

MINUTES OF THE WORK SESSION MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON JUNE 1, 2010 AT 6:00 P.M. IN THE CIVIC CENTER AT 16327 LAKEVIEW DRIVE, JERSEY VILLAGE, TEXAS

A. The meeting was called to order at 6:03 p.m. with the following present:

Mayor, Russell Hamley
Council Member, Joyce Berube
Council Member, Rod Erskine
Council Member, Curtis Haverty
Council Member, Mark Maloy

Council Member, Jill Klein was not present at this meeting.

City Manager, Mike Castro
City Secretary, Lorri Coody

Additional Staff in attendance: Mark Bitz, Danny Segundo, and Isabel Kato.

B. Discuss and take appropriate action concerning the financial structure for Transit Oriented Development (TOD) infrastructure development in the area located south of Highway 290, proximate to the future Jones Road extension.

Joe Willhite with Kimley-Horn & Associates gave a brief presentation. He explained that the task assigned to the TOD Consultants from the April 19, 2010 meeting was to develop a phasing structure to implement the TOD. To demonstrate their work, Mr. Willhite presented Council with a map that depicted a “three-phased build-out” for the TOD.

He told Council that Phase One of the “three phase build-out” would have the detention pond as a “big-ticket” item. The detention pond is needed for the entire TOD and will insure that no other on-site detention ponds are needed. This pond is located in the 100 year flood plain and is designed to not only retain the water but to enhance the appearance of the area.

Council engaged in discussion about the construction of the detention pond and if the cost for same could be shared with Harris County Flood Control. Mr. Willhite explained that Harris County Flood Control may see some benefits to having this pond so they may be interested in sharing some of the expense, but this would be something that would have to be explored. City Manager Castro explained that Harris County Flood Control maintains a federal improvements plan and projects on the federal plan of those projects that receive Flood Control’s attention. Since this project would not be one of those projects, there would be no funding and any monies that Flood Control could contribute would have to come from the County’s general fund. Given the current economic conditions, it is not likely that they would contribute.

Council also discussed that Phase One does not include a parking garage. The Consultants explained that Phase One basically focuses on the Jones Road Extension and the resulting permits from that project. They explained that Phase Two contains the construction of the parking structure. It was placed in Phase Two in order to give time for the rail line to develop/occur.

WORK SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – JUNE 1, 2010

Discussion was had about the cost of the detention pond and could the cost be spread to some of the owners/developers in the TOD. The Consultants stated that this is known as a “fee in lieu of structure.” The process establishes a fee that is paid in consideration of not having to build a detention pond since one already exists. The Consultants stated that this might provide a solution to reducing the cost of the detention pond.

Council discussed that should Jersey Village get a rail stop, that it is feasible the stop would provide a stop for light rail and for commuter rail. Light rail makes stops every 1 to 2 miles and would follow along US 290. Commuter rail makes stops every 5 to 7 miles and would follow along the Old Hempstead Rail lines. The Consultants stated that having both options would most likely not be realized for some 20 years.

The cost of Phase One of the “three-phased build-out” is \$10 million and will take at least a 10 year debt service. Phase Two’s cost is \$12 million and consists mostly of the parking garage, which is estimated at \$6 million. The Consultants stated that the parking garage could cost less and most likely will as the City may find a partner.

Phase Three also provides a parking structure and a lift station. The Consultants called Council’s attention to page 7 of the presentation wherein the break-out of the space for the TOD was presented. Also, table 6 provided information concerning the individual phase assumptions. Mr. Willhite explained the specific revenue and operating cost assumptions.

Discussion was had about the cost of land for the TOD. The Consultants explained that the numbers presented did not include the cost for land purchase for the TOD, excepting the cost of the detention pond land. They explained that typically the cost of the land is borne by forming partnerships.

The discussion was had about the revenue picture for Phase One should rail lines not become a reality. The Consultants explained that the revenue would still be 70 to 80 percent of what is being projected.

Council engaged in discussion about the concern that the rail line will not go into downtown. Mr. Willhite explained that the Rail District is now beginning to talk about extending this line into downtown. The main issue is the cost. He explained that the cost for the 45 miles of rail from Hempstead to I-610 will equal that of the rail from I-610 to downtown, only a 5 mile stretch.

Council engaged in discussion about options for funding the TOD and how to promote the TOD in a positive manner. In connection with same, Council discussed how Phase One of the build-out will capture a positive tax base for growth over time whether rail happens or not. However, Phases Two and Three are connected to rail. The Consultants see Phase One as a Transit Ready Development rather than a Transit Oriented Development because it is not wholly dependent upon rail.

WORK SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – JUNE 1, 2010

There was discussion about the requirements for additional police and fire service in the TOD. This discussion led to discussion about ISO ratings and what requirements serve as the basis for these ratings. City Manager Castro explained, along with Fire Chief Bitz, that the response time for Phase One has already been looked at and it can be serviced from the City's current station. Phase Two and Phase III may present a problem, but there are things that can be done to improve response time, such as signalization and signage. This presented discussion about the police and fire costs for Phase Two and Phase Three. It was decided that those issues will be reviewed when a decision is being made to move forward with Phase Two and Phase Three. It is not needed at this time.

Council engaged in discussion about the location of the rail stops, the cost of parking garages and could a fee be charged by the City to off-set the construction costs of the parking garage. The Consultants stated that should the City choose to charge a fee for parking, it is better to charge the fee from the start than to try to implement the fee later. Council engaged in discussion about parking under the freeway and would this be an option. The Consultants explained, yes, that arrangements can be made and partnerships can be formed during this process to resolve many issues and parking is just one of them.

Mr. Willhite told Council that Kimley-Horn has spoken to 65 percent of the landowners in Phase One concerning the TOD.

Council engaged in discussion about the upcoming meeting between the City of Jersey Village and the Rail District, and what might be some items to consider when negotiating with the District. The Consultants stated that we should take the approach of being objective by stating we are planning, designing, and discussing the TOD. They stated that we should be cautious about making any commitments at this time but do not emphatically state "NO." The Consultants also suggested that we contact other cities/entities to see what they are planning in terms of commitment.

No action was taken by Council on this item.

C. Discuss and take appropriate action for setting the commitment standards for the City Manager as they relate to the Transit Oriented Development and its connection to the Gulf Coast Rail District.

City Manager, Mike Castro introduced the item. He explained that Representatives from the Gulf Coast Rail District (GCRD) are scheduled to meet with the mayor and city manager on June 4, to discuss the potential of Jersey Village as a commuter rail station location. Similar meetings are being held throughout the rail corridor. The GCRD will soon submit an application to the federal government for funding to initiate commuter rail service in the corridor. District officials are coming to Jersey Village to hear what the city is willing to provide to secure a rail stop.

Before the meeting occurs with the GCRD, Mr. Castro explained that he needs guidance from council as to the boundaries for negotiating the City's position. This item is to discuss what that guidance might be.

WORK SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – JUNE 1, 2010

Council engaged in discussion about the anticipated questions to be asked by the GCRD at the upcoming meeting as follows:

1) **Is the city willing to participate to the ongoing operational costs of the district?**

Mr. Castro explained that this may entail a new taxing entity, or an annual contribution from the city to defer district expenses for operation of the rail system. This is the District's primary concern: a source of ongoing funding for rail operations.

The consensus of Council was "NO." Council discussed how common it is for a Rail District to seek operating costs. The Kimley-Horn Consultants explained that while this is rare because it involves capital costs, the economic times have changed and as a result, it the City might be in a better position to not say "NO" directly, but rather, express reservations that it may not be appropriate for the City to contribute to capital costs. The Consultants stated that this type of conversation would not be unique, as it is happening all over the State.

Council Member Berube left the meeting at 7:35 p.m.

City Manager Castro explained his concern for over extending the City and how this would affect the City's desire to continue other capital projects, like streets. He told Council that committing to a TOD may very well mean that there would be no other capital improvements projects of a significant nature in the City for quite some time.

It was decided that Mr. Castro should express reservations for this item, but do not say emphatically "NO."

Items two and three were taken together as these relate to capital improvement costs. The questions are as follows:

2) **Will the city be willing to construct and pay for construction costs of the station?**

In previous meetings, the district has suggested that the city could offer to construct the station and pay for the costs associated with operating the station. Ideally, the District wants the city to pay for rolling stock (trains), platforms, and / or station improvements.

3) **Will the city construct a parking garage?**

The city of Waller has committed to having parking available for the station the day it opens. For the city to make this same commitment, we would need to purchase and construct a surface parking lot. The alternative here is that the city initiates construction of the parking garages.

Council decided that the City should commit to parking, but should not commit to anything that has to do with the rail station itself. It was the consensus of Council that the City does not need to commit to capital improvements outside the \$40 million that is already being discussed (not yet approved) in the TOD plan. However, Council cautioned that no commitment should be made as to the type of parking we will provide, only that the City will provide parking.

WORK SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – JUNE 1, 2010

- 4) **Is the city willing to contribute a portion of proceeds from and TIRZ or Management District to the ongoing expenses / operations of the district?**

Again, the district is looking to cover expenses, and views this option as a possibility.

Council was not sure about this question and felt it had legal ramifications that needed to be addressed. The initial response was that legally they would be prohibited from making this commitment.

- 5) **Is the city willing to acquire property for the station and the parking lots necessary to support the station?**

It was the consensus of Council that property would be acquired for parking, but not for the station.

In wrapping up the guidance issue, Council advised that the City Manager should convey the message to the GCRD that the City of Jersey Village has committed to spending a considerable amount of money on Consultants for this project and that the feasibility study is reaching its final stages with positive results. These actions imply the commitment level of the City of Jersey Village and our desire to move forward with this project.

D. ADJOURN

There being no further business on the agenda the meeting was adjourned at 8:07 p.m.

Lorri Coody, City Secretary