

**MINUTES OF THE CITY COUNCIL
OF THE CITY OF GALVESTON
WORKSHOP - FEBRUARY 26, 2026**

2/26/2026 - City Council Minutes

1 DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

Mayor Brown declared a quorum and called the workshop to order at 9:17 a.m. (delayed from the 9:00 a.m. start time due to technical difficulties).

2 ROLL CALL

Present: Mayor Craig Brown, Mayor Pro Tem Marie Robb, Council Member Sharon Lewis, Council Member David Finklea, Council Member Bob Brown, Council Member Alex Porretto, and Council Member Beau Rawlins.

3 DISCUSSION ITEMS

3.A Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items (1 Hour)

Items 10A, 10C, 11C, 11D, 11G, 11H, 11J, 11K, 11L, and 11N were clarified by Staff.

3.B Update on Economic Development Efforts/Projects (M Hay - 15 min)

Economic Development Coordinator Michelle Hay provided an update on economic development, focusing on the upcoming Opportunity Zones 2.0, which will prioritize low-income census tracts. Existing zones will partially overlap, but the city plans to prioritize and submit eligible tracts to the County Judge, with areas like Pelican Island highlighted as high priority. She also noted ongoing efforts to update the city's Economic Development Incentive Policy and shared brief updates on key projects, including Pelican Island pre-development and the Broadway property, which may need further discussion. A full prioritized list of tracts and the draft ordinance are expected in the coming months.

3.C Discussion of amending the RFP for Stewart Beach to address drainage (Rawlins/C. Brown - 20 min)

The City Council discussed amending the Stewart Beach RFP to address persistent drainage issues. The current RFP allows developers to propose drainage improvements as an add alternate, but Council emphasized the need for separate, proactive action to fix flooding, runoff, and stagnant water. City Manager Brian Maxwell will work with Park Board CEO Marty Miles to develop a plan and bring recommendations to the March meeting. The RFP will proceed as written, while efforts to address drainage continue independently to ensure the site is properly prepared for future development.

The City Council took a ten minute break at 10:57 a.m.

3.D Discussion of a Tourism Improvement District (C. Brown - 20 min)

Park Board CEO Marty Miles discussed with City Council establishing a Tourism Public Improvement District (PID) to fund supplemental tourism marketing, sales incentives, and research through a proposed 2% fee on occupied hotel rooms (excluding short-term rentals), potentially generating \$3 million annually. An 11-member board of hotel representatives would manage the funds, with the Council approving only the overall service plan. Participation requires at least 60% of eligible hotels (estimated 70–80 rooms) to opt in. A full-time executive would be needed to administer the program, with collections potentially starting by summer after April public hearings. Council Members expressed support, noting the PID's ability to attract conventions, enhance tourism marketing, and indirectly boost city revenue and residents' quality of life.

3.E Discussion of Drainage Issues (Robb/C. Brown - 15 min)

1. Spanish Grant
2. Pirates Beach

Mayor Pro Tem Robb highlighted ongoing drainage problems in Spanish Grant, where the main entrance drains poorly, and in Pirates Beach, where blocked ditches and eroding streets threaten full-time residents' access and property. Staff noted solutions for Spanish Grant involve connecting to a canal or existing outfall, while Pirates Beach requires a mix of localized maintenance and longer-term projects included in the \$20 million Drainage Master Plan. These are operational issues for staff to address, including easement access, with improvements underway but full resolution dependent on funding and beach nourishment.

3.F Update and discussion of the status of the City/Port Mobility Plan (B. Brown/C. Brown - 15 min)

Council Member Brown provided an update on the City/Port Mobility Plan, noting that a consultant RFQ was issued on February 17 and is due March 17. He reported that the City, Port, and TxDOT are coordinating closely with the Real Estate Committee and Livable Cities initiatives to align projects, avoid duplication, and ensure effective use of funding.

3.G Update and discussion of the Pier 19 proposed changes as they relate to the Port's Master Plan (B. Brown/C. Brown - 15 min)

Council received an update from Council Members Brown and Finklea on proposed Pier 19 improvements as part of the Port's Master Plan. The pilot project aims to enhance public access, safety, and infrastructure while showcasing the historic shrimping and fishing heritage, connecting Pier 19 to nearby attractions including new cruise terminals and the Battleship Texas. Plans include a resilient boardwalk, green gathering spaces, and improved party boat and truck circulation. Tenant input is central, addressing concerns about parking, safety, and operations. A consultant will refine the plan, estimate costs, and test feasibility, with no City or Port funds used. Legal review confirms consistency with the City Charter and existing leases.

3.H Discussion of Development and Permitting challenges on Galveston Island (Robb/Rawlins 20 min)

Mayor Pro Tem Robb and Council Member Rawlins discussed challenges with Galveston's permitting process, noting it is often slow, confusing, and inconsistent, which discourages development and harms the city's business reputation. Key issues include unclear guidance on what requires permits, complex zoning maps, outdated ordinances, and a difficult-to-navigate website. Streamlining efforts could include improving online resources, clarifying requirements, reducing unnecessary reviews for state-approved engineers, expanding the successful Ombudsman program, and updating ordinances and Land Development Regulations to remove roadblocks. While some projects succeed with staff support, persistent inconsistencies frustrate developers, highlighting the need for a more efficient, user-friendly system to encourage investment and neighborhood improvement.

3.I Discussion of the minimum lot size, setbacks, and other issues in Urban Neighborhood (Robb/Rawlins - 20 min)

Mayor Pro Tem Robb and Council Member Rawlins discussed concerns about minimum lot sizes, setbacks, and development in urban neighborhoods, citing "small box" homes with little to no setbacks that block alleys, create safety and maintenance issues, and harm neighborhood character—particularly in historic areas. The current 2,500 sq.ft. minimum lot size, set in 2015–2016 to encourage affordable housing, has not achieved that goal, and past emergency-related changes (like post-Hurricane Ike disaster homes) have worsened the problem. State regulations limit local control, but it was suggested that the Planning Commission should review recent approvals, setbacks, and Planned Unit Developments, gather data, and hold a workshop to inform potential amendments to the Land Development Regulations, balancing property rights with neighborhood safety, livability, and aesthetics.

3.J Discussion of Code Enforcement issues related to dilapidated structures (Robb/Porretto/Rawlins - 15 min)

Mayor Pro Tem Robb highlighted long-standing dilapidated properties across the city that pose significant health and safety risks, citing examples of homes damaged from past hurricanes that remain neglected despite existing ordinances. She emphasized that current enforcement is inconsistent and slow, often hindered by complex ownership, state property laws, and legal processes. Robb called for revisiting the dilapidated structures ordinance, improving awareness of unsafe properties, and encouraging residents to report problem homes. Staff committed to reviewing the identified properties, continuing compliance efforts, and providing updates on corrective actions.

3.K Update of the installation of Flock Cameras (Robb/Porretto - 10 min)

Chief Balli provided an update on the Flock camera project, reporting that nine of the roughly 30 cameras are installed, with one currently failing. Delays stem from TxDOT permitting and the need for stronger poles at certain locations, while existing city poles were used where possible. Installed cameras cover key intersections, with temporary cameras monitoring other areas. Cameras on the Causeway and Stanley Bridge are pending TxDOT approval. The system continues to support investigations, including tracking a recent kidnapping suspect, with additional charges anticipated.

- 3.L Discuss the City of Galveston's ordinances applicable to electric scooters and the electric scooter ordinance recently approved by the City of Houston (Legal - 15 min)

Assistant City Attorney Trevor Fanning provided an update of the city's electric scooter regulations, which currently require rental permits, age limits, and proper lighting, and compared them to Houston's recent ordinance. Houston used accident data to restrict scooter operations, but Galveston lacks sufficient data, as many incidents are recorded under general pedestrian or vehicle accidents. Council discussed safety concerns, especially on sidewalks and the Seawall, and challenges enforcing online rentals. Council Member Finklea recommended that the city focus on better data collection and stricter enforcement of existing rules before considering any changes to the ordinance.

- 3.M Follow-up discussion of parking enforcement practices, including citation issuance, notice to violators, and the collection of parking fines (Lewis/C. Brown - 15 min)

Council Member Lewis provided a follow-up on parking enforcement, noting the potential for cloud- or solar-based HD cameras to improve citation collection and possibly eliminate paper tickets. She suggested directing the City Manager to explore all technology options as the current pay-by-phone contract expires at the end of June. City Marshal Heather Morris reported that an RFP is being prepared to evaluate replacements and modern solutions, including license plate readers and AI systems, similar to what the Park Board approved for Stewart and East Beach, which allow prepaid parking, electronic payments, and automated violation issuance. Staff emphasized careful handling of vendors during the RFP process to ensure fair bidding.

- 3.N Discussion of the current status, and future options for Municipal Utility District 30 (C. Ludanyi/T. Fanning - 10 min)

Finance Director Csilla Ludanyi and Assistant City Attorney Trevor Fanning provided an update on Municipal Utility District (MUD) 30, which serves the Sunset Cove subdivision and is now financially stable with a zero tax rate. The district has approximately \$356,000 in net position and about \$2.6 million in assets, while its annual debt service of roughly \$430,000 is currently covered by a \$450,000 yearly property tax rebate from the City's general fund. Since the City already maintains the area's utilities and residents pay for water and sewer services directly, staff explained that dissolving MUD 30 by ordinance (as allowed under state law) would transfer all assets and liabilities to the City, eliminate the annual rebate payment, and provide flexibility to either pay down the remaining bonds (which mature in 2031 at favorable rates) or fund infrastructure projects. The board is reportedly not opposed, and an ordinance is expected to be brought forward in March to meet the April 1 rebate deadline.

4 EXECUTIVE SESSION

- 4.A Section 551. 071 - Consultation with Attorney Pursuant to Texas Gov't Code 551.071- Consultation with attorney, an executive session will be conducted to discuss and receive legal advice concerning pending litigation and/or a settlement offer, or 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, related to the following:

1. Collected funds for Hotel Occupancy Tax Audits conducted by the City Auditor's Office (G. Bulgherini)
2. Pelican Island Bridge Project (C. Brown)
3. Parking Amnesty Program (Legal)
4. 21-CV-00359 Sonya Porretto v. City of Galveston Et. Al, in the United States District Court for the Southern District of Texas 21-CV-00359. (Rawlins/Robb)

The City Council convened into Executive Session at 1:15 p.m. and reconvened into Open Session at 2:36 p.m. No action was taken during the Executive Session. Council Member Porretto declared a conflict for Executive Session item #4 and removed himself from the room during that discussion.

5 ADJOURNMENT

The workshop was adjourned at 2:36 p.m.



Janelle Williams, City Secretary

Date Approved: April 23, 2026