

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
JANUARY 23, 2025

1/23/2025 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

With a quorum present, the workshop was called to order at 9:00 a.m.

2. ROLL CALL

Present: Mayor Craig Brown, Mayor Pro Tem Marie Robb, Council Member Sharon Lewis, Council Member David Finklea, Council Member Bob Brown, Council Member Alex Porretto, and Council Member Beau Rawlins.

3. DISCUSSION ITEMS

3.A. Joint Meeting With City Council/Park Board Of Trustees (C Brown/Hardcastle - 90 Min)

1. Update and Discussion of Master Planning for Stewart Beach Park/East Beach and Review of the Knudson and Rogers Partners Plans (B Brown/Finklea) - The joint meeting focused on the development plans for Stewart Beach Park, East Bridge, and related projects. Key points included: (1) Master Plan vs. Master Developer - Discussion held whether to proceed with a traditional master planning process or engage a master developer to expedite the project; (2) Public and Stakeholder Input - Ensuring feedback from the Park Board, City Council, lifeguards, and the community is a priority to align the project with their needs; (3) Beach Patrol Facility: The need for a new Beach Patrol facility was emphasized, along with discussions on its location and integration with other developments; (4) Development Speed - There were concerns about completing the development quickly, especially for the Beach Patrol facility, with the master developer approach seen as the fastest option; (5) Revenue and Hotel Component - Previous plans included a hotel, but developers suggested it could be removed if necessary to reduce revenue. The city's goal is to balance revenue with community needs. Overall, the group is focused on balancing speed, public involvement, and financial considerations for the development of Stewart Beach and East Beach.

2. Discussion of Goals, Strategies, Budget and Schedule for improvements at Seawolf Park - The discussion centered around plans to revamp SeaWorld Park with a focus on improving infrastructure and generating sustainable revenue. Key updates included: (1) Infrastructure Improvements - The main goal is to develop a wastewater treatment plant to support future growth, along with adding amenities like an RV park, boat ramp, splash pad, and fishing facilities; (2) Revenue Generation - There's a focus on creating income through the RV park and water taxi, although the water taxi's revenue potential is uncertain. Plans also consider offering discounted or free entry to residents; (3) Challenges - There are concerns about the RV park's impact on the park's entrance appeal, and discussions about balancing revenue generation with maintaining the park's attractiveness; (4) Budget and Phased Development - The project is estimated to cost \$6.5 million, with a phased approach. The RV park and boat ramp will start generating revenue quickly, while the wastewater treatment plant is a priority; (5) Next steps - The City Council is considering further workshops before making a final decision on funding and development direction. In essence, the city is planning to improve Seawolf Park's infrastructure and facilities to boost revenue while ensuring long-term sustainability and accessibility for residents.

3. Update and Discussion of the Interlocal Agreement and HOT Contract including the following: (Porretto/Rawlins) -

- a. Revenue sharing with the City of Galveston, for Park Board managed assets
- b. Payments to the City within the last five years
- c. HOT fund expenditures resulting in Unrestricted Funds

The discussion centered on updating the Interlocal Agreement and the Hotel Occupancy Tax (HOT) contract between the City of Galveston and the Park Board. Key areas of focus include: (1) Revenue Sharing - The Park Board aims to negotiate a fair percentage of revenue from assets it manages. The goal is to cover expenses and reinvest in assets rather than accumulate funds; 2. **Payments to the City:** There's a request for a detailed report on the payments made to the city over the last five years, focusing on HOT funds and other revenue sources.

3. **HOT Fund Efficiency:** Concerns about the inefficiency of HOT fund usage (e.g., spending \$8 to generate \$1 of unrestricted revenue) and finding more cost-effective methods to use those funds for tourism-related projects.
4. **Use of Unrestricted Funds:** The discussion touches on maximizing the use of unrestricted funds generated through HOT taxes for projects like beautification and other city initiatives.
5. **Evaluation of Success:** There's a desire to establish clear metrics to evaluate the success of the Park Board's operations, including promotional activities and coordination with the city.
6. **HOT Tax Collection:** A debate over whether the city or the Park Board should collect the HOT tax, with future discussions to analyze the pros and cons.

The overall tone is cooperative, aiming for a transparent and efficient approach to managing resources for Galveston's benefit. Future meetings will focus on refining the agreement, enhancing collaboration, and improving HOT fund management.

4. Discussion of port-a-potties on the beach throughout the Island and the Park Board's process for removal (Robb/C Brown) -

The discussion focuses on the management and issues regarding porta-potties at various beach locations on the island, specifically on the west end and Stewart Beach. There are concerns about securing porta-potties, especially during storms and high tide events. The city has ordinances that require porta-potties to be secured, but problems have occurred when they were not properly anchored or washed away due to severe weather events.

The vendor responsible for removing and securing the units is expected to pick them up when a storm is anticipated. However, there have been issues with some units not being secured correctly, particularly after storms. The vendor is required to report back after removing the units, and coordination between the city and the vendor is necessary to ensure the porta-potties are properly managed. Additionally, lessons learned from past issues, like at Stewart Beach, have led to improved placement and anchoring of the units in more secure locations.

In conclusion, the discussion emphasized the need for better coordination, vendor accountability, and long-term planning to address temporary installations like porta-potties until a more permanent solution is developed for Stewart Beach.

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5. Discussion of Topics for Future Joint Meetings -

The meeting discussed topics for future joint meetings between the city council and trustees. Key points included:

1. **Master Development Report**: Staff will provide a report on the master development approach, which will be discussed in February.
2. **Seawolf Park Plan**: A plan will be reviewed, incorporating input from both the staff and the park board.
3. **Interlocal Agreement**: Dan will present the details and input regarding the interlocal agreement, which will be discussed further with input from council and trustees.
4. **Park Board Evaluation**: The park board will present an evaluation of their performance, including data and project evaluations. The council wants to ensure the park board's goals are aligned with the city's objectives.
5. **Key Performance Indicators (KPIs)**: The council discussed the need for performance metrics for the park board, with a rough draft of KPIs expected within 30 days for a future meeting.

Additionally, Councilwoman Rob suggested that a beautification plan be developed for areas in need of improvement by the parks department. The meeting concluded with thanks and acknowledgments for everyone's efforts and the progress made in addressing long-delayed issues.

3.B. Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items (1 Hour)

3.C. Discussion Of Changes To The Land Development Regulations Concerning Beach Ownership (Tietjens - 15 Min)

This item was pulled from the agenda and not discussed by City Council.

3.D. Discussion Of The City Of Galveston Comprehensive Plan Update - Steering Committee Composition (Milburn/Tietjens - 10 Min)

The City of Galveston is discussing the composition of its Comprehensive Plan Steering Committee, as part of the process to update the city's plan. The Council reviewed a recommendation from Pete

Milburn, the project manager, who proposed a list of categories for the Steering Committee, rather than specific individuals. The committee is suggested to have 14 members, with each council member selecting two representatives from different categories such as arts and culture, business, economic development, education, and others.

The council also debated how best to involve the public, with suggestions to include input from community members beyond the committee, possibly through subcommittees. Concerns were raised about the limited number of committee members and whether they would adequately represent the community.

3.E. Update And Discussion Of The Pelican Island Bridge (C Brown/Robb - 30 Min)

The discussion centers around the Pelican Island Bridge project, broken into two key areas:

1. ****Advanced Funding Agreement (AFA)****: Negotiations on the contract have progressed, addressing three key changes. The agreement now caps local contributions at \$36.2 million, ensures that funding is secured before the city signs the AFA, and limits the city's financial exposure. The contract also outlines that the city will be responsible for right-of-way acquisition, with support from TXDOT. Additionally, maintenance of the bridge will be the city's responsibility, and the project's scope has evolved from earlier designs, leading to higher costs.
2. ****Funding Request from HGAC****: The city, in collaboration with TXDOT, is seeking an additional \$150 million from the Transportation Policy Committee (TPC) to cover the funding shortfall. The request is scheduled for presentation in February, with hopes for a March approval. Key challenges include managing future maintenance costs for the bridge and related infrastructure. Long-term planning and careful negotiation with various stakeholders are critical to ensure the project's sustainability.

The council emphasized the need to balance future needs with fiscal responsibility to avoid overburdening taxpayers while ensuring the project benefits Galveston in the long term.

3.F. Discussion Of Alternate Revenue Sources For The City's 2025/2026 Budget (C Brown/Finklea - 20 Min)

This discussion is about exploring alternate revenue sources for the 2025-2026 budget, with several suggestions and concerns being raised by council members:

1. ****Tourism Funding****: The importance of tapping into the state trust fund for event reimbursements and exploring Tourism Improvement Districts (TIDs) was highlighted. These could allow for more flexible use of hotel occupancy tax (HOT) funds.
2. ****Revenue from Tours****: Council members discussed the idea of implementing a tour tariff on various tours (e.g., segues, golf carts) that use city infrastructure. This would offset public works costs, though the feasibility of enforcing franchise fees was noted as difficult.
3. ****Revenue Sharing with Park Board****: There were talks about improving the collection of revenue from beach vendors via point-of-sale systems, although concerns were raised about imposing burdens on small businesses.
4. ****Seawall Parking Fees****: The potential for increased parking fees on the Seawall to fund improvements was discussed, with an emphasis on ensuring the fees benefit the visitor experience.

There was a suggestion to reconsider how parking revenue is allocated and potentially bring the management back to the city.

5. ****User Fees for Bridges****: There was a proposal to explore user fees for the 51st Street Bridge and possibly congestion pricing on the causeway to fund infrastructure maintenance, though logistical challenges were acknowledged.

6. ****Real Estate and Leases****: The council members also discussed the potential for better leveraging real estate and lease agreements at the Port to generate additional revenue.

7. ****Other Ideas****: Other creative ideas, including leveraging state and federal grants, were mentioned, with a request for further input and collaboration among council members to finalize a list of proposals.

In summary, the council is looking for ways to generate additional revenue from tourism and visitors, without placing additional burdens on residents, while carefully considering the practical implications of each proposed funding mechanism.

3.G. Update And Discussion Of Event/Arts Funding And The Related Process For Hotel Occupancy Tax Distribution (A Lynch - 20 Min)

The discussion revolves around arts funding and its allocation, particularly in relation to the Hotel Occupancy Tax (HOT). The main points include:

1. **Antoinette Perry Lynch's Role**: She is the Arts and Culture Coordinator for the city, involved in implementing the arts master plan developed with the Galveston Art Center and the NEA. She is tasked with ensuring that the city's arts funding is properly managed and reported.
2. **Arts and Culture Vibrancy**: A partnership with SMU DataArts was formed to gather data on the arts ecosystem in Galveston, comparing it to other cities like Jackson Hole and Breckenridge. Data collected focuses on metrics like arts vibrancy, the number of independent artists, and nonprofit participation. SMU DataArts also helps with arts grant reporting, improving visibility for smaller organizations and allowing for better arts-related grant opportunities.
3. **Funding Details for FY24**: The city allocated significant funds to arts organizations, with 2024 earmarking \$1.8 million for organizational support, \$250,000 for arts development, and \$130,000 for artist public art grants. There was a noted increase in funding for public art grants.
4. **Fund Allocation Process**: Discussions were held about streamlining the funding structure to clarify how funds are divided between different entities, including the Cultural Arts Commission and Arts and Historic Preservation. A percentage-based allocation approach is being considered rather than a flat amount. They also discussed the potential for a reserve fund to manage cyclical fluctuations in grant funding.
5. **Interim Funding and Policy Adjustments**: There was a proposal to introduce interim funding for organizations that missed out on a funding cycle, allowing them to apply for additional support if there's excess funding. Additionally, funding cycles may now include two years of funding followed by a two-year gap, allowing more time for organizations to adjust.
6. **Future Plans**: The plan includes exploring changes to grant policies, potentially using some reserves for interim funding when available.

In sum, the meeting focused on fine-tuning the distribution of arts funding and improving the structure

and reporting mechanisms to benefit the community and individual artists.

3.H. Review And Discuss Requirements And Process To Convey Abandoned City Street Easements, Alleys, Right Of Ways, Or Non-Utilized Public Properties (Rawlins/Robb 10 Min)

This discussion focuses on the process for abandoning public properties like city street easements, alleys, right-of-ways, or non-utilized public properties.

- Councilman Rogers inquires about the policy for abandoning these properties, particularly when they're either public or adjacent to private property.
- The process for abandonment is different for public properties and right-of-ways (streets, alleys, etc.). For right-of-ways, the city typically offers the first opportunity for abandonment to adjacent property owners.
- Abandoned properties can be sold through a prescribed process, such as through public auction or with the help of a local realtor. The sale process follows the Texas Local Government Code, as seen with the sale of certain properties like the airport property.
- For easements and right-of-ways that are no longer needed, an abandonment process is followed, where the City Council votes on the abandonment, and the adjacent property owner is asked to get an appraisal. Once the appraised value is set, they pay that amount to acquire the property, subject to council approval.
- If it's a public right-of-way, the city may retain the right to access utilities beneath it, even if it's abandoned for surface use. Typically, property owners on both sides of the alley or right-of-way must agree for it to be abandoned, and adjacent property owners are notified, but they do not have a say in whether the abandonment occurs.
- A notification is sent to property owners within 200 feet of the property to be abandoned. However, they can only object, not prevent the abandonment.
- There are cases where one adjacent property owner wants the abandonment, while the other does not, offering some flexibility in these situations.

Overall, the process aims to balance property rights with public access needs, with clear guidelines for how abandonment can proceed.

4. EXECUTIVE SESSION

- 4.A. Pursuant To Texas Gov't Code 551.076- An Executive Session Will Be Conducted To Discuss And Receive Information Related To The Deployment, Or Specific Occasions For Implementation, Of Security Personnel Or Devices At Various Events Held Within The City Of Galveston.
- 4.B. Pursuant To Texas Gov't Code 551.071- Consultation With Attorney, An Executive Session Will Be Conducted To Discuss And Receive Legal Advice Concerning Pending Litigation And/Or A Settlement Offer, Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With This Chapter, Related To The Following:
 - 4.B.1. 21-CV-00359 Sonya Porretto V. City Of Galveston Et Al, In The Unites States District Court For The Southern District Of Texas 21-Cv-00359

5. ADJOURNMENT

Janelle Williams, City Secretary

Date Approved:

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