

Tax Increment Reinvestment Zone (TIRZ) No. 1 & No. 2 Board

Regular Meeting Minutes January 4, 2018 at 4:00 p.m.

A Regular Meeting of the TIRZ No. 1 & No. 2 Board was held Monday, January 4, 2018 beginning at 4:00 p.m. in the City Hall Council Chambers located at 511 Mercer Street, Dripping Springs, Texas.

I. CALL TO ORDER AND ROLL CALL

Board Members TIRZ 1 & 2

Dave Edwards - Chair

Mim James - Vice Chair

Missy Atwood

Mike Figer

Dr. Bruce Gearing

John McIntosh

Ray Whisenant (left meeting at 5:03 p.m.)

City Staff/Officials

City Administrator Michelle Fischer

Keenan Smith, Project Manager

Assistant City Attorney Laura Mueller

Council Member Taline Manassian, Board Liaison

Council Member John Kroll, Board Liaison

With a quorum of the Board present, Chair Edwards called the meeting to order at 4:03 p.m.

II. PRESENTATION OF CITIZENS

Floor open to discussion on any subject. No action may be taken by law. Citizens wishing to speak shall do so after being recognized by the Chair. The Chair may establish a time limit as necessary.

Bob Richardson spoke during Presentation of Citizens, thanking the TIRZ Board for the projects they are working on.

III. MINUTES

Consideration and possible action on:

A. Approval of the December 4, 2017 TIRZ No. 1 & No. 2 Board Regular Meeting Minutes

A motion was made by Board Member Gearing to approve the minutes with corrections as suggested by Vice Chair James. Board Member Whisenant seconded the motion, which carried unanimously 7 to 0.

IV. BUSINESS (TIRZ #1 and TIRZ #2)

Consideration and possible action on:

A. Project Manager's Report

1. Task Order #1 – Priority Projects Update

a. Site Surveys

Kennan Smith presented the item. All site surveys are complete.

b. Town Center Concept Plan: Approved by all Stakeholders December 17, 2017

This discussion item was moved to the end of the agenda.

c. Old Fitzhugh Road Concept Plan

Kennan Smith reviewed the item. The Planning Department will have the Preliminary Draft Concept by mid-February. Issues raised at the Stakeholder Meeting were included in the Workshop.

d. Triangle + RR 12 / US 290 Development Feasibility Study

Kennan Smith reviewed the item. The City has applied for the CAMPO Planning Grant, which usually has a six month review.

B. Task Order #1 – Resources Expenditures Summary as of December 8, 2017

1. Project Team

Kennan Smith reviewed the expenditures summary handout, which is available for review upon request. The summary includes what has been billed to the TIRZ/City and the balance of the contracts to be performed. The TIRZ Board has gone through almost half of the budget for the year. The City has been processing the invoices, which have now exceeded the City's pledge of \$170,000.00.

Board Member Whisenant announced that the Hays County TIRZ Funding Agreement will go before the Hays County Commissioner's Court on January 16, 2018. The Agreement will also be on the City Council agenda of January 16, 2018.

Vice Chair James announced that there will be a meeting with the TIRZ Administrator will take place next week. Vice Chair James requested an accounting of expenditures to present, and discuss with the Stakeholders and Auditors.

C. TIRZ Administrator Update and Kickoff

Chair Edwards presented the item, announcing that there will be a meeting with TIRZ Administrator next week. At this time, a recommendation will be made whether to remain with the contractor.

Board Member Whisenant expressed that the County Tax Assessor Collector will handle the tax receipt information, based incrementally; and, of which, a statement of collectable amount has been sent out. Mr. Whisenant also offered assistance if needed.

IV. BUSINESS (TIRZ #1 and TIRZ #2)

A(b.) Town Center Concept Plan: Approved by all Stakeholders December 17, 2017

Chair Edwards expressed concerns regarding funding for the project. Keenan Smith stated that once all of the Stakeholders approve the concept plans under the MOU, there would be drafting of additional interlocal agreements.

Real Estate Study

Keenan Smith reviewed the item and explained that the study is about the commercial or market value of the project, and the value of office and commercial space. Studies can forecast one year from completion, including possible changes such as the relocation of the DSISD Administration. DSISD Board will know in May of 2018 of plans of relocation and will review final decision of located in Town Center before August 2021.

Board Member Atwood stated that the Library District would need notification of relocation sooner than August 2021????

Council Member Kroll explained that the project has many contingencies, which can be addressed in the agreement. The Board needs to determine what conditions are put in place and ensure the City and TIRZ are on the same path. The City Council can assist the DSISD find space if needed. The Interlocal Agreement will contain a contingency clause on the bond passing, so that an agreement can be reached in May.

Board Member Gearing will see if DSISD can assist with the real estate portion of the agreement; and that the school district with pay for property appraisals from DSISD, Library, and City property.

Council Member Kroll mentioned there may be other funding sources, such as Public-private partnerships. What does each of the stakeholders need? What is the potential value of what we have here? We know the square footage of commercial and the number of parking spaces based on the planning.

Board Member Atwood. What government agency assists with facilities? Is the TIRZ Board willing to ask Bob Richardson about what we need information wise? School has seen value in appraising all of the property. Rather than have the school contract for the appraisals, the TIRZ could and then the School could reimburse for what it finds value in. (City would be contracting authority).

Council Member John Kroll. The Texas Facilities Commission has authority to advise local governments on Public-Private Partnerships. It provides more guidelines. Doesn't know if they will send a consultant.

Board Member Whisenant. Will the TIRZ have to bond?

General agreement that the TIRZ will likely have to bond out.

Bob Richardson: Real Estate/Market Analysis. Someone predicts what the highest and best use of the property is considering what else will be there (library, city, county). That helps with the bond costs. Master Developer will be looking for semi-concrete information. How long will it take to reach maximum occupancy? A good market analyst can tell us what the most valuable use of the property is. Multiple analysts in the Austin area. They are independent from the developers. Will help to put together a package as a public/private partnership. The advisor would use the appraisals.

Bill Little. Resident. Consults with public agencies on TIRZ and infrastructure projects. The Texas Facilities Commission: Alternative Financing Department. They have outlined what is needed to set up a P3. Either the TIRZ or the City should approach the TFC so that alternative financing is available.

Board Member Gearing. Each entity gets its own appraisals. Then the City and the School District, as the landowners, proportionally gets with the real estate advisor regarding the value.

Chair Edwards. Based on the value of the tracts.

Keenan Smith asked if we should move forward the Development Plan which is a more detailed version of the Concept Plan. Items to be rolled in like adding that Walnut Springs is made more accessible to the Town Center in case the DSISD moves to Walnut Springs Elementary School. They can start working on some pieces that don't include the school's decision.

Board Member Atwood. Can they work on pieces of the Development Plan that do not include the School's possible move?

Keenan Smith. The infrastructure framework can be done without regard to what the School does. Work on the Old Fitzhugh Concept Plan and the framework of the Town Center through the next meeting.

Board Member Gearing. Advised that the consultants not work on the Town Center Development Plan at all right now. Instead focus on Old Fitzhugh Concept Plan which has grant possibilities.

Bob Richardson. Vet a few market analysis firms to present to the TIRZ.

Keenan Smith. Task Order 1 has already been approved but asking for prioritization on the approved Task Order 1 from the Board.

Chair Edwards. Appraisals and Real Estate Advisor fee would be proportional.

Vice Chair James. Independent appraisals make sense and then share the information.

Board Member Gearing. Part of the interlocal will be getting the Library the value of the possible piece of property. The DSISD will get its appraisal now and it will not include the Walnut Springs Elementary School.

Board Member Atwood. Does not have an appraisal yet.

Council Member John Kroll. What will appraisal include?

Board Member Atwood. Two-part appraisal for City and School. First, what is the market value of the land and buildings; and Second, just the land.

Keenan Smith. The GUI zoning will affect the value of the property.

Bob Richardson. Market Analysis sooner rather than later.

Board Member Atwood. We should have options for a market analysis and the scope for the next meeting.

Chair Edwards. We can preliminarily vet some market analysis consultants and look at the Texas Facilities Commission.

Keenan Smith. Will work on the consultants and scope of market study.

Vice Chair James asked for a recap of what the next steps for the TIRZ projects are:

Laura Mueller Summary of Next Steps:

1. All entities get appraisals;
2. Keenan Smith and Bob Richardson will start vetting market study consultants and scope;
3. Chair Edwards will work on the Texas Facilities Commission P3;
4. Current consultants will work on Old Fitzhugh Concept Plan this month; and
5. Attorneys for the City, School, and Library will get together to start working on next interlocal.

VII. ADJOURN

A motion was made by Board Member Figer to adjourn the meeting. Board Member McIntosh seconded the motion, which carried unanimously 7 to 0.

This regular meeting adjourned at 5:34 p.m.