAPH (21) GRANTING A CONITIONAL USE PERMIT FOR A “HOTEL (WITHOUT FULL SERVICE RESTAURANT” TO BE LOCATED AT 2710 NASA PARKWAY, WITHIN THE C-2 (COMMERCIAL – MEDIUM) ZONING DISTRICT AND ESTABLISHING ANY APPLICABLE CONDITIONS FOR THE OPERATION OF THE BUSINESS IN ACCORDANCE WITH LAW; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$2,000.00 FOR VIOLATION OF ANY PROVISIONS HEREOF BY INCLUSION INTO THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

Council continued the discussion regarding hotel occupancy trends and how a new hotel could jeopardize the success of other hotels in Seabrook. Council also discussed wanting businesses to locate in Seabrook and be successful, but that Council should not dictate how the free market operates.

No motion being made, this item died for lack of a motion.

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5.3 Consider staff's recommendation to reject the current bids for the Public Works Complex Project No. 2015-08 and be re-advertised. The five bids received exceeded the funds available for the project. (Chairez)

Arthur Chairez, Director of Public Works, stated that this project was a result of the approval of Proposition 1 on the 2014 bond election for construction of a new Public Works Complex and Animal Shelter. City staff has done a lot of hard work with the consulting architect, attending many meetings and viewing several other complexes, in order to design a bid package that would draw many bidders with competitive numbers. On December 17, the City received and opened five bids and all five bids were higher than the budgeted allocation for this project. The lowest bid was \$7.2 million and the highest bid was \$8.5 million. Staff is recommending rejection of all bids and re-advertizing the project. Staff intends to work with the project architect to review the bid packets to ascertain what generated the high numbers so that the bid packets might be modified so that bids will fall within the budgeted numbers.

Jeff Gerber, Architect with PGAL, reiterated that if Council rejects the five current bids, he will reach out to all five bidders to see exactly what happened. There was a lot of construction activity in the market when the bid packets were advertised, and it was thought that some of the potential contractors were not going to bid because they were going to get other work. The high numbers could have been caused by something as simple as timing, but research is still needed to figure out exactly what the reason is. Alternates will be considered, once the research is completed and the numbers that are easily isolated are determined. Because there was only about two weeks from the bid packet going out and the submission deadline, if the project is re-bid, a longer time of three to three and one half weeks will more than likely be set.

Motion was made by Councilmember Botkin and seconded by Councilmember Adovasio

To reject the current bids for the Public Works Complex Project No. 2015-08 and re-advertise the project.

MOTION CARRIED BY UNANIMOUS CONSENT

6.0 ROUTINE BUSINESS

6.1 Approve the Action Items Checklist which is attached and made a part of this agenda. (Council)

Gayle Cook, City Manager, stated that the City received their letter today indicating TXDOT is moving forward with the expansion of Highway 146. Ms. Cook reached out to the City's contact at Cobb Fendley and was told that the project has officially begun.

There is nothing new to report on the Strategic Plan.

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The Fiber Optics project is moving along faster than anticipated, and should be completed in the next few weeks. The Splash pad restroom was delivered today.

Motion was made by Councilmember Botkin and seconded by Councilmember Giangrosso

To approve the Action Items Checklist

MOTION CARRIED BY UNANIMOUS CONSENT

6.2 Establish future meeting dates and agenda items. (Council)

Mayor Royal stated that the Men Who Cook event is taking place on February 16, which is a regular Council meeting date. He suggested Council have a light agenda on February 16 and start the meeting earlier in the day. By unanimous consent, Council agreed to hold the meeting on February 16 at 4:00 p.m., with a light agenda.

7.0 EXECUTIVE SESSION

Section 551.071

7.1 Pursuant to Section 551.071, Texas Government Code, consult with an attorney to receive legal advice regarding legal issues related to recently adopted statutes concerning regulation of firearms. (Cook)

At 8:16 p.m. Mayor Royal announced that the City Council will now hold a closed executive meeting pursuant to the provisions of the open meetings Act, Charter 551, Government Code, and Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, Consultation with an Attorney.

8.0 OPEN MEETING

At 9:12 p.m. Mayor Royal reconvened the meeting in open session and stated that item 7.1 had been discussed, but that no action had been taken in executive session.

8.1 Consider and authorize approval or take action on legal issues and policy associated with recently adopted statutes concerning regulation of firearms. (Cook)

Motion was made by Councilmember Miller and seconded by Councilmember Botkin

To request that the Municipal Court Judge prepare rules delineating the areas used as court and essential court offices when court is in session for notification to the public that weapons are prohibited.

MOTION CARRIED BY UNANIMOUS CONSENT

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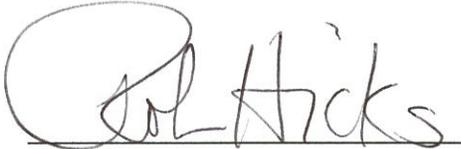
Motion was made by Councilmember Miller and seconded by Councilmember Giangrosso

To request that the City Attorney and the City Manager come up with recommendations for who may carry and not carry in meetings subject to the Open Meetings Act for prohibiting open and conceal carry.

MOTION CARRIED BY UNANIMOUS CONSENT

Upon motion duly made and seconded, Mayor Royal adjourned the meeting at 9:17 p.m.

Approved this 19th day of January 2016.



Robin Hicks, TRMC
City Secretary



Glenn Royal, Mayor