



CITY OF FULSHEAR

“FIND YOUR FUTURE IN FULSHEAR”

30603 FM 1093 WEST/ PO Box 279 ~ FULSHEAR, TEXAS 77441

PHONE: 281-346-1796 ~ FAX: 281-346-2556

www.FulshearTexas.gov

CITY COUNCIL:

MAYOR: Aaron Groff

MAYOR PRO-TEM: Kaye Kahlich

COUNCIL MEMBER: Kent Pool

COUNCIL MEMBER: Kevin White

COUNCIL MEMBER: Debra Cates

COUNCIL MEMBER: Lisa Martin

COUNCIL MEMBER: Joel
Patterson

COUNCIL MEMBER: John Kelly

STAFF:

CITY MANAGER: Jack Harper

CITY SECRETARY: Kimberly
Kopecky

CITY ATTORNEY: J. Grady Randle

SPECIAL CITY COUNCIL MEETING

February 11, 2020

NOTICE IS HEREBY GIVEN OF A SPECIAL CITY COUNCIL MEETING OF THE CITY OF FULSHEAR TO BE HELD ON **Tuesday, February 11, 2020 AT 8:30 AM** IN IRENE STERN COMMUNITY CENTER, 6920 KATY FULSHEAR ROAD, FULSHEAR, TEXAS FOR CONSIDERING THE FOLLOWING ITEMS. THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY MATTERS LISTED ON THE AGENDA, AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE, INCLUDING, BUT NOT LIMITED TO, SECTIONS 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 (PERSONNEL MATTERS), 551.076 (DELIBERATIONS ABOUT SECURITY DEVICES), 551.087 (ECONOMIC DEVELOPMENT), 418.175.183 (DELIBERATIONS ABOUT HOMELAND SECURITY ISSUES) AND AS AUTHORIZED BY THE TEXAS TAX CODE, INCLUDING, BUT NOT LIMITED TO, SECTION 321.3022 (SALES TAX INFORMATION).

"Incidental Meeting Notice: A quorum of the City of Fulshear City Council, Planning and Zoning Commission, City of Fulshear Development Corporation (Type A), Fulshear Development Corporation (Type B), Parks and Recreation Commission, Historic Preservation and Museum Commission, Zoning Board of Adjustment, or any or all of these, may be in attendance at the meeting specified in the foregoing notice, which attendance may constitute a meeting of such governmental body or bodies as defined by the Texas Open Meetings Act, Chapter 551, Texas Government Code.

Therefore, in addition to the foregoing notice, notice is hereby given of a meeting of each of the above-named governmental bodies, the date, hour, place, and subject of which is the same as specified in the foregoing notice."

I. CALL TO ORDER

II. QUORUM AND ROLL CALL

III. CITIZEN'S COMMENTS

THIS IS AN OPPORTUNITY FOR CITIZENS TO SPEAK TO COUNCIL RELATING TO AGENDA AND NON-AGENDA ITEMS. SPEAKERS ARE ADVISED THAT COMMENTS CANNOT BE RECEIVED ON MATTERS WHICH ARE THE SUBJECT OF A PUBLIC HEARING ONCE THE HEARING HAS BEEN CLOSED. SPEAKERS ARE REQUIRED TO REGISTER IN ADVANCE AND MUST LIMIT THEIR COMMENTS TO THREE (3) MINUTES.

IV. BUSINESS

- A. FACILITATED DISCUSSION ON IMPLEMENTATION OF ECONOMIC DEVELOPMENT STRATEGIC PLAN GOAL 4: ORGANIZATIONAL ALIGNMENT, STRATEGY 4.1: STREAMLINE**
- B. A PRESENTATION, DISCUSSION AND POSSIBLE ACTION RELATED TO CITY OF FULSHEAR DOMESTIC WATER OPERATIONS & SUPPLY**
- C. DISCUSSION OF AND ACTION ON STAFFING NEEDS IN VARIOUS DEPARTMENTS OF THE CITY**

V. EXECUTIVE SESSION

- A. EXECUTIVE SESSION- 551.072 DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING - A GOVERNMENTAL BODY MAY CONDUCT A CLOSED MEETING TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY IF DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE GOVERNMENTAL BODY IN NEGOTIATIONS WITH A THIRD PERSON**
- B. EXECUTIVE SESSION- 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING- THIS CHAPTER DOES NOT REQUIRE A GOVERNMENTAL BODY TO CONDUCT AN OPEN MEETING: (1) TO DISCUSS OR DELIBERATE REGARDING COMMERCIAL OR FINANCIAL INFORMATION THAT THE GOVERNMENTAL BODY HAS RECEIVED FROM A BUSINESS PROSPECT THAT THE GOVERNMENTAL BODY SEEKS TO HAVE LOCATE, STAY, OR EXPAND IN OR NEAR THE TERRITORY OF THE GOVERNMENTAL BODY AND WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS; OR (2) TO DELIBERATE THE OFFER OF A FINANCIAL OR OTHER INCENTIVE TO BUSINESS PROSPECT DESCRIBED BY SUBDIVISION (1).**

VI. ACTION FROM EXECUTIVE SESSION

VII. ADJOURNMENT

NOTE: IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT, THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICE MUST BE MADE AT LEAST 48 BUSINESS HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT 281-346-1796

FOR FURTHER INFORMATION.

I, KIMBERLY KOPECKY, CITY SECRETARY OF THE CITY, DO HEREBY CERTIFY THAT THE ABOVE NOTICE OF MEETING AND AGENDA FOR THE CITY COUNCIL OF THE CITY OF FULSHEAR, TEXAS WAS POSTED ON THURSDAY, FEBRUARY 6, 2020 by 5:00 P.M. IN PLACE CONVENIENT AND READILY ACCESSIBLE AT ALL TIMES TO THE GENERAL PUBLIC, IN COMPLIANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

KIMBERLY KOPECKY, CITY SECRETARY

**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF: 2/11/2020 **ITEMS:** IV.A.
DATE 2/3/2020 **DEPARTMENT:** Economic Development
SUBMITTED:
PREPARED BY: Angela Fritz **PRESENTER:** Mayor Groff
SUBJECT: FACILITATED DISCUSSION ON IMPLEMENTATION OF ECONOMIC DEVELOPMENT STRATEGIC PLAN GOAL 4: ORGANIZATIONAL ALIGNMENT, STRATEGY 4.1: STREAMLINE

Expenditure Required:

Amount Budgeted:

Funding Account:

Additional Appropriation Required:

Funding Account:

EXECUTIVE SUMMARY

Mayor Groff requested City Council hold a facilitated discussion regarding initial steps related to City Council actions necessitated by the Economic Development Strategic Plan (EDSP) adoption. Namely, the organizational alignment goal and the recommendation to consolidate the economic development sales tax corporations (EDCs), so that staff may proceed with the necessary next steps.

Alysia Cook with Opportunity Strategies will lead a facilitated discussion regarding same to ensure consensus and to confirm specific next steps regarding the EDCs' operations as the organization works to transition to a streamlined structure. The Council level discussion is intended to lead to specific desired outcomes which will be conveyed at a joint workshop with the EDCs on February 17, providing clear direction on paths forward for the three bodies and staff.

RECOMMENDATION

ATTACHMENTS:

Description	Upload Date	Type
Adopted Economic Development Strategic Plan Excerpts	2/4/2020	Backup Material

GOAL 4. ORGANIZATIONAL ALIGNMENT

Structure the City of Fulshear's economic development tools, resources, and oversight for efficient service delivery and investment management.

The City Council and the EDCs will need to adopt the strategic plan and align the City organization and its programming and resources with the plan. This alignment will enable the City to deliver economic development services and manage its economic development investments more efficiently and effectively. An important outcome of this alignment is the unification of the City's economic development efforts around a common vision with common goals and desired outcomes. This results in greater cohesion, consistency, and focus, which should amplify the City's impact in both the short term and long term.

The first step in this alignment will need to be the streamlining of the oversight and governance structure to enhance coordination and communication between the City Council, the EDCs, the Economic Development Department, and other City staff. TIP believes that a Type B corporation would meet the current and future needs for economic development success in Fulshear. This recommendation stems from the following:

- The emphasis on Quality of Place that emerged from the input.
- The important role that Quality of Place plays in economic development.
- The nature of the types of potential projects that are likely in Fulshear's future, which are less likely to be industrial development such as manufacturing, warehousing, and transportation/logistics (e.g. typical Type A projects).
- The Type A corporation can only undertake Type B projects while the city has a population of less than 7,500. Thus, after the 2020 Census, the Type A will no longer be able to do Type B projects without voter approval.
- The Type B sales tax provides more flexibility in the use of funds that is aligned with Fulshear's economic development vision and guiding principles. A Type B Corporation can undertake Type A projects and Type B projects.

Although law requires that Type B expenditures undergo a 60-day waiting period and public hearing, TIP does not believe this will materially affect Fulshear's ability to support the type of projects that it envisions. Having only one EDC, however, will materially streamline Fulshear's economic development delivery.

As the repeal of the Type A tax and dissolution of the Type A corporation will take time, there are interim steps that the City can take to streamline its oversight and governance structure. First, the co-adoption of the strategic plan will help to provide a roadmap for both EDCs and the City Council and guide activities immediately. Second, while each EDC must maintain separate boards of directors, the board members of one corporation may serve on the board of the other corporation. Increasing the overlap of board members can be a more immediate step – over the short-term, two Type B board members could be added to the Type A board and the overlap of board members can increase as subsequent appointments are made. Third, the Type B board may have up to four members who are city council members or city staff. As such, a city council member could serve on the Type B board rather than serving only as a council liaison.

To repeal the Type A tax and increase the Type B tax, the City will need to hold an election. As cities are allowed to have joint ballot propositions to lower, repeal, raise, or adopt, various municipal sales taxes, it should be allowed to do this as a joint ballot proposition. The City could consider including property tax relief in the same proposition

– for example, a repeal of Type A, an increase of Type B to three-quarters of a cent, and a quarter-cent to property tax relief.

In addition, the job responsibilities of the Economic Development Department staff and the Administrative Services Agreement (ASA) should be revised to reflect the strategic direction of this plan. Furthermore, formalizing processes and policies related to the City’s investment decisions will provide more clarity and predictability for businesses and developers seeking assistance. Finally, infusing economic development into the City’s culture across the entire organization will empower decision-making and efforts that seek to maximize economic development outcomes.

The following strategies and actions will help streamline the structure, update staffing responsibilities and duties, formalize processes, and integrate economic development into the culture. The next section includes an overview of roles and responsibilities for each of the economic development goals.

STRATEGIES AND ACTIONS

- 4.1. STREAMLINE.** Reorganize the oversight and governance structure to enhance coordination and communication by consolidating EDCs into a single Type B corporation.
 - 4.1.1.** Over the next 12 to 24 months, seek necessary legal counsel to determine the statutory procedure required to repeal the Type A tax, increase the Type B tax, and potentially dedicate a new tax to meet the City's budgetary/fiscal needs.
 - 4.1.2.** As positions on the Type A or Type B become available, use them as opportunities to increase overlap of the two boards.
 - 4.1.3.** Hold an election for a joint ballot proposition to revise the local economic development sales tax structure.
- 4.2. UPDATE.** Maintain current economic development staffing and organizational structure but align economic development programs, the requirements of the ASA, and the job duties/responsibilities with the strategic plan.
 - 4.2.1.** Review legacy programs and allocations, such as community events and the Type B community grant program in light of the economic development vision and strategic priorities of this plan and the growth in population that will restrict allowable projects in the near future.
 - 4.2.2.** Revise the ASA to incorporate the strategies of Goal 1: Business Development.
 - 4.2.3.** Update the job duties and responsibilities of the Economic Development Department staff to be consistent with the ASA and incorporate the strategies of Goal 1: Business Development.
 - 4.2.4.** Create a document that specifies the responsibilities and roles of the EDCs according to the strategic plan, fiduciary oversight, and the statutory oversight.
- 4.3. FORMALIZE.** Define and establish the process by which businesses and developers seek City (including EDC) participation or investment.
 - 4.3.1.** Create a small, working group composed of the Economic Development Department and select city staff that is charged with developing procedures and criteria for screening leads and evaluating prospects that centralizes intake through the Economic Development Department. The procedure and criteria should be formally adopted by the City Council and the EDCs.

4.3.2. Publish the screening procedures and criteria on the City’s economic development webpage and eventually its website to make it available for any lead to view and also for transparency.

4.4. INTEGRATE. Create a structure and build a culture that infuses economic development in decision-making across the City organization.

4.4.1. Conduct a series of City staff, council, and board member workshops to discuss ways to integrate economic development into decision-making across the City organization and to promote a common understanding of economic development.

4.4.2. Continue to utilize economic development staff as technical experts and resources for economic development issues and opportunities across the City organization.

4.4.3. Seek a pilot project to demonstrate how intentional decision-making through an economic development lens can amplify the economic development impact of investments the City is already making with marginal additional costs. An example is the placement of sleeving, at no cost to the City, in the FM 1093 median to allow for future gateway enhancements.

ROLES AND RESPONSIBILITIES

An overview of the roles and responsibilities of the Mayor, City Council, the EDC boards, the Economic Development Department, and other City staff within each of the goals is provided in Figure 3.

FIGURE 3. OVERVIEW OF ROLES AND RESPONSIBILITIES

	MAYOR	CITY COUNCIL	EDC BOARD(S)	ECO DEV DEPT.	OTHER CITY STAFF
1. Business Development	<ul style="list-style-type: none"> Serves as key ambassador and advocate of the City of Fulshear’s vision among corporate decision makers, real estate developers, and land owners. Participates, as needed, in relationship building activities and acts as representative of the City government as a whole in prospect visits and negotiations. Plays a leadership role in promoting a business-friendly climate across the city organization. 	<ul style="list-style-type: none"> Approves budget to support business development. Monitors outputs and outcomes of business development via council–manager form of governance. Approves EDC projects and budgets. 	<ul style="list-style-type: none"> Approve budget to support business development. Monitor outputs and outcomes of business development via the ASA with City. 	<ul style="list-style-type: none"> Primary point of contact for businesses starting, relocating, or expanding in Fulshear. Connects them to any needed services or resources. Manage relationships with economic development partners. Primary point of contact for any project seeking incentives or public assumption of risk—performs the initial intake screening. Serves as project manager and assembles project teams for projects that pass intake screening, due diligence, and evaluation. Under direction of City manager, coordinates evaluation of projects and proposed incentive consideration and approval process. 	<ul style="list-style-type: none"> Supports projects, as needed, in alignment with adopted strategy and plans, and as directed by the City manager.

	MAYOR	CITY COUNCIL	EDC BOARD(S)	ECO DEV DEPT.	OTHER CITY STAFF
2. Strategic Investment					
Target Investment	<ul style="list-style-type: none"> Approves designation of opportunity areas. 	<ul style="list-style-type: none"> Approves designation of opportunity areas. 	<ul style="list-style-type: none"> Approves designation of opportunity areas. 	<ul style="list-style-type: none"> Works with City staff and guides evaluation of opportunity areas to create targeted plans for each area. 	<ul style="list-style-type: none"> Assists Economic Development Dept. staff in creating targeted plans.
Infrastructure	<ul style="list-style-type: none"> Approves staff recommendations for CIP. Requests support from EDCs on certain CIP projects. Monitors investments and project progress. 	<ul style="list-style-type: none"> Approves staff recommendations for CIP. Requests support from EDCs on certain CIP projects. Monitors investments and project progress. 	<ul style="list-style-type: none"> Has input on CIP as it relates to economic development projects and opportunity areas. Coinvests on select CIP projects. Monitors investments and project progress. 	<ul style="list-style-type: none"> Acts on behalf of EDC to advocate for key infrastructure investments as they relate to economic development projects and opportunity areas. Recommends co-investment on select CIP projects. Recommends EDC-specific projects for consideration if/as required. 	<ul style="list-style-type: none"> Defines the CIP. Makes recommendations to the City Council. Serves as project manager for infrastructure projects. Active monitoring of project progress.
Land Acquisition/ Control	<ul style="list-style-type: none"> Participates, as needed, in forging relationships with public sector entities and land owners. 	<ul style="list-style-type: none"> Coinvest in land acquisition, if necessary. 	<ul style="list-style-type: none"> Invest in land acquisition, if necessary. 	<ul style="list-style-type: none"> Forge relationships with landowners and other public sector entities' real estate managers. Evaluate potential parcels of land for acquisition with input from relevant City staff. 	<ul style="list-style-type: none"> Provide input and help with evaluation related to land acquisition and control.

	MAYOR	CITY COUNCIL	EDC BOARD(S)	ECO DEV DEPT.	OTHER CITY STAFF
Direct Project Support	<ul style="list-style-type: none"> Provides assistance and leadership, as needed, in deal closing and project completion. 	<ul style="list-style-type: none"> Adopt policy and procedures to govern incentive use. Approve any City incentives or investments of City resources (non-EDC). Approve EDC projects/ investments if/as required as authorizing entity. Oversight on monitoring and compliance. 	<ul style="list-style-type: none"> Adopt policy and procedures to govern incentive use related to EDC funds. Members may participate as subject matter experts on project teams. Approve any use of EDC funds for projects. Oversight on monitoring and compliance for performance agreements related to EDC investments. 	<ul style="list-style-type: none"> Take the lead on drafting policies and procedures to govern incentives use with input from relevant City staff, EDCs, and City Council. Project management from intake to completion. Make recommendations for City and/or EDC participation after thorough due diligence and evaluation of the opportunity. Track and report on agreements to respective bodies. 	<ul style="list-style-type: none"> Help draft policies and procedures to govern incentives use. Serve on project teams as subject matter experts as needed. City Management, Public Works, and Development Services: project review, coordination, and support. Finance and Legal: assist with monitoring and compliance of performance agreements; assist in evaluation of project/prospects and development of agreement terms. Provide reports/data as required.
3. Transformative Projects	<ul style="list-style-type: none"> Assists project teams, as needed, and serves as a champion of the projects. Assists in securing additional stakeholder support for projects. 	<ul style="list-style-type: none"> Provides input on transformative project list through a joint workshop (annually). Approves project list (annually). Approve any City incentives or investment of City resources (non-EDC). Oversight on monitoring and compliance. 	<ul style="list-style-type: none"> EDC members organize quarterly educational activities to stimulate project ideation. Members may participate as subject matter experts on project teams. Approve any use of EDC funds for projects. Oversight on monitoring and compliance. 	<ul style="list-style-type: none"> Serves as project manager on transformative projects from initiation to completion. Actively monitor and report progress. 	<ul style="list-style-type: none"> Serve on project teams as subject matter experts as needed. City Management, Public Works, and Development Services: project review, coordination, and support. Contribute to ideation based on respective areas of subject matter expertise.

	MAYOR	CITY COUNCIL	EDC BOARD(S)	ECO DEV DEPT.	OTHER CITY STAFF
4. Organizational Alignment	<ul style="list-style-type: none"> Makes future EDC board member appointments with the goal of overlapping boards. Champions the plan and a culture of decision-making through an economic development lens. Plays a leadership role as the authorizing entity for EDCs in making appointments and removals of EDC directors. 	<ul style="list-style-type: none"> Makes future EDC board member appointments with the goal of overlapping boards. Determine steps forward for calling an election for the joint ballot proposition based on legal counsel and staff recommendations. Adopt formalized process and policies. Champion the plan and a culture of decision-making through an economic development lens. Sets City’s strategic vision and goals (policy). Serves as authorizing entity for EDCs— approving appointments and removal directors. 	<ul style="list-style-type: none"> Adjust ASA to align with strategic plan. Adopt formalized process and policies. Champion the plan and a culture of decision-making through an economic development lens. 	<ul style="list-style-type: none"> Work with City staff to draft joint ballot propositions. Work with staff and the City manager to revise job descriptions. Work with EDC to adjust the ASA accordingly. Work with the City manager and relevant staff to define and formalize process and policy recommendations. Champion the plan and a culture of decision-making through an economic development lens. 	<ul style="list-style-type: none"> Work with legal counsel to determine parameters for elections related to modifications of Type A and Type B sales tax. Make recommendations to City Council on joint ballot propositions. City manager works with staff to define and formalize process and policy recommendations. Champion the plan and a culture of decision-making through an economic development lens.

FIGURE 102. FY2019 EDC BUDGET SUMMARIES

	TYPE A	TYPE B
ASA Reimbursement	\$161,000	\$161,000
ASA Share Services	\$35,000	\$35,000
Projects Fund	\$411,056	\$411,056
Community Events	\$37,500	\$37,500
Community Grants		\$10,000
Administration	\$21,325	\$19,050

Source: City of Fulshear.

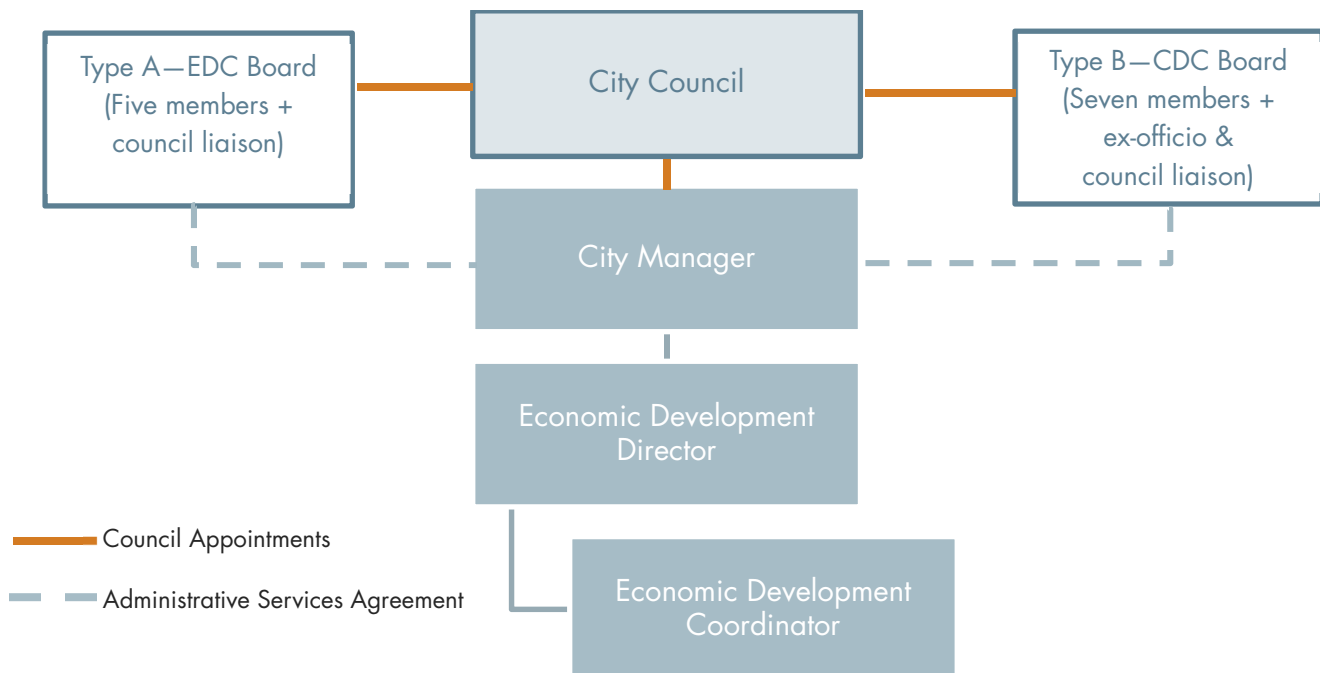
In FY2019, the EDCs identified five City CIP projects that they will support financially, which amounted to \$287,500 per EDC. These projects included implementation support for the Water and Wastewater Master Plan, the Parks and Pathways Master Plan, and the Livable Center Study. In addition, it included cost participation for the FM 1093 widening project.

ECONOMIC DEVELOPMENT DEPARTMENT

The Economic Development Department of the City of Fulshear functions as part of the city manager’s office and is funded through the general fund and reimbursed through the ASA with both EDCs. The EDCs split the operational costs equally, while the City provides overhead (office space, telecom) and support services (city management, finance, legal) for the department. The duration of the ASA is 1 year, and it is reviewed annually with budgets.

The Economic Development Department is led by the economic development director and has one additional staff person—the economic development coordinator, a position reconfigured in 2018 for FY2019. (See Figure 103.)

FIGURE 103. ORGANIZATIONAL CHART



**AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF FULSHEAR, TEXAS**

AGENDA OF:	2/11/2020	ITEMS:	IV.B.
DATE SUBMITTED:	2/4/2020	DEPARTMENT:	Public Works
PREPARED BY:	Sharon Valiante, Public Works Director	PRESENTER:	Dan McGraw, Utilities Manager

SUBJECT: A PRESENTATION, DISCUSSION AND POSSIBLE ACTION RELATED TO CITY OF FULSHEAR DOMESTIC WATER OPERATIONS & SUPPLY

Expenditure Required:

Amount Budgeted:

Funding Account:

Additional Appropriation Required:

Funding Account:

EXECUTIVE SUMMARY

RECOMMENDATION