

CITY OF ALAMO HEIGHTS
CITY COUNCIL
February 17, 2016

A work session of the City Council of the City of Alamo Heights, Texas was held in the Council Chambers, located at 6116 Broadway, San Antonio, Texas, at 8:30 a.m. on Wednesday, February 17, 2016.

Present and composing a quorum were:

Mayor Louis Cooper
Mayor Pro-Tempore Lynda Billa Burke
Councilmember Lawson Jessee
Councilmember Fred Prassel
Councilmember John Savage

Also attending was:

City Manager J. Mark Browne
Assistant City Manager/Fire Chief Buddy Kuhn
Assistant to the City Manager Marian Mendoza
Community Development Services Department Director Jason Lutz
Finance Director Robert Galindo
Public Works Director Pat Sullivan
Police Chief Rick Pruitt
City Secretary Jennifer Reyna

Absent was:

Councilmember Bobby Rosenthal

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Mayor Cooper called the meeting to order at 8:37 a.m.

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Item No. 1 Mayor Cooper read the following caption.

Discuss street maintenance program identifying streets that need repair with consideration of cost and a possible bond election

City Manager J. Mark Browne stated information will be presented in consideration of a special bond election focused on street repairs. He stated Public Works Director Pat Sullivan collaborated with the City's engineers to present information. Mr. Browne introduced engineers John Colquhoun, Richard Kelley, and Shaun Spivey, Freese & Nichols.

Mayor Cooper briefly provided background information in consideration of a street bond election due to annual budget reviews, constraints and savings. He commented that good streets

are part of beautification. Mayor Pro Tem Lynda Billa Burke added that safety contributes reasoning to repair streets.

Mr. Browne made a PowerPoint presentation providing insight of a special election for bonds in the amount of \$13M for Capital Infrastructure Improvement Projects. He stated the scope of work includes mill & overlay of various streets, reconstruction of seven streets that require rebuilt from the base up including new curbs and sidewalks. He stated streets that were paved within the past eight years were not identified as part of the selection for repair.

Patrick Sullivan, Public Works Director, briefly explained the different application types for street repair and explained the mill/asphalt overlay and street reconstruction. He recommended the use of spray paver to save costs and produce cleaner jobs. A chart was presented that provided the description of projects and estimated costs for the different types of projects. Streets in need of mill and overlay, sidewalks and rebuilt curbs were identified on the map that was displayed. Mr. Sullivan stated streets not identified had repair done within the past eight years. He provided an update to Council on the 4x2 issues and stated it needed to be resolved by 2030. He reported an estimate of 40% completion of 4x2 compliance for water and sewer mains. He stated there is no money in the budget to insert mains. Mr. Sullivan shared that a few mains had been conducted in-house.

Mayor Pro Tem Billa Burke referenced Loveta Street and asked if streets with low water drainage level be resolved prior to addressing street repair.

Mr. Sullivan stated there are not that many areas with that particular issue and noted that Loveta is unique. Mr. Browne added that typically mill and overlay does not require elevation adjustments.

Councilmember Lawson Jessee asked why the utility fund could pay for resurfacing of the street.

Mr. Browne responded the utility fund may be considered; however, noted there is not sufficient monies to pay for the cost.

Council asked questions related to the street maintenance program, interruption impact, construction time period, and ordering the special election.

Mr. Sullivan responded to their questions. He stated the street maintenance program began in 2008 which utilized 2007 bond money. He stated he is aiming to conduct work during the summer for the area around the school so it would be a minimal impact to residents. He commented the spray paver is less disruptive. He estimated issuance of a contract to do 1/3 of the streets and continue again during a four-month period to conduct repairs. Mr. Sullivan recommended to note working hours and weather conditions within the contract.

Mr. Browne stated if bonds are considered to be placed on the November ballot, it would need to be ordered by August 2016. He shared that the Alamo Heights Independent School (AHISD) would like to do a bond in the future and didn't recommend the City consider a bond

election simultaneously. He stated the election may be conducted anytime; however, he commented there is interest rate risk if the City waits longer.

Mr. Browne referenced a chart that presented the financial estimate of the street projects. He explained the difference between group 1 (mill & overlay) and group 2 (rebuild streets and sidewalks) to be considered as one proposition for an estimated total of \$12,985,173 which doesn't include the interest rate. He stated the bond amount included a 20% contingency fee for the engineers; however, he noted a 10% contingency fee is what had been used in the past but able to further discuss with engineers.

Robert Galindo, Finance Director, presented a preliminary tax rate scenario in collaboration with First Southwest. He stated these numbers are based on a February 2017 scenario. Mr. Galindo stated the interest rate would be hard to predict a year from now and said the scenario included one additional percentage point from today's interest rates. He briefly reported the outstanding bonds and when principal payments will commence on the new bonds. He stated the estimated tax rate increase would be very small and commented the interest rates may be different at the actual time of issuance. Mr. Galindo stated calculations were made with a minimal impact to the tax rate. He stated another scenario may be considered for a May/June 2017 issuance that may produce savings of \$40,000 each month in interest payments.

Mayor Cooper suggested to hire a consultant to create a package to educate voters for the bond election.

Mr. Browne suggested to conduct public hearings during June/July 2016 to inform the residents what is being considered for the November ballot. He reminded Council that the street maintenance tax is up for renewal and will need to be considered in the November 2016 ballot.

Mr. Browne provided an update on Broadway reconstruction. He shared he had been in communication with Texas Department of Transportation (TxDOT) and they will be focused on Burr Road and Austin Highway. He identified the financial sources as TxDOT, Bexar County, and Tiger Grant. He stated a meeting needs to be coordinated with Bexar County to discuss drainage improvements on Broadway such as bigger inlets and pipe improvements located underneath the streets.

Mr. Browne reported TxDOT comments on the Broadway reconstruction project. He shared that TxDOT is focused on 1) turnback program and 2) the City of Alamo Heights (COAH) participating financially overall in the project. Mr. Browne stated the amount of money TxDOT seeks from the COAH is unknown; however, noted this would be separate than the street bond proposal. He stated he had not had a discussion with TxDOT regarding the financial commitment on the Broadway reconstruction.

Mr. Browne stated the water main replacement will need to be considered and monies to address that had not been considered. Mr. Browne informed Council that water and sewer lines are buried two feet underneath the surface of Broadway. Mr. Sullivan added that the sewer lines may be buried deeper than two feet. Mr. Sullivan stated there is a water main located two feet

under road surface near Cappy's Restaurant on Broadway. He stated any construction will comprise the water main located at that area.

Mayor Pro Tem Billa Burke asked if the San Antonio River Authority (SARA) can be approached for financial support.

Mr. Browne responded to Mayor Pro Tem Billa Burke that he met with General Manager Suzanne Scott with SARA and shared that it may be possible to partner with them. Mr. Browne commented this is a joint proposal opportunity that may be submitted with all respective entities.

Mr. Browne introduced Richard Kelley with Freese & Nichols who shared information about the Tiger Grant. Mr. Richard Kelley noted that the Tiger Grant is a federal grant with high requirements: participation, local funds, safety, creation of jobs, and how it benefits the community. He stated the grant will be announced soon with details and deadlines.

Mr. Kelley shared he learned through media that the City of San Antonio (COSA) is applying for the Tiger grant for their portion of Broadway through a buyback program and suggested perhaps the COAH consider to join COSA. He stated a meeting would need to be coordinated if the COAH is interested to heighten participation. Mr. Browne reported that COSA is working with TxDOT and with Centro San Antonio leading the production of a scope or concept design for Broadway from Houston Street up to Hildebrand. He shared COSA's goal is to prepare for their 2017 bond package. He stated the COAH does have a stake because of the concept and location. He stated now is the time to join and collaborate with partners.

Council expressed their thoughts and concerns. Councilmember Jessee referenced cost/benefit analysis and noted that 100-year floodway can decrease addressing barriers which makes Austin Highway marketable. He suggested sidewalks from N. New Braunfels up to Albany. Mayor Cooper noted that northern Broadway has traffic and safety challenges when it floods.

There was a brief discussion among Council regarding Austin Highway as part of the turnback program, drainage improvements, sidewalk improvements at N. New Braunfels and Austin Highway, possible impact to residents near Olmos Basin, and Metropolitan Planning Organization (MPO). Mayor Pro Tem Billa Burke and Councilmember Jessee expressed support to address drainage issues as priorities. Fire Chief Buddy Kuhn shared that improvements had been made on Austin Highway with the exception of flooding issues. Councilmember Fred Prassel recalled a study had been conducted about 25 years that had unintended consequences for the neighborhood along the dam if addressing flooding issues on Broadway. Mayor Cooper commented that the concern had been addressed during the recent Broadway/Hildebrand project.

Mr. Kelley stated he was the engineer for the Broadway/Hildebrand project and shared that the drainage study of the Broadway/Hildebrand project addressed the surface drainage and not of the Olmos Basin. Mr. Browne asked Mr. Kelley could work conducted on Broadway and Austin Highway impact the residents downstream. Mr. Kelley stated there may be an impact if not properly designed. Mr. Kelley commented that a letter from MPO for the Tiger Grant

application would be important; however, stated funding would come from Bexar County. Mr. Kelley added that coordination from stakeholders is encouraged and ideal.

Mr. Browne summarized Council's comments in moving forward with planning and coordinating meetings with respective partners. He stated if a project cost is received, perhaps the Broadway reconstruction project could be added into the proposed bond.

Councilmember Jessee suggested the City consider a property tax abatement if stakeholders are going to improve public realm, create greenspace and suggested we offer a tax abatement.

Community Development Services Department Director Jason Lutz stated Tax Increment Financing (TIF) or TIRZ (Tax Increment Refinancing Zone) may be offered; however, boards would need to be created and abatements are constructed differently. He stated 380 agreements are more flexible and a board is not necessary. He stated there are multiple options to consider. He shared the Commercial Code Committee is considering an amendment to the Code which requires new development to bury underground utilities.

Mayor Cooper asked Mr. Lutz of the consideration in heightening or lowering utility lines.

Mr. Lutz responded he will further explore options. He commented that from his experience cost and safety factors played a role in relocation of utility lines.

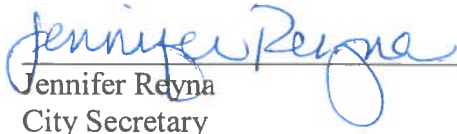
Council agreed to consider a tax abatement program or 380 agreements. Mr. Browne stated additional information may be obtained and suggested to consider tax abatements on a project by project basis.

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There being no further business, the meeting was adjourned at 10:22 a.m.



Louis Cooper
Mayor



Jennifer Reyna
City Secretary