

JOINT SPECIAL MEETING OF THE HARLINGEN CITY COMMISSION
& HARLINGEN COMMUNITY IMPROVEMENT BOARD

April 7, 2017

A Joint Special Meeting of the Harlingen City Commission and Harlingen Community Improvement Board (4B) was held on April 7, 2017 at 12:00 Noon, City Hall, Town Hall Meeting Room, 118 E. Tyler Street, Harlingen, Texas. Those in attendance were:

Mayor and Commissioners

Mayor Chris Boswell
Richard Uribe, Commissioner District 1
Tudor Uhlhorn, Commissioner District 2
Victor Leal, Commissioner District 5

ABSENT

Michael Mezmar, Mayor Pro-Tem District 3
Ruben de la Rosa, Commissioner District 4

Harlingen Community Improvement Board

Jesse Robles - President
Deloria N. Davis
Paul Durant
Daniel Araiza
John Guevara

Absent

Gina Cano-Monreal, Secretary
Daniel Villarreal, Member

Staff Present

Dan Serna, City Manager
Elena Garza, Asst. City Secretary
Alan T. Ozuna, Asst. City Attorney

Mayor Boswell and President Robles called the meeting to order and stated the agenda had been duly posted according to State law.

1) Approval of minutes

- a) Special Joint Meeting of the Harlingen City Commission and Harlingen Community Improvement Board of March 13, 2017.

Motion was made by Commissioner Uribe and seconded by Commissioner Uhlhorn to approve the minutes of the Special Joint Meeting of the Harlingen City Commission and Harlingen Community Improvement Board of March 13, 2017. Motion carried unanimously.

Motion was made by Mr. Durant and seconded by Mr. Araiza to approve the minutes of the Special Joint Meeting of the Harlingen City Commission and Harlingen Community Improvement Board of March 13, 2017. Motion carried unanimously.

2) Discussion on the following projects:

1. Lon C. Hill Destination Park

Mr. Serna stated the Lon C. Hill Park, Phase I is estimated to cost \$6.3 million.

Javier Mendez, Parks & Recreation Director presented a Power Point with a breakdown of the different components of the destination park. The south portion of the park would be the selected site for the inclusive playground for children with special needs. He highlighted a layout of the all inclusive park which included an amphitheater, large pavilion, small gazebos, and several walking paths, a dog park near the discovery center with parking located throughout the park. Estimated cost for Phase I is approximately \$279,025 which includes all entry points. The estimated cost to raise elevation of L1/2 Street including, site drainage and possibility of placing brick paver would be \$116,920. Staff is proposing to close "L" Street to complete the project. A suggestion has been made to replace the fountain in the Center Plaza with lighted spray heads for the children to play in the water during the summer. The center court, walkways and parking totaled to estimated cost of \$1,093,070 with consideration of adding 70 more parking spaces.

Commissioner Leal asked if the small street section by the auditorium would be use as a parking area.

Mr. Mendez replied, no, it would stay as is closing "L" Street by the pool would create the additional parking closer to the public pool. Staff met with the County officials to discuss the possible relocation of the health clinic. Staff was notified that the County met with the Harlingen Consolidated Independent School District for building space availability.

Discussion was held in regards to the availability of electricity for food truck to set up; if it was the final layout; parking, and Mr. Mendez responded that by closing the L Street it would create a safer environment for children to reach out to the food trucks.

Mr. Serna stated this was a preliminary design of what the city has been talking about for more than a year and approved by City Commission. The large baseball field is not part of Phase I. The City would have to hire an architect to create a complete design of the playground structure, but once the design is finalized staff would provide a copy the board and the City Commission.

Mr. Mendez stated additional components were added totaling to \$36,800 that are not part of the grant such as benches and shade areas. The total estimated cost for Phase I would be less 6.4 million dollars.

Mr. Serna stated highlighted Phase II and stated staff has been working with the Harlingen Boys and Girls Club in possibly joining together to use their land to build a public skate park. The Harlingen Boys and Girls Club agreed to work with the City through form of an agreement. The estimated cost for the skate park is \$400,000, an addition to Phase II for a grand total of 2.3 million dollars. Comments were heard at a prior meeting in regards to the Discovery Center and it was agreed to transfer the Discovery Center to Phase III. The White Wings Field retractable roof and the Discovery Center total a cost of 2.8 million dollars under Phase III. Staff is requesting for guidance to whether or not proceed with this item and alter Phase I or interchange components on the different phases. No funding was being requested at this time, staff was only seeking form permission to move forward with this projects. If approval is granted, staff will proceed with the process of the 60 day notification advertisement. Staff is recommending approval of Phase I.

2. City Hall Renovation Project

Mr. Serna stated one of the items in the Comprehensive Plan was the renovation of the City Hall or building a new city hall. Mr. Serna proposed to renovate the second floor of City Hall by moving the City Commission executive chambers located to the area on the side of the dais and use the area occupied by the Finance staff instead of building a City Hall. The Finance staff would be move downstairs with the rest of the Finance staff and some other renovations would be done. The existing meeting room was not accommodating to events or meetings. The architect estimated cost to do the renovation design would be \$1.3 million. Mr. Serna recommended for the board to consider this project to provide a more functional and presentable facility to the general public. The construction of a city hall would be a long term project.

Discussion was held in regards to the project including other components of City Hall that were in need of attention, what percentage of the 1.3 million dollars would be for the interior and exterior, and what was number was signed to this project in the Comprehensive Plan priority list.

Mr. Serna stated the project would consist of renovating only the interior. This project was ranked No. 9 on the City's Comprehensive Plan Priority List. He provided a handout outlining the estimated cost and a breakdown of the funding sources.

Harlingen Community Improvement Board
Fund Balance - \$5.3 million
Allocated Budget - estimated at \$735,000
Estimated Fund Balance - \$5.4 million.

City Hall renovation and Destination Park Project Phase totaled to \$7.7 million.
Staff is proposing the following:
Allocate - \$1.3 million for the City Hall Renovation Project from the Fund Balance
An additional \$2.75 million for the Destination Park out of Fund Balance
Issuing \$3.85 million in bonds for the Destination Park
Total Estimated Cost for the Destination Park totals - \$6.6 million

Discussion was held regarding the \$6.6 million if the projects totaled to \$6.4 million. Mr. Serna replied there were costs related to the issuance of the bonds. He recommended including these costs in bond issue.

3. Governors Achievement Award

Mr. Serna stated in 2015 the City was awarded \$250,000 for a landscaping project near the tourist center. The Texas Department of Transportation (TXDOT) was in charge of the project and this project was on-going. TXDOT solicited proposals and the bid came at \$333,000 which was short by \$83,000 to fund the project. Keep Harlingen Beautiful Board committed \$20,000. The City would like to request that the \$20,000 be made available for change orders to cover any additional cost. With the \$83,000 and \$4.1 million from the fund balance leaving a fund balance of \$1,296,583 unallocated funds for the Harlingen Community Improvement Board. Ann Entrekin, City's Financial Advisor, calculated \$3,853,000 bond issue and the yearly payments would be \$292,000. There is \$712,588 left over from the Convention Center Project with a remaining unallocated yearly fund of \$431,000 from the 4B sales tax. Staff is not requesting any money at this time only asking for approval to move forward with this project.

Mayor Boswell stated the cost of the amphitheatre is about 1/3 of the cost of the budget. He asked if the City needed the amphitheatre of approximately 19,000 sq. ft. of terraced seating and 3,000 square feet for the stage. That money could be spent on the baseball field which already sits close to 2,000 individuals. The Praise on the Hill Event has an attendance of over 10,000 people

with limited parking. This event may soon outgrow the venue and we don't want to lose it. Maybe this event could be setup as a two day event. The City should consider renovating the baseball stadium for support of concert events.

Commissioner Uhlhorn asked who is architect for the project and do they have experience working with parks.

Mr. Serna responded the architects are Gomez, Mendez & Saenz. They were the ones who designed the Pro Shop at the Municipal Golf Course. They would start on Phase I and before starting on the next phase staff would review the availability of funds.

Commissioner Uhlhorn stated he would like to view different types of seating examples and show the citizens how effective it would work and how they would like it.

Mr. Serna stated the process was to get approval from the board to proceed with the project, than the City would seek the funding and solicit RFQ's to hire an architect. The architect would work on a design and staff will present it before the 4B Board and City Commission for approval.

Mr. Durant asked if there were any concerns on any bond issues, specifically, the one coming with the Convention Center with the Harlingen Community Improvement Board.

Mr. Serna responded there were no concerns with regards to the bond issues. The City's Financial Advisor stated the longer the city takes to process the bonds the higher the interest rates will accumulate. She had no concerns, since the \$1.3 million for the convention center has already been factored in. The \$430,000 left over surplus is taken into account and it will become \$2.3 million in about two years.

Discussion was held regarding other option to fund the renovation of City Hall and if the Economic Development Corporation could assist in the \$1.8 million dollars. Mr. Durant asked if there were any other options for the \$1.3 City Hall funding, besides the Harlingen Community Improvement Board (4B), if there were any suggestions on how to separate the Destination Park Project from the City Hall Renovation Project.

Mr. Serna responded there is the City's fund balance, but staff did not want to tap into because it provided a great bond rating for the City and for infrastructure.

Mr. Guevara stated at the last 4B meeting, the question about the 4B money being used for these types of projects was brought up. There were no concerns, but when it comes working with bonds it was a risk on the bond ratings.

Mayor Boswell stated the reason the City of Harlingen has been able to get better credit ratings over the last eight years is because of the strong fund balance which offsets the dependency on sales tax. The Fund balance is a very important component and the City has been able to build and maintain such a healthy fund balance. The City Hall Renovation project is a capital expense and a one-time expense. City of San Benito has a more impressive City Hall and Harlingen needs to also present itself professionally through its City Hall. Harlingen is a conservative city and this is a good project to preserve the historical structure by renovating the internal part of this building. Is it a quality of life to have the public be comfortable and to have a decent room where we (city officials) meet and view the business conducted? It would be nice to invite citizens of the community into a nice place to have them view the business that is being conducted.

Commissioner Uhlhorn suggested maybe any costs runs over the \$1.3 million the City would be willing to absorb.

Mr. Serna referred to Amphitheatre Project in regards to the seating capacity and it is 35 sq. ft. per person. The estimate seating is at about 500 people and it did not include the people sitting on the grass.

Mayor Boswell stated the decision to spend \$6.4 million for the creation of the Destination Park would be fair to say that a 500 person at the amphitheatre will get everyone's attention, but a 50 person seating is something we would not want to spend \$6.4 million on. The money would be better spent in the creation of the dog park and basketball courts, since they are interchangeable and these projects are already in the plan. There are concerns about the City Hall Project, but he would like everyone's consensus whether they should move forward with the projects.

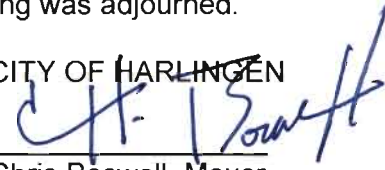
Mr. Durant stated his concern is not the City Hall Renovation Project, but the \$3.85 million debt.

Mr. Serna stated the first payment of \$130,000 per month on the bonds would be in February, 2018 for the Convention Center leaving a balance of \$712,000 a year. Staff is asking for direction from the board whether they move forward with the items mentioned.


Mayor Boswell stated if there are no objections, then the City should move forward with the notification process.

There being no further business to discuss the meeting was adjourned.

CITY OF HARLINGEN


Chris Boswell, Mayor

ATTEST:


Elena Garza
Assistant City Secretary

Harlingen Community
Improvement Board


Jesse Robles, President