

**CITY OF SANTA FE
SPECIAL MEETING
SANTA FE CITY COUNCIL
APRIL 11, 2024 6:00 P.M.
COUNCIL CHAMBERS
12002 HWY. 6, SANTA FE, TEXAS**

MINUTES

The meeting was called to order at 6:00 p.m. by Mayor Bill Pittman.

Roll Call: Present: Mayor Bill Pittman
Mayor Pro Tem Brandon Noto
Councilmember Jason O'Brien
Councilmember Ronald "Bubba" Jannett
Councilmember John Dickerson, arrived at 6:18 p.m.

Absent: Councilmember Dana Marks, excused

Business:

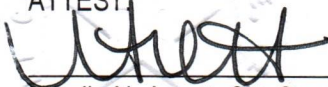
1. Discussion and direction: Proposed First Amendment to the Development Agreement between the City of Santa Fe and Tres Rios Laguna Azure, LLC for a possible development located generally North of Cowan Road, South of FM 517, East of Rymal Road, and West of Country Meadow Lane; to include the consideration of proposals from the developer for the provision and operation of water and wastewater services to the development

Mayor Bill Pittman explained that the current Development Agreement between the City of Santa Fe and Tres Rios Laguna Azure, LLC (the Developer), states the Developer will obtain water from the Galveston County Water Control & Improvement District No. 8 (WCID8). The development will ultimately need 3 million gallons of water a day to operate and WCID8 only has 300,000 gallons reserved per day that could be sold to the Developer, however, it is not enough. Therefore, WCID8 cannot provide the water supply for this development. The Developer contacted Gulf Coast Water Authority (GCWA) to see if their company could purchase raw water from GCWA and the Developer would construct its own water treatment and sewer treatment plants. To do so, a Municipal Utility District (MUD) would need to be created only for maintenance and operation of the water and wastewater infrastructure. The MUD would issue bonds to ensure repairs and the fees would be paid by the residence of this subdivision. Mayor Pittman gave a detailed presentation explaining a MUD, a Public Improvement District (PID), a Tax Increment Reinvestment Zone (TIRZ), the responsibilities of each and how it would affect the City, and possible conflicts that could arise from the Attorney General. Currently, the only way to move forward with the Development Agreement would be for the City to authorize the creation of the MUD; and if the Council chooses not to accept the MUD, the Developer will no longer pursue the purchase of the property and the development would not move forward. Mayor Bill Pittman addressed questions from citizens that were present.

The Developer, Zach Ipour, and Steve Maglisceau, Vice President of Land Acquisitions and Development, were present were present to address questions and concerns from citizens and Councilmembers. Council expressed much concern about the history of litigation with Megatel and the Cities it has partnered with and is concerned that the City of Santa Fe could end up in a lawsuit if Megatel feels it is not meeting their expectations. After much discussion, it was the consensus of Council that it would like to receive more information about the MUD before agreeing to the MUD.

Motion by Councilmember Jannett to adjourn. The motion passed and the meeting adjourned at 6:59 p.m.

ATTEST:



Natalie N. Arnett, City Secretary



BILL PITTMAN, MAYOR