

MINUTES  
CITY COUNCIL OF THE CITY OF UNIVERSAL CITY, TEXAS  
Regular Meeting, Tuesday, September 18, 2018

1. **CALL TO ORDER:** Mayor John Williams at 6:30 p.m.
2. **QUORUM CHECK:** Kristin Mueller, City Clerk

**Present:**

Mayor John Williams  
Mayor Pro Tem Richard Neville  
Councilmember Bear Goolsby  
Councilmember Tom Maxwell  
Councilmember Paul Najarian  
Councilmember William Shelby  
Councilmember Beverly Volle

**Present:**

Ken Taylor, City Manager  
Kim Turner, Asst. City Manager  
Habib Erkan, City Attorney  
Caitlin Brown, Police Officer  
Manuel Casarez, Fire Chief  
Susan Ennis, Library Director  
Joe Esquivel, Police Sgt.  
Randy Luensmann, Public Works Director  
Kristin Mueller, City Clerk  
Fernando Parra, Police Lt.  
Gary Speer, Chief of Police

Mayor Williams noted a quorum was present.

3. **INVOCATION:** Mayor Pro Tem Neville gave the invocation.
4. **PLEDGE OF ALLEGIANCE TO THE U.S. AND TEXAS FLAG:** Led by Mayor Williams.
5. **VOTE TO CONSIDER THE EXCUSE OF ABSENT MAYOR/COUNCILMEMBERS:**

All members were present; no action was necessary.

6. **AWARDS/PROCLAMATION/INTRODUCTION OF GUESTS:**

Mayor Williams announced that a T6 aircraft from JBSA-Randolph crashed near Evans Road and Nacogdoches. The pilot was able to eject successfully and no one was injured.

Councilmembers read a proclamation declaring Tuesday, October 2, 2018 *National Night Out* in Universal City, Texas. Mayor Williams presented the proclamation to Harry Finke, the president of the Universal City Citizens Police Academy Alumni Association. Several members of the association as well as Lt. Fernando Parra, Sgt. Joe Esquivel, and Officer Caitlin Brown were present to accept the proclamation. Mayor Williams also invited everyone to attend the National Night Out Kick Off Event on Saturday, September 29, 2018.

7. **MINUTES OF PREVIOUS MEETING:**

Mayor Pro Tem Neville moved to approve the minutes of the Tuesday, September 4, 2018 City Council Regular Meeting. Councilmember Shelby seconded the motion.

**Vote: Yeas: Neville, Shelby, Goolsby, Maxwell, Najarian, Volle**  
**Nays: None**

**Motion to approve carried.**

8. **CITIZENS TO BE HEARD:**

Bill Coon, 507 Amistad, explained that his vehicle recently fell into a sinkhole in the middle of the street. He believes that the sinkhole was caused by a water main break that he had reported earlier

that night. He is frustrated that the City's insurance found that the City is not responsible for the incident and will not be paying to repair his vehicle. He went on to detail a few interactions that he had with the City in the past and stated that he believes that local government is only limited when it chooses to be limited. He feels that the City should have paid his deductible.

Bill Fitzpatrick, 206 Quail Dr., spoke against Ordinance 581-N-2018. He believes that council should wait to see if short term rentals become a problem in Universal City before an ordinance is passed to regulate them.

**9. NEW BUSINESS:**

- A. Consider moving the first City Council meeting in October and November from the first Tuesday of each month to the first Wednesday of each month.**

Councilmember Maxwell moved to approve moving the first meeting in October and November 2018 to the first Wednesday of each month. Councilmember Najarian seconded the motion.

**Vote: Yeas: Maxwell, Najarian, Neville, Goolsby  
Nays: Shelby, Volle**

**Motion to approve carried.**

- B. Consider a request from the Greater Randolph Area Veterans Council (GRAVC) to waive the \$100 Parade Permit Fee for the Veterans Day Parade scheduled for November 3, 2018.**

City Manager Ken Taylor explained that this is an item brought before council annually.

Councilmember Shelby moved to approve the request from GRAVC to waive the parade permit fee for the 2018 Veterans Day Parade. Councilmember Goolsby seconded the motion.

**Vote: Yeas: Shelby, Goolsby, Neville, Maxwell, Najarian, Volle  
Nays: None**

**Motion to approve carried.**

- C. Consider Resolution 867: A Resolution authorizing submission of the grant application for the Body Worn Camera Grant to the Office of the Governor and designating an authorized official to apply, accept, reject, alter or terminate the grant on behalf of Universal City.**

Police Chief Gary Speer explained that approval of the resolution is required for the Police Department to be eligible for the grant. The resolution appoints Lt. Tina Vitacco as the grant administrator. Speer also said that the grant is a matching grant; Universal City must match 20% of the grant.

Mayor Pro Tem Neville moved to approve Resolution 867. Councilmember Shelby seconded the motion.

**Vote: Yeas: Neville, Shelby, Goolsby, Maxwell, Najarian, Volle  
Nays: None**

**Motion to approve carried.**

- D. Consider Approval of Pay Estimate #2 invoice for the Parkview Estates Drainage Improvements Phase 13 – Construction.**

Public Works Director Randy Luensmann declared that City staff is recommending the approval of Pay Estimate #2 for the Parkview Estates Drainage Improvements Phase 13, payable to J3 Construction in the amount of \$170,117.69. He reminded council that the Parkview drainage projects were funded through the Community Development Block Grant (CDBG). Phase 13 of the project is approximately 70% complete.

Councilmember Goolsby moved to approve Pay Estimate #2 invoice for the Parkview Estates Drainage Improvements Phase 13. Councilmember Volle seconded the motion.

**Vote: Yeas: Goolsby, Volle, Neville, Maxwell, Najarian, Shelby  
Nays: None**

**Motion to approve carried.**

- E. Consider Resolution 863-2018: A Resolution authorizing a project, which will facilitate the promotion and development of new or expanded commercial development, and which was approved by Board of Directors of the Universal City Economic Development Corporation on 13 September 2018; and, providing an effective date. (First Reading).**

Assistant City Manager Kim Turner clarified that Resolution 863-2018 confirms the decision approved by the Board of Directors of the Universal City Economic Development Corporation (UCEDC) to provide an economic incentive to the owners of 371 E. Aviation. That address is zoned commercial. The structure on the property was identified as a substandard structure and was ordered to be demolished. The estimated cost of the project was \$12,630. The UCEDC recommended reimbursing the property owners up to \$6,315 after the structure is demolished.

Councilmember Shelby moved to approve Resolution 863-2018. Councilmember Najarian seconded the motion.

**Vote: Yeas: Shelby, Najarian, Neville, Goolsby, Maxwell, Volle  
Nays: None**

**Motion to approve carried.**

- F. Consider Resolution 864-2018: A Resolution authorizing a project, which will facilitate the promotion and development of new or expanded commercial development, and which was approved by Board of Directors of the Universal City Economic Development Corporation on 13 September 2018; and, providing an effective date. (First Reading).**

Ms. Turner presented that Resolution 864-2018 confirms the decision approved by the Board of Directors of the UCEDC to provide an economic incentive to the owners of 121 Pat Booker Road, the old Subway building. Ms. Turner introduced David Perez, representative of Richard Riley Family L.P., DBA Rapid Fired Pizza, who gave an overview of the up-and-coming franchise. Currently, they are poised to open 54 stores. The project will consist of demolishing the old structure at 121 Pat Booker Road and constructing a 2500 sq. ft building. The estimated cost of the project is \$529,150. The UCEDC recommended reimbursing the property owner up to \$137,828 once the final Certificate of Occupancy is issued under the stipulation that within 18 months of opening Rapid Fired Pizza will employ 15 full-time employees at the Universal City location.

Councilmember Shelby moved to approve Resolution 864-2018. Councilmember Maxwell seconded the motion.

**Vote: Yeas: Shelby, Maxwell, Neville, Goolsby, Najarian, Volle  
Nays: None**

**Motion to approve carried.**

- G. Consider Resolution 865-2018: A Resolution authorizing a project, which will facilitate the promotion and development of new or expanded commercial development, and which was approved by Board of Directors of the Universal City Economic Development Corporation on 13 September 2018; and, providing an effective date. (First Reading).**

Ms. Turner explained that Resolution 865-2018 confirms the decision approved by the Board of Directors of the UCEDC to provide an economic incentive to Triangle Shopping Center, 2921-2935 Pat Booker Rd. Recently, one tenant in the shopping center completed a façade update. Now, Triangle Shopping Center would like to change the façade of the entire shopping center to match the newly updated TruFit. In addition, the shopping center needs to make some fire suppression system upgrades. The proposed project will cost \$740,756. That is in addition to the \$1,000,000 already spent to update the TruFit area. The EDC is proposing that they reimburse Triangle Shopping Center up to \$185,189 after the proposed updates are completed provided that the center retain 150 employees for at least 18 months.

Councilmember Shelby moved to approve Resolution 865-2018. Councilmember Najarian seconded the motion.

**Vote: Yeas: Shelby, Najarian, Neville, Goolsby, Maxwell, Volle  
Nays: None**

**Motion to approve carried.**

- H. Consider authorizing the expenditure of up to \$149,079 for acquisition of right-of-way for the improvement of Aviation Drive from prior years' funds and amending the current budget accordingly.**

Mr. Taylor informed council that the next two agenda items refer to the East Aviation road improvements. This item has to do with funding to acquire right-of-way.

Mr. Luensmann said that because the East Aviation project encompasses widening the road, adding a bike lane and sidewalks, the project requires the acquisition of right-of-way. This budget amendment will provide the funding to acquire the needed property.

Mayor Pro Tem Neville moved to approve the expenditure of up to \$149,079. Councilmember Goolsby seconded the motion.

**Vote: Yeas: Neville, Goolsby, Maxwell, Najarian, Shelby, Volle  
Nays: None**

**Motion to approve carried.**

- I. Consider Resolution 866: A Resolution of the City Council of the City of Universal City, Texas authorizing the purchase of 9 real properties totaling approximately 0.19 acres for right-of-way acquisition along East Aviation Drive; authorizing the City Manager to negotiate and execute all real estate contracts on behalf of the City; and, setting an effective date.**

Mr. Luensmann expressed that Resolution 866 authorizes the City Manager to negotiate the real estate contracts on the 9 real properties needed to widen Aviation Drive. He said that on average the City needed about three feet from the property line of each property. He said that he has met with seven of the nine property owners.

Councilmember Najarian asked what would happen if the property owners did not voluntarily sell their property. Mr. Luensmann explained that the City would have to go through condemnation proceedings which would be very costly.

Councilmember Shelby moved to approve Resolution 866. Councilmember Maxwell seconded the motion.

**Vote: Yeas: Shelby, Maxwell, Neville, Goolsby, Najarian, Volle  
Nays: None**

**Motion to approve carried.**

- J. Discuss & Consider Ordinance 650-A: An Ordinance providing a first amendment to Ordinance 650 establishing a program under Texas Local Government Code Chapter 380 to provide economic incentives to Boulevard Development Company L.C., for the development, operations, and marketing of a Townhome Suites by Marriot Hotel near Olympia Hills Golf and Event Center; authorizing the City Manager to execute the first amendment to the original associated Chapter 380 Agreement and the original associated Hotel Marketing Agreement; and, providing an effective date. (First Reading).**

Mr. Taylor explained that Ordinance 650-A pertains to a hotel deal that the City has been negotiating. The amendment is to accommodate an increase in the number of rooms and an additional floor added to the building.

Ms. Turner elucidated that the City Council has two agreements with Boulevard Development Company; the Chapter 380 Agreement and the Hotel Marketing Agreement. The original Chapter 380 Agreement approves a \$7,000,000 investment consisting of a 4-story, 86 room hotel. The original Hotel Marketing Agreement is for the developer to receive 50% of the Hotel Occupancy Tax for 10 years. After a feasibility study, Boulevard Development Company determined that an investment of \$9,500,000 is needed for a 5-story, 112 room hotel instead, so the Chapter 380 Agreement was amended accordingly. To account for the increased investment, the Hotel Marketing Agreement was amended to give 75% of the Hotel Occupancy Tax for years 1-5 and 60% for years 6-10. By approving Ordinance 650-A, City Council approves the changes to the Chapter 380 Agreement and the Hotel Marketing Agreement.

Councilmember Maxwell moved to approve Ordinance 650-A. Councilmember Shelby seconded the motion.

**Vote: Yeas: Maxwell, Shelby, Neville, Goolsby, Najarian, Volle  
Nays: None**

**Motion to approve carried.**

- K. Discuss & Consider Ordinance 651-A: An Ordinance amending Ordinance 651 authorizing a project which will facilitate the private development of a hotel on land adjoining the Olympia Hills Golf and Event Center, and which was originally approved by the Board of Directors of the Universal City Economic Development Corporation on February 8, 2018 and amended by the Economic Development Corporation on 13 September 2018; and, providing an effective date. (First Reading).**

Ms. Turner expounded that Ordinance 651-A confirms the UCEDC's Resolution R-2018-2, accepting changes to the EDC Performance Agreement and Unimproved Property Contract related to the hotel negotiation with Boulevard Development Company. In addition to the increase in floors, number of rooms, and cost of initial investment, the changes in the EDC Performance Agreement include the addition of a \$250,000 cash incentive after the final CFO is issued as well as an increase from a 180-day feasibility to a 332-day feasibility. Councilmember Najarian moved to approve Ordinance 651-A. Councilmember Goolsby seconded the motion.

**Vote: Yeas: Najarian, Goolsby, Neville, Maxwell, Shelby, Volle**

**Nays: None**

**Motion to approve carried.**

- L. PUBLIC HEARING on P.C. 514 (CU 149) – A request for a Conditional Use Permit at 1213 Pat Booker Rd (CB 5768 BLK 50 Lot 14 (UNIVERSAL CITY) for an Administrative and Business Office use in a C2-Retail District per Zoning Ordinance 581.**

Ms. Turner informed that this request for a Conditional Use Permit is to allow an insurance office at 1213 Pat Booker Road. The Planning and Zoning Commission denied the request at its most recent meeting. A supermajority is required to overturn the Planning and Zoning Commission's vote.

Mayor Williams opened the public hearing at 7:27 p.m.

There being no comments, Mayor Williams closed the public hearing at 7:27 p.m.

- M. Consider P.C. 514 (CU 149) – A request for a Conditional Use Permit at 1213 Pat Booker Rd (CB 5768 BLK 50 LOT 14 (UNIVERSAL CITY) for an Administrative and Business Office use in a C2-Retail District per Zoning Ordinance 581.**

Councilmember Maxwell motioned to deny the request for a Conditional Use Permit at 1213 Pat Booker Rd. Councilmember Shelby seconded the motion.

Councilmember Goolsby asked if there is enough office space outside of the area zoned C2-Retail to accommodate new office businesses. Ms. Turner confirmed that there are several areas that are zoned C3 that allow for office space.

**Vote: Yeas: Maxwell, Shelby, Neville, Goolsby, Najarian, Volle  
Nays: None**

**Motion to approve carried.**

- N. PUBLIC HEARING on Ordinance 581-N-2018: An Ordinance amending Ordinance 581 (The City of Universal City's Zoning Ordinance) to revise the zoning district purpose statements for residential districts; to revise the definition of a dwelling unit; to add definitions of long-term and short-term rentals; to amend the Universal City codes accordingly; and setting an effective date.**

Mr. Taylor stated that across the nation, the short-term rental industry has grown drastically. Because of companies like Airbnb, more and more people are beginning to rent their homes short-term. Many cities are trying to determine how to regulate the new issues that the growth in the short-term rental industry has created. The proposed ordinance is less restrictive than some cities with a requirement for owner occupation. Single-family residential zoning is designed to protect home owners from incompatible uses which could impact property values and quiet enjoyment of homes and neighborhoods.

Ms. Turner recapped the discussion that the Planning and Zoning Commission had regarding this ordinance. She explained that the proposed ordinance would define "short-term rental" as any rental lasting less than 90 days and would prohibit short-term rentals in areas zoned single family residential.

Mayor Williams opened the public hearing at 7:42 p.m.

Sue Reinikka, 102 Forrest Trail, spoke against Ordinance 581-N-2018. She stated that she has stayed at Airbnbs several times. She explained that Airbnb requires reviews for home

owners and tenants as well as enforces its own set of rules. She thinks that if Universal City can collect taxes on the short-term rentals then they should.

Cheryl Maxwell, 1251 Cibolo Trail, detailed that she had recently stayed at an Airbnb and had a pleasant experience. However, when she asked her neighbors if they would want to live next door to a home used for short-term rentals. The consensus was that they would not want to live next door to one. She mentioned that this issue is being debated at the State level as well.

Mayor Williams closed the public hearing at 7:45 p.m.

**O. Discuss & Consider Ordinance 581-N-2018: An ordinance amending Ordinance 581 (The City of Universal City's Zoning Ordinance) to revise the zoning district purpose statements for residential districts; to revise the definition of a dwelling unit; to add definitions of long-term and short-term rentals; to amend the Universal City codes accordingly; and setting an effective date. (First Reading).**

Councilmember Goolsby expressed his fear that this ordinance gives the perception that the City is beginning to operate like a homeowners association. He would like to wait to see if it becomes a bigger problem in Universal City.

Mr. Taylor expressed that approximately 6,500 homeowners rely on the Council to protect the integrity of their neighborhoods and the value of their property.

Councilmember Shelby said that his experience with short-term rentals is that they work very hard to keep their properties excellently maintained because they have to keep their property appealing for a revolving door of renters. He also has experience living next-door to long-term rentals who only will maintain their properties once every five years when they must find a new renter. In the intermediate, the house is an eyesore. He believes that the proposed ordinance is too restrictive, and he would like to see short-term rentals become a bigger problem in Universal City before the City tries to regulate them.

Councilmember Maxwell voiced that he believes the public safety departments are more than equipped to deal with the potential issues that a few short-term rentals would bring. He guessed that if the short-term rental properties become a problem, the City can look to amend current ordinances to help address the issue. He has heard that most Airbnbs are better maintained than long-term rentals. He also agrees that this discussion should be tabled until it becomes a bigger issue in Universal City.

Mr. Taylor said that the level at which the short-term rental is maintained and operated is not the issue. The issue is that a commercial short-term leasing operation in an area zoned single family residential is an incompatible use. If that incompatible use is allowed, what defense is left to restrict other incompatible uses in residential neighborhoods. In addition, allowing short-term rentals in a residential neighborhood could affect property values. As strangers to the neighborhoods would be unsettling, the quiet enjoyment of homes would also be impacted. Traffic and parking could also be issues in areas where a concentration of short-term rentals are operated.

Mayor Williams reiterated that the City is presenting this to Council to try to be proactive and regulate short-term rentals before they become a bigger problem.

Councilmember Najarian voiced that he does not agree with the definition of short-term rental. He thinks that 90 days is too long and that that controlling a homeowner's ability to rent their home out is overregulation.

Councilmember Volle said she would not want hotel operated next door but acknowledged she, and any Universal City resident, should be able to rent their home out for two weeks while out of town if they so desired.

Councilmember Goolsby moved to approve Ordinance 584-N-2018. Councilmember Volle seconded the motion.

**Vote: Yeas: None**  
**Nays: Goolsby, Volle, Neville, Maxwell, Najarian, Shelby**

**Motion to approve was denied.**

**10. OLD BUSINESS:**

**A. Discuss & Consider Ordinance 653: An Ordinance Setting the Ad Valorem Tax Rate for 2018 at \$0.576996 per \$100.00 of Appraised Value; and Appointing a Tax Assessor/Collector. (Second Reading).**

Mr. Taylor said that no change had been made to Ordinance 653 since the first reading.

Councilmember Shelby moved to approve Ordinance 653, increasing the property tax rate by the adoption of a tax rate of \$0.476996, maintenance and operations \$0.474232 and interest and sinking fund \$0.102764, which is effectively a 6.8699% increase in the tax rate. Mayor Pro Tem Neville seconded the motion.

**Vote: Yeas: Shelby, Neville, Goolsby, Maxwell, Najarian, Volle**  
**Nays: None**

**Motion to approve carried.**

**B. Discuss & Consider Ordinance 532-B-2018: An Ordinance Providing Definitions, Requiring a Permit Of Alarm System Users; Setting A Fee for an Alarm System Permit; Providing Service Charges For False Alarms; Providing For Suspension Of A Permit; Regulating Alarm Reporting And Operation; Providing For Protection Of Financial Institution; Providing For A Penalty Not To Exceed \$500; Repealing Ordinance 532, 532-A-99 And 532-A-1-02 And Any Ordinances Found to be in conflict; And Amending The Universal City Code Of Ordinances Accordingly. (Second Reading).**

Mr. Taylor declared that no change had been made to Ordinance 532-B-2018 since the first reading.

Councilmember Shelby moved to approve Ordinance 532-B-2018. Councilmember Najarian seconded the motion.

**Vote: Yeas: Shelby, Najarian, Neville, Goolsby, Maxwell, Volle**  
**Nays: None**

**Motion to approve carried.**

**11. CITY MANAGER COMMENTS:**

Mr. Taylor congratulated the Universal City Police Department because they were recently awarded a \$29,000 grant for body armor and will be receiving a \$25,000 grant for body worn cameras.

**12. COUNCILMEMBER COMMENTS:**

Mayor Pro Tem Neville shared that he will be attending his 69<sup>th</sup> High School Reunion.

Councilmember Najarian thanked the Universal City residents who welcomed him and the Veterans returning to the airport from the Honor Flight trip. It was a fantastic experience.

Councilmember Shelby acknowledged that he appreciates the hard work that City staff puts in to what they do even when he disagrees with some of it. He also reminded everyone to sign up to volunteer at the Pumpkin Patch.

Councilmember Maxwell thanked Chief Speers for continuing the Crime Blotter on Facebook. He also thanked Rapid Fired Pizza for staying for the entire council meeting.

Councilmember Volle reiterated that the Pumpkin Patch needs volunteers to work the patch, especially on pumpkin unloading day. She also mentioned that she was driving down Athenian and someone did a u-turn in the school zone. She thinks that there needs to be a “no u-turn” sign.

Councilmember Goolsby thanked City staff for everything that they do even if Council doesn’t always agree with it. He also said that he thinks that Rapid Fired Pizza will be a great catalyst in that area to pull visitors to that end of Pat Booker Rd. Also, he reiterated his desire for a “no u-turn” sign to be posted in the school zone on Athenian.

**13. MAYORAL COMMENTS:**

Mayor Williams:

1. Informed that he will be attending a strategic planning session at the college tomorrow to help Northeast Lakeview determine their long-term plans;
2. Invited residents to attend the National Night Out Kick Off Event on Saturday, September 29<sup>th</sup> at Universal City Park; and
3. Mentioned that he attended the ribbon cutting ceremony for Smiles Workshop last Friday. He is happy to welcome new businesses to the community.

**14. ADJOURNMENT:** Mayor Williams adjourned the meeting at 8:19 p.m.

ATTEST:

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Kristin Mueller, City Clerk

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John Williams, Mayor



