

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

Regular Meeting Minutes January 7, 2019 at 4:00 p.m.

A Regular Meeting of the TIRZ No. 1 & No. 2 Board was held Monday, January 7, 2019 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 present were:

Dave Edwards, Chair
Mim James, Vice Chair
Dr. Bruce Gearing
John McIntosh
Bob Richardson (Advisory Board Member)

Board Members absent were:

Missy Atwood
Mike Figer
Ray Whisenant
Ron Jones (Advisory Board Member)

City Staff/Appointed Officials present were:

Michelle Fischer, City Administrator
Andrea Cunningham, City Secretary
Laura Mueller, City Attorney
Keenan Smith, TIRZ Project Manager
Council Member John Kroll
Council Member Taline Manassian
Hector Perez, Taussig & Associates
Aksel Dregelid, Taussig & Associates
Darin Smith, Economic & Planning Systems
Jim Adams, McCann Adams Studio (via teleconference)

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.

No one spoke during Presentation of Citizens.

III. MINUTES

A. Discuss and consider approval of the TIRZ No. 1 & No. 2 Board regular meeting minutes of December 3, 2018.

A motion was made by Vice Chair James to approve the TIRZ No. 1 & No. 2 Board regular meeting minutes of December 3, 2018. Board Member McIntosh seconded the motion which carried unanimously 4 to 0.

IV. BUSINESS

A. Update and discussion regarding the TIRZ Town Center Project

1. *Dripping Springs Community Library District & DSISD Interlocal Agreement*

Board Member Dr. Gearing presented the item. The DSISD Board and Library District Board have approved the ILA Extension. The DSISD Board has submitted their signed copy of the ILA Extension, and the Library District Board should be sending theirs soon. The DSISD Board and Library Board have also fully executed their Bilateral Agreement whereby the District would make land available to the Library for the construction of a building.

2. *P3 Implementation Strategies*

Darin Smith gave a presentation which is on file.

Vice Chair James confirmed that the appraisals presented were reflective of current market rates, and asked Darin Smith if the private financing aspect of the project is dead or is there a way to make it more enticing to commercial developers, and whether or not collective or piecemeal financing through phases is a viable option.

Darin Smith does not believe the funds are there for the public entities to finance private infrastructure construction. He explained that while the site has advantages that make it enticing for private development, the lease vs. construction value would not be as advantageous. Funding through phases is worth looking into. Phasing, beginning with the Library construction, would help with financing.

Vice Chair James asked Darin Smith if there had been a sensitivity analysis of the available financing with changes in assumptions due to growth and development. Darin Smith explained that the available funding analysis is built on knowns, which can change over time.

Vice Chair James asked the stakeholders present whether or not they felt the project was moving in the right direction, and whether or not the board should be looking into alternatives.

Keenan Smith believes the project is heading in the right direction and spoke in support of working with Darin Smith and Jim Adams to develop a Plan B to 1) reduce the infrastructure, 2) accelerate the Library construction, and 3) to implement logical construction phases to accommodate funding. Mr. Smith also mentioned the possibility of a private Master Developer for the project, allowing for a more expansive role for private commercial to developer solicitation.

Darin Smith spoke and believes the board is moving in the right direction and that there is a real possibility for a private Master Developer for the project, but he has some concerns regarding office and retail space. The project creates an urban center where office and retail would be in demand and could enhance revenues; however, the value proposition for a Master Developer may not be there.

Advisory Board Member Richardson spoke on behalf of the Library District Board and believes they would be agreeable to a phased construction approach where the Library is part of the first phase. The board would need to discuss further, but he believes it is a viable option.

Council Member Kroll spoke, asking Darin Smith what the other options are if the Board decides to not move any further on this project, and whether there is an option for a lease-tenancy for City Hall until the City can finance its own vertical construction.

Darin Smith responded that there is demand for the land and that reducing the density and office/retail space of the project could help save expenditures; however, the City may find the development no longer has the characteristics of a civic center as originally envisioned. While the value proposition may not be there for developers it is still an enticing development. The location is competitive and accessibility will improve with the proposed realignment of Highway 12 and Creek Road. Possible funding from CAMPO would greatly increase the feasibility of the realignment.

Keenan Smith has not explored CAMPO funding and would need to develop a plan for City approval before applying for funding.

The Board agreed that they need to explore alternatives that fit the overall objective of the project and need to move forward and explore alternate phasing and financing options.

3. ILA Amendment for Extension of Time

Laura Mueller presented the item. The City Council has approved the agreement, DSISD has approved and signed, and the Library District has approved the agreement and is working in signatures.

B. Update and discussion regarding TIRZ Priority Projects

1. Old Fitzhugh Road Development Project Funding and Coordination

Keenan Smith presented the item. The project did not receive funding from CAMPO during this round of grant projects, and the Transportation Committee is looking to apply this year for funding in the next round of CAMPO and TxDOT project funding.

Chair Edwards will meet with Leslie Pollack with HDR Engineering on funding alternatives.

2. Budgeted Project Activities for Fiscal Year 2019

3. Current Project Cost Analysis and Summary

Kennan Smith reviewed the current budgeted projects, and the cost analysis and summary. Documents regarding this item are on file.

C. Discuss and consider City Council recommendation regarding Task Order No. 2 Scopes of Work and Proposals regarding the Professional Services Agreement between the City of Dripping Springs and McCann Adams Studio, HDR Inc., and Doucet & Associates

Keenan Smith presented the staff report which is on file. The proposals submitted are less than what was previously budgeted.

A motion was made by Vice Chair James to recommend City Council approval of Task Order No. 2 Scopes of Work and Proposals regarding the Professional Services Agreement between the City of Dripping Springs and McCann Adams Studio, HDR Inc., and Doucet & Associates. Commissioner Gearing seconded the motion which carried unanimously 4 to 0.

D. Update and discussion regarding TIRZ Administrator Taussig & Associates Coordination Workshop

Vice Chair James presented the item. He has met with Hector Perez and Aksel Dregelid with Taussig & Associates and developed a framework for cost reporting and project management coordination reporting for stakeholder expenditures and reimbursements. A report will be presented at the February meeting.

Hector Perez spoke, confirming that he will have a report with the framework as discussed, including a financial dashboard. The extension of the ILA will help to clean up the indirect costs on behalf of the DSISD.

E. Discuss and consider City Council recommendation for the appointment of the Chair of the TIRZ No. 1 & No. 2 Board for a term of one year

A motion was made by Commissioner Gearing to nominate and appoint Dave Edwards as the Chair of the Board for a term of one year. Vice Chair James seconded the motion which carried unanimously 4 to 0.

F. Discuss and consider nominations and approval of the appointment of a Vice Chair to the TIRZ No. 1 & No. 2 Board for a term of one year

A motion was made by Commissioner Gearing to nominate and appoint Mim James as Vice Chair of the Board for a term of one year. Commissioner McIntosh seconded the motion which carried 3 to 1, with Vice Chair James abstaining.

G. Discussion regarding the appointment of the Hays County Commissioner seats on the TIRZ No. 1 & No. 2 Board

Chair Edwards has visited with Walt Smith, who will be sworn in this month. Once he is sworn in, Chair Edwards will speak with him regarding County Commissioner appointments to the Board.

V. EXECUTIVE SESSION

The TIRZ No. 1 & No. 2 Board for the City of Dripping Springs has the right to adjourn into executive session at any time during the course of this meeting to discuss any matter as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.086 (Economic Development). The TIRZ No. 1 & No. 2 Board for the City of Dripping Springs may act on any item listed in Executive Session in Open Session or move any item from Executive Session to Open Session for action.

The Board did not meet in Executive Session.

VI. UPCOMING MEETINGS

- A. TIRZ No. 1 & No. 2 Board Regular Meetings:**
 - February 4, 2019 - 4:00 p.m. Regular Meeting**
 - March 4, 2019 - 4:00 p.m. Regular Meeting**
 - April 1, 2019 - 4:00 p.m. Regular Meeting**

- B. City Council & Board of Adjustment Meeting:**
 - January 8, 2019 - 5:30 p.m. Workshop/6:30 p.m. Regular Meeting**
 - January 15, 2019 - 6:00 p.m. Regular Meeting**
 - February 12, 2019 - 5:30 p.m. Workshop/6:30 p.m. Regular Meeting**

VII. ADJOURN

A motion was made by Vice Chair James to adjourn the meeting. Commissioner McIntosh seconded the motion which carried unanimously 4 to 0.

This regular meeting adjourned at 5:21 p.m.