

FORT BEND COUNTY HISTORICAL COMMISSION

ORAL HISTORY COMMITTEE

Interviewee: **Allen Bogard**

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Transcript

GOODSILL: It is the city's 60th anniversary since incorporation so our goal today is to talk about how government works in the city of Sugar Land. Do you want to start with how you first came to Sugar Land?

BOGARD: I got into this business in 1976 and have worked for several different cities. One of them was the city of Plano where I primarily worked in Public Works and then with the City Manager's office. One of the people I had the opportunity to work with was David Neeley. David and I worked for the city of Plano for about 7 years. He worked for me for a while. I never worked for him while I was in Plano. We both left in 1985 and he became the City Manager in Sugar Land. I worked for a couple of other cities as City Manager. About 10 years later, in 1994, when I left the city of Keller, Texas, David asked me to come down and do a project or two for him. I flew into Sugar Land Airport on Conquest Airlines from Love Field in Dallas. I worked on a contract basis for about six months providing leadership within the community development area, helping to fill some key positions.

On January 1, 1995, I went to work full-time for the city as Assistant City Manager. David continued to work for another six years and retired in 2001. After six years as Assistant City Manager, City Council offered the position to me and I accepted. I became City Manager in October 2001 and it's been 18 years now. That makes me the longest serving City Manager. Of course there have only been TWO of us! David served for 15 years and I've served 18 years. Sugar Land is a very stable place to be City Manager and that's different from a lot of other cities.

GOODSILL: What is the City Manager job in Sugar Land?

BOGARD: Under Sugar Land's form of government, we have a Mayor and City Council who are elected. They select and hire a City Manager who manages the affairs of the city on their behalf. I work for the City Council. I joke sometimes that I never want to have four council members mad at me at the same time because all it takes is a meeting and a public notice and they can send me packing. It makes the City Manager very responsive to City Council but on the other hand, I have a profession as City Manager with a strong code of ethics that requires me to always be looking at what is in the best interests of the city. One of the things the City Council gets when they hire me is my honest opinion and recommendations, even if it is difficult to hear sometimes.

In Sugar Land, there is only one official besides the City Manager who is hired and fired by the City Council and that is the Municipal Court Judge. Other than that, all city employees work for the City Manager. The hiring and firing of the City Attorney and the City Secretary requires Council consent but on a day-to-day basis they work for me just like every other city employee. I appoint the Police Chief, the Fire Chief, Assistant City Managers, and they all work for me. I work for the City Council and the public, but directly for the public's representatives.

GOODSILL: What were some of the issues that were current when you arrived in 1994/1995?

BOGARD: We were in the beginning-to-mid stages of annexing First Colony. We still had a lot to annex. That growth pattern was a unique approach to me, coming from another part of the state. It was common practice in the Houston region for areas to develop outside the city and for the city to annex them later. That is not common in the rest of the state.

GOODSILL: Why is that?

BOGARD: There are a number of factors that come into play. The ready availability of water from groundwater makes the necessity of having a city government less important for residential development to occur. So you have a lot of residential developments in the Houston region that occur outside of the city. That creates some interesting dynamics. Sugar Land had already been annexing areas such as Sugar Creek and a portion of First Colony.

GOODSILL: We hear the word annexation and we know what it means, an area outside of the city incorporated into the city. What is involved in that process?

BOGARD: Assuring the citizens that you have the organizational capacity to provide services. If you are annexing a piece of vacant property, there aren't a lot of service demands. But if you are annexing a master planned development with 10,000 residents, their expectations are that on day 1 they are going to have services available. They are going to start paying taxes and fees to the city on day 1. The city has to insure that we have police officers, vehicles, radio systems, fire service, and public works services all ready to go the day that annexation becomes effective.

GOODSILL: So there is a lot of set-up and it's a long process.

BOGARD: That's right. There was a pretty good system already in place when I came here. We took a great deal of pride in insuring that the residents who were annexed were happy, which doesn't always occur in other cities.

GOODSILL: We interviewed Bill Little and he tells the story of when Imperial owned and ran the town, and then the city incorporated, so they had to change their system of picking up the garbage. People had been used to the garbage workers literally coming into their houses and taking their garbage in the truck, every day. Now people had to take their containers to the curb! Twice a week. They weren't happy about that!! (laughing)

NOTE: See William A. Little's interview on the FBC Historical Commission website at <https://www.fortbendcountytexas.gov/home/showdocument?id=26334>

BOGARD: I'm not surprised. One of the last things you want to do is to mess with people's garbage service. It's so personal and relates to how they manage their homes. When you are extending the city into an area that already exists, it has its own service provider and inevitably you are going to have to make changes. At that time Sugar Land had a population of about 35,000 people and today we are close to 120,000. Much of that growth has been done through annexation. Some development has occurred in the city but most of it was through areas that were annexed.

GOODSILL: Tell us what areas have been annexed since Sugar Creek.

BOGARD: Sugar Creek occurred before I came to the city. First Colony was underway. While I've been here we've completed annexation of First Colony, Commonwealth, Avalon, Greatwood, New Territory, and RiverPark. The areas that have developed inside the city during that time include Telfair and Imperial. In the future the city will annex Riverstone.

GOODSILL: The areas you are referring to had been owned by Imperial and the prison system and as they began to be released, the city incorporated them?

BOGARD: That's correct. They were owned by the state at that time and the state sold them to developers for development purposes. When I came here, we had a city council that was led by Lee Duggan who had been on city council for years. There was still a very strong connection to Sugar Land's historic past, to the concept of a company town. I've always thought that the transition from company town to a city did not really happen the way a lot of people think it happened.

There continued to be a considerable amount of connection to the past, which was reflected in the work force and the leadership. An example was Earnest Taylor, who had been promoted to police chief when I came to work for the city. Earnest was the 3rd police officer on the city's police force. Earnest's wife, Margie, was a sugar company employee family. There are many examples like that.

NOTE: See Earnest Taylor's interview on the FBC Historical Commission website at <https://www.fortbendcountytexas.gov/home/showdocument?id=38836>

I think the culture of our community is still significantly impacted to the company town concept. There was really a more paternalistic approach to leadership of the community. In many ways, that continues to this day. For example, when I came to work for the city, we did not do bond elections. It was left to the elected officials to decide what projects got done and when they got done, as opposed to holding Bond elections for a school district, for example. With a bond election the voters make the final decision determining what schools are going to get built.

But when the city decided to put City Hall in Town Square, the decision that was made without a public vote. The cost to build City Hall was funded atypically. It was paid for with cash and certificates of obligation, which are a financing tool that do not require a public vote. In a lot of places that would not be politically acceptable. Yet it was acceptable in Sugar Land and it was part of the way the decision making process has in many ways continued to this day: a top-down approach. I see that changing and I think you are going to continue to see residents are taking more control of their city government.

GOODSILL: I sometimes hear Imperial Sugar being referred to as a benevolent dictatorship. The people who lived here were pretty happy because most of their needs were met. People weren't laid off during the Depression and the company provided employment, low crime, access to merchandise stores, etc. There was a whole segment of the population who was used to that. As we transitioned into a city, they still expected to be taken care of.

BOGARD: That's correct. A lot of the decisions that were made were made based on the idea that the city was in the position to best make those decisions. The City Council was fully empowered by the city charter to make those decisions. We have gravitated / changed / evolved to have more citizen involvement over the years.

But going back to the bond election example, most of the time when a community has a bond election, the decision is being taken to the voters to decide what projects and what the taxes to pay for them are going to be. In Sugar Land, because of economic reasons, we never had to raise taxes. As a matter of fact, we kept lowering the tax rate. When you are lowering the tax rate, there is even less reason to go ask the voters. So decisions on what projects were being done would be made inside city hall. It was easy because you did not have to get voter authorization to raise taxes. It just happened naturally.

GOODSILL: I know the answer is going to be good management, but in addition to good management, why did the tax rate continue to go down?

BOGARD: Beyond good management there were decisions made by the Council. They put proposals before the voters to establish our 4A and 4B Corporations, which are sales tax corporations with a local option sales tax to promote economic development. Those two corporations generated a significant amount of revenue that allowed the city to conduct an extremely aggressive economic development program. It results in a great deal of new value being added to the tax rolls on the commercial side and new sales tax revenues coming in with the development of Sugar Land Business Park, the mall, and the big retail centers that developed along Highway 59. It gave us a funding source so that we could do things like expand parks, pay for the city's portion of US-59's expansion without having to go to the voters, and raise property taxes to pay for those things.

GOODSILL: Is it common in most cities the size of Sugar Land to have 4A and 4B Corporations?

BOGARD: Most of them have gravitated in that direction but a few of them have both the 4A and 4B.

GOODSILL: How did those come to be in Sugar Land?

BOGARD: It was recognized that the city could partner with the private sector very effectively. It gained the city a revenue stream that allowed for partnerships to occur, like First Colony Mall, where the city helped incentivize the anchor stores location, which was the key to getting the mall developed. Same thing with Sugar Land Town Square. The 4B Corporation made investments to help us bring in the Marriott Hotel and Conference Center, which were key to Town Square. Without the Marriott we would not have had Town Square. Without the 4B Corporation we would not have had the Marriott.

All of it happened in a partnership between the city and Planned Community Developers, the developer. Many of the significant projects that have occurred over the last 20 years have been public / private partnerships that have occurred utilizing the resources of the 4A and 4B Corporations.

GOODSILL: It must make managing the city so much easier when you are not struggling for revenue every minute.

BOGARD: It does. It gave us that stream of revenue, once again totally controlled by City Council. When we wanted to do a partnership with the University of Houston, the city utilized our 4B Corporation to fund some initial grants that ended up totally \$7 million to help build the first building at the University of Houston at Sugar Land.

GOODSILL: Which was far sighted. That was a good decision.

BOGARD: Yes, it was. Constellation Field was a 4A project. The Smart Financial Center was a 4B project as were the widening of US-59 and building the Houston Museum of Natural Science. Most of those things we now take for granted, as keys to the city's quality of life and its economic strength are a direct result of decisions that were made in the early 1990s. They worked perfectly with a culture that was very paternalistic and entrepreneurial.

GOODSILL: Give us a little bit of history about the land that was owned by Imperial Sugar. Some of it was industrial where they were refining sugar. Some was land where they grew crops, right?

BOGARD: Yes. At some point in time Imperial decided they wanted to be in the sugar business not the land business, but they also wanted to take advantage of development opportunities in the Houston region. They decided to sell large portions of their land into a partnership with Hines Development that became Sugarland Properties, Inc. (SPI).
[EDITOR'S NOTE: about 12,000 acres.]

The city of Sugar Land greatly benefited by Imperial owing land in large holdings. That allowed for the economics to work with master planned communities where a developer had to commit to be in a project for 10-15 years and HAD to worry about how successful it was 10 or 15 years out because they were still in it. It wasn't one of the 100-acre projects that could be developed overnight and then the developer leaves.

Sugar Land's tracts were literally up to thousands of acres, so it took years to develop and the developer had to worry about the success of the first part of the development all the way through to the last. That really made a lot of difference. SPI developed all the First Colony Area and TxDOT still owned the land that included Telfair and the Imperial Farms property. It's complicated. You have to go back in history and talk about how the state acquired the land. All of it was once farmland; some of it stayed with Imperial Farms and then was sold to SPI. Some of it was sold to the state of Texas back in 1910 – 1913 to become the prison farm. The prison farm ended up being parceled up and sold off in tracts. Part of that became the current Imperial Development across from the airport and part of it became Telfair. But they were large tracts of land and attractive to master planned developments, which became a key to the success as well.

GOODSILL: Now we are 60 years since incorporation. I'd be interested in your reflecting on some of the capital improvements that were happening when you first came to the city and then lead us through how you deal with an aging city's infrastructure.

BOGARD: The city acquired the airport four years or so before I got here. I feel like that although it was farsighted, it was also partially defensive. Don Hull privately owned the airport and he was putting it on the market. He originally tried to sell it to the county and at that point the city came to the conclusion that for Sugar Land's best interests, the city ought to acquire it.

GOODSILL: Because of its location smack-dab in the middle of other things?

BOGARD: That's correct. We wanted to make sure that it was a good neighbor. There's been a tremendous amount of investment in capital improvements at the airport over the last 20 years that have led to it being a very successful corporate aviation airport that no longer has or needs the commuter aspect to it. With Hobby Airport being so close to us via the toll road, we don't hear much anymore about people asking for commuter air service from the Sugar Land airport.

GOODSILL: It's important to mention that in a successful private / public venture all the loans get paid back and as each entity (ballpark, entertainment venue) becomes self supporting they contribute to the tax base of the city. Do I have that right?

BOGARD: You certainly do. An example of that is Town Square. We created all the economic development infrastructure that was needed to make Town Square happen, which involved public improvements and private improvements and reimbursements that are paid for with a TIRZ, different debt issuances and so forth, all of which is going to be paid off by 2026. At that point in time, the revenues that have been going toward paying off debt come to the city; those assets are owned free and clear by the city. The net result is that the revenue streams that were devoted to debt service will be available to help keep taxes down or fund other improvements. Similarly, we paid off the mall debt and now all the revenue from sales tax comes to the city. One day the ballpark and the theater venue will achieve that same status.

EDITOR'S NOTE: A Tax Increment Reinvestment Zone (TIRZ) is a political subdivision of a municipality or county in the state of Texas created to implement tax increment financing. They may be initiated by the city or county or by petition of owners whose total holdings in the zone consist of a majority of the appraised property value.-- *Wikipedia*

Another example is US-59. For 10 years it was under expansion that has now been completed for nearly 10 years. That was a major undertaking and it interrupted citizen's lives for many years. You can see now the benefit that came from those freeway improvements.

GOODSILL: Did the freeway use public / private funds or city / TxDOT cooperation?

BOGARD: We got tremendous partnership from the private sector, led primarily by Les Newton of Sugarland Properties. His involvement resulted in the donation of a significant amount of right-of-way land that made the project viable.

One other significant area of capital improvement is the provision of surface water to Sugar Land. It has been very inexpensive for developers to go into the countryside, sink some relatively shallow holes in the ground and up comes great water, which is one of the essential things you need for new development to occur. If too much groundwater is withdrawn, the ground will literally sink. When it sinks it results in significant drainage problems because the land becomes a bowl and retains water. Leadership in Fort Bend County got the support of the state of Texas in creating a subsidence district to stop the subsidence. Meanwhile the city had already begun acquiring water rights that would lead to the eventual transition to surface water as a source for water, opposed to well water. Surface water comes from lakes or rivers not from underground sources.

GOODSILL: That was farsighted, a lot of cities didn't think so far ahead.

BOGARD: That's correct. In 1995 the city was in the process of acquiring water rights to the Brazos River and from Gulf Coast Water Authority. For the next 10 years we worked on planning for a new surface water plant. It is the largest capital project that the city has ever undertaken. It was about \$100 million project to do all the pipeline work and to build the new surface water plant.

GOODSILL: I've been to the surface water plant and it's a small facility. Tell me why \$100 million was needed.

BOGARD: It is able to produce 30% of the city's water needs, which is what the mandate is to reduce ground water withdrawal and replace it with surface water. We were required to do it by 2015 for the first 30% and we will need to do an additional 30% by 2025. The surface water plant we built was designed to be expanded when needed. The process of bringing surface water into the city's water system was a major undertaking that involved not only building the surface water plant, but distributing that surface water to our existing water plants across the city. That resulted in about \$100 million worth of expenditures. It involved designing a water system that resulted in a mix of ground water and surface water, which is not easy to do and have it taste good. There was a lot of effort put in to make sure that the end project was going to be looked at favorably by our residents. We literally did taste tests.

GOODSILL: I was on one of those city task forces where we did taste testing. That was so much fun. It was more fun than wine tasting for me!

BOGARD: We have just been awarded a statewide award for our good-tasting water. We had high expectations at the beginning and we've not only done a good job, but we've actually achieved our objective of having great tasting water. It was technically very challenging to mix the two waters together and achieve a good taste and meet all the standards.

So we're in a great position now to be able to meet the next round of requirements. We strive to be good environmental stewards. We are maximizing the utilization of effluent from our wastewater treatment plants and reusing that water for landscape purposes.

GOODSILL: Water that is not potable can be used for irrigating right-of-ways, golf courses, and home watering?



From left, Karen Daly, Steve R. Porter, Himesh Gandhi, Jim Kij, Harish Jajoo, John Novak, Yaffa Steubinger, Tom Coughlin, Allen Bogard, Michael Fox, and Jane Goodsill sample water at Sugar Land's new treatment plant in November 2013.

BOGARD: That's correct. We do some of that already in New Territory and Riverstone and we will be increasing that significantly. That is a project that has been going on for 20 years and will continue for another 10-20 years as we complete the implementation of our conversion to surface water.

GOODSILL: I have a question. I've lived here all these years while this was happening. How did they dig all those pipelines for distribution without my even knowing it?

BOGARD: We acquired easements in areas that were easier to do without upsetting people. There was a lot of planning ahead that was done. I think we've done a pretty good job of it.

Up until this point in our history, Sugar Land had high growth with low property taxes, and we relied a great deal on sales taxes for revenue. If you wanted to go to Home Depot, a Best Buy, or to a mall, we were the only game in town for many years.

That's not the case anymore. The city's infrastructure was relatively new, having been built from 1980 thru 2010. We're now moving into a situation where we will no longer be a new city. We will have to care for an aging infrastructure and increased retail competition. I believe that we are going to have to move into having more involvement of our citizenry, a more traditional general obligation bonding where the voters actively engage in learning about what the needs are and authorizing the city to do the things that the city needs to do to be able to achieve those things. I don't believe we are going to continue to be the paternalistic company town.

This fits into the changing population. Most of our residents have lived here less than 10 years. Because of that they don't have that paternalistic mentality. What they have is a community that had not expected a lot of their involvement. We don't have the voter turnout that we need to have. We've not gone to them and expected them to be actively engaged in our community. So I think that our future is going to be one of significantly expanded civic engagement where the decision-making is much more decentralized.

We are very close to being built out and maintenance is totally different from new building. We will have to engage the public in discussions about the costs of alternatives. You can choose to do nothing. You can choose to keep low property taxes. The cost is a reduced quality of life and reduced property values. OR you can choose to invest in the infrastructure and pay the cost associated with doing those things. The benefits are a higher quality of life and higher property values than you would otherwise get.

These are the choices that the residents are going to have to make. The city and the city council is no longer going to have the power to make those decisions in-house. The cost of the improvements is beyond the ability of the city to pay for without voter support.

GOODSILL: For example, nicely paved streets.

BOGARD: That is correct. And drainage improvements. The city has invested more than \$50 million of drainage improvements over the last 10 years. Ten years ago that wasn't even recognized as a role that the city needed to play.

GOODSILL: Fifty years before that, it was recognized as a role that Imperial Sugar had to pay.

BOGARD: That is correct. So now we're in a situation where we probably have another \$80 million of drainage improvements. That's the most recent estimate. We don't have \$80 million worth of capacity. So those are going to have to be paid for somehow.

GOODSILL: We don't have it in the bank. We'll have to raise it?

BOGARD: Property taxes are where the city traditionally is going to be able to increase its revenue streams. We are doing all we can to maintain our place in the market for sales tax purposes. The new theater, the new ball park, improvements at the mall and Town Square and eventually when we get Imperial Market up and running it will all help.

GOODSILL: So people can live and play and spend their money in Sugar Land?

BOGARD: That's correct and that will keep sales tax revenues coming in. But the sales tax revenue is not going to rebuild your street and the street is going to deteriorate over time. Nor is that revenue going to improve your drainage or solve drainage problems we didn't even recognize that we had 10 years ago.



Sugar Land Town Square offers a mix of offices and condos, shops, bars and restaurants, a central plaza, and plenty of walkable space. Sugar Land City Hall serves as a center piece for the town square plaza. --photo courtesy of Sugar Land Town Square, Jan 12, 2018

The other thing that I want to highlight is the role that the city manager plays in building the organization and the culture of the organization. Many of the characteristics of the community are reflected in the culture of the city organization itself, which now exceeds 800 employees. There are still circumstances where we have employees who are descendants of employees of Imperial Sugar. There are still those ties but it is also a growing organization that has extremely high expectations of itself. We call it "the Sugar Land way." It is going above and beyond all the time, trying to meet the expectations of our residents within our capacity to do so.

The first example of it I saw was when there was a tornado that took off some roofs in the Sugar Mill subdivision shortly after I came to work here. Our firefighters were up on the roofs putting blue tarps on people's houses. You don't see that in most cities. But that's what you see in Sugar Land. That attitude and that commitment to public service continue to this day. I believe it is one of the things that make the city of Sugar Land special. I hope that our next city manager will be able to continue that culture into the future. That tie to our residents is very important to our organization.

GOODSILL: Thank you for your time and thorough explanations of how the city works.

Interview ends