

Transcript of a recorded interview of former Lago Vista Mayor Kevin Sullivan by Jack Britton, editor of Lago Vista Watchdog, Oct. 4, 2026 (42 minutes). Sullivan agreed to publication of the interview. Transcribed with Microsoft MAI-Transcribe-2, checked word by word against three other speech-to-text systems and a voiceprint speaker check, and reviewed by the editor. Verbatim, with fillers and false starts. Times are minutes:seconds into the recording. Details that identify a private home are removed by Lago Vista Watchdog.

Jack Britton [00:00]: Okay, so I'm here with the former mayor, Kevin Sullivan, uh, and today we're going to, uh, discuss sort of the history of the FLUM and get into the details, like who's, who's who in the zoo, what conversations were had, and of course we're going to fact check everything. So, uh, Kevin, if you wouldn't mind, um, anytime that you want me to, you know, remove something, you want to off the record, just say, hey, keep this off the record, say let's get back on the record, and that'll help me kind of, uh, cut those out of this interview. Okay, so where do you want to start?

Kevin Sullivan [00:28]: Well, I tell you what, do you want to talk generically about the situation first and then go into details?

Jack Britton [00:33]: I- I think so.

Kevin Sullivan [00:33]: Kind of get an overview.

Jack Britton [00:34]: Let's do that.

Kevin Sullivan [00:35]: So, I first got on council back in 2016, and that was approximately when the comp plan and the FLUM were being reviewed and approved by the council. By the time I got on council, all of the mechanics had already been done. They'd already had the public meetings, and I think I did end up getting to vote, uh, on the comp plan and the FLUM, um, but literally that's all I was there for was the vote. Uh, they'd already done all everything else before I started. Um, but that was, uh, and that was when the Shoreline Ranch, for example, property was designated as, uh, rural residential, and I didn't have, um, any clue that that thing even existed over there, didn't know anything about them, didn't realize that, um, it could potentially cause them problems, although at the time it wouldn't because our laws hadn't been changed to say that a, a zoning change had to be, uh, consistent with the FLUM or they wouldn't even consider your, your application. So that's kind of the history of it.

Jack Britton [01:31]: Okay.

Kevin Sullivan [01:31]: Prior to 2016, there had been a, excuse me, another comp plan and FLUM that had been done, I think it was either 2- 2008, 2010, and at that time the land over there, I don't believe was designated rural residential. I do not have that documentation, so I can't tell you for sure. I just had someone who was involved told me that.

Jack Britton [01:49]: Yeah, we'll need some sort of proof, like documents.

Kevin Sullivan [01:51]: Totally understand.

Jack Britton [01:51]: That far back.

Kevin Sullivan [01:52]: Totally understand. So then, you know, you move through time, and the current group that has purchased Shoreline Ranch bought it in the 21-22 timeframe. They finished in about January of 22.

Jack Britton [02:03]: Okay, got it.

Kevin Sullivan [02:04]: And at that time, they wanted to bring forward a PDD amendment. There was already a PDD in place in, back in 2007. I've sent that to you, so you've got that. And that, those entitlements provide them with the ability to build 568 units on that property, quarter acre lots, half acre, full acre. There's some multifamily in there. Obviously, there's a golf course, the clubhouse, some waterfront amenities. All those were included in the...

Jack Britton [02:27]: And I, I remember at one point it was 178 entitlements, and then at some point it went to 568. Like, uh, I caught that in the first story, and so...

Kevin Sullivan [02:35]: I- I don't remember that number.

Jack Britton [02:37]: Okay.

Kevin Sullivan [02:38]: I will just say that in the 2007 PDD amendment,

Jack Britton [02:41]: Yep.

Kevin Sullivan [02:41]: that's when they gained the rights for 568

Jack Britton [02:43]: 568.

Kevin Sullivan [02:44]: across the 568 acres.

Jack Britton [02:45]: Okay, got it.

Kevin Sullivan [02:46]: Yes. So when the group bought it in '22, uh, and that was one of the points I made in the presentation the other day, was that they're a relatively new ownership group.

Jack Britton [02:55]: Mm-hmm.

Kevin Sullivan [02:55]: They've been actively working with the city ever since they bought it, attempting to get a PDD amendment through, now realizing they got to get the FLUM amendment done first. So it's not a dormant, uh, entitlement, if you will,

Jack Britton [03:06]: a

Kevin Sullivan [03:06]: a dormant development. There's a bunch of talk at the city about some of these older 20-year-old things that have never had any activity on them to downzone them, for example. Um, in this case, there's really no reason to do that because this is an active development group trying to move this forward. So bottom line is, is in that time frame when they bought it, they originally came through and asked for a PDD amendment. At that time, there was no requirement that a P- a zone change be consistent with the FLUM before they would review a, a, um, that zoning change. So it was accepted, I believe, in 2021. I believe they put it forward in 21, but while they had the, uh, land under option contract but had not actually finished purchasing it.

Jack Britton [03:47]: Okay.

Kevin Sullivan [03:47]: So, uh, they, they came through, this is full transparency, with the request for like 1360 units, so they were going to more than double the units that they want wanted. Um, it was, and I'd I'd have to go back and recheck this. I don't know if it was denied or they eventually pulled it because they realized it likely was going to get denied.

Jack Britton [04:07]: Mhm.

Kevin Sullivan [04:08]: So at the time, they asked then, uh, Development Services Director Laurie Jambor, um, how should we move forward? And he recommended that they, uh, move forward with a FLUM amendment first.

Jack Britton [04:17]: Who's, who's this? The, the, the director?

Kevin Sullivan [04:19]: De- uh, Development Services Director Laurie Jambor.

Jack Britton [04:22]: Okay.

Kevin Sullivan [04:23]: Okay. And, uh, he recommended they go for a FLUM amendment. And so they did. They filed for that. At the time they filed it, they did not, um, we didn't have rules that said how you would go about, uh, filing for a FLUM amendment. There was no official form, no fee, no nothing. And so what he did was is that said, if you guys want a FLUM Amendment change, just send me a letter of support, which I provided you earlier today, um, so that, uh, that they could then move forward with it. And that's exactly what happened. The group sent over the letter of support, excuse me, gave it to Laurie Jambor. Laurie Jambor made sure that that item appeared on the P&Z agenda. So it appeared on the P&Z agenda in October of 22, and it was passed unanimously that, yes, your, your FLUM amendment has been, we recommended council that it be modified, back to low density residential, something that would reflect the entitlements that they had, that were granted in 2007. So there was a long time until this was heard by city council in August of 23. Can you stop for a minute? Mm-hmm. Okay, thanks, Jack. Um, I wanted to think about what we had talked about, um, in executive session versus what was open. Some of the reason why it took almost a year for it to come to council was in executive session, so I'm not going to cover that. But another part was, um, in- it was openly talked about, it was in the- the press at the time. Um, unfortunately, there was a staff member who was in, we believe, allegedly involved with the death of someone, and that body was dumped on the land over there, uh, at Shoreline Ranch.

Jack Britton [05:58]: Oh wow.

Kevin Sullivan [05:59]: Um, it was dumped on the land right where we had the water treatment plant. Um, and and Shoreline Ranch owned some of it, we we owned some of it. Um, there was some dispute about it. Ultimately, Shoreline Ranch donated the rest of it. But anyway, these things happened and and caused the delay for when it finally got to council. So bottom line is, in August of 23, it came before council, and we d- we discussed the issue, and it was purely a the FLUM amendment that was coming for us. There was no PDD amendment for us, purely the FLUM. I think the problem at that time was is that we conflated the two issues. I know I certainly did. If you go back and watch the the tape of that meeting, that's a conclusion you draw, because quite frankly, most of the conversation was about what we would discuss, density, excuse me, number of units, the, the, the size of lots and so forth. All of that is something that is pertinent to a PDD amendment, but not pertinent to a FLUM amendment. Um, and so that was one of the problems. The other problem was is that they, uh, several of the council members made the assertion that, hey, excuse me, a developer, uh, buys a piece of property, they know what entitles it, entitlements it has or doesn't have, um, and then they should, um, live with that and build according to it. Um, the point I made at the meeting the other night was that if that's the case, then why do we have a PDD amendment process? If it's

never designed for it to be used, then just remove it from our ordinances so that developers, when they know they buy a piece of property, realize they're never going to have the chance to change entitlements. But that's not the intent. I think, quite frankly, this is something that is being leveraged against Shoreline, but not leveraged against other developers, to be honest with you. Um, but bottom line is, is that because of the m- mistakes I believe council made, and and I thoroughly critique my own participation in that because I I did some of the same thing, that we denied it 6 to 1. Um, and and so, uh, in between the P&Z session in uh Oc- uh October of 22 and the council in August of 23, that's when the law change was enacted that said if you want to submit a zoning change, it has to be consistent with the FLUM for that change, that that application to even be considered. And so bottom line is the Shoreline right now is caught in a catch 22. They can't get a FLUM that that reflects their current entitlements and what they would want to ask for, therefore they can't put forward a PDD amendment, so they're stuck. And and the problem with being stuck is they have 2 options available to them. Number 1, they can move forward with de- developing the quarter to the old entitlements, but the problem is there are two development companies that went bankrupt trying to do that, and so they don't want to make those same mistakes again. They they realize the golf course needs to go. Um, they they think that they want to take the multifamily and change it from multifamily to single-family homes. So you the only product that's in there is single-family homes, just on a variety of different types of lots, for example. Um, but they can't ask for that. They just simply can't ask for that. So the other option is to bring form- forward a PDD amendment that f- for rural residential, which would be consistent with the, uh, FLUM, but they'd have to develop with 3 acre lots, th- 3 plus acre lots only, and there's problems with that as well. You can like take a look over at Marshall's Harbor and Marshall's Vista and how little that's developed over 3 decades to realize there are serious problems associated with large acre lots within the city limits. There's plenty of lots over there on that side that have been successful, but most of them are outside the city limits, and that's the issue. So that's kind of a background around the issue.

Jack Britton [09:23]: What- what's the difference between inside, outside city limits? Why is that a problem?

Kevin Sullivan [09:29]: It's not necessarily that it's a problem, it's that a lot of people who want these acreage size, um, lots, they want to be outside the city. They don't have to pay city taxes.

Jack Britton [09:38]: Got it.

Kevin Sullivan [09:38]: They don't have to pay water and sewer. They generally have a well, and they have a septic, and they're in their own little world, if you will.

Jack Britton [09:45]: Yeah.

Kevin Sullivan [09:46]: That's the advantage, and that's the reason why a lot of people buy these oversized lots. There's no advantage to doing that within the city limits.

Jack Britton [09:52]: Got it.

Kevin Sullivan [09:53]: And so that's the reason why you generally don't see it inside of a city.

Jack Britton [09:56]: Okay, that's really good.

Kevin Sullivan [09:58]: So, I wrote some notes, and I'm going to kind of walk through some points, and then as I do, by all means, please ask me, you know, questions. Got it. Um, one thing I say, and I'll start off with this, in the meeting the other night, uh, Mr. Roberts got up and he said, you know, who in this room wants the east side of Lago to look like the west side? And no one raised their hand. I think it was people kind of taken aback, didn't know what he meant. I had several reasons why I didn't raise my hand, and I'll be happy to talk about those. But bottom line is, that's just an offensive question. What's wrong with the west side of Lago Vista? What's wrong with Lakeside? What's wrong with Old Lago? I mean, you're too hoity-toity to have those, you know, next to you, for example. There is absolutely nothing wrong with those parts of Lago Vista, and to have that extended to me isn't, shouldn't be an issue. But anyway, I just wanted to get that on record because I just don't understand that mindset. um, so m- many of the folks, we just talked about the fact that a lot of the acreage size development is outside the city limits. Well, many of the people who got up and spoke at that meeting and also who wrote in to city council live in the ETJ. They don't even live in the city. So bottom line is, is that they're paying no taxes towards the infrastructure needs that we have, but they want us to preserve their quality of life, if you will, by not having the hoi polloi near them, if you will. And so that's part of the issue with, um, you know, what's going down over there. They, they paid no impact fees that come to the city that can be used for the expansion of roadways or the water treatment plant or the wastewater treatment plant. And so I, I think people just need to recognize that. Uh, let's take a look at, at, um, if Shoreline Ranch were to develop according to the current PDD, the 568, um, and then if we were, let's say they double and have 1100, um, and then what would it be if there were 3 acre lots? So, if you do the math, um, Shoreline Ranch is roughly cut in half between service area 1 and service area 2 for our impact fees. Um, we could get into the details on that. I can send you the map so you associated with that. But bottom line is, is north of the line you pay 2493, I think, per, yeah, 2493 dollars per unit that you develop, and then south of it it's 537, 537 dollars. So if you had a development that was according to the current existing PDD, that would generate 186,000 dollars in just roadway impact fees for the city that they could use to expand Lohman Ford. I think everybody recognizes sooner or later we're going to have to expand Lohman Ford between Boggy and Dawn, for example. Well, where's that money going to come from? Well, Shoreline Ranch would be a good source for those funds. Um, if it were allowed to increase to 1100, for example, that'd be 1.6 million dollars that would go towards the expansion of Lohman Ford. If you did a, uh, low density rural residential development, maybe you could get 125 to 150 units. I, I did the calculations based on 150 units. You'd only generate 227,000 dollars in impact fees. That's not going to make a dent in the cost to expand that roadway. And so that's something that needs to be kept in mind. And the other thing that to keep in mind is that, um, when we expand, uh, Lohman between Dawn and Boggy, another thing that is drastically needed is a light somewhere close proximity to the high school, because the high school kids, new drivers, are having to jump onto Lohman Ford, you know, in the morning getting off and in the afternoon getting out, and it can be dangerous, and that's one of the things that they've asked for.

Jack Britton [13:32]: What are the impacts, uh, to residential taxes if, if, uh, if they get the low density, um, sort of agreement and they, the city doesn't collect on those taxes, everyone else's taxes go up and they pay for the, for the needs on Lohman Ford? Is that, is that how kind of the city manages that?

Kevin Sullivan [13:52]: Well, it, it depends. Um, if the city could end up delaying the expansion of, uh, Lohman Ford forever, and so taxes don't necessarily go up, but we end up with a, um, reduced capability on the roadway, and, and people start having real problems. I mean, if you watch in the morning, it backs up from dawn practically to Boggy Ford.

Jack Britton [14:10]: I know.

Kevin Sullivan [14:10]: I mean, it's pretty ugly.

Jack Britton [14:11]: Yeah.

Kevin Sullivan [14:11]: Uh, and that's something that needs to be dealt with, and we can't wait a whole lot longer.

Jack Britton [14:15]: Okay.

Kevin Sullivan [14:15]: Yeah. Um, and- and one thing that I would say is- is that, uh, it was a note further on, I might as well talk about it now. There's a gentleman named, um, Kevin Shepherd, I think is his name. His- his company's called Verdunity, and we've gone to see presentations by him multiple times. Uh, I can give you the contact info, and- and you can go look at his website.

Jack Britton [14:35]: Okay.

Kevin Sullivan [14:36]: Um, but he has spoken at TML events, Texas Municipal League events, and and a lot of us council members have gone and have seen his presentations. Um, but the bottom line is, is he talks about development that maximizes revenue for cities, so, and and minimizes the cost of infrastructure. And and one of the things he talks about is, um, extremely low density can actually be one of the most expensive development patterns for a municipality to sustain over the long term. So so that's the other problem that you run into with the super low density development is, is that it costs you, you know, quite a bit of money to extend the roadways, pipes have to go longer distances between units and so forth, versus a higher density development. Um, you're, um, servicing 20 homes on, uh, the same thing that might be one l- low density development home.

Jack Britton [15:21]: Right.

Kevin Sullivan [15:22]: And so bottom line is, is that makes a much more efficient use of your infrastructure when you go down that path. And so that's the reason why, you know, we need to consider that as a city. How are, what's the most effective and efficient way for us to develop, keeping our character? I don't, I'm not trying to say let's turn into Lakeway or downtown Austin or anything like that, but what's the most efficient way for us to develop so that we keep our character, but also generate the most, um, most tax dollars for the least amount of infrastructure cost. Okay? Um. Um. Yeah, I think.

Jack Britton [16:02]: You were talking, uh, earlier, you were just talking like, uh, the agreements, low density versus high density. Uh, we were talking taxes, uh, and how that, you know, we had higher density, that bring in more revenue, that would help us with infrastructure. Um, and then I cut in and was like, hey, what's the impact if we don't bring high density in? You answered that, um, just now. So that's where we are.

Kevin Sullivan [16:23]: Yeah, and and so just for the audience's sake, here's kind of the sequences of events, And then we talked about it at the very beginning, but just kind of a bullet point, um, outline. Number one, in 2007, the the Shoreline Ranch was granted its entitlements, 568 units, again, development much like Old Lago. Um, then in 2016, the city, of their own accord, designated their, their FLUM, uh, designation as something different than their entitlements. So already kind of putting them on, on, um, in a bad position, if you will, vis-a-vis the entitlements that they had. Uh, and then, uh, Jordan Strohmeier, who was our development services director up until recently, I asked her very specifically in a conversation, hey, excuse me, did those, uh, owners at the time ask for a modification to the FLUM to match their entitlements? And she indicated that they did, but were not granted it by the city. At the time, it didn't matter as much because we didn't have the 2023 law that required consistency before you could ask for a PDD amendment. and so I don't think they pursued it that heavily. but bottom line is, is that in 22, Shoreline Ranch asked for the PDD amendment. They were recommended for approval by planning and zoning, and then they were denied by city council, and in the intervening time, the city council changed the law that made it a catch 22 and left them in a bad spot. And we just talked about it. Their two choices right now is go down the path of developing something that's caused two companies to go bankrupt, or go down the path of doing a very low density development, which isn't going to be efficient infrastructure-wise for the city and isn't going to generate the impact fees we need and so forth. So it's that's not a very good solution either.

Jack Britton [17:58]: Okay.

Kevin Sullivan [18:00]: Um, so le- let's say that you take a look at the development. Let's go from the west side of Lago Vista all the way over to the east side of Lago Vista. Far west, you got Serra Lakeside, and um, my understanding is, is that about 1900 units will eventually be developed on about 700 acres of land. And so you're talking about a density of 2.7 units per acre. So then let's come into Old Lago, Country Club Estates, Highland Lake Estates, Airport Hill, that kind of thing. Those are mainly quarter or third acre lots. It's really very similar to Tessera. We don't have sidewalks, but conversely, we generally have a little bit wider, a little deeper lots, for example. Um, so I, if I had to guess, it's hard to do the math, but my guess is density in Old Lago is a little bit lower than what you see in Tessera. So then you take a look at Luna Ridge, Wind Ranch, Firefly Cove. Luna Ridge is 3.22 units per acre. Wind Ranch is 2.64 units per acre. Firefly Cove is nice in that it's only 1.15 units per acre. But then you take a look at Shoreline Ranch. If we do the approved PDD, you're talking about one unit per acre. If, let's say we doubled to 1100 units over there, you'd still be talking about 1.93 units per acre, which is lower than just about anything else in Lago Vista other than Firefly Cove. So that's part of the reason why I, I, I, I, I wonder why the such a heavy pushback on at least giving them an opportunity to bring forward a new plan. Because they're not, even if they were to go double what they're approved for, it's still a less dense development than Old Lago, Tessera, uh, Wind Ranch. Uh, so anyway, I, it just seems like it's silly not to even entertain a conversation with the developer about what they do with that property. Again, if that property gets developed, that's tax dollars and impact fees that go to expanding our infrastructure, both roads, water, wastewater. I did research using ChatGPT. I tried to find out how are we compared to the kind of peer group cities. And so what I did was I said, go look at all the Texas cities that are 10,000 population to 30,000, so pretty close to our peer group. How many are there? There's 140. So then I asked the question, how many have

development laws like what we do? So, for example, the consistency with the FLUM is a requirement. They won't even look at an application if the zoning change does not match the FLUM designation. Guess how many cities are like us?

Jack Britton [20:26]: Probably not too many.

Kevin Sullivan [20:28]: We are the only one.

Jack Britton [20:29]: Yeah.

Kevin Sullivan [20:30]: out of the 140.

Jack Britton [20:31]: Wow.

Kevin Sullivan [20:31]: We are the only one. Now, there were a handful, I- I'm gonna say somewhere between 5 and 10, that also had the requirement that your development had to match, excuse me, um, the, um, the- the FLUM designation, but no catch 22 where they won't even consider your application. Most of those would allow a simultaneously, simultaneous, um, submission of both a FLUM, um, amendment and a PDD amendment at the same time. I would be all in favor of that. If you want to keep the requirement that to match the FLUM designation, that's fine. But what you want is to at least hear from the developer about what they're going to propose, because quite frankly, if you listened and you talked to them, you might find that what they're proposing is something that you would find acceptable. But when you, you shut them down and don't even let them bring the plan forward, how do you know?

Jack Britton [21:19]: Yeah. And they own the asset. That's their asset.

Kevin Sullivan [21:21]: Oh yeah, absolutely.

Jack Britton [21:23]: That's crazy.

Kevin Sullivan [21:23]: Yeah, we're telling them what they can and can't do with that asset to a- to the nth degree. Um, so anyway, bottom line is, is that we are an outlier with regard to our, um, development services, uh, ordinances in that we require, um, the match, uh, otherwise we won't even look at your application. There's no other city our size that has something similar, uh, similar laws. Um, so we, you and I talked a little bit before we start the, uh, recording about infrastructure, and specifically we're talking about water, and we were talking about, um, the allocation that we have from LCRA. So you really have multiple points along the path that you have to be careful about, um, when you talk about the water infrastructure. First, you got to know, do we have access to the appropriate amount of raw water?

Jack Britton [22:11]: Right.

Kevin Sullivan [22:11]: Then can we process the appropriate amount of water? And finally, can we distribute it? Well, um, as we discussed we recently, I want to say, um, I can't remember if it was right before I became mayor, I think it was, that we went through the, we had the, um, renewal of the agreement with LCRA, and we had to decide, are we going to keep the 6,500 acre feet, or are we going to reduce that? And, and it was presented to council that you need to think about this long and hard because the rules have changed from LCRA.

Jack Britton [22:39]: Yeah.

Kevin Sullivan [22:39]: It it used to be, even if you didn't use it, if you didn't use it, you could keep your allocation and didn't have to pay for that.

Jack Britton [22:45]: Right.

Kevin Sullivan [22:45]: What changed was is all of a sudden you had to pay a certain fee to keep your amount of al applica- allocation.

Jack Britton [22:52]: Right.

Kevin Sullivan [22:52]: And so if we had kept the full 6,500, and and let's remember, currently we're using maybe a 1,700 acre square feet a year. And so we're not even using, we're using about a third of what we eventually settled on. We were using about a fourth of what we, our original application. And so we figured we were going to save 200,000 dollars a year, and over time that adds up. That money could be used for various things. And I had done a population analysis, took a look at Old Lago, what's likely to be developed there, all of the approved entitlements that were out there, what population we could expect from that, and came up with a population, eventual population, somewhere in the range of 35,000. And so the thought was, as long as we can service 35 to 40,000 people with water, that should be enough, and it'll help us save some money. And I, uh, shared that with all of council. We discussed it in open session. Everybody agreed, and we voted to drop the allocation from 6,500 to- to 4,500 so we could try and save some money. But bottom line is we're using about a third of the raw water capacity we have available to us. So bottom line is there's zero problem there. There is plenty of water available to the city for us to service the needs of various developments. So then let's take a look at the next one, and that is water and wastewater capacity at the plants. And we've had this discussion for the last five years easily. Gosh, we're really afraid that we're getting close to capacity to both of our plants. And, um, so what we did was is we commissioned both the water this-

Jack Britton [24:19]: Oh no.

Kevin Sullivan [24:21]: Oh.

Jack Britton [24:21]: Go ahead.

Kevin Sullivan [24:22]: Okay. What- what we did was, uh, I think during Mayor Tidwell's and my tenure as mayor, we commissioned, excuse me, uh, water and wastewater, um, master plans, and we had Freese and Nichols do those for us. And what they did was is they took a look at our current existing facilities, then they took a look at, um, what we would need in the next 10 years, and then they came up with approximate costs for those. So we'd have a feeling for what we needed to include in our CIP, um, capital improvement program. So anyway, uh, and the other thing we did was we talked really clearly with staff to ask them, you know, where are we? Because, uh, when you get to 75% of capacity at your, um, plants, um, TCEQ requires you to go into the design phase for upgrading those plants, and then when you get to 90%, you need to be in construction. And so we need to know just how close are we to being in, in one or other of those. Um, and so the problem is we've heard varying answers about where we are. We were led to believe that we were very close to capacity on the wastewater and water treatment, wastewater being the more pressing, uh, than than water. And so

that's part of the reason why we let the bond package in 2024 that we did, the 26 million dollars, was to help use some of that money. We used 12 million on roads, and there's still money left over to finish working on roads. Um, but we had money in there for wastewater treatment plant improvements and expansion. Well, um, if you take a look at the budget, when Mayor Tidwell was mayor and when I was mayor, the CIP program, uh, is documented in the budget, and there's 5 years worth of CIP that is supposed to be included. Uh, we had money allocated for both, uh, wastewater and water expansion improvements. Um, and we talked about where we might get funding, for example. If you look at the budget that was approved here within the last couple of months, there's not one penny allocated for the expansion of either the wastewater or the water treatment plant. So I guess my question is, if we have an issue, a pressing issue that has to be dealt with as far as the capacity of those plants, why didn't we allocate any money in the CIP program for them?

Jack Britton [26:37]: Why do you think?

Kevin Sullivan [26:39]: I think there are multiple reasons. you could hear the council members talk. It was a fairly chaotic budget process. It didn't go as smoothly as it should have, so I think that's part of the problem. Um, when they first came out with the packet for the final, um, uh, approval of the budget, I noticed that the CIP wasn't in there, and I sent a note off to a council member and said, you know, how are you guys going to approve a budget that doesn't have the CIP, the five-year CIP that's required by charter? And eventually they ended up putting it in there, but, um, so it was chaotic. That was one reason. I've been told another reason is, is that the council is fearful that the estimates we've been provided in the past are not accurate. Um, I would argue that's not a reason to allocate zero dollars. You know, put placeholders in there to recognize, yes, we have pressing needs at both of the, the plants. But what I would say is this, what we were told previously as far as, um, capacity, um, wastewater, take that for example, um, we thought and been told we might be as high as 85% capacity. I think they're giving- getting information today that says it might be closer to 65%, which means we don't even need to be in design phase. They do have an issue with one of the clarifiers over there that it needs to be rebuilt, and they've got 9 million dollars in the CIP to take care of that, and that's great. I'm glad they did that. Um, but it doesn't seem as if in the next 5 years we're going to need to expand wastewater treatment capacity. So that's a good thing, but it means what that means is, uh, this, um, Chicken Little, Sky is Falling, uh, saying we can't even, you know, um, meet the requirements isn't very accurate. I do believe the water capacity issue is probably a little bit more pressing than the wastewater, but still, if it's so pressing, why wasn't there any money allocated the 5-year CIP to recognize the fact, um, that that's something that needs to be dealt with. Um... So, I think I sent you the second email that I sent to council regarding, um, the issue before we had the meeting this past Thursday. And one of the things that I pointed out is you've got to take a look at the absorption of these different types of developments to understand what direction might you want to go with your land planning. Um, and I think the, the example I used that I sent to him in the email was, uh, take a look at in-city, uh, uh, multi-acre lots, [Redacted by Lago Vista Watchdog: details that identify a private home.] So does that make a whole lot of sense for us to say, oh, we want to designate another 1000 acres as rural residential? And the answer is no. [Redacted by Lago Vista Watchdog: details that identify a private home.] And I know that's, that's hyperbole, but the bottom line is, is that it's indicative of the situation that there isn't a lot of demand for high acre lots inside

the city limits. Conversely, take a look at, at Tessera Lakeside. Uh, we talked about the fact that there's about 1900 eventual units in there. I think there's somewhere around 700 homes on the ground over there.

Jack Britton [30:01]: 700, that's right.

Kevin Sullivan [30:01]: Yeah. And so what you're talking about is more than a third absorption within that same 20 years, much higher percentage. That's three times the percentage of the absorption of [Redacted by Lago Vista Watchdog: details that identify a private home.] So I guess the question becomes, why do we want to focus so much on these, this low density development that isn't being built out, isn't providing tax dollars to the citizens? It makes no sense. It's not an efficient usage of that that land. And and I'll go back to saying there is no evidence that I can find that says we don't have enough raw water available or water and wastewater treatment capacity that we can't fulfill the needs of these various developments that have been presented. So, another issue I wanted to touch on was, um, you know, both a statewide and national issue right now is affordability, and, and home affordability is a huge part of that. And m- m- my question is, is that if we want to try and be, um, cognizant of that, and we want to address that in in our city, why are we proposing the highest dollar possible, uh, land use, the the low density multi-acre lots? I'm sorry, that doesn't help anybody but people who don't need help, th- those that are well off. Um, and so, uh, the the city, and we we've had these conversations on council multiple times, in that we need to address the folks who, uh, maybe need to buy the starter homes, for example, for those people who l- live and work here in our retail area, those people who live in or, or work at the city, those people who are, you know, teachers or firefighters and so forth. But I think we've done very little to try and encourage the type of development that, um, those folks can afford and be able to live and work in, you know, their community. And so that's another, to me, hot button issue that when they make the decision that they did the other night, they're completely ignoring the issue of affordability when they designate shoreline land ranches, rural residential. Um, the other thing that I addressed in that email that I sent was the issue of of SB 15 and SB 840. Those are two land use laws that were passed and and and signed by the the governor and and put into law. Uh, they uh limit a municipality's ability to uh say how how big lots have to be. Um, they got I think the minimum they set was 3,000 square feet, so a relatively small lot um that you can do um and you can't make that any bigger. Cities can't say that that has to be any bigger. And then the other one uh uh talked about the number of units that you can build per acre, and I think eventually they settled on, on 14, that, uh, uh, landowner by right can do it. Now, when they passed that law, it was only affected counties of greater than 300,000, so we would qualify, and Travis County is like 1.2 million or something, um, but then it said cities larger than 150,000. So small cities like Lago Vista are exempted from that. Uh, but my understanding is, is that in this upcoming legislative session, they're going to consider going back and applying that to all cities. And just think about this story from Lago Vista. the fact set is horrible for the city. it is going to look like you were trying to screw over a developer. You won't even listen to what they had to say about what they want to do with their property. Right. And, you know, the state legislature is already predisposed to be a little anti-municipality. I mean, whether it be property taxes or whatever, development rights, that they already think that cities try to screw over people. And so this story that we can tell about Shoreline Ranch is one that will be very receptive at the state legislature. If they ended up saying the removing the small city carve out, it would devastate Lago Vista in that

developers could come in and build to a density level that you haven't heard of. And so that's what I've always advocated, even when I was on the dais. I would say, listen, guys, I understand that we want to be, um, strict with the developers and, and express our desire to get a certain type of development and maintain our character. But we can't be so strict that it ends up creating stories like this that go to the state legislature and they end up passing laws that cause us to have very little control over our, what happens in our, our cities.

Jack Britton [34:19]: Right.

Kevin Sullivan [34:20]: And so, bottom line is, is I've, I've warned them, I've warned them multiple times on the dais, and I did it in my email as well.

Jack Britton [34:26]: I feel like that was what, um, Councilman Benefield said too.

Kevin Sullivan [34:32]: He, he definitely addressed that, and he, I, I, I think he gets it. I, I can't believe that the other ones don't get it because we were warned multiple times, um, that this was coming down the pike and we might have to deal with it, and, and everybody was very worried about that, that situation. But to create a story that would help make it happen for us, to me, is just, I'm nonplussed. I don't know what to say. So, I can understand the desire to, um, protect your neighborhood, uh, and, and those folks that are on the east side, excuse me, wanting to protect the character they have of their lawn large lots. Um, but what I would say is this, you can go look at the American Planning Association is kind of that group that promotes policies and so forth about, uh, municipal planning and that kind of thing, land planning. And I did a, again, a ChatGPT source. I said, hey, can you go look at the APP, the APA material, and and let me know, do they recommend, do they have any policy that says, gosh, um, low density, i.e. multi-acre lots, need some kind of buffer between them and other single-family homes? And and not only did they not have it, but it was, quite frankly, kind of the opposite, and that there really doesn't need to be any kind of buffer zone between, you know, low density multi multi-acre development and other traditional single-family homes, quarter acre, half acre lot type things. And so that's the part I guess I really don't understand and why, um, they think that they're trying to maintain the character of Lago. Number one, the character of Lago is primarily Old Lago, which isn't multi-acre lots. It's quarter acre, half acre lot kind of situation. Um, and so that makes no sense. And then to claim that you need some kind of buffer between you and other single-family residences is just, again, hubris on their part. There really isn't, there's no recommendation body that would say that you, you need that. So you would ask the question, I think it was in an email that you sent to me, well, hey Kevin, you voted for the, the, the law in 2023, and you also voted to, to sign me Shoreline Ranch in 2023.

Jack Britton [36:39]: Right.

Kevin Sullivan [36:39]: Why are you changing your tune at this point? And I think there's multiple reasons. I always tried to be super fair when I was on the council. I tried to see all viewpoints so that when I made a decision, it was, it treated everybody fairly. And when I go back and look in hindsight, number one, I did not recognize the catch 22 that was being implemented with the law change and with the refusal to change the FLUM. I now understand that way better. And I'll just say this, you know, people go, jeez Sullivan, you're just being a dumb shit. How come you couldn't know that back in the time? And all I'll say is, you know, we make a lot of decisions up there. our packets are can be

anywhere from 100 pages up to 1,000 pages, and we try our best to accumulate all the information, process it all, and make the appropriate decision. In this particular case, I just don't think I processed the information very well, didn't understand the ramifications of it, and I do understand it much better now. And so I think that's the part of the explanation for it. Um, and and and I think it's just that desire to treat people fairly. Um, you know, I think I wrote in the statement I sent to you, it's like, how un-American is it that you won't even listen to a landowner about what they want to do with their property? And and I think I made the point in the meeting the other night. I go, you know, what harm is there in changing the FLUM to low density residential neighborhood residential is the new place type? Um, it doesn't give them any additional rights. The only thing it allows them to do is bring a PDD amendment forward that matches their existing entitlements.

Jack Britton [38:07]: Right.

Kevin Sullivan [38:08]: And so, uh, and then on top of that, let's say you did make that change, that FLUM change, um, and and you allowed them to bring forward a PDD amendment. Well, a PDD amendment, before it can be approved, it has to get a super majority vote by the city council. 6 of the 7 council members have to vote to pass it. Well, I guarantee you that plan is going to have to be a really good plan before you're going to get 6 to 7 people to vote for it. So you have multiple opportunities to assess what's being brought forward to you and determine whether or not you like it. And you have everything in your favor to try and, if you don't believe that they're bringing something forward, um, appropriate, to deny it. But it only takes 2 council members to stop a PDD amendment from being approved. And so, and then usually that's quite easy to, to accumulate and got it leads me to kind of extend the conversation about affordability. That's exactly what happened with Turnback Ranch. I'm sure a lot of people are familiar with, with that. It was that land over there kind of at the end of Barquet, just to the west of Barquet Park and, and between it and, and Lakeside. It was 300 and something acres. They originally had entitlements dating back to 2007 for over 700 units over there. They came forward asking for a modification, but they originally asked for like 550 approximately units, and and we kind of put them through the ringer, the council did, and we got them down to 349 units. And it was great for the citizens that lived around them. Again, this was another situation where you had single-family homes that were going to butt other single family homes, yet you need some kind of huge barrier between you and that development, which makes no sense from American Planning Association perspective. But, um, bottom line is, is that the, the, um, finances associated with it skewed dramatically. When they first started, um, they were thinking that they were going to have homes in the 350,000 to 650,000 range, relatively affordable in today's dollars.

Jack Britton [40:04]: When was first started? What year?

Kevin Sullivan [40:06]: Uh, they, they, they brought it back to us in maybe 20 or 21.

Jack Britton [40:10]: Okay.

Kevin Sullivan [40:10]: I can get you specific dates. Um, but bottom line is, is, uh, that they went from 350 to 650 range to 850 to 1.2 million is what they're projecting were going to be the housing costs in those units in there. And it's like, I'm sorry, you're not talking about anything that's

affordable, okay? And then on top of that, um, they asked for, and we granted them, uh, a PID, uh, that they could use to help finance the infrastructure in it.

Jack Britton [40:33]: And they voted on it. 51% owners voted on a PID.

Kevin Sullivan [40:36]: Well, but they, the, the, um, venture capital firm that owns the land, they're the whole,

Jack Britton [40:40]: They're the owners.

Kevin Sullivan [40:41]: whole owners. So th- they were the only ones that had to put forward that they wanted it. Um, I, I, the nice thing is, is that nowadays the state laws about, uh, disclosure are way stronger about PIDs than they were when Tessera first started.

Jack Britton [40:53]: Yeah.

Kevin Sullivan [40:53]: And a lot of people bought their homes and were misled. Um, but bottom line is, is that we did the calculation because they told us approximately what they thought the infrastructure cost would be. You divide that by 349 units, and the, the, uh, PID assessments for all of the units were going to be north of six figures. So you're talking about someone who's already paying 850,000 for dollars for a house, then has to talk about another 100,000 plus for their PID assessment. Um, again, nothing close to affordable. And so that's my fear, and I again, I- I said this, but I'm not saying anything today that I didn't say from the dais. I said it multiple times. I go, guys, I know we got to this agreement and the- and the developer agreed to it, but the finances lead me to believe that this development is never going to be developed because it's just not financially feasible. You're not going to find enough people who are willing to pay that kind of money for the- the homes there and pay the- the pit assessment in order to um to to purchase those homes. And so the land's just going to lay there fallow, not going to generate significant tax dollars for us. And to me, that's a that's a real problem. Um, and so that's kind of the end of the uh prepared points that I wanted to make, uh, and I'm happy to answer any question you have.

Jack Britton [42:05]: I'm sure I've got a lot, man. That was that was great, and you're letting me use this entire recording.

Kevin Sullivan [42:10]: You're absolutely free to use it. I have no problems with it. Again, most of what I've said, I've already said previously from the dais. So, I mean, all that's public record, so there's no reason why this can't be too.

Jack Britton [42:19]: Okay, great. I'm gonna stop this now.