

CITY COUNCIL MINUTES
SPECIAL MEETING

KERRVILLE, TEXAS
October 8, 2015

On October 8, 2015, the Kerrville City Council meeting was called to order at 12:04 p.m. by Mayor Pratt in the city hall council chambers at 701 Main Street.

MEMBERS PRESENT:

Jack Pratt
Gary Stork
Stephen Fine
Gene Allen

MEMBER ABSENT:

Bonnie White

CITY EXECUTIVE STAFF PRESENT:

Todd Parton	City Manager
Kristine Day	Deputy City Manager
Mike Hayes	City Attorney
Brenda Craig	City Secretary
Sandra Yarbrough	Finance Director
Kim Meismer	Director of General Operations
David Knight	Police Chief
Dannie Smith	Fire Chief

2. CONSIDERATION:

2A. Authorize execution of documents associated with the acquisition of property at 529 Water Street, including the following:

- Amendment to One to Four Family Residential Contract (Resale).
- Donation Agreement.
- General Warranty Deed.

EXECUTIVE SESSION:

Mr. Stork moved for the city council to go into executive closed session under Sections 551.071, 551.072, and 551.073 of the Texas Government Code; motion was seconded by Mr. Fine and passed 4-0 to discuss the following:

3A. Sections 551.071, 551.072 and 551.073:

Discuss the purchase, exchange, lease, sale, or value of real property, the public discussion of which would not be in the best interests of the City's bargaining position with third parties, regarding property interests related to the following:

- Acquisition of property at 529 Water Street.

At 12:04 p.m. the regular meeting recessed. Council went into executive closed session at 12:05 p.m. At 12:14 p.m. the executive closed session recessed and council

returned to open session at 12:15 p.m.

4. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION

Mr. Fine moved to approve: amendment to residential contract deed, donation agreement, and general warranty deed; and to authorize the city manager to execute all contracts and closing documents. Mr. Stork seconded the motion.

The following persons were allowed to speak:

1. Bill Morgan questioned if the city could afford the property as it looked to be an albatross rather than a gift, citing \$1 million for ADA compliance. The city was already stretched financially for the river trail and sports complex and should not extend its debt any further. He asked what the building could be used for, if the parking garage would be used to meet the parking requirement, and if county residents would be able to use the facility without having to pay a fee such as was required to use the library.

Council noted that the city would seek funding through grants, donations, and fund raising first before using city budget. Council received an adaptive reuse feasibility study with many recommended uses; however, deed restrictions required that the property be used for general public use with city library approval. The parking garage would provide parking for the facility; however, since the property was located in the central business district, parking requirements would not apply. The city had not addressed any issue in which the city would fund any library fees for persons who were not citizens of the city. City residents also paid county taxes and thus had a double burden already.

2. Robert Naman asked the timeline behind the city's accepting the gift and whether the city had done preliminary work to assess the property, and the cost to bring it up to standards. If grants and donations were not sufficient to cover expenses, where would funding come from, and was this discussed during the budget process? Had the city investigated with the Texas Historical Commission to see if any funding was available? Staff spent hundreds of hours working on the project and were not attending to city business, and still had no plan to pay for it. Staff and council spent over a year working on the sports complex behind closed doors and had contracts signed before it was presented to the public. He asked if user fees generated would cover the cost of future maintenance. He opined that the city had the cart before the horse sometimes, such as moving into the new city hall and not having sold the former city hall property.

Council noted the donor and staff had been in discussion for some time and staff had probably spent hundreds of hours on property inspection and developing cost estimates. It was not appropriate to discuss the project during the budget process because at that time the property had not been offered to the city. It was estimated to cost about \$500,000 to bring the property up to standards and meet disability requirements, and the city would seek grants and donations. Revenue from property rentals could offset some of the cost of maintenance. Staff was conducting due diligence and had not neglected any city business while investigating the feasibility of this project; due diligence was part of city's staff job. Staff had provided extensive

documents to council, including a very thorough inspection report on the condition of the property and a reuse feasibility study with many recommended uses. This was an opportunity for the city to protect an historic and cultural site.

The motion passed 4-0.

Adjournment.

The meeting adjourned at 12:30 p.m.

APPROVED: 10-13-15

/s/

ATTEST:

Jack Pratt, Jr.

/s/

Brenda G. Craig, City Secretary