

# STATE OF THE CITY 2021

SEPTEMBER 9, 2021

## Census

WHAT IS HAPPENING WITH THE CENSUS? IF YOU GO ON-LINE AND ASK FOR ARANSAS PASS CENSUS FIGURES FOR 2020 ---- YOU GET A FIGURE OF 7,941. THAT WOULD BE A LOSS OF ALMOST 300. BUT.....IF YOU ACCESS THE CENSUS BUREAU QUICK FACTS.....YOU ONLY GET POPULATION ESTIMATES FOR 2019. THAT 2019 FIGURE IS 8,388. AN INCREASE OF ALMOST 200. BUT....IF YOU REQUEST ARANSAS PASS POPULATION ESTIMATES FOR 2021 YOU GET SOMETHING TOTALLY DIFFERENT. THAT POPULATION ESTIMATE IS 8,976. BASED ON OUR CITY LIMITS SIGNS THAT IS AN INCREASE OF WELL OVER 700 PEOPLE. GOOGLE SAYS THIS FIGURE OF 8,976 IS BASED ON CENSUS BUREAU ESTIMATES. THE OTHER NUMBERS MENTIONED ABOVE ALSO ARE BASED ON CENSUS FIGURE ESTIMATES. IF THE 8,976 IS CORRECT, THAT WOULD MAKE US THE SECOND FASTEST GROWING CITY IN THIS IMMEDIATE AREA. OF COURSE, ROCKPORT, PORTLAND, INGLESIDE AND CORPUS HAVE LARGER POPULATIONS, BUT WE WOULD BE SECOND ONLY TO PORTLAND WHEN IT COMES TO THE GROWTH RATE. I CALLED THE CENSUS BUREAU FOR AN EXPLANATION OF THE VARIOUS POPULATION DIFFERENCES, BUT GOT NO CLEAR ANSWER. I DO KNOW THAT THE HIGHER ARANSAS PASS POPULATION ESTIMATE OF 8,976 COINCIDES WITH THE RAPID GROWTH OF OUR UTILITY CUSTOMERS

## A FEW PROJECT UPDATES

### AMERICAN RESCUE PLAN

THE AMERICAN RESCUE PLAN IS A PROGRAM WITH FEDERAL DOLLARS BEING ADMINISTERED BY THE STATE OF TEXAS ALLOWING US TO SPEND \$2 MIL IN FUNDS TO IMPROVE CITY INFRASTRUCTURE.....MORE SPECIFICALLY, WATER AND SEWER LINE EXTENSIONS. IN OTHER WORDS, TAKING THESE LINES TO MANY OF THE AREAS WITHIN THE ORIGINAL CITY LIMITS WHICH DO NOT CURRENTLY HAVE WATER AND SEWER SERVICE. THE PROJECT IS NOW BEING DESIGNED.

### CDBG – DR

THIS IS THE \$10 MIL CDBG GRANT YOU HEARD ME TALK ABOUT IN 2019. WORK NOW IS UNDERWAY ON THIS MAJOR DRAINAGE IMPROVEMENT PROJECT....INCLUDING THE MUCH TALKED ABOUT STAPP/MCCAMPBELL PORTION. THERE ARE ABOUT 15 LOCAL PROJECTS ASSOCIATED WITH THIS GRANT.

### THE EUCLID PUMP STATION

DURING HEAVY RAINS....FLOODING IS COMMON IN THE EUCLID STREET AREA. IN ORDER TO RESOLVE THIS, IT IS NECESSARY TO ADDRESS PROBLEMS WITH THE EUCLID PUMP STATION. THAT WORK IS UNDERWAY AND IS FUNDED. WORK ALSO IS PLANNED FOR FY22 ON THE LARGE DITCH NEXT TO THE PUMP STATION AT GOODNIGHT. DREDGING OUT THAT DITCH WILL HELP EASE FLOODING IN THAT AREA.

### A NEW PAVILLION

THANKS TO THE MUNICIPAL DEVELOPMENT DISTRICT FUNDING HAS BEEN ACQUIRED FOR A NEW BASKETBALL PAVILLION. STEPS ARE NOW BEING TAKEN TO COMPLETE THE DESIGN WORK.

### HARBOR BULKHEAD

SECTIONS OF THE HARBOR BULKHEAD AT CONN BROWN HARBOR WERE SIGNIFICANTLY DAMAGED BY HURRICANE HARVEY. FEMA HAS AGREED TO PAY FOR THE REPAIR OF THOSE SECTIONS. WORK NOW IS UNDERWAY. DURING RESTORATION, ONE SECTION COLLAPSED AND IS NOW MOSTLY CORRECTED. STEPS ARE BEING TAKEN, AS THE WORK PROGRESSES, TO MAKE SURE THERE ARE NO ADDITIONAL COLLAPSES. ALL OF THE DAMAGE IS DUE TO HARVEY.

### CONN BROWN HARBOR

THE LAST TIME I ADDRESSED YOU, THE IMPROVEMENTS AT CONN BROWN HARBOR STILL WERE UNDERWAY. NOW THEY ARE COMPLETED THANKS TO A GRANT FROM EDA. THAT INCLUDES THE WALKING/BIKE TRAIL WHICH IS BEING USED QUITE A BIT DURING EARLY MORNING HOURS AND LATER IN THE EVENING. ALSO THE ADDITION OF STREET LIGHTS ALONG THE TRAIL MAKE IT NOT ONLY ATTRACTIVE AT NIGHT, BUT ALSO SAFER. STILL SOME OTHER WORK TO OUT THERE UNRELATED TO THE INFRASTRUCTURE IMPROVEMENTS – SUCH AS LIGHTING AT THE PIER. NOW THAT THESE IMPROVEMENTS ARE COMPLETED, CITY OFFICIALS CURRENTLY ARE MEETING WITH ECONOMIC DEVELOPMENT ATTORNEYS TO CONSIDER DIFFERENT LEGAL PATHS THAT CAN BE TAKEN FOR A HOTEL, CONVENTION CENTER AND/OR RESIDENCES.

### FEMA STATUS

ALL OF THE FEMA WORK IS MOSTLY COMPLETE. FEMA WAS A GODSEND TO THE CITY OF ARANSAS PASS FOLLOWING CATEGORY 4 HURRICANE HARVEY. FEMA AND OTHERS HELPED US CLEAN-UP AND REPAIR THE DAMAGE. FEMA MOVED IN IMMEDIATELY AFTER HARVEY HIT. THE ONLY LARGE PROJECT LEFT IS THE HARBOR BULKHEAD. THERE ARE A FEW SMALL PROJECTS. ESSENTIALLY, OUR WORK WITH FEMA IS MOSTLY COMPLETE AND IT HAS BEEN VERY SUCCESSFUL. WITH FEMA WE ACCOMPLISHED SUCH THINGS AS A NEW WATER TOWER. A MASSIVE CLEAN-UP. BULKHEAD REPAIRS.

### PRIVATE GRANTS

THE HARDENING OF THE CITY COUNCIL CHAMBER SO IT CAN SERVE AS AN EOC CENTER DURING A MAJOR EMERGENCY SUCH AS A HURRICANE.... IS NOW COMPLETE. ADDITIONALLY, EQUIPMENT FOR THIS EOC WAS ALSO RECEIVED THROUGH THIS GRANT FROM REBUILD TEXAS. THE LION'S CLUB IS RESPONSIBLE FOR REPAIRING AND REBUILDING THE HURRICANE DAMAGED SMALL GAZEBO'S AT THE LIGHTHOUSE LAKES TRAIL AREA.

### BUDGET

MOST OF THE FUNDS WITHIN A MUNICIPAL BUDGET HAVE A FUND BALANCE. THIS IS A GOOD INDICATOR OF THE STRENGTH OF THAT FUND. THE GENERAL FUND ALSO HAS A FUND BALANCE. THIS GENEREAL FUND BALANCE PROVIDES A PEEK AT THE STRENGTH OF THE OVERALL BUDGET. NORMALLY CITIES HAVE A GENERAL FUND BALANCE OF ABOUT 25%. HOWEVER, FOLLOWING HURRICANE HARVEY AND BECAUSE OF ALL THE COSTS ASSOCIATED WITH THE RECOVERY, WE WERE REQUIRED TO HAVE A GENERAL FUND BALANCE OF 40%. FOR THE PAST TWO YEARS WE HAVE REACHED THAT LEVEL. FOR THE COMING FISCAL YEAR, WE WILL BE SOMEWHAT BELOW BECAUSE OF

UNANTICIPATED EXPENSES, BUT WE WILL BE WELL ABOVE 25%. THIS BUDGETARY SUCCESS IS DUE TO THE FINE WORK OF THE CITY COUNCIL, CITY STAFF AND THE FINANCE DEPARTMENT.

## **THE LOCAL ECONOMY**

### **ECONOMIC OUTLOOK FOR FY22**

MANY MILLIONS IN FEMA RECOVERY DOLLARS ARE NOW INVESTED IN OUR COMMUNITY. EVEN DURING THE PANDEMIC, THE SALES TAX CONTINUED TO NOT ONLY PERFORM WELL, BUT IT HAS SET NEW RECORDS. THE SALES TAX IS ANOTHER GOOD INDICATOR OF A CITY'S ECONOMIC HEALTH. THE PROPERTY TAX IS OUR MAIN SOURCE OF REVENUE. PROPERTY VALUATIONS HAVE REGAINED THEIR POST-HARVEY DIP, CAUSED BY DAMAGED OR DESTROYED BUSINESSES, APARTMENTS AND HOMES BEING REPAIRED OR REPLACED. IN FY22 PROPERTY TAX REVENUE IS UP AND WE ARE ABLE TO REDUCE THE PROPERTY TAX THE CITY CHARGES CITIZENS. AGAIN, WE HAVE BEEN ABLE, IN FY22, TO REDUCE THE PROPERTY TAX.

THE CITY DOES NOT GROW ECONOMICALLY UNTIL IT HAS HOUSES. NEW HOMES ARE BEING BUILT IN SUBDIVISIONS. A LARGE SUBDIVISION BY A NATIONAL BUILDER WILL BE COMING TO THE PLANNING AND ZONING COMMISSION SOON. ALSO.... IN-FILL HOMES ARE BEING BUILT TO REPLACE DEMOLISHED HOMES AND MANY OF THOSE DESTROYED OR DAMAGED BY HURRICANE HARVEY. ALL OF THE APARTMENT COMPLEXES SHUT DOWN BY HARVEY ARE NOW OPEN. AN ATTRACTIVE APARTMENT COMPLEX OPENED ON WHEELER. MAJOR HOUSING DEVELOPERS ARE CLOSELY LOOKING AT ARANSAS PASS.

HOTELS HAVE BEEN BUILT AND ARE UNDER CONSTRUCTION. A NEW MOTEL 6 AT THE CITY'S ENTRANCE IS BEING BUILT. THE NEW CANDLEWOOD SUITES HAVE RENOVATED AND ARE NOW OPEN. THE CITY'S FIRST MULTIPLEX THEATER HAS SURVIVED COVID AND IS SHOWING FIRST RUN MOVIES. IT IS ATTRACTING MOVIE-GOERS FROM THROUGHOUT THE REGION. A STARBUCKS IS UNDER CONSTRUCTION. A NEW HARBOR FREIGHT IS OPEN AND ATTRACTING CUSTOMERS FROM THROUGHOUT THE REGION. SAME THING WITH THE NEW STATE-OF-THE-ART BOWLING ALLEY.

CITY DEBT IS SOMETHING WE HAVE BEEN WATCHING CLOSELY FOR THE PAST SEVERAL YEARS. KEEP IN MIND THAT THE CURRENT CITY COUNCIL IS RESPONSIBLE FOR THE PAST DEBT THEY INHERITED FROM MANY YEARS AGO AS WELL AS THE CURRENT DEBT. AS A WAY TO ADDRESS THIS, THE CURRENT CITY COUNCIL HAS BUILT A STRONG BUDGET, SO IT IS ABLE TO CONTINUE PAYING OFF THIS DEBT RESPONSIBILITY ALLOWING US TO HAVE A STRONG FINANCIAL FUTURE.

IN SUM.....THE ECONOMIC OUTLOOK FOR ARANSAS PASS REMAINS VERY BRIGHT.

#### CHALLENGES

A MAJOR CHALLENGE IMPACTING OUR BUDGET DURING FY20-21 WAS LEGAL COSTS. HOWEVER, A MAJOR LAWSUIT INVOLVING HARBOR POINT PARK NOW IS SETTLED. ADDITIONALLY, IN LATE SEPTEMBER, 2021, THE CITY COUNCIL DECIDED TO WITHDRAW FROM THE ANNEXATION LAWSUIT. THE REASON FOR ENTERING THE LAWSUIT, PROTECTING SHORELINES IN THIS AREA WAS VERY SOUND. BUT, THE EXPENSE OF DOING SO WAS BEYOND THE MEANS OF THE CITY TO SUPPORT, SO THE LAWSUIT WAS DROPPED IN ORDER TO PROTECT THE FINANCIAL FUTURE OF ARANSAS PASS. WE PAID \$815,000 TO SETTLE THE LAWSUIT, BUT WE UNDOUBTEDLY SAVED MANY HUNDREDS OF THOUSAND IF NOT OVER A MILLION BY CONCLUDING THE LAWSUIT. ALSO, IT WAS NOT NECESSARY TO INCREASE UTILITY RATES BY AS MUCH AS \$25 DOLLARS PER MONTH TO PAY FOR THE NEW INFRASTRUCTURE IN THE FORMERLY ANNEXED AREA.

### GIVING BACK

THE CITY OF ARANSAS PASS HAS BEEN GIVEN A LOT SINCE HURRICANE HARVEY....GRANTS FROM THE FEDERAL AND STATE GOVERNMENTS, PRIVATE GRANTS AND THE ASSISTANCE OF MANY INDIVIDUALS FROM AROUND THE UNITED STATES. WHEN GIVEN THE OPPORTUNITY, WE SHOULD GIVE BACK. OUR MOST RECENT OPPORTUNITY TO DO SO WAS HURRICANE IDA. A HANDFUL OF CITY STAFF MEMBERS DROVE OVER TO LOUISIANA FOR A FEW DAYS TO OFFER ASSISTANCE. IT ALSO IS IMPORTANT TO GIVE BACK....NOT ONLY AS A WAY OF SAYING THANKS AND OUR EXPERIENCE MAY BE ABLE TO HELP YOU.....BUT ALSO BECAUSE YOU NEVER KNOW WHEN WE WILL NEED OUTSIDE ASSISTANCE AGAIN.

### SURVEY

THE RESULTS OF THE ANNUAL CUSTOMER SERVICE SURVEY ARE IN. ONE OF THE QUESTIONS I ALWAYS LOOK AT IS: "HOW WOULD YOU DESCRIBE ARANSAS PASS AS A PLACE TO LIVE?" 54.2% SAID EXCELLENT TO GOOD. 31% SAID FAIR. ONLY 14.7% SAID POOR. I CHECK THE ACCURACY OF THAT RESPONSE WITH A FOLLOW-UP QUESTION: "HOW SAFE DO YOU FEEL LIVING IN ARANSAS PASS?" 56.4% SAID EXCELLENT TO GOOD. 25.8% SAID FAIR, WHILE 16.8% SAID POOR. IN OTHER WORDS, THE "PLACE TO LIVE" QUESTION IS PRETTY ACCURATE. THOSE NUMBERS ARE A PRETTY GOOD FOUNDATION FROM WHICH TO CONCLUDE WE HAVE A STRONG COMMUNITY.

### CITY HALL COLORS

WOULD LIKE TO COMMENT ON THE NEW CITY HALL COLORS SELECTED BY THE CITY COUNCIL. ITS BEING CALLED PINK...BUT IT IS JAZZ AGE CORAL. WHEN I WAS WORKING ON THE EAST COAST MANY YEARS AGO...I DROVE UP TO NOVA SCOTIA IN CANADA. NEAR THE CITY OF HALIFAX IS A COASTAL VILLAGE CALLED PEGGY'S COVE. BEFORE YOU ENTER PEGGY'S COVE ALL OF THE BUILDINGS ARE COLORLESS AND DRAB...BUT WHEN YOU DRIVE INTO THIS SIMPLE FISHING VILLAGE...MANY, IF NOT MOST, OF THE HOUSES ARE PAINTED BRIGHTLY WITH COASTAL COLORS. THIS IS ONE OF THE REASONS, PEGGY'S COVE IS KNOWN WORLDWIDE. IT IS COLORFUL AND ATTRACTIVE AND HAS ADOPTED COASTAL COLORS. PEGGY'S COVE WAS NOT MENTIONED DURING THE DISCUSSION OF THE CITY HALL COLORS, BUT IT WAS MENTIONED THAT MANY OF THE BUILDINGS IN ARANSAS PASS – A COASTAL AREA - ARE ALREADY BRIGHTLY COLORED. SEVERAL MILLION PEOPLE PASS CITY HALL AND THROUGH OUR TOWN, EACH YEAR DRIVING TO THE FERRY. THE GOAL OF JAZZ AGE CORAL IS TO ALLOW THE COLOR OF CITY HALL TO VISUALLY TELL THE WORLD THAT WE ARE AN IMPORTANT AND UNIQUE COASTAL COMMUNITY.

### NEWSLETTER

FINALLY, EACH MONTH THE CITY CONTINUES TO PUT OUT AN E-NEWSLETTER. IF YOU WOULD LIKE TO SUBSCRIBE, FEEL FREE TO CONTACT CITY HALL AND WE WILL ASK FOR YOUR EMAIL ADDRESS.