

**Meeting Minutes of the
Governing Body of the
City of Georgetown, Texas
Tuesday, April 27, 2021**

The Georgetown City Council will meet on Tuesday, April 27, 2021 at 2:00 PM at Teleconference.

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Mayor Schroeder called the meeting to order at 2:01 p.m. The following Council Members were in attendance: Mayor Josh Schroeder; Mary Calixtro, Council Member District 1; Shawn Hood, Council Member District 2; Mike Triggs, Council Member District 3; Steve Fought, Council Member District 4; Kevin Pitts, Council Member District 5; Rachael Jonrowe, Council Member District 6; and Tommy Gonzalez, Council Member District 7. All Council Members were present via videoconferencing and a roll call was performed.

Policy Development/Review Workshop – Call to order at 2:00 PM

- A. Overview, discussion and direction from City Council regarding the possible creation of an Extraterritorial Jurisdiction (ETJ) Municipal Utility District (MUD) for the proposed Avery Bost Development -- Wayne Reed, Assistant City Manager

Reed presented the item and reviewed the Avery Bost Land Use Plan, MUD Policy, current service area, features of quality development within the MUD Policy, and features of extraordinary benefits within the MUD Policy. Mayor Schroeder and Reed discussed parkland ownership. Reed resumed the presentation and reviewed the following aspects of the MUD Policy: enhanced public service and safety; being City exclusive provider; and the Finance Plan. He provided the following bond information: maximum amount of bonds to be issued totals \$120,000,000; maximum bond maturity equals 25 years; bond issuance period equals 10 years; refunding bonds will have no deviation from the policy; district only tax rate (maximum) equals \$0.95/\$100 in assessed value; and that the Master Developer has agreed to design, construct, and install an estimated \$14 million of off-site wastewater infrastructure, at no cost to the City and to promote City's long-term wastewater solution for the southeast quadrant of the City's ETJ. Reed added that Staff supports an Strategic Partnership Agreement (SPA) annexing the entire MUD for limited purposes, the limited purposes being imposition and collection of sales tax, where the proposal is to: MUD would receive 20% of the City's 1% general sales tax but none of the other 1 cent of dedicated sales and use taxes; and the City will get 80% of the City's 1% general sales and use tax, and 100% of all other sales and use taxes. He then provided The City of Georgetown 2¢ Sales Tax break down and that the project is fiscally responsible while provided the following estimated Sales Tax scenarios

1 – 3 tat assume commercial absorption over 20 years with a Strategic Partnership Agreement with an ETJ MUD as follows:

ESTIMATE City of Georgetown		Avery Bost MUD - DR Horton		
Strategic Partnership Agreement	SCENARIO			
	Scenario 1	Scenario 2	Scenario 3	
City's Revenue: 80% of the City's 1% general sales and use tax	\$3,029,339.60	\$1,947,432.20	\$1,514,669.76	
City's Revenue: 100% of "all other" sales and use taxes (listed below)	\$3,906,887	\$2,511,570	\$1,953,444	
Sales Tax Revenue (1%) - less .125% property tax relief	\$3,786,675	\$2,434,290	\$1,893,337	
Sales Tax Revenue - Property Tax Relief (.125%)	\$540,954	\$347,756	\$270,477	
Street Tax Revenue (.25%)	\$961,695	\$618,233	\$480,848	
GTEC Revenue (.5%)	\$1,923,390	\$1,236,465	\$961,695	
GEDCO Revenue (.125%)	\$480,848	\$309,116	\$240,424	
Total Sales Tax Revenue Generated	\$6,154,848.80	\$3,956,688.00	\$3,077,424.80	

[NOTE: Scenario 1 includes 170,400 sq ft of neighborhood commercial with construction starting in year 5 and buildout by year 10]

Gonzalez and Reed discussed triggers for amenities and predicting factors for development.

Reed stated that staff is seeking Council's feedback and direction on a request for creation of a new ETJ Municipal Utility District (MUD), Avery Bost, to negotiate agreement and a corresponding Land Use Plan as follows: does Council support an ETJ MUD (roughly 420 acres) under terms as presented; if Council supports an ETJ MUD, does Council support an SPA to impose and collect the City's sales tax in an ETJ development with sales tax revenue to be divided between the City and the Developer on terms approved by City Council (e.g., 80% City/20% Developer); and does Council have comments on the proposed Land Use Plan? He added that should Council direct staff to proceed with an ETJ MUD, the next steps would include initiating negotiations with Avery Bost MUD.

There was then a presentation by Adib Khoury with DR Horton. Mr. Khoury reviewed statistics about DR Horton as a business; how the Austin area is one of the top 5 markets for real estate and DR Horton is the top builder in the area; a list of DR Horton Georgetown communities; how a majority of closings were in the southeast portion of Georgetown; how DR Horton is running out of lots to continue building; and the need for an ETJ MUD.

General discussion among Council, staff, and developer related to the need to construct amenities and commercial development; how market dynamics drive commercial; the number of expected phases to build out the development; sales tax benefit to the City; infrastructure and related costs; who will develop the commercial portion of the development; build out of different housing types; the possibility of a GISD school in the development; and possibility of trails and parks in the development. Fought, Gonzalez, and Hood voiced support of the project overall.

Reed reviewed the direction received by Council related to commercial and working with the parks department.

- B. Presentation, update and discussion regarding amendments to the Shadow Canyon MUD (a.k.a. Williamson County Municipal Utility District #34 or WCMUD #34) Amended Consent Agreement and water services agreement -- Wayne Reed, Assistant City Manager

Reed presented the item and reviewed: the project location and general description; update on build-out status; South San Gabriel River Trail Corridor; requested consent agreement amendments; and developer agreement on community benefits. He added that staff is seeking Council's feedback and direction on the following amendments to the 2016 Consent Agreement and Water Services Agreement: increase bond amount limit from \$19.9 million to \$26 million; address traffic signalization at River Terrace Drive and SH 29 intersection; address architectural and masonry requirements to be same as PUD Ordinance; accelerate construction of San Gabriel River Trail; and replace Water Service Agreement replacing expired CTSUD-era agreement. Reed noted that the next steps if City Council supports the proposed amendments are: to begin drafting amendments to the current Consent Agreement and a new Water Service Agreement as described in presentation consistent with Council direction; public notice and hearings as required; and council consideration of Consent Agreement Amendment and related Water Services Agreement.

Derek Pampe, developer, reviewed the reasons for request; increased costs; how the developer is committed to going above and beyond; that the development will be adding a traffic signal; additional bonding capacity will allow development along the river and provide dates; and that the amenities center will be built and serve as the trail head that can be accessed by public.

Hood asked about the architectural and masonry requirements that are currently being used that are above and beyond. Reed responded that the developer wanted those in the consent agreement due to changes in state law.

Council had no additional questions

Mayor Schroeder noted that Council is in favor of moving forward as proposed.

- C. Presentation and discussion regarding short term rentals and potential regulation -- Michaela Dollar, Economic Development Director; Jackson Daly, Community Services Director; and Cari Miller, Tourism & CVB Manager

Dollar began the presentation and reviewed what constitutes a short term rental (STR) and reviewed STR market. Miller presented the current tracking of STRs. Daly presented the City's current ability to regulate STRs using the City's noise ordinance and occupancy limits. Dollar resumed the presentation and reviewed: areas of focus; regulation of short term rentals including low (Fredericksburg) and medium (San Antonio) similarities with examples; additional regulations used in San Antonio; tracking software program; and proposed public

engagement including a survey and possible public hearing. She stated that staff had the following questions for Council: does Council have an interest in continuing research into regulation and a draft policy; if so, does a low, medium, or hybrid policy stand out; and what comments/concerns does Council have.

Discussion between Fought and staff about the driving force for this subject; if the STRs are location in one specific area of town; and if the issue can just be addressed through the noise ordinance.

Discussion between Calixtro and staff regarding: Calixtro's desire to do a survey; comments Calixtro has received from constituents about this; impact to neighbors of STRs; all departments involved in the process; and how the City is missing out on tax revenue associated with STRs.

Mayor Schroeder asked if leasing back a home to buy/seller of a home would trigger this type of situation. Dollar responded no, as it would not be done through a booking site.

Discussion between Hood and staff regarding: how frequent violators of noise ordinance are not related to STR; no known issues related to houses being viewed as "party" houses; if the City would need to increase City staff by following one of these models; and Hood not wanting to saddle the Planning Department with another burden.

Discussion between Pitts and staff regarding: how staff would handle existing STRs; when the implementation of overseeing existing would happen; if HOAs be able to outlaw STRs; how the City is missing out on approximately \$90,000 in HOT tax and associated staff cost to collect those funds; how the collection could be automated by software; how Pitts feels this is a solution looking for a problem; how Pitts feels that the only real problem is money being left on the table; and that Pitts is in favor of moving forward with the current method.

Jonrowe provided the following points: some points of this process will depend on the area of town; has used AirBNB herself, not looking to shutdown the industry; folks in Old Town are feeling impacts of this; at least do the survey to allow all of Council to see result; citizens have also expressed fear of oversaturation and how it can effect the neighborhoods; also heard concerns about market pressures; safety concerns; implementation of regulation could provide a level playing field; more concerned about absentee owners; and she asked that Council at least support the use of a survey.

Discussion between Triggs and staff regarding: if staff has had any input from local hotels and how it could affect their business; how staff could address hotels via a survey; and how the City has no legal liability if someone is running a business out of a home that is not up to code.

Gonzalez provided the following points: he is not sure if there is a big enough issue at this time; survey may be useful to providing more information; the City needs to be careful not to over regulate; let owners do what they want with their properties; and the possibly to revisit this issue in the future.

Hood asked if staff could show Council on a map how the City is affected by STRs and that he would like to go past COVID to see how things look in the future.

Jonrowe asked about the scope of proposed survey and if it would include those that operate STRs. Dollar responded that there is more development potentially coming in and interest, but she was not sure if operators specifically asked for this.

Mayor Schroeder noted that overall Council needs more information and asked that staff provide a list of current properties and then Council can reconsider in the future.

- D. Presentation by Williamson Central Appraisal District (WCAD) Chief Appraiser Alvin Lankford regarding growth trends in assessed value and an overview of the WCAD budget and services provided -- Leigh Wallace, Finance Director

Wallace introduced Langford. Langford presented the item and noted that the Appraisal District is governed by the State, and Texas State Law provides for the establishment of appraisal districts within each county; the appraisal district is responsible for appraising property in the district for each taxing unit that imposes ad valorem (property) taxes on property within the district; and the appraisal district is a political subdivision of the State of Texas. He continued that all appraisals are done at 100% of Market Value as of January 1 of the tax year and values are audited by the State Comptroller for compliance. Langford continued that if values fall out of range local schools can lose state funding. He then reviewed what is new at WCAD; market dashboard with property owner dashboard; the change detection sketch validation capabilities and following results of those:

2021 Change Finder Results	
Appraiser Hours Spent	2376
(x) Approximate Salary Per Hour	\$ 24.98
(=) Subtotal Appraiser Cost	\$ 59,352
Change Finder Service Cost	\$ 66,280
Total Project Cost	\$ 125,633
Total Value Added	\$ 37,510,917
(x) Average Tax Rate	\$2.50 Per \$100.00
Total Taxes Gained Year 1	\$ 937,773
Total Cost to District	\$ 125,633
Total Taxes Gained Year 1	\$ 937,773
ROI	746%

Langford reviewed how WCAD is graded; what others are saying about the market; December 2020 statistics; Texas A&M Real Estate Center data; City of Georgetown Appraisal Data 2021 and the following illustration:

DECEMBER 2020 STATISTICS

These statistics are for single-family homes, condos, and townhomes, compared year-over-year.
Visit ABoR.com/MarketStatistics for additional housing market data.

AUSTIN-ROUND ROCK MSA



Lankford noted that the median values for 2021 are \$323,450 for Williamson County and \$304,759 for City of Georgetown and provided the following:

Taxing Unit Name	2020 Residential Home Count	2020 Residential Home Average Value	2020 Residential Home Average Taxable Value	2021 Residential Home Count	2021 Residential Home Average Value	Market Value % Difference 2020 - 2021	2021 Residential Home Average Taxable Value	Taxable Value % Difference 2020-2021
CITY OF CEDAR PARK (Williamson County Portion Only)	19,149	\$324,066	\$311,863	19,410	\$385,085	18.83%	\$354,189	13.57%
CITY OF GEORGETOWN	22,170	\$290,054	\$271,779	23,991	\$340,788	17.49%	\$306,979	12.95%
CITY OF HUTTO	8,302	\$220,466	\$208,612	9,082	\$263,427	19.49%	\$240,568	15.32%
CITY OF LEANDER (Williamson County Portion Only)	14,910	\$282,855	\$276,083	16,233	\$339,037	19.86%	\$316,976	14.81%
CITY OF ROUND ROCK (Williamson County Portion Only)	29,563	\$286,292	\$278,602	30,162	\$342,482	19.63%	\$315,776	13.34%
GEORGETOWN ISD	29,253	\$316,321	\$282,382	31,584	\$372,187	17.66%	\$321,023	13.68%
HUTTO ISD	13,170	\$246,478	\$219,566	14,652	\$292,686	18.75%	\$255,005	16.14%
LEANDER ISD (Williamson County Portion Only)	45,341	\$304,376	\$279,579	47,553	\$360,230	18.35%	\$319,604	14.32%
LIBERTY HILL ISD	7,768	\$348,174	\$315,851	9,681	\$401,121	15.21%	\$354,919	12.37%
ROUND ROCK ISD (Williamson County Portion Only)	59,566	\$320,506	\$296,388	60,442	\$382,466	19.33%	\$337,777	13.96%
TAYLOR ISD	5,414	\$162,623	\$135,144	5,568	\$188,508	15.92%	\$156,643	15.91%
WILLIAMSON COUNTY	170,004	\$299,424	\$287,080	179,989	\$354,092	18.26%	\$324,112	12.90%

Lankford the noted: the number of residential new improvements was 1,977 for 2021; residential new improvement values ranges; average value of homestead capped accounts and average cap adjustment; City and Williamson County Capped accounts; City of Georgetown multi-family values (in millions) were \$869.58 for 2021; City of Georgetown commercial value (in billions) was \$1.75 for 2021; commercial by parcel count, by value, and

by square footage; number of commercial new improvements was 53 for 2021; commercial new improvements by category includes entertainment, retail, multi-family and other, industrial, office, and service; and the change in taxable value from prior year.

Discussion between Mayor Schroeder and Lankford related to how properties that agriculturally exempt and associated rollbacks are captured.

Discussion between Fought regarding frozen property taxes and associated resets when someone sells the property.

Discussion between Hood and Lankford related to residential property ranges and what portion is affordable housing.

Discussion between Calixtro and Lankford related to how foreclosures are tracked; how foreclosures are nearly non-existent in Georgetown; now Georgetown is more likely to see some short sales to pay off loans instead of foreclosures; and what is included in a comparable area.

Discussion between Pitts and Lankford related to constant trends aside from last year to this year; how WCAD processed last year; from a resident's standpoint, big swings are hard to manage; how in order to protect staff WCAD took a conservative approach last year and went to 96% of market values; WCAD able to get through without a single transmission of COVID-19; and how WCAD was the only entity to certify the roll in a timely fashion.

William Boughton addressed the Council via Zoom and discussed with Lankford the appraisal review and protest process and associated timelines.

Mayor Schroeder recessed into Executive Session at 4:24 p.m.

Executive Session

In compliance with the Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the items listed below will be discussed in closed session and are subject to action in the regular session.

E. Sec. 551.071: Consultation with Attorney

Advice from attorney about pending or contemplated litigation and other matters on which the attorney has a duty to advise the City Council, including agenda items

- Litigation Update

Sec. 551.086: Certain Public Power Utilities: Competitive Matters

- Competitive Matters – Purchased Power Update

Sec. 551.087: Deliberation Regarding Economic Development Negotiations

- Project Access

- Project Zeus

Sec. 551.074: Personnel Matters

- City Manager

Adjournment

Mayor Schroeder adjourned the meeting at 4:25 p.m.

Approved by the Georgetown City Council on _____
Date

Josh Schroeder, Mayor

Attest: City Secretary