



City of Webster

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AGENDA

City Council Meeting

101 Pennsylvania, Webster, Texas

August 04, 2020

6:00 PM

NOTICE is hereby given of a Regular Meeting of the City Council of the City of Webster, County of Harris, State of Texas, to be held on Tuesday, August 4, 2020, at 6:00 PM at: Webster Fire Department Training Room, 18300 Highway 3, Webster, Texas, for the purpose of considering the following numbered items. The City Council of the City of Webster, Texas, reserves the right to meet in closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

Due to the current growth in cases of COVID-19, the meeting will be held via teleconference. Members of the Public may call into the meeting via conference call at 1-866-899-4679 and enter Access Code: 545-100-389. Requests to make a comment for Council can be submitted by emailing mmuscarello@cityofwebster.com with your comments. Emails can be submitted no later than 4:00 p.m. August 3, 2020.

1. Call to Order
2. Invocation and Pledge of Allegiance
3. Roll Call and Certification of a Quorum
4. Petitions or Requests from the Public
5. **PUBLIC HEARING** to receive all comments regarding the proposed ordinance authorizing the City of Webster to participate in the Texas Enterprise Zone Program and nominate CHCA Clear Lake, L.P., operating as HCA Houston Healthcare Clear Lake Hospital, located at 500 Medical Center Boulevard, Webster, Texas, as a Texas Enterprise Project.

NEW BUSINESS

6. **CONSIDERATION/ACTION** to adopt an ordinance that authorizes the City to participate in the Texas Enterprise Zone Program and nominate CHCA Clear Lake LP (Houston Healthcare Clear Lake) as an applicant for the Program of which the caption reads:

AN ORDINANCE OF THE CITY OF WEBSTER, TEXAS, AUTHORIZING THE CITY OF WEBSTER TO PARTICIPATE IN THE TEXAS ENTERPRISE ZONE PROGRAM, PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT"), AND NOMINATING CHCA CLEAR LAKE, L.P. TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM ("OOGEDT") THROUGH THE ECONOMIC DEVELOPMENT BANK ("BANK") AS AN ENTERPRISE PROJECT ("PROJECT"); AND PROVIDING FOR AN EFFECTIVE DATE.

This is the FIRST of two readings.

- 7.** **CONSIDERATION/ACTION** to set a date for City Council workshop to discuss, review, and consider Fiscal Year 2020-21 Proposed Annual Budget for the City of Webster.
- 8.** **CONSIDERATION/ACTION** to call a Public Hearing on the City of Webster Proposed Fiscal Year 2020-21 Annual Budget.
- 9.** **CONSIDERATION/ACTION** to call a 1st and 2nd Public Hearing on the City of Webster Proposed Tax Rate for Fiscal Year 2020-21.
- 10. EXECUTIVE SESSION: The City Council will now hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in:**
 - A. Section 551.074, to deliberate regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the City Secretary.**
 - B. Section 551.071(2), A governmental body may conduct a private consultation with its attorney:**
 - (2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter (regarding allegations by a former Public Works Department employee concerning his perceptions of the work environment at the Wastewater Treatment Plant and the Public Works Department and a potential administrative investigation to be conducted on behalf of the City Council as authorized by Section 3.12 of the City Charter).**
- 11. RECONVENE** into regular session and consider action, IF ANY, on items discussed in Executive Session.

City of Webster City Council Meeting
August 04, 2020

12. Excused Absences
13. Agenda Requests from Councilmembers
14. Reports or requests from the City Manager
15. Adjournment



CITY COUNCIL MEETING

DATE: August 4, 2020

AGENDA ITEM:

CONSIDERATION/ACTION to adopt an ordinance that authorizes the City to participate in the Texas Enterprise Zone Program and nominate CHCA Clear Lake LP (Houston Healthcare Clear Lake) as an applicant for the Program of which the caption reads:

AN ORDINANCE OF THE CITY OF WEBSTER, TEXAS, AUTHORIZING THE CITY OF WEBSTER TO PARTICIPATE IN THE TEXAS ENTERPRISE ZONE PROGRAM, PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT"), AND NOMINATING CHCA CLEAR LAKE, L.P. TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM ("OOGEDT") THROUGH THE ECONOMIC DEVELOPMENT BANK ("BANK") AS AN ENTERPRISE PROJECT ("PROJECT"); AND PROVIDING FOR AN EFFECTIVE DATE.

PURPOSE STATEMENT:

HCA Houston Healthcare Clear Lake, located at 500 Medical Center Boulevard, teamed with Ryan LLC, to request that the City of Webster participate in the Texas Enterprise Zone Program and nominate the hospital as a Program applicant.¹ The Texas Enterprise Zone Program enables businesses that meet capital investment and job creation or retention requirements to apply for state sales and use tax refunds on qualified expenditures.

SUMMARY/BACKGROUND (WHY):

The Texas Enterprise Zone Program (EZP) is a state sales and use tax refund initiative designed to encourage specific levels of private investment and job creation in economically distressed

¹ HCA Houston Healthcare Clear Lake's CEO Todd Caliva and CFO John Armour, together with Ryan, LLC's Melissa Munoz, requested that the City participate in the Texas Enterprise Zone Program and nominate HCA Houston Healthcare Clear Lake for a Texas Enterprise Zone Program Project. CHCA Clear Lake, L.P. is a subsidiary of HCA Healthcare, Inc. and the operator of HCA Houston Healthcare Clear Lake Hospital. Ryan, LLC is a global tax service, software, and technology firm, headquartered in Dallas, TX, since 1991.

² The refund of state sales and use tax for qualified expenditures is derived solely from the state's portion—there is no local tax incentive. The Texas Comptroller's office administers all refunds to the company during the term of the five-year program.

areas of Texas. Under the terms of the Program, Texas communities nominate companies in their jurisdiction to receive an Enterprise Zone designation, and if the State approves the project, the company will be eligible to receive state sales and use tax refunds on qualified expenditures during the Program’s five-year term.²

HCA Houston Healthcare Clear Lake (formerly known as “Clear Lake Regional Medical Center”), seeks to achieve Enterprise Project status for its \$12,000,000 capital investment in planned upgrades and renovations for its women’s center, emergency power supply system, and power plant, as well as compliance with employment criteria to ensure that 35% of new or replacement personnel fit into three categories—enterprise zone residents, veterans, or economically disadvantaged. HCA Houston Healthcare Clear Lake commits to retaining its existing level of employment (workforce of 1,942) and hiring ten additional employees as part of its planned investment.³

If CHCA Clear Lake, L.P. (HCA Houston Healthcare Clear Lake) receives Enterprise Project designation or approval by the state, the hospital could potentially receive a refund of state sales and use tax, up to \$1,250,000 on qualified expenditures over five years, based on the hospital’s commitment to capital investment and employment. The State Comptroller of Public Accounts is charged with administering the Texas Enterprise Zone Program and ensuring taxpayer compliance prior to providing refunds.

STAFF RECOMMENDATION:

Staff recommends approval of the proposed ordinance that authorizes the City to participate in the Texas Enterprise Zone Program and nominates CHCA Clear Lake, L.P. as an Enterprise Project applicant.

EXPENDITURE:	N/A	FUNDING SOURCE:	N/A
AMOUNT BUDGETED:	N/A	FINANCE DEPT. REVIEW:	N/A
PRIORITY/CAPITAL IMPROVEMENT PROGRAM:	YES ___	NO <u>X</u>	

PREPARED BY: Dr. Betsy Giusto, Economic Development Director

APPROVAL BY ASSISTANT CITY MANAGER: 

³The workforce at the hospital facility, according to documentation provided by CHCA Clear Lake, L.P. on July 10, 2020, includes employees at HCA Houston Healthcare Clear Lake—located at 500 Medical Center Boulevard, as well as employees at The Heart Hospital at HCA Houston Clear Lake—located at 495 Medical Center Boulevard. While the hospital is not located within an enterprise zone, a block group in which at least 20 percent of the residents have an income at or below 100 percent of the federal poverty level, as defined by the most recent federal decennial census, Section 2303.406 (a) (4) (D) and Section 2303.402 (2) of the Texas Government Code allow a qualified business to be designated as an Enterprise Project and meet the Program’s employment criteria if at least 35 percent of the business’ new, permanent jobs are held by employees who are enterprise zone residents, veterans, or economically disadvantaged.

APPROVAL BY CITY MANAGER: 

ATTACHMENTS: Proposed Ordinance and Enterprise Zone Map

ORDINANCE NO. 20-

AN ORDINANCE OF THE CITY OF WEBSTER, TEXAS, AUTHORIZING THE CITY OF WEBSTER TO PARTICIPATE IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT"), AND NOMINATING CHCA CLEAR LAKE, L.P. TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM ("OOGEDT") THROUGH THE ECONOMIC DEVELOPMENT BANK ("BANK") AS AN ENTERPRISE PROJECT ("PROJECT"); AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Webster, Texas (the "City") desires to foster a vibrant economy that promotes new capital investment and employment by business enterprises located in the City; and

WHEREAS, the City recognizes that the Texas Enterprise Zone Program can assist business enterprises that meet state criteria for new capital investment and job creation or retention through a competitive, five-year program that provides a refund of the state's portion of sales tax generated by the qualified businesses' taxable project costs; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, CHCA Clear Lake, L.P., operating as HCA Houston Healthcare Clear Lake, located at 500 Medical Center Boulevard, Webster, TX 77598 (the "HCA Hospital") has applied to the City for designation as a Texas Enterprise Zone Project; and

WHEREAS, HCA Hospital seeks to renovate, enhance, and modernize its women's center and upgrade its emergency power supply system and chiller plant that would result in a capital investment of \$12,000,000 and employ and retain workers who reside in an enterprise zone or are veterans or are classified as economically disadvantaged; and

WHEREAS, HCA Hospital seeks to adhere to the Texas Enterprise Zone Program guidelines and criteria for new capital investment and employment creation and retention and be designated as a Texas Enterprise Zone Program Project; and

WHEREAS, a public hearing to consider this ordinance was held by the Webster City Council on August 4, 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEBSTER, TEXAS THAT:

Section 1. The City nominates CHCA Clear Lake, L.P. for Texas Enterprise Zone Program Project status.

Section 2. The enterprise zone areas within the City are reinvestment zones, in accordance with the Texas Tax Code, Chapter 312.

Section 3. The City of Webster has the ability to support certain incentives within its jurisdiction (see "Exhibit A") for economic development projects determined at the sole discretion of the governing body as having material impact on the City of Webster. CHCA Clear Lake, L.P. is not being provided any local incentive.

Section 4. The City of Webster City Council directs and designates the Mayor or City Manager as its liaison to communicate and negotiate with the OOGEDT through the Bank and enterprise project, or other entities in an enterprise zone or affected by an enterprise project.

Section 5. The City finds that CHCA Clear Lake, L.P. meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (a) CHCA Clear Lake, L.P. is a "qualified business" under Section 2303.402 of the Act since it conducts business within the City of Webster but outside of an enterprise zone, and it certifies that at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone, or economically disadvantaged individuals, or veterans; and
- (b) The designation of CHCA Clear Lake, L.P. as an enterprise project within the City's jurisdiction will contribute to the goals of the City for business activity.

Section 5. The enterprise project shall take effect on the date of designation of the enterprise project by the OOGEDT through the Economic Development Bank and terminate after five years from the date of designation.

Section 6. This ordinance shall take effect immediately upon its adoption by the City Council in two separate readings and publication as required by law.

PASSED AND APPROVED on this first reading this ___ day of _____, 2020.

PASSED, APPROVED, AND ADOPTED on the second and final reading this ___ day of _____, 2020.

CITY OF WEBSTER, TEXAS

DONNA ROGERS, MAYOR

ATTEST:

Michael Muscarello, Interim City Secretary

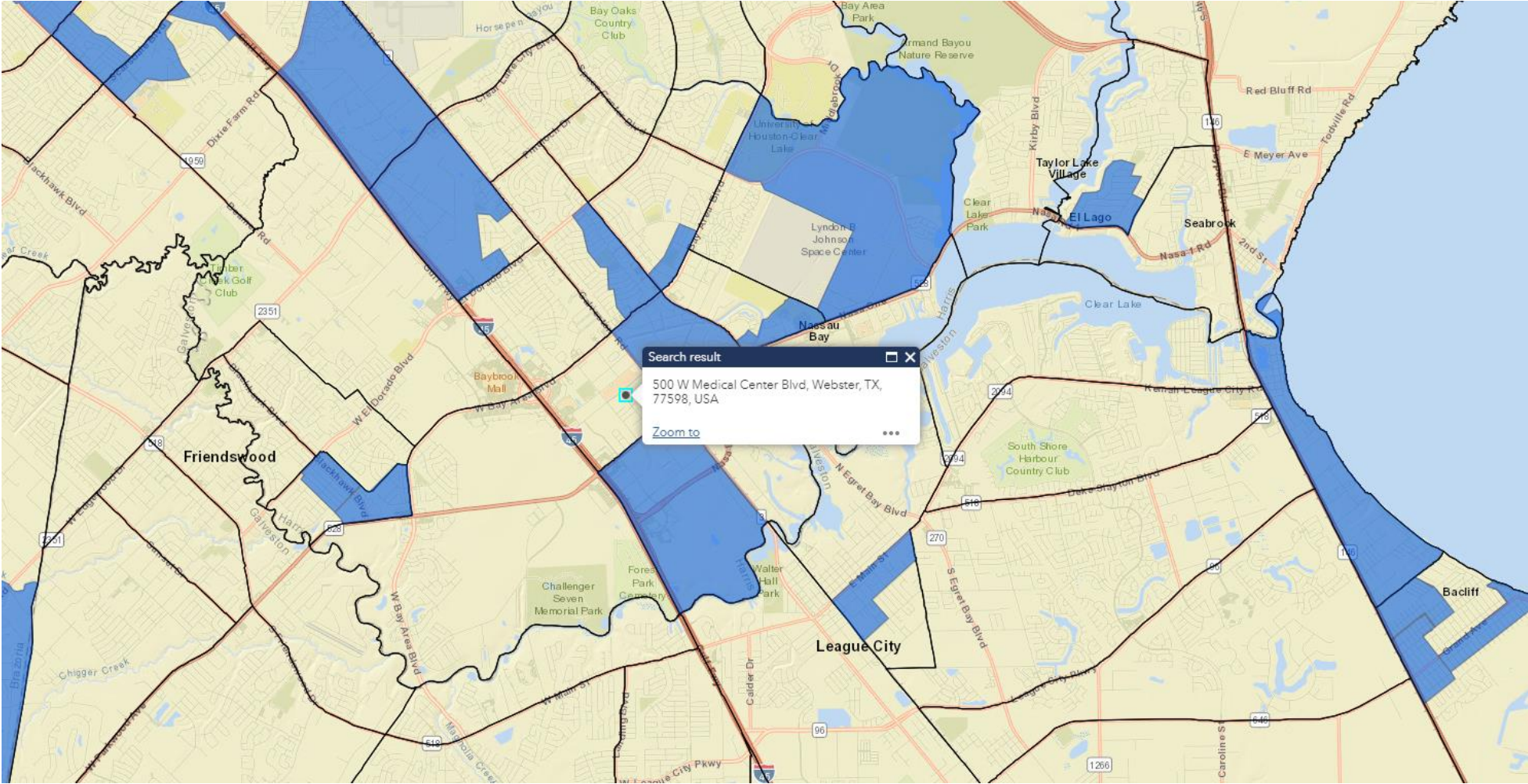
EXHIBIT A

	Name of Incentive	Description of Incentive	Availability
1	Tax Abatement	Property tax abatement	Case by Case Basis
2	Tax Increment Financing	Tax increment financing	Case by Case Basis
3	Economic Development Sales Tax (4B)	An increased sales tax to fund the City's Economic Development Corporation	Case by Case Basis
4	Chapter 380 Agreement	Chapter 380 Agreement	Case by Case Basis
5	Other Tax Incentives - TIRZ, PID	Tax Increment Reinvestment Zone and Public Improvement Districts	Case by Case Basis
6	Zoning Changes	Regulatory relief	Case by Case Basis
7	Streamlined Permitting	Regulatory relief	Case by Case Basis
8	Improved Fire and Police Protection	Safety and protection of City residents and businesses	Case by Case Basis
9	Community Crime Prevention Programs	City may provide enhanced municipal services to business, including community crime prevention programs	Case by Case Basis
10	Capital Improvements in Water and Sewer Facilities	City may provide resources for a capital improvement plan related to water and sewer service	Case by Case Basis
11	Road Repair	City is responsible for maintaining and repairing public streets inside City limits	Case by Case Basis
12	Creation or Improvement of Parks	Maintain public parks and promote healthy lifestyle for City residents	Case by Case Basis
13	One-Stop Permitting	City may assist residents and businesses through organized permitting efforts	Case by Case Basis
14	Promotion and Marketing Services	City may provide commercial marketing services	Case by Case Basis
15	Job Training and Employment Services	City may assist with community colleges and local workforce board for training and employment services	Case by Case Basis
16	Vocational Education	City may assist with community colleges and local workforce board for training and employment services	Case by Case Basis
17	Customized Job Training	City may assist with community colleges and local workforce board for training and employment services	Case by Case Basis

Project Location

Applicant: CHCA Clear Lake, L.P.

Address: 500 W. Medical Center Blvd, Webster, TX 77598





CITY COUNCIL MEETING

DATE: August 4, 2020

AGENDA ITEM:

CONSIDERATION/ACTION to set a date for City Council workshop to discuss, review, and consider Fiscal Year 2020-21 Proposed Annual Budget for the City of Webster.

PURPOSE STATEMENT:

The budget workshop is a public meeting which requires posting in advance.

SUMMARY/BACKGROUND (WHY):

The Fiscal Year 2020-21 Proposed Annual Budget was presented to City Council on July 21st, 2020 as required by Section 8.03 of the City of Webster’s Home Rule Charter. We must schedule a budget workshop to review the proposed budget and, if necessary, revise it prior to the public hearing. A timeline for adoption of the budget is attached.

STAFF RECOMMENDATION:

Staff recommends scheduling the budget workshop for Tuesday, August 18th, 2020.

EXPENDITURE: N/A

FUNDING SOURCE: N/A

AMOUNT BUDGETED: N/A

FINANCE DEPT. REVIEW: Yes

PRIORITY/CAPITAL IMPROVEMENT PROGRAM: YES ___ NO X

PREPARED BY: Elizabeth A. Free, Director of Finance

APPROVAL BY ASSISTANT CITY MANAGER: 

APPROVAL BY CITY MANAGER: 

ATTACHMENTS: Budget Timeline

CITY COUNCIL MEETING

Fiscal Year 2020-21 Budget Timeline for Adoption

- July 21 July 21 Proposed budget filed with City Secretary (30+ days before the tax levy)
- August 4 City Council to set date of budget workshop
Schedule public hearing on budget
Schedule two public hearing dates on the tax rate
- August 7 Publish Notice of 1st and 2nd hearing on the Proposed Tax Rate
- August 18 City Council budget workshop(s)
- September 1 1st Public Hearing on the Proposed Tax Rate
- September 4 Publish Notice of Hearing on the proposed budget (10-30 days before hearing)
- September 15 Hold the 1st and only Public Hearing on the proposed budget
Hold the 2nd Public Hearing on the Proposed Tax Rate
City Council will adopt the 2020-21 Operating Capital, Grants and WEDC Budget.
City Council will adopt the tax rate.



CITY COUNCIL MEETING

DATE: August 4, 2020

AGENDA ITEM:

CONSIDERATION/ACTION to call a Public Hearing on the City of Webster Proposed Fiscal Year 2020-21 Annual Budget.

PURPOSE STATEMENT:

A public hearing on the proposed budget is required by State law and the Webster City Charter.

SUMMARY/BACKGROUND (WHY):

The Local Government Code requires the governing body to set a date for a public hearing on the Proposed Annual Budget. A public hearing must be conducted before the budget can be adopted. Attached is a timeline for the budget process.

STAFF RECOMMENDATION:

Staff recommends calling a public hearing on September 15, 2020.

EXPENDITURE: N/A

FUNDING SOURCE: N/A

AMOUNT BUDGETED: N/A

FINANCE DEPT. REVIEW: Yes

PRIORITY/CAPITAL IMPROVEMENT PROGRAM: YES ___ NO X

PREPARED BY: Elizabeth A. Free, Finance Director

APPROVAL BY ASSISTANT CITY MANAGER: 

APPROVAL BY CITY MANAGER: 

ATTACHMENTS: Budget Adoption Timeline

CITY COUNCIL MEETING

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- September 15 Hold the 1st and only Public Hearing on the proposed budget
Hold the 2nd Public Hearing on the Proposed Tax Rate
City Council will adopt the 2020-21 Operating Capital, Grants and WEDC Budget.
City Council will adopt the tax rate.



CITY COUNCIL MEETING

DATE: August 4, 2020

AGENDA ITEM:

CONSIDERATION/ACTION to call a 1st and 2nd Public Hearing on the City of Webster Proposed Tax Rate for Fiscal Year 2020-21.

PURPOSE STATEMENT:

Two public hearings on the proposed tax rate are required by State law.

SUMMARY/BACKGROUND (WHY):

The Texas Local Government Code requires the governing body to set a date for a public hearing on the Proposed Tax Rate. A public hearing must be conducted before the Tax Rate can be adopted. Attached is a timeline for the budget process.

STAFF RECOMMENDATION:

Staff recommends calling public hearings on September 1st and September 15, 2020.

EXPENDITURE: N/A

FUNDING SOURCE: N/A

AMOUNT BUDGETED: N/A

FINANCE DEPT. REVIEW: Yes

PRIORITY/CAPITAL IMPROVEMENT PROGRAM: YES ___ NO X

PREPARED BY: Elizabeth A. Free, Finance Director

APPROVAL BY ASSISTANT CITY MANAGER:

APPROVAL BY CITY MANAGER:

ATTACHMENTS: Budget Adoption Timeline

CITY COUNCIL MEETING

Fiscal Year 2020-21 Budget Timeline for Adoption

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- September 15 Hold the 1st and only Public Hearing on the proposed budget
Hold the 2nd Public Hearing on the Proposed Tax Rate
City Council will adopt the 2020-21 Operating Capital, Grants and WEDC Budget.
City Council will adopt the tax rate.