



TAX INCREMENT REINVESTMENT ZONE NO. 1 & NO. 2 BOARD REGULAR MEETING

City of Dripping Springs

Council Chambers, 511 Mercer St, Dripping Springs, TX

Monday, January 11, 2021 at 4:00 PM

VIDEOCONFERENCE MEETING

This meeting will be held via videoconference and the public is encouraged and welcome to participate. Public comment may be given during the videoconference by joining the meeting using the information below. Public comment for this meeting may also be submitted to the City Secretary at acunningham@cityofdrippingsprings.com no later than 4:00 PM on the day the meeting will be held.

The TIRZ No. 1 & No. 2 Board respectfully requests that all microphones and webcams be disabled unless you are a member of the Board. City staff, consultants and presenters, please enable your microphone and webcam when presenting to the Commission.

Agenda

MEETING SPECIFIC VIDEOCONFERENCE INFORMATION

Join Zoom Meeting

<https://us02web.zoom.us/j/82200050380?pwd=cU1iK3hMOXlmVmhSSVBaeGZyRTdZUT09>

Meeting ID: 822 0005 0380

Passcode: 849668

Dial Toll Free:

877 853 5257 US Toll-free

888 475 4499 US Toll-free

Find your local number: <https://us02web.zoom.us/j/82200050380>

Join by Skype for Business: <https://us02web.zoom.us/skype/82200050380>

CALL TO ORDER AND ROLL CALL

Board Members

Dave Edwards, Chair

Missy Atwood

Taline Manassian

John McIntosh

Dan O'Brien

Walt Smith

Shannon O'Connor (Advisory Board Member)
Bob Richardson (Advisory Board Member)

Staff, Consultants & Appointed/Elected Officials

City Administrator Michelle Fischer
City Attorney Laura Mueller
City Secretary Andrea Cunningham
TIRZ Project Manager Keenan Smith
TIRZ Administrator Jon Snyder (P3 Works, LLC)
TIRZ P3 Consultant Darin Smith (EPS, Inc.)

PRESENTATION OF CITIZENS

A member of the public who desires to address the Board regarding any item on an agenda for an open meeting may do so at presentation of citizens before an item or at a public hearing for an item during the Board's consideration of that item. Citizens wishing to discuss matters not contained with in the current agenda may do so, but only during the time allotted for presentation of citizens. Speakers are allowed two (2) minutes to speak during presentation of citizens or during each public hearing. Speakers may not cede or pool time. Members of the public requiring assistance of a translator will be given twice the amount of time as a member of the public who does not require the assistance of a translator to address the Board. It is the request of the Board that members of the public wishing to speak on item(s) on the agenda with a noticed Public Hearing hold their comments until the item(s) are presented for consideration. Speaker are encouraged to sign in. Anyone may request a copy of the City's policy on presentation of citizens for the City Secretary. By low no action may be taken during Presentation of Citizens.

MINUTES

- 1. Discuss and consider approval of the December 14, 2020 TIRZ No. 1 & No. 2 Board regular meeting minutes.**

BUSINESS

- 2. Discuss and consider possible recommendation regarding the Interlocal Agreement between the City of Dripping Springs, Dripping Springs Independent School District, Hays County, and Dripping Springs Community Library related to the Town Center Project and real estate at 510 Mercer Street.**
- 3. Update and discussion regarding TIRZ Collections and Revenues.**
- 4. Presentation and discussion regarding the TIRZ Administrator Quarterly Report. *TIRZ Administrator, Jon Snyder (P3 Works, LLC)***
- 5. Discuss and consider approval of the Appointment of one individual from the TIRZ No. 1 & No. 2 Board to serve as Vice Chair for a term of two (2) years.**
- 6. Discuss and consider approval of Amendments to the Tax Increment Reinvestment Zones No. 1 & No. 2 Bylaws to reflect approved Ordinance No. 2020-54 for staggered terms and to address the use of videoconferencing.**
- 7. Update and discussion regarding TIRZ Priority Projects.**

- a) Town Center
- b) Old Fitzhugh Road
- c) Downtown Parking
- d) Triangle

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 Drippings Springs may act upon any item listed in Executive Session in Open Session or move any item from Executive Session to Open Session for action.

UPCOMING MEETINGS

TIRZ No. 1 & No. 2 Board Meetings

February 8, 2021 at 4:00 p.m.

March 8, 2021 at 4:00 p.m.

April 12, 2021 at 4:00 p.m.

City Council Meetings

January 12, 2021 at 6:00 p.m.

January 19, 2021 at 6:00 p.m.

February 9, 2021 at 6:00 p.m.

ADJOURN

TEXAS OPEN MEETINGS ACT PUBLIC NOTIFICATION & POSTING OF MEETING

All agenda items listed above are eligible for discussion and action unless otherwise specifically noted. This notice of meeting is posted in accordance with Chapter 551, Government Code, Vernon's Texas Codes. Annotated. In addition, the Board may consider a vote to excuse the absence of any Board Member for absence from this meeting.

Due to the Texas Governor Order, Hays County Order, City of Dripping Springs Disaster Declaration, and Center for Disease Control guidelines related to COVID-19, a quorum of this body could not be gathered in one place, and this meeting will be conducted through videoconferencing. Texas Government Code Sections 551.045; 551.125; and 551.127.

*I certify that this notice of meeting was posted at the City of Dripping Springs City Hall and website, www.cityofdrippingsprings.com, on **January 8, 2021 at 12:30 p.m.***

City Secretary

This facility is wheelchair accessible. Accessible parking spaces are available. Requests for auxiliary aids and services must be made 48 hours prior to this meeting by calling (512) 858-4725.



TIRZ NO. 1 & NO. 2 BOARD REGULAR MEETING

City of Dripping Springs

Council Chambers, 511 Mercer St, Dripping Springs, TX

Monday, December 14, 2020 at 4:00 PM

MINUTES

MEETING SPECIFIC VIDEOCONFERENCE INFORMATION

Join Zoom Meeting

<https://us02web.zoom.us/j/82817607944?pwd=SXlGWtN4VkY3REJKZDVndkdwQ0t2UT09>

Meeting ID: 828 1760 7944

Passcode: 249174

Dial Toll Free:

877 853 5257 US Toll-free

888 475 4499 US Toll-free

Find your local number: <https://us02web.zoom.us/u/kh807k2QV>

Join by Skype for Business: <https://us02web.zoom.us/skype/82817607944>

CALL TO ORDER AND ROLL CALL

Board Members present were:

Dave Edwards, Chair

Mim James, Vice Chair

Missy Atwood

John McIntosh

Dan O'Brien

Walt Smith

Advisory Board Member Shannon O'Connor (arrived at 4:09 p.m.)

Advisory Board Member Bob Richardson

Staff, Consultants & Appointed/Elected Officials present were:

City Administrator Michelle Fischer

City Attorney Laura Mueller

City Secretary Andrea Cunningham

Communications Director Lisa Sullivan

TIRZ Project Manager Keenan Smith

Mayor Pro Tem Taline Manassian

TIRZ P3 Consultant Darin Smith (EPS, Inc.)

TIRZ Administrator Jon Snyder (P3 Works, LLC)

With a quorum of the Board present, Chair Edwards called the meeting to order at 4:04 p.m.

PRESENTATION OF CITIZENS

A member of the public who desires to address the Board regarding any item on an agenda for an open meeting may do so at presentation of citizens before an item or at a public hearing for an item during the Board's consideration of that item. Citizens wishing to discuss matters not contained with in the current agenda may do so, but only during the time allotted for presentation of citizens. Speakers are allowed two (2) minutes to speak during presentation of citizens or during each public hearing. Speakers may not cede or pool time. Members of the public requiring assistance of a translator will be given twice the amount of time as a member of the public who does not require the assistance of a translator to address the Board. It is the request of the Board that members of the public wishing to speak on item(s) on the agenda with a noticed Public Hearing hold their comments until the item(s) are presented for consideration. Speaker are encouraged to sign in. Anyone may request a copy of the City's policy on presentation of citizens for the City Secretary. By law no action may be taken during Presentation of Citizens.

No one spoke during Presentation of Citizens.

MINUTES

1. Discuss and consider approval of the TIRZ No. 1 & No 2 Board November 9, 2020 regular meeting minutes.

A motion was made by Vice Chair James to approve the TIRZ No. 1 & No 2 Board November 9, 2020 regular meeting minutes. Board Member McIntosh seconded the motion which carried unanimously 6 to 0.

BUSINESS

2. Update and possible action regarding TIRZ Town Center Project Interlocal Agreements related to tasks and deliverables.

- a) Real Estate Agreements*
- b) Infrastructure Cost Sharing Agreements*
- c) Plan of Finance*

Mayor Pro Tem Manassian presented the update and discussed the status of the real estate agreement and that negotiations with the school district are no closer than they were last month. The main issues that have been discussed are the amount of land, the method or formula by which the price would be determined and when the closing would occur, with the biggest issue being the method or formula by which a price would be determined. As the city interprets the current ILA, the real estate agreement would bind the city and parties to the sale and purchase of the land. The district is willing to identify the land that is to be sold; however, they would like to defer negotiations of price to a later date, rather than to commit to a method or formula by which price would be determined. Mayor Pro Tem Manassian does not recommend the city moving forward without certainty that we have the land, and that she believes the board agrees. The district has asked if there is anything short of a formula that could be agreed upon to keep the project moving forward. The city has reached out to consultants and they are working on any possible solutions.

The School Board is meeting tonight and will discuss the agreement with the new formula and we should get some feedback this week on options.

Mayor Pro Tem Manassian proposed a workshop between representatives of the city, county, library and school district to agree on basic terms that could be taken back to their respective boards in January.

Board Member Smith spoke regarding the agreement, and believes that the city has worked diligently to ensure an agreement that is understandable by all four entities in the TIRZ. The county has worked diligently to ensure there is a funding mechanism that works for all parties involved. The library does not have a lot of funds, and the county is working with the library to make sure that the funding is there for them. Without the real estate agreement in place, the county will have a hard time justifying funding of the project.

Board Member Atwood spoke regarding the library's position in relation to fund raising. The real estate agreement needs to be in place soon and the land agreed upon so that the library can start fundraising – it is not tenable to wait.

Board Member Smith will set up a meeting with representatives from each party to discuss issues with the agreement and possible solutions.

No action was taken on these items.

d) Interlocal Agreement Deadlines

Laura Mueller presented the item and discussed options for default cure.

A motion was made by Board Member Atwood to provide A motion was made by Board Member Atwood to recommend that each stakeholder provide the Dripping Springs Independent School District with notice of termination and cure. Board Member Smith seconded the motion which carried unanimously 5 to 0.

3. Discuss and consider possible action related to TIRZ Collections & Revenues.

a) Hays County 2020 TIF Contribution

Board Member Smith presented the item and provided the Board with an update on technical corrections related to the contribution.

b) Library District Cost Sharing

Board Member Atwood presented the item and will be working on the Library's budget next week and will know more once the budget is approved.

4. Discuss and consider recommendation regarding the selection for Grant Writer for City's Request for Qualifications/Statement of Qualifications related to the Old Fitzhugh Road Project.

Keenan Smith presented the staff report which is on file. Staff recommends the selection of TJKM for Grant Writer for the Old Fitzhugh Road Project.

A motion was made by Board Member Smith to recommend City Council selection of TJKM for Grant Writer for the Old Fitzhugh Road Project. Board Member O'Brien seconded the motion which carried unanimously 6 to 0.

5. Update and discussion regarding TIRZ Priority Projects.

a) Town Center – no update at this time.

b) Old Fitzhugh Road – no update at this time.

c) Downtown Parking

Keenan Smith presented the staff report. The notice to proceed on the Stephenson Building parking lot has been issued and the project is moving forward.

d) Triangle – no update at this time.

6. Discuss and consider possible action regarding recommendation of Appointments to the TIRZ No. 1 & No. 2 Board.

Laura Mueller presented the staff report and updated the Board on appointments for the Dripping Springs ISD and Hays County.

Vice Chair James spoke regarding his resignation and tenure. He thanked the Board, Consultants and Staff for their support of the TIRZ.

No action was taken on this item.

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 Drippings Springs may act upon 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.

UPCOMING MEETINGS

TIRZ No. 1 & No. 2 Board Meetings

January 11, 2020 at 4:00 p.m.

February 8, 2020 at 4:00 p.m.

March 8, 2020 at 4:00 p.m.

City Council Meetings

December 15, 2020 at 6:00 p.m.

January 12, 2020 at 6:00 p.m.

January 19, 2020 at 6:00 p.m.

ADJOURN

A motion was made by Vice Chair James to adjourn the meeting. Board Member Smith seconded the motion which carried unanimously 6 to 0.

This regular meeting adjourned at 5:41 p.m.

INTERLOCAL AGREEMENT

This Interlocal Agreement (the “Agreement”) is made and entered into as of the 14th day of April 2020, by and between the **City of Dripping Springs**, a general law city in Hays County, Texas (hereinafter the “City”), **Dripping Springs Independent School District** (hereinafter the “DSISD”), **Dripping Springs Community Library District** (the “Library”), and **Hays County** (“County”); (collectively the “Parties”), in connection with the development and construction of the Town Center Project.

WHEREAS, Dripping Springs was one of the five cities in Central Texas chosen to participate in the Sustainable Places Project, an ambitious regional planning initiative aimed at helping communities create the conditions for livable places; and

WHEREAS, Dripping Springs finalized its Sustainable Places Project (the “Project”) on December 10, 2013; and

WHEREAS, the Project suggested a catalyst project which focuses on enhancing the existing town center and expanding it to the northwest; and

WHEREAS, the Project recognized that the City and the DSISD currently own, occupy, or control approximately fourteen point one (14.1) acres of land and ROW within the area proposed for the Town Center and adjacent space suitable for potential commercial development; and

WHEREAS, to continue with the Town Center Project, the City, the DSISD, the County, the Library, and TIRZ seek to complete the real estate and other transactions that are necessary to complete the project; and

WHEREAS, the concept to co-locate the City, DSISD, County, and Library is supported by the parties because shared facilities is a cost-effective way to design civic services; and

WHEREAS, the Parties desire to pursue joint planning and construction of the Town Center Project; and

WHEREAS, the City Council of the City of Dripping Springs and the Board of Trustees for the Dripping Springs Independent School District find that the appropriate real estate transactions related to completion of the Town Center Project provides a public benefit to the constituencies served by each of the entities and to the taxpayers of each entity; and

WHEREAS, this Interlocal Agreement is intended to facilitate completion of the planning and construction of infrastructure and related improvements of the Town Center Project; and

WHEREAS, the Parties entered into a Memorandum of Understanding to facilitate timely planning and assessment of the viability of the Town Center in September 2017; and

WHEREAS, timely commitments on the transfer of the City and DSISD properties is desired to plan for the Town Center, but both the City and DSISD desire additional time before vacating their current properties; and

WHEREAS, the Parties plan to acquire and sell or exchange real property, build, occupy, and share a building and complex on a single tract of land.

NOW, THEREFORE, the City, DSISD, Library, and County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

ARTICLE I TERM OF AGREEMENT

1.1 Term. The term of this Agreement (“Term”) shall commence on the Effective Date and shall expire April 1, 2025.

ARTICLE II AGREEMENTS

2.1 Conditions. The Parties recognize that certain conditions must be met for the development of Town Center. The City, DSISD, County, or Library, may end its involvement with the development of Town Center and its participation in this Agreement if the City, DSISD, Library, County, or TIRZ are unable to agree upon a site or obtain financing to fund the Town Center Project or replacement facilities related to the Project.

2.2 City Agreement. The City shall:

To advance and implement the development of the Dripping Springs Town Center, the City of Dripping Springs (City) shall:

- (a) In accordance with Chapter 272, Texas Local Government Code, to commit to making the current City Hall Property and right of way located on the corner of Highway 290 and Mercer Street available for future purchase or transfer for the Town Center project and negotiate in good faith and enter into an agreement for the purchase of all or part of the City property within the Town Center Site with or without existing improvements, as agreed, on all or a part of the property located at 511 Mercer Street, Dripping Springs, Texas, including the right of way located on the corner of Highway 290 and Mercer Street to the extent allowed by law, that is required for development of Phases 1 and 1A, including property required for new City, Library, and County facilities, Town Square park, and new or expanded right-of-way in exchange for cash compensation and/or the exchange of property equal to fair market value, subject to final approval by the governing boards of each entity involved in the sale or exchange within six months from the date of

execution of this Agreement. The agreement shall include the part(ies) who will purchase or otherwise obtain the City property, the method(s) of transfer, and the date(s) on or around which the properties will be transferred. The final price or land exchange may be determined by the applicable parties at a time mutually agreeable to the parties who are purchasing and selling the property.

- (b) Negotiate in good faith with the Library and County the terms of a cost-sharing agreement for eligible shared infrastructure improvements, including each entity's pro rata share of right-of-way, utility, and drainage improvements within six months of the execution of this Agreement based on service demands and to the extent these may be supported by each party's available financing resources, as well as any reimbursement agreements for costs the City may be able to incur that exceed its pro rata share (e.g., initially covering a portion of the Library or County pro-rata share subject to future funding allocations from those entities or the TIRZ);
- (c) To the extent allowed by law, adopt a Plan of Finance for the Phase 1 and 1A infrastructure in cooperation with the TIRZ Board, DSISD, Library, and Hays County within twelve months of the execution of this Agreement and will engage a contractor for design of the improvements within six months after the adoption of the Plan of Finance by applicable parties;
- (d) Within six months after approval of the Plan of Finance associated with this agreement is finalized as to the terms listed above and property dedicated to each entity by the DSISD and City as negotiated, initiate an application for Planned Development District zoning and promote its approval and provide for the entitlement process for the Town Center, including any required public outreach and engagement;
- (e) Conduct space planning and design for the construction of a new City Hall and associated parking and utilities, with the express intent to restrict the land area required to the 1.2-acre site identified as "Civic Site 2" in the Town Center Plan as attached on Exhibit "A" (Fall 2019 version); and
- (f) Within three months of adoption of the Plan of Finance by the City, the City shall present a cost reimbursement agreement to the TIRZ Board for recommendation whereby City-issued debt and other financing can provide initial funding for any Phase 1 and 1A infrastructure not otherwise funded by the Library or County, to reimburse the City on a pay-as-you-go basis and/or issue debt supported by TIRZ revenues to pay down the City's initial financing; and
- (g) In addition, the City may, at its sole discretion:
 - (1) Engage the DSISD, Library, and/or Hays County to explore the potential for shared use of portions of the planned new City Hall building, including any cost-sharing agreements and scheduling parameters that may be mutually agreeable;
 - (2) Execute the acquisition of the new City Hall site through a transaction with DSISD;

- (3) Negotiate in good faith for the disposition of the City's current City Hall property to an eventual end purchaser related to the Town Center Project;
- (4) Complete fundraising for and construction of the new City Hall and associated on-site improvements; and
- (5) Pursue funding for Town Center infrastructure and other improvements through other potential resources, including proceeds from cash-in-lieu fees, contributions from development agreements, disposition of public assets, State, County, or regional funding, or any other viable sources.

2.3 DSISD Agreement. DSISD shall:

- (a) The DSISD shall permit the Parties in this Agreement to purchase and/or agree to the exchange of property, at an agreed value, sufficient land within the boundaries of the District Property, as more described below, to construct the Town Center project. The sale and/or exchange of property and purchase is subject to Chapter 272 of the Texas Local Government Code, Section 11.154 of the Texas Education Code, and subparagraph 2.3(b).
- (b) The Parties agree to negotiate in good faith and enter into an agreement for the future sale of the property with the City of Dripping Springs, Library, and/or Hays County, with or without improvements, on approximately eleven point seven (11.7) acres generally located at 510 Mercer Street, Dripping Spring, Texas, excluding the Walnut Springs Elementary School track and field, as required for development of Phases 1 and 1A, but including property required for new City, Library, and County facilities, Town Square park, and new or expanded right-of-way in exchange for cash compensation and/or the exchange of property equal to fair market value, subject to final approval of the governing boards of each entity within six months from the date of execution of this Agreement. The agreement shall include the part(ies) who will purchase or acquire the DSISD property, the method(s) of transfer, and the date(s) on or around which the property will be sold or transferred but not later than July 1, 2022 or on the date agreed to by the DSISD and the buyer(s) of the property in the agreement referenced herein. The final price or land exchange may be determined by the applicable parties at a time in the future, as mutually agreeable to the parties who are purchasing and selling the property; and
- (c) The responsibility for the demolition of the existing improvements at 510 Mercer Street shall be determined by the Board of Trustees during the real estate negotiations; and
- (d) If the Town Center project is terminated and paragraph 2.3(a) and (b) is not exercised, then in accordance with the requirements of Chapter 272, Texas Local Government Code, DSISD will negotiate in good faith and enter into a real estate sales contract with the Library for property in the amount of acreage sufficient to build a 35,000 square foot building and additional acreage to support the infrastructure as set forth in the interlocal agreement between the Library and District.
- (e) In addition, DSISD may, at its sole discretion:

- (1) Engage the City, Library, and/or Hays County to explore the potential for shared use of portions of the planned new City Hall building or other Town Center facilities, including any cost-sharing agreements and scheduling parameters that may be mutually agreeable; and
- (2) Engage the City in discussions regarding the potential swap of the current City Hall site and building or other City property, with or without improvements, for portions of the current DSISD property required for Phases 1 and 1A of the Town Center Plan, with each property owner receiving fair market value in such an exchange.

2.4 Library. The Library shall:

To advance and implement the development of the Dripping Springs Town Center, the Dripping Springs Community Library (Library) shall:

- (a) In accordance with Chapter 272 Texas Local Government Code, negotiate in good faith and enter into an agreement to purchase all or part of the property from the DSISD for the property within the Town Center Site, with or without existing improvements, as agreed, on all or a part of approximately eleven point seven (11.7) acres generally located at 510 Mercer Street, Dripping Springs, Texas, excluding the Walnut Springs Elementary School track and field, that is required for development of Phases 1 and 1A, Town Square park, and new or expanded right-of-way in exchange for cash compensation and/or the exchange of property equal to fair market value, subject to final approval by the governing boards of each entity within six months from the date of execution of this Agreement. The agreement shall include the part(ies) who will purchase or obtain the DSISD property, the method(s) of transfer, and the date(s) on or around which the property will be sold or transferred but not later than July 1, 2022 or on the date agreed to by the DSISD and the buyer(s) of the property in the agreement referenced herein.. The final price or land exchange may be determined by the applicable parties at a time in the future, as mutually agreeable to the parties who are purchasing and selling the property; and
- (b) Negotiate in good faith with the City and County the terms of a cost-sharing agreement for eligible shared infrastructure improvements, including each entity's pro rata share of right-of-way, utility, and drainage improvements within six months of the execution of this Agreement based on service demands and to the extent these may be supported by each party's available financing resources, as well as any reimbursement agreements for costs the Library may be able to incur that exceed its pro rata share (e.g., initially covering a portion of the City or County pro-rata share subject to future funding allocations from those entities or the TIRZ) and assist the City in the preparation for its Plan of Finance; and
- (c) Conduct space planning, design, and site planning for the construction of a new Town Center Library and associated parking and utilities, with the express intent to restrict the land area required to the 1.8-acre site identified as "Civic Site 1" in the Town Center Plan as attached on Exhibit "A" (Fall 2019 version), accounting for Library parking that may be accommodated on-street in the public right-of-way.

(d) In addition, Library may, at its sole discretion:

- (1) Engage the DSISD, City, and/or Hays County to explore the potential for shared use of portions of the planned Town Center Library building, including any cost-sharing agreements and scheduling parameters that may be mutually agreeable; and
- (2) To the extent allowed by law, complete fundraising for and construction of the new Town Center Library and associated on-site improvements as well as any shared infrastructure that the Library's financing resources may be able to support.
- (3) Acquire land suitable for the new Library facility.

2.5 Conditions of the County.

To advance and implement the development of the Dripping Springs Town Center, Hays County shall:

- (a) In accordance with Section 272.001(b)(5), Texas Local Government Code, negotiate in good faith and enter into an agreement for the purchase of all or part of the property from the DSISD and/or the City for the acquisition of real property with or without improvements, as agreed, on all or part of approximately eleven point seven (11.7) acres generally located at 510 Mercer Street, Dripping Springs, Texas, excluding the Walnut Springs Elementary School track and field and/or the property at 511 Mercer Street with or without existing improvements, that is required for development of Phases 1 and 1A, including property required for new City, County, and Library facilities, Town Square park, and new or expanded right-of-way in exchange for cash compensation and/or the exchange of property equal to fair market value, subject to final approval by the governing board of each entity, for a County facility within six months from the date of execution of this agreement. The agreement shall include the part(ies) who will purchase or obtain the DSISD and/or City property, the method(s) of transfer, and the date(s) on or around which the property will be transferred in 2022, for DSISD property not later than July 1, 2022 or on the date agreed to by the DSISD and the buyer(s) of the property in the agreement referenced herein.. The final price or land exchange may be determined by the applicable parties at a time in the future as mutually agreeable to the parties who are purchasing and selling the property; and
- (b) Negotiate in good faith with the Library and City the terms of a cost-sharing agreement for eligible shared infrastructure improvements, including each entity's pro rata share of right-of-way, utility, and drainage improvements within six months of execution of this Agreement based on service demands and to the extent these may be supported by each party's available financing resources, as well as any reimbursement agreements for costs the County may be able to incur that exceed its pro rata share (e.g., initially covering a portion of the Library or City pro-rata share subject to future funding allocations from those entities or the TIRZ) and assist the City in preparation of its Plan of Finance; and

- (c) Conduct space planning and design for the construction of a new County facility by Spring 2022 and associated parking and utilities, with the express intent to restrict the land area required to a portion of the 1.2-acre site identified as “Civic Site 2” in the Town Center Plan as attached on Exhibit “A” (Fall 2019 version).
- (d) In addition, the County may, at its sole discretion:
- (1) Execute the acquisition of the new County site through a transaction with DSISD;
 - (2) Within three months of adoption of the Plan of Finance by the City, present to the TIRZ Board the terms of a cost reimbursement agreement whereby County resources can provide initial funding for any Phase 1 and 1A infrastructure not otherwise funded by the Library or City to reimburse the County on a pay-as-you-go basis and/or issue debt supported by TIRZ revenues to pay down the County’s initial financing;.
 - (3) Engage the DSISD, City, and/or Library to explore the potential for shared use of portions of the planned new civic buildings instead of or in addition to constructing a new County facility, including any cost-sharing agreements and scheduling parameters that may be mutually agreeable;
 - (4) Complete fundraising for and construction of the new County facility and associated on-site improvements; and
 - (5) Pursue funding for Town Center infrastructure and other improvements through other potential resources, including proceeds from County parks and transportation bonds, contributions from development agreements, disposition of public assets, State or regional funding, or any other viable sources.

ARTICLE III DEFAULT, REMEDIES, TERMINATION

3.1 Defaults, Generally. A default shall occur (“Default”) hereunder if either the City, DSISD, Library, or County shall fail or refuse to perform any of its respective obligations under this Agreement and such Default shall continue for thirty (30) days after written notice from the non-defaulting parties to the defaulting party designating such Default (or for such longer period as may be reasonably required to cure such Default in the exercise of all due diligence but not in excess of ninety (90) days).

3.2 Remedies after Default. If a Default occurs, the non-defaulting party shall have all the remedies available to the non-defaulting party at law or in equity, including the right to bring an action for specific performance against the defaulting party.

3.3 Notice of Default; Opportunity to Cure. If this Agreement is breached, the party alleging the default or breach shall give the breaching party not less than thirty (30) days written notice, measured from the date of the certified mailing, specifying the nature of the alleged default, and when appropriate, the manner in which the alleged default may be satisfactorily cured. If the

nature of the alleged default is such that it cannot reasonably be cured within the thirty (30) day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within the period.

3.4 Notice of Intent to Terminate on Default. At any time following the thirty-day cure period, the complaining party may institute legal proceedings and/or give written notice of intent to terminate the Agreement by certified mail. The written notice of intent to terminate shall specify the nature of the alleged grounds for termination.

3.5 Termination of Agreement. Each party shall be able to terminate this Agreement by giving a thirty (30) day written notice to each other Party if the party terminating the Agreement: (1) no longer can obtain funding for the Town Center Project; (2) no longer can allocate funding for the construction of replacement facilities affected by the Town Center Project; (3) there is a legal or budgetary impediment to the DSISD; or (4) a legal impediment to the City.

3.6 Cancellation of Agreement. Except as otherwise permitted herein, this Agreement may be cancelled, in whole or in part, only by mutual written consent of all of the Parties.

3.7 Time of Essence to Agreement. The Parties agree that time is of the essence to this Agreement.

**ARTICLE IV
GENERAL PROVISIONS**

4.1 Notice. Any notice or statement required or permitted to be delivered by one of the Parties to this Agreement to the other shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the address shown below, or at such other address (or addressees) provided by the parties to each other:

District: Dripping Springs Independent School District
c/o Superintendent
510 Mercer Street
Dripping Springs, Texas 78720

With copy to: Oscar G. Trevino
Walsh, Gallegos, Trevino, Russo & Kyle P.C.
505 E. Huntland Dr. #600
Austin, Texas 78752

City: City of Dripping Springs
c/o Michelle Fischer
511 Mercer Street
Dripping Springs, Texas 786201

With copy to: Laura Mueller
City Attorney
511 Mercer Street
Dripping Springs, Texas 78620

Library: Dripping Springs Community Library District
c/o Missy Atwood
501 Sportsplex Drive
Dripping Springs, Texas 78620

With copy to: Kate Leverett
GERMER PLLC
550 Fannin, Suite 400
Beaumont, Texas 77701

County: Hays County
c/o Hays County Judge
111 E. San Antonio St., Ste. 300
San Marcos, Texas 78666

With copy to: Mark Kennedy
County General Counsel
111 E. San Antonio St., Ste. 300
San Marcos, Texas 78666

4.2 No Joint Venture; No Third-Party Beneficiaries. It is acknowledged and agreed to by the Parties to this Agreement that the terms hereof are not intended to and shall not constitute a partnership or joint venture between the parties. The Parties, their officials, officers, and agents, do not assume any responsibility or liability to any third parties in connection with the design, construction, operation or maintenance of any structures or improvements associated with Town Center.

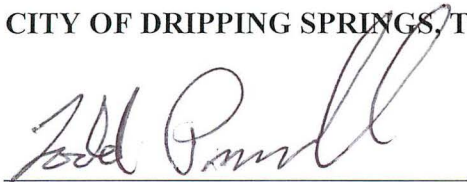
4.3 Applicable Law and Venue. This Agreement is made and shall be construed and interpreted under the laws of the State of Texas, and venue to enforce or interpret any aspect of this Agreement shall lie in Hays County, Texas.

4.4 Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated herein, and this instrument supersedes any prior agreements or understandings between the parties. There are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement.

EXECUTED on this the 15th day of April 2020 (“Effective Date”).

[signature pages follow]

CITY OF DRIPPING SPRINGS, TEXAS



Todd Purcell, Mayor

Attest:




Andrea Cunningham, City Secretary

DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT

Dr. Mary Jane Hetrick
Vice-President, Board of Trustees

Attest:

Shannon O'Connor
Secretary, Board of Trustees

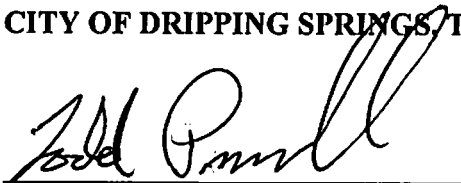
DRIPPING SPRINGS COMMUNITY LIBRARY DISTRICT

Missy Atwood, President

Attest:

Melva Codina, Treasurer

CITY OF DRIPPING SPRINGS, TEXAS



Todd Purcell, Mayor

Attest:

Andrea Cunningham, City Secretary

DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT

Dr. Mary Jane Hetrick

**Dr. Mary Jane Hetrick
Vice-President, Board of Trustees**

Attest:

Shannon O'Connor

**Shannon O'Connor
Secretary, Board of Trustees**

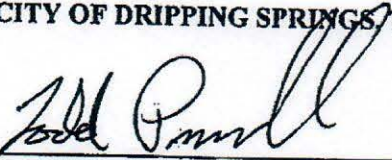
DRIPPING SPRINGS COMMUNITY LIBRARY DISTRICT

Missy Atwood, President

Attest:

Melva Codina, Treasurer

CITY OF DRIPPING SPRINGS, TEXAS



Todd Purcell, Mayor

Attest:

Andrea Cunningham, City Secretary

DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT

Dr. Mary Jane Hetrick
Vice-President, Board of Trustees

Attest:

Shannon O'Connor
Secretary, Board of Trustees

DRIPPING SPRINGS COMMUNITY LIBRARY DISTRICT



Missy Atwood, President

Attest:



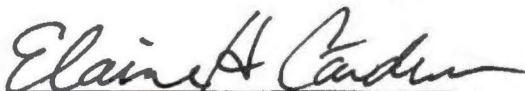
Melva Codina, Treasurer

HAYS COUNTY



Ruben Becerra, Hays County Judge

Attest:

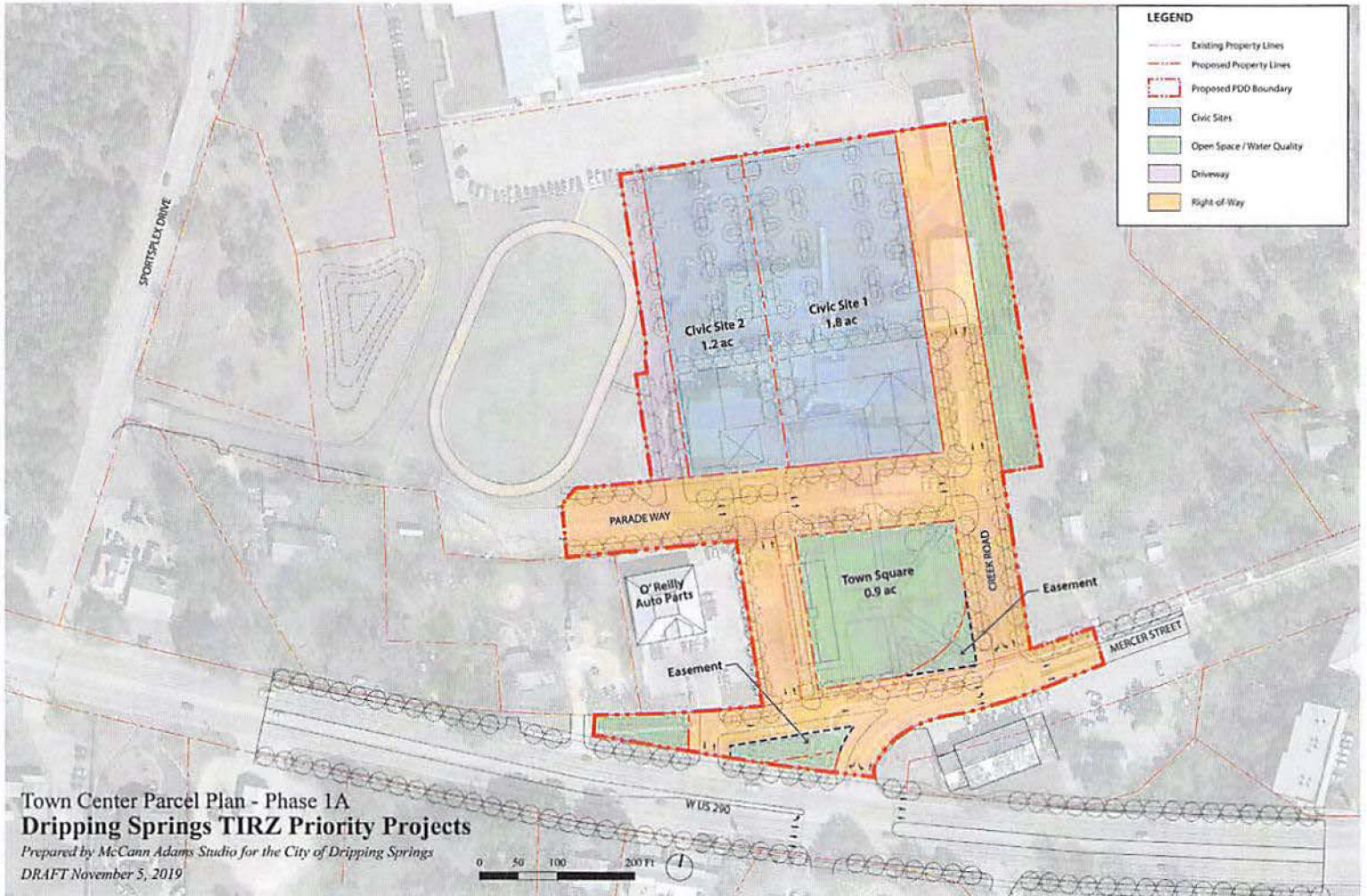


Elaine Cardenas, Hays County Clerk



Exhibit "A"

Town Center Plan "Civic Site 2"





**City of Dripping Springs
Tax Increment Reinvestment Zone
Executive Summary (Q4 2020)**

January 11, 2020



Project Participants

City of Dripping Springs
Hays County
Dripping Springs Independent School District
Dripping Springs Community Library District



| Table 1: Total Cost Summary | | | | | | | | | |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------------|
| | Creation Costs | Town Center | Old Fitzhugh Road | Triangle Drainage | Downtown Parking | Total | | | |
| CREATION COSTS | | | | | | | | | |
| <i>FY 2017</i> | \$ 60,971 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 60,971 |
| <i>FY 2018</i> | - | - | - | - | - | - | - | - | - |
| <i>FY 2019</i> | - | - | - | - | - | - | - | - | - |
| <i>FY 2020</i> | - | - | - | - | - | - | - | - | - |
| <i>FY 2021*</i> | - | - | - | - | - | - | - | - | - |
| | \$ 60,971 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 60,971 |
| DIRECT EXPENSES | | | | | | | | | |
| <i>FY 2017</i> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>FY 2018</i> | - | 146,758 | 84,610 | 5,706 | - | - | - | - | 237,075 |
| <i>FY 2019</i> | - | 79,887 | 2,450 | 2,180 | 18,182 | - | - | - | 102,699 |
| <i>FY 2020</i> | - | 40,250 | 2,050 | - | 11,678 | - | - | - | 53,978 |
| <i>FY 2021*</i> | - | 3,958 | - | - | 8,511 | - | - | - | 12,468 |
| | \$ - | \$ 270,853 | \$ 89,110 | \$ 7,886 | \$ 38,371 | \$ - | \$ - | \$ - | \$ 406,220 |
| ALLOCATION OF INDIRECT EXPENSES | | | | | | | | | |
| <i>FY 2017</i> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>FY 2018</i> | - | 75,357 | 43,446 | 2,930 | - | - | - | - | 121,733 |
| <i>FY 2019</i> | - | 76,728 | 2,353 | 2,094 | 17,463 | - | - | - | 98,639 |
| <i>FY 2020</i> | - | 104,367 | 5,316 | - | 30,281 | - | - | - | 139,964 |
| <i>FY 2021*</i> | - | 10,753 | - | - | 23,123 | - | - | - | 33,876 |
| | \$ - | \$ 267,206 | \$ 51,114 | \$ 5,024 | \$ 70,868 | \$ - | \$ - | \$ - | \$ 394,212 |
| MARKET/P3 STUDY EXPENSES | | | | | | | | | |
| <i>FY 2017</i> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>FY 2018</i> | - | 22,870 | - | - | - | - | - | - | 22,870 |
| <i>FY 2019</i> | - | 37,455 | - | - | - | - | - | - | 37,455 |
| <i>FY 2020</i> | - | 42,805 | - | - | - | - | - | - | 42,805 |
| <i>FY 2021*</i> | - | 8,230 | - | - | - | - | - | - | 8,230 |
| | \$ - | \$ 111,360 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 111,360 |
| TOTAL EXPENSES | | | | | | | | | |
| <i>FY 2017</i> | \$ 60,971 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 60,971 |
| <i>FY 2018</i> | - | 244,985 | 128,056 | 8,636 | - | - | - | - | 381,678 |
| <i>FY 2019</i> | - | 194,071 | 4,803 | 4,274 | 35,645 | - | - | - | 238,793 |
| <i>FY 2020</i> | - | 187,422 | 7,366 | - | 41,960 | - | - | - | 236,747 |
| <i>FY 2021*</i> | - | 22,940 | - | - | 31,634 | - | - | - | 54,574 |
| | \$ 60,971 | \$ 649,419 | \$ 140,225 | \$ 12,910 | \$ 109,239 | \$ - | \$ - | \$ - | \$ 972,762 |

* Invoices received as of 12/31/2020



| Table 2: Creation Costs | | | | | |
|---------------------------|------------------|-------------|-------------|-------------|------------------|
| Public Improvements | City | County | Library | DSISD | Total |
| Cost Participation | 100.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| CREATION COSTS | | | | | |
| <i>FY 2017</i> | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 |
| <i>FY 2018</i> | - | - | - | - | - |
| <i>FY 2019</i> | - | - | - | - | - |
| <i>FY 2020</i> | - | - | - | - | - |
| <i>FY 2021*</i> | - | - | - | - | - |
| | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 |

* Invoices received as of 12/31/2020



| Table 3: Town Center Expenditures | | | | | |
|--|-------------------|-------------------|-------------------|------------------|-------------------|
| | City | County | Library | DSISD | Total |
| Cost Participation | | | | | |
| Direct & Indirect | 33.33% | 33.33% | 33.33% | 0.00% | 100.00% |
| Market/P3 Study | 34.00% | 0.00% | 0.00% | 66.00% | 100.00% |
| DIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 48,919 | 48,919 | 48,919 | - | 146,758 |
| FY 2019 | 26,629 | 26,629 | 26,629 | - | 79,887 |
| FY 2020 | 13,417 | 13,417 | 13,417 | - | 40,250 |
| FY 2021* | 1,319 | 1,319 | 1,319 | - | 3,958 |
| | <u>\$ 90,284</u> | <u>\$ 90,284</u> | <u>\$ 90,284</u> | <u>\$ -</u> | <u>\$ 270,853</u> |
| ALLOCATION OF INDIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 25,119 | 25,119 | 25,119 | - | 75,357 |
| FY 2019 | 25,576 | 25,576 | 25,576 | - | 76,728 |
| FY 2020 | 34,789 | 34,789 | 34,789 | - | 104,367 |
| FY 2021* | 3,584 | 3,584 | 3,584 | - | 10,753 |
| | <u>\$ 89,069</u> | <u>\$ 89,069</u> | <u>\$ 89,069</u> | <u>\$ -</u> | <u>\$ 267,206</u> |
| MARKET/P3 STUDY EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 7,776 | - | - | 15,094 | 22,870 |
| FY 2019 | 12,735 | - | - | 24,721 | 37,455 |
| FY 2020 | 14,554 | - | - | 28,251 | 42,805 |
| FY 2021* | 2,798 | - | - | 5,432 | 8,230 |
| | <u>\$ 37,862</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 73,498</u> | <u>\$ 111,360</u> |
| TOTAL EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 81,814 | 74,039 | 74,039 | 15,094 | 244,985 |
| FY 2019 | 64,940 | 52,205 | 52,205 | 24,721 | 194,071 |
| FY 2020 | 62,759 | 48,206 | 48,206 | 28,251 | 187,422 |
| FY 2021* | 7,702 | 4,903 | 4,903 | 5,432 | 22,940 |
| | <u>\$ 217,215</u> | <u>\$ 179,353</u> | <u>\$ 179,353</u> | <u>\$ 73,498</u> | <u>\$ 649,419</u> |

* Invoices received as of 12/31/2020



| Table 4: Old Fitzhugh Expenditures | | | | | |
|--|------------------|------------------|-------------|-------------|-------------------|
| | City | County | Library | DSISD | Total |
| Cost Participation | | | | | |
| Direct & Indirect | 50.00% | 50.00% | 0.00% | 0.00% | 100.00% |
| Market/P3 Study | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| DIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 42,305 | 42,305 | - | - | 84,610 |
| FY 2019 | 1,225 | 1,225 | - | - | 2,450 |
| FY 2020 | 1,025 | 1,025 | - | - | 2,050 |
| FY 2021* | - | - | - | - | - |
| | \$ 44,555 | \$ 44,555 | \$ - | \$ - | \$ 89,110 |
| ALLOCATION OF INDIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 21,723 | 21,723 | - | - | 43,446 |
| FY 2019 | 1,177 | 1,177 | - | - | 2,353 |
| FY 2020 | 2,658 | 2,658 | - | - | 5,316 |
| FY 2021* | - | - | - | - | - |
| | \$ 25,557 | \$ 25,557 | \$ - | \$ - | \$ 51,114 |
| MARKET/P3 STUDY EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | - | - | - | - | - |
| FY 2019 | - | - | - | - | - |
| FY 2020 | - | - | - | - | - |
| FY 2021* | - | - | - | - | - |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 64,028 | 64,028 | - | - | 128,056 |
| FY 2019 | 2,402 | 2,402 | - | - | 4,803 |
| FY 2020 | 3,683 | 3,683 | - | - | 7,366 |
| FY 2021* | - | - | - | - | - |
| | \$ 70,112 | \$ 70,112 | \$ - | \$ - | \$ 140,225 |

* Invoices received as of 12/31/2020



| Table 5: Triangle Expenditures | | | | | |
|--|-----------------|-----------------|-------------|-------------|------------------|
| | City | County | Library | DSISD | Total |
| Cost Participation | | | | | |
| Direct & Indirect | 33.33% | 66.67% | 0.00% | 0.00% | 100.00% |
| Market/P3 Study | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| DIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 1,902 | 3,804 | - | - | 5,706 |
| FY 2019 | 727 | 1,453 | - | - | 2,180 |
| FY 2020 | - | - | - | - | - |
| FY 2021* | - | - | - | - | - |
| | \$ 2,629 | \$ 5,258 | \$ - | \$ - | \$ 7,886 |
| ALLOCATION OF INDIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 977 | 1,953 | - | - | 2,930 |
| FY 2019 | 698 | 1,396 | - | - | 2,094 |
| FY 2020 | - | - | - | - | - |
| FY 2021* | - | - | - | - | - |
| | \$ 1,675 | \$ 3,349 | \$ - | \$ - | \$ 5,024 |
| MARKET/P3 STUDY EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | - | - | - | - | - |
| FY 2019 | - | - | - | - | - |
| FY 2020 | - | - | - | - | - |
| FY 2021* | - | - | - | - | - |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | 2,879 | 5,758 | - | - | 8,636 |
| FY 2019 | 1,425 | 2,849 | - | - | 4,274 |
| FY 2020 | - | - | - | - | - |
| FY 2021* | - | - | - | - | - |
| | \$ 4,303 | \$ 8,607 | \$ - | \$ - | \$ 12,910 |

* Invoices received as of 12/31/2020



| Table 6: Parking Expenditures | | | | | |
|--|-------------------|-------------|-------------|-------------|-------------------|
| | City | County | Library | DSISD | Total |
| Cost Participation | | | | | |
| Direct & Indirect | 100.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Market/P3 Study | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| DIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | - | - | - | - | - |
| FY 2019 | 18,182 | - | - | - | 18,182 |
| FY 2020 | 11,678 | - | - | - | 11,678 |
| FY 2021* | 8,511 | - | - | - | 8,511 |
| | \$ 38,371 | \$ - | \$ - | \$ - | \$ 38,371 |
| ALLOCATION OF INDIRECT EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | - | - | - | - | - |
| FY 2019 | 17,463 | - | - | - | 17,463 |
| FY 2020 | 30,281 | - | - | - | 30,281 |
| FY 2021* | 23,123 | - | - | - | 23,123 |
| | \$ 70,868 | \$ - | \$ - | \$ - | \$ 70,868 |
| MARKET/P3 STUDY EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | - | - | - | - | - |
| FY 2019 | - | - | - | - | - |
| FY 2020 | - | - | - | - | - |
| FY 2021* | - | - | - | - | - |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL EXPENSES | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - |
| FY 2018 | - | - | - | - | - |
| FY 2019 | 35,645 | - | - | - | 35,645 |
| FY 2020 | 41,960 | - | - | - | 41,960 |
| FY 2021* | 31,634 | - | - | - | 31,634 |
| | \$ 109,239 | \$ - | \$ - | \$ - | \$ 109,239 |

* Invoices received as of 12/31/2020



| Table 7: Indirect Costs Summary | | | | | | |
|---------------------------------|-------------------|------------------------|-----------------|------------------------|-----------|----------------|
| Year | PM & Coordination | Legal & Administration | Regional DDS | Miscellaneous Expenses | Total | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| FY 2018 | \$ 77,660 | \$ 33,703 | \$ 6,680 | \$ 3,691 | \$ | 121,733 |
| FY 2019 | \$ 68,230 | \$ 29,936 | \$ - | \$ 473 | \$ | 98,639 |
| FY 2020 | \$ 73,897 | \$ 63,062 | \$ - | \$ 3,005 | \$ | 139,964 |
| FY 2021 | \$ 16,420 | \$ 17,456 | \$ - | \$ - | \$ | 33,876 |
| Total | \$ 236,207 | \$ 144,157 | \$ 6,680 | \$ 7,168 | \$ | 394,212 |



| Table 8: Entity Expenditures | | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| | City | County | Library | DSISD | Total | |
| CREATION COSTS | | | | | | |
| FY 2017 | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 | |
| FY 2018 | - | - | - | - | - | |
| FY 2019 | - | - | - | - | - | |
| FY 2020 | - | - | - | - | - | |
| FY 2021* | - | - | - | - | - | |
| | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 | |
| TOWN CENTER | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | 81,814 | 74,039 | 74,039 | 15,094 | 244,985 | |
| FY 2019 | 64,940 | 52,205 | 52,205 | 24,721 | 194,071 | |
| FY 2020 | 62,759 | 48,206 | 48,206 | 28,251 | 187,422 | |
| FY 2021* | 7,702 | 4,903 | 4,903 | 5,432 | 22,940 | |
| | \$ 217,215 | \$ 179,353 | \$ 179,353 | \$ 73,498 | \$ 649,419 | |
| OLD FITZHUGH | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | 64,028 | 64,028 | - | - | 128,056 | |
| FY 2019 | 2,402 | 2,402 | - | - | 4,803 | |
| FY 2020 | 3,683 | 3,683 | - | - | 7,366 | |
| FY 2021* | - | - | - | - | - | |
| | \$ 70,112 | \$ 70,112 | \$ - | \$ - | \$ 140,225 | |
| TRIANGLE | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | 2,879 | 5,758 | - | - | 8,636 | |
| FY 2019 | 1,425 | 2,849 | - | - | 4,274 | |
| FY 2020 | - | - | - | - | - | |
| FY 2021* | - | - | - | - | - | |
| | \$ 4,303 | \$ 8,607 | \$ - | \$ - | \$ 12,910 | |
| PARKING | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | - | - | - | - | - | |
| FY 2019 | 35,645 | - | - | - | 35,645 | |
| FY 2020 | 41,960 | - | - | - | 41,960 | |
| FY 2021* | 31,634 | - | - | - | 31,634 | |
| | \$ 109,239 | \$ - | \$ - | \$ - | \$ 109,239 | |
| TOTAL EXPENDITURES | | | | | | |
| FY 2017 | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 | |
| FY 2018 | 148,721 | 143,824 | 74,039 | 15,094 | 381,678 | |
| FY 2019 | 104,412 | 57,456 | 52,205 | 24,721 | 238,793 | |
| FY 2020 | 108,402 | 51,889 | 48,206 | 28,251 | 236,747 | |
| FY 2021* | 39,335 | 4,903 | 4,903 | 5,432 | 54,574 | |
| | \$ 461,840 | \$ 258,072 | \$ 179,353 | \$ 73,498 | \$ 972,762 | |
| CASH CONTRIBUTION | | | | | | |
| FY 2017 | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 | |
| FY 2018 | 146,340 | 170,000 | 50,000 | - | 366,340 | |
| FY 2019** | 160,320 | 120,000 | 35,000 | 39,195 | 354,516 | |
| FY 2020*** | 115,000 | - | 65,000 | 27,546 | 207,546 | |
| FY 2021**** | - | - | 24,450 | 4,516 | 28,966 | |
| | \$ 482,631 | \$ 290,000 | \$ 174,450 | \$ 71,257 | \$ 1,018,338 | |
| CONTRIBUTION LESS EXPENDITURES | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | \$ (2,381) | \$ 26,176 | \$ (24,039) | \$ (15,094) | (15,338) | |
| FY 2019 | \$ 55,909 | \$ 62,544 | \$ (17,205) | \$ 14,475 | 115,722 | |
| FY 2020 | \$ 6,598 | \$ (51,889) | \$ 16,794 | \$ (705) | (29,201) | |
| FY 2021 | \$ (39,335) | \$ (4,903) | \$ 19,547 | \$ (916) | (25,608) | |
| | \$ 20,790 | \$ 31,928 | \$ (4,903) | \$ (2,240) | \$ 45,575 | |

* Invoices received as of 12/31/2020

** Includes Town Center Market Study (\$20,000) and P3 Study (\$84,370 + \$30,000) allocated between City

*** Amounts received from each entity for FY 2020.

**** Amounts received from each entity for FY 2021.



| Table 9: TIRZ No. 1 - Estimated TIRZ Revenues | | | | | | | |
|---|--------------------|---------------------|----------------------------|------------------------------|-----------------------|-------------------------|-------------------|
| Year | Assessed Value [a] | Incremental Value % | Total City Collections [b] | Total County Collections [c] | TIRZ City Revenue [d] | TIRZ County Revenue [d] | Total |
| FY 2017 | \$ 37,912,603 | 0.00% | \$ 63,686.71 | \$ 161,271.81 | \$ - | \$ - | \$ - |
| FY 2018 | \$ 48,892,539 | 22.46% | \$ 88,768.75 | \$ 192,869.20 | \$ 9,968 | \$ 21,657 | \$ 31,624 |
| FY 2019 | \$ 83,591,560 | 54.65% | \$ 157,717.83 | \$ 322,231.52 | \$ 43,093 | \$ 88,042 | \$ 131,135 |
| FY 2020 | \$ 107,058,243 | 64.59% | \$ 196,760.23 | \$ 405,673.32 | \$ 63,541 | \$ 131,006 | \$ 194,547 |
| | | | | | \$ 116,601 | \$ 240,705 | \$ 357,306 |

[a] Assessed Value per Hays Central Appraisal District "Assessment Roll Grand Totals Report" printed on 5.26.2020 at 9:03 AM.

[b] Per TDSI City Payment Information provided by County Tax Collector.

[c] Per TDSI County Payment Information provided by County Tax Collector.

[d] Equals City/County Collections x 50% x Incremental Value Percentage.



| Table 10: TIRZ No. 2 - Estimated TIRZ Revenues | | | | | | | | |
|--|--------------------|---------------------|----------------------------|------------------------------|-----------------------|-------------------------|-------------------|--|
| Year | Assessed Value [a] | Incremental Value % | Total City Collections [b] | Total County Collections [c] | TIRZ City Revenue [d] | TIRZ County Revenue [d] | Total | |
| FY 2017 | \$ 5,836,710 | 0.00% | \$ 20,858.24 | \$ 58,646.76 | \$ - | \$ - | \$ - | |
| FY 2018 | \$ 12,307,670 | 52.58% | \$ 22,745.46 | \$ 99,905.47 | \$ 5,979 | \$ 26,263 | \$ 32,243 | |
| FY 2019 | \$ 28,732,478 | 79.69% | \$ 56,262.58 | \$ 129,447.89 | \$ 22,417 | \$ 51,576 | \$ 73,993 | |
| FY 2020 | \$ 48,439,951 | 87.95% | \$ 91,643.17 | \$ 185,736.71 | \$ 40,300 | \$ 81,678 | \$ 121,979 | |
| | | | | | \$ 68,696 | \$ 159,518 | \$ 228,214 | |

[a] Assessed Value per Hays Central Appraisal District "Assessment Roll Grand Totals Report" printed on 5.22.2020 at 1:16 PM.

[b] Per TDSI City Payment Information provided by County Tax Collector.

[c] Per TDSI County Payment Information provided by County Tax Collector.

[d] Equals City/County Collections x 50% x Incremental Value Percentage.



| Table 11 - Total Cash Position | | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| | City | County | Library | DSISD | Total | |
| TOTAL EXPENDITURES | | | | | | |
| FY 2017 | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 | |
| FY 2018 | 148,721 | 143,824 | 74,039 | 15,094 | 381,678 | |
| FY 2019 | 104,412 | 57,456 | 52,205 | 24,721 | 238,793 | |
| FY 2020 | 108,402 | 51,889 | 48,206 | 28,251 | 236,747 | |
| FY 2021* | 39,335 | 4,903 | 4,903 | 5,432 | 54,574 | |
| | \$ 461,840 | \$ 258,072 | \$ 179,353 | \$ 73,498 | \$ 972,762 | |
| CASH CONTRIBUTION | | | | | | |
| FY 2017 | \$ 60,971 | \$ - | \$ - | \$ - | \$ 60,971 | |
| FY 2018 | 146,340 | 170,000 | 50,000 | - | 366,340 | |
| FY 2019** | 160,320 | 120,000 | 35,000 | 39,195 | 354,516 | |
| FY 2020*** | 115,000 | - | 65,000 | 27,546 | 207,546 | |
| FY 2021**** | - | - | 24,450 | 4,516 | 28,966 | |
| | \$ 482,631 | \$ 290,000 | \$ 174,450 | \$ 71,257 | \$ 1,018,338 | |
| CONTRIBUTION LESS EXPENDITURES | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | (2,381) | 26,176 | (24,039) | (15,094) | (15,338) | |
| FY 2019 | 55,909 | 62,544 | (17,205) | 14,475 | 115,722 | |
| FY 2020 | 6,598 | (51,889) | 16,794 | (705) | (29,201) | |
| FY 2021 | (39,335) | (4,903) | 19,547 | (916) | (25,608) | |
| | \$ 20,790 | \$ 31,928 | \$ (4,903) | \$ (2,240) | \$ 45,575 | |
| TIRZ NO. 1 REVENUES | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | 9,968 | 21,657 | - | - | 31,624 | |
| FY 2019 | 43,093 | 88,042 | - | - | 131,135 | |
| FY 2020 | 63,541 | 131,006 | - | - | 194,547 | |
| | \$ 116,601 | \$ 240,705 | \$ - | \$ - | \$ 357,306 | |
| TIRZ NO. 2 REVENUES | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | 5,979 | 26,263 | - | - | 32,243 | |
| FY 2019 | 22,417 | 51,576 | - | - | 73,993 | |
| FY 2020 | 40,300 | 81,678 | - | - | 121,979 | |
| | \$ 68,696 | \$ 159,518 | \$ - | \$ - | \$ 228,214 | |
| TOTAL TIRZ REVENUES | | | | | | |
| FY 2017 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| FY 2018 | 15,947 | 47,920 | - | - | 63,867 | |
| FY 2019 | 65,509 | 139,618 | - | - | 205,128 | |
| FY 2020 | 103,841 | 212,684 | - | - | 316,525 | |
| | \$ 185,297 | \$ 400,223 | \$ - | \$ - | \$ 585,520 | |
| Less: City Creation Costs | \$ (60,971) | \$ - | \$ - | \$ - | \$ (60,971) | |
| Less: County Cash Contribution | \$ - | \$ (290,000) | \$ - | \$ - | \$ (290,000) | |
| Less: Old Fitzhugh | \$ (13,250) | \$ - | \$ - | \$ - | \$ (13,250) | |
| Less: Downtown Parking | \$ (32,079) | \$ - | \$ - | \$ - | \$ (32,079) | |
| Less: Triangle | \$ (1,779) | \$ - | \$ - | \$ - | \$ (1,779) | |
| Remaining TIRZ Revenues | \$ 77,220 | \$ 110,223 | \$ - | \$ - | \$ 187,442 | |
| TOTAL CASH POSITION | \$ 98,010 | \$ 142,151 | \$ (4,903) | \$ (2,240) | \$ 233,018 | |

* Invoices received as of 12/31/2020

** Includes Town Center Market Study (\$20,000) and P3 Study (\$84,370 + \$30,000) allocated between City (34%) and School District (66%).

*** Amounts received from each entity for FY 2020.

**** Amounts received from each entity for FY 2021.

Not Yet Received.

| Table 12 - Breakdown of TIRZ Eligible Reimbursements | | | | | |
|--|------------|---------------|------------|----------------|-------------------|
| Reimbursement to Stakeholders | | | | | |
| | TIRZ No. 1 | | TIRZ No. 2 | | Total |
| Total TIRZ Revenue (Through FY 2020) | \$ | 357,306 | \$ | 228,214 | \$ 585,520 |
| Less: City Creation Costs | \$ | (30,485) | \$ | (30,485) | \$ (60,971) |
| Less: County Contributions | \$ | (237,692) | \$ | (52,308) | \$ (290,000) |
| Less: Town Center* | \$ | - | \$ | - | \$ - |
| Less: Old Fitzhugh - City | \$ | (13,250) | \$ | - | \$ (13,250) |
| Less: Triangle - City | \$ | (610) | \$ | (1,169) | \$ (1,779) |
| Less: Parking - City | \$ | (10,999) | \$ | (21,080) | \$ (32,079) |
| TIRZ Funds Available for Reimbursement | \$ | 64,270 | \$ | 123,173 | \$ 187,442 |

*Reimbursements are "turned off" for Town Center.

BREAKDOWN OF TIRZ ELIGIBLE REIMBURSEMENTS

| | | | | | | |
|--|----|----------------|----|----------------|----|----------------|
| Creation Costs (Total Costs) | \$ | 30,485 | \$ | 30,485 | \$ | 60,971 |
| Creation Costs | \$ | - | \$ | - | \$ | - |
| <i>City (\$60,971 Reimbursed)</i> | \$ | - | \$ | - | \$ | - |
| Town Center to be Reimbursed | \$ | 340,096 | \$ | 113,365 | \$ | 453,461 |
| <i>City - 33% + 33% of P3/MKT Study</i> | \$ | <i>157,157</i> | \$ | <i>52,386</i> | \$ | <i>209,542</i> |
| <i>County - 33% (\$179,353 Reimbursed)</i> | \$ | - | \$ | - | \$ | - |
| <i>Library - 33%</i> | \$ | <i>129,763</i> | \$ | <i>43,254</i> | \$ | <i>173,017</i> |
| <i>DSISD - 67% of P3/MKT Study</i> | \$ | <i>53,176</i> | \$ | <i>17,725</i> | \$ | <i>70,901</i> |
| Old Fitzhugh Rd to be Reimbursed | \$ | 70,112 | \$ | - | \$ | 70,112 |
| <i>City - 50% *</i> | \$ | <i>70,112</i> | \$ | - | \$ | <i>70,112</i> |
| <i>County - 50% (\$70,112 Reimbursed)</i> | \$ | - | \$ | - | \$ | - |
| Triangle to be Reimbursed | \$ | 3,228 | \$ | 1,076 | \$ | 4,303 |
| <i>City - 33% **</i> | \$ | <i>3,228</i> | \$ | <i>1,076</i> | \$ | <i>4,303</i> |
| <i>County - 67% (\$8,607 Reimbursed)</i> | \$ | - | \$ | - | \$ | - |
| Parking to be Reimbursed | \$ | 58,204 | \$ | 19,401 | \$ | 77,605 |
| <i>City - 100% ***</i> | \$ | <i>58,204</i> | \$ | <i>19,401</i> | \$ | <i>77,605</i> |
| Total to be Reimbursed | \$ | 471,639 | \$ | 133,842 | \$ | 605,482 |
| <i>City (\$60,971 Reimbursed)</i> | \$ | <i>288,700</i> | \$ | <i>72,863</i> | \$ | <i>361,563</i> |
| <i>County (\$258,072 Reimbursed)</i> | \$ | - | \$ | - | \$ | - |
| <i>Library</i> | \$ | <i>129,763</i> | \$ | <i>43,254</i> | \$ | <i>173,017</i> |
| <i>DSISD</i> | \$ | <i>53,176</i> | \$ | <i>17,725</i> | \$ | <i>70,901</i> |

* \$13,250 expected to be reimbursed for Old Fitzhugh Road.

** \$1,779 expected to be reimbursed for the Triangle.

*** \$32,079 expected to be reimbursed for Parking.



Table 13 - FY 2021 Budget and Estimated Ending Cash Balance

| | | |
|--|-----------|----------------|
| TIRZ NO. 1 REVENUE EXPECTED 1/31/21* | \$ | 272,397 |
| TIRZ NO. 2 REVENUE EXPECTED 1/31/21** | \$ | 197,541 |
| | \$ | 469,938 |
| LESS: FY 2021 BUDGET | \$ | (320,000) |
| REMAINING TIRZ REVENUES CASH ON HAND FROM 1/31/21 COLLECTIONS | \$ | 149,938 |
| AVAILABLE CASH AS OF 12/31/2020*** | \$ | 233,018 |
| ESTIMATED TOTAL CASH POSITION AT END OF FY 21 | \$ | 382,956 |

*Estimates based on HCAD Estimated Certified Assessed Values dated August 4, 2020. Assumes \$89,249 in City TIRZ No. 1 Revenue and \$183,148 in County TIRZ No. 1 Revenue.

**Estimates based on HCAD Estimated Certified Assessed Values dated August 4, 2020. Assumes \$64,723 in City TIRZ No. 2 Revenue and \$132,818 in County TIRZ No. 2 Revenue.

*** \$110,223 of County TIRZ revenue not yet collected.



Table 14: New Assessed Value Calculation

| TIRZ Year | Construction Year | TIRZ No. 1 | | | | | TIRZ No. 2 | | | | | | | | |
|-----------|-------------------|----------------------------|---------------------|------------------------------------|-----------------------------|----------------------|-----------------------------|--------------------------------|---------------------------------|----------------------|-------------------------|--------------------------|-------------|----------------------|---------------|
| | | Heritage Home Construction | Heritage Home Price | Heritage Multi-Family Construction | Heritage Multi-Family Price | Assessed Value Added | Arrowhead Home Construction | Bunker Ranch Home Construction | Bunker Ranch Condo Construction | Arrowhead Home Price | Bunker Ranch Home Price | Bunker Ranch Condo Price | Value Added | Assessed Value Added | |
| 4 | 2020 | - | \$ 300,000 | - | \$ 125,000 | \$ - | \$ - | - | - | - | \$ 357,338 | \$ 523,800 | \$ 283,000 | \$ - | \$ - |
| 5 | 2021 | - | \$ 309,000 | - | \$ 128,750 | \$ - | \$ - | 50 | 29 | 10 | \$ 368,058 | \$ 539,514 | \$ 291,490 | \$ 36,963,713 | \$ - |
| 6 | 2022 | - | \$ 318,270 | - | \$ 132,613 | \$ - | \$ - | 50 | 29 | 10 | \$ 379,100 | \$ 555,699 | \$ 300,235 | \$ 38,072,624 | \$ 36,963,713 |
| 7 | 2023 | - | \$ 327,818 | - | \$ 136,591 | \$ - | \$ - | 50 | 29 | 10 | \$ 390,473 | \$ 572,370 | \$ 309,242 | \$ 39,214,803 | \$ 38,072,624 |
| 8 | 2024 | 89 | \$ 337,653 | - | \$ 140,689 | \$ 30,051,085 | \$ - | 50 | 18 | 12 | \$ 402,187 | \$ 589,542 | \$ 318,519 | \$ 34,543,329 | \$ 39,214,803 |
| 9 | 2025 | 89 | \$ 347,782 | - | \$ 144,909 | \$ 30,952,618 | \$ 30,051,085 | 46 | - | - | \$ 414,253 | \$ 607,228 | \$ 328,075 | \$ 19,055,623 | \$ 34,543,329 |
| 10 | 2026 | 89 | \$ 358,216 | 100 | \$ 149,257 | \$ 46,806,850 | \$ 30,952,618 | - | - | - | \$ 426,680 | \$ 625,445 | \$ 337,917 | \$ - | \$ 19,055,623 |
| 11 | 2027 | 89 | \$ 368,962 | - | \$ 153,734 | \$ 32,837,632 | \$ 46,806,850 | - | - | - | \$ 439,481 | \$ 644,208 | \$ 348,054 | \$ - | \$ - |
| 12 | 2028 | 89 | \$ 380,031 | - | \$ 158,346 | \$ 33,822,761 | \$ 32,837,632 | - | - | - | \$ 452,665 | \$ 663,534 | \$ 358,496 | \$ - | \$ - |
| 13 | 2029 | 89 | \$ 391,432 | - | \$ 163,097 | \$ 34,837,444 | \$ 33,822,761 | - | - | - | \$ 466,245 | \$ 683,440 | \$ 369,251 | \$ - | \$ - |
| 14 | 2030 | 61 | \$ 403,175 | - | \$ 167,990 | \$ 24,593,670 | \$ 34,837,444 | - | - | - | \$ 480,232 | \$ 703,943 | \$ 380,328 | \$ - | \$ - |
| 15 | 2031 | - | \$ 415,270 | - | \$ 173,029 | \$ - | \$ 24,593,670 | - | - | - | \$ 494,639 | \$ 725,062 | \$ 391,738 | \$ - | \$ - |
| 16 | 2032 | - | \$ 427,728 | - | \$ 178,220 | \$ - | \$ - | - | - | - | \$ 509,479 | \$ 746,814 | \$ 403,490 | \$ - | \$ - |
| 17 | 2033 | - | \$ 440,560 | - | \$ 183,567 | \$ - | \$ - | - | - | - | \$ 524,763 | \$ 769,218 | \$ 415,595 | \$ - | \$ - |
| 18 | 2034 | - | \$ 453,777 | - | \$ 189,074 | \$ - | \$ - | - | - | - | \$ 540,506 | \$ 792,294 | \$ 428,063 | \$ - | \$ - |
| 19 | 2035 | - | \$ 467,390 | - | \$ 194,746 | \$ - | \$ - | - | - | - | \$ 556,721 | \$ 816,063 | \$ 440,905 | \$ - | \$ - |
| 20 | 2036 | - | \$ 481,412 | - | \$ 200,588 | \$ - | \$ - | - | - | - | \$ 573,423 | \$ 840,545 | \$ 454,132 | \$ - | \$ - |
| 21 | 2037 | - | \$ 495,854 | - | \$ 206,606 | \$ - | \$ - | - | - | - | \$ 590,625 | \$ 865,762 | \$ 467,756 | \$ - | \$ - |
| 22 | 2038 | - | \$ 510,730 | - | \$ 212,804 | \$ - | \$ - | - | - | - | \$ 608,344 | \$ 891,734 | \$ 481,789 | \$ - | \$ - |
| 23 | 2039 | - | \$ 526,052 | - | \$ 219,188 | \$ - | \$ - | - | - | - | \$ 626,594 | \$ 918,486 | \$ 496,242 | \$ - | \$ - |
| 24 | 2040 | - | \$ 541,833 | - | \$ 225,764 | \$ - | \$ - | - | - | - | \$ 645,392 | \$ 946,041 | \$ 511,129 | \$ - | \$ - |
| 25 | 2041 | - | \$ 558,088 | - | \$ 232,537 | \$ - | \$ - | - | - | - | \$ 664,754 | \$ 974,422 | \$ 526,463 | \$ - | \$ - |
| 26 | 2042 | - | \$ 574,831 | - | \$ 239,513 | \$ - | \$ - | - | - | - | \$ 684,697 | \$ 1,003,655 | \$ 542,257 | \$ - | \$ - |
| 27 | 2043 | - | \$ 592,076 | - | \$ 246,698 | \$ - | \$ - | - | - | - | \$ 705,237 | \$ 1,033,765 | \$ 558,525 | \$ - | \$ - |
| 28 | 2044 | - | \$ 609,838 | - | \$ 254,099 | \$ - | \$ - | - | - | - | \$ 726,395 | \$ 1,064,778 | \$ 575,281 | \$ - | \$ - |
| 29 | 2045 | - | \$ 628,133 | - | \$ 261,722 | \$ - | \$ - | - | - | - | \$ 748,186 | \$ 1,096,721 | \$ 592,539 | \$ - | \$ - |
| 30 | 2046 | - | \$ 646,977 | - | \$ 269,574 | \$ - | \$ - | - | - | - | \$ 770,632 | \$ 1,129,623 | \$ 610,315 | \$ - | \$ - |



Table 15: TIRZ Revenue Calculations

| Fiscal Year No. | Year | Incremental Assessed Value | | Tax Rates | | TIRZ No. 1 | | | TIRZ No. 2 | | | Annual Grand Total |
|-----------------|------|----------------------------|----------------|-----------|-----------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|--------------------|
| | | TIRZ No. 1 | TIRZ No. 2 | City | County | City | County | Annual Total | City | County | Annual Total | |
| | | | | | | Contribution @ 50% | Contribution @ 50% | | Contribution @ 50% | Contribution @ 50% | | |
| 0 | 2017 | | | | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1 | 2018 | | | | | \$ 9,968 | \$ 21,657 | \$ 31,624 | \$ 5,979 | \$ 26,263 | \$ 32,243 | \$ 63,867 |
| 2 | 2019 | | | | | \$ 43,093 | \$ 88,042 | \$ 131,135 | \$ 22,417 | \$ 51,576 | \$ 73,993 | \$ 205,128 |
| 3 | 2020 | | | | | \$ 63,541 | \$ 131,006 | \$ 194,547 | \$ 40,300 | \$ 81,678 | \$ 121,979 | \$ 316,525 |
| 4 | 2021 | \$ 131,858,712 | \$ 73,966,086 | \$ 0.1900 | \$ 0.3899 | \$ 125,266 | \$ 257,059 | \$ 382,324 | \$ 70,268 | \$ 144,197 | \$ 214,465 | \$ 596,789 |
| 5 | 2022 | \$ 135,814,473 | \$ 113,148,782 | \$ 0.1900 | \$ 0.3899 | \$ 129,024 | \$ 264,770 | \$ 393,794 | \$ 107,491 | \$ 220,584 | \$ 328,075 | \$ 721,869 |
| 6 | 2023 | \$ 139,888,908 | \$ 154,615,869 | \$ 0.1900 | \$ 0.3899 | \$ 132,894 | \$ 272,713 | \$ 405,608 | \$ 146,885 | \$ 301,424 | \$ 448,309 | \$ 853,917 |
| 7 | 2024 | \$ 144,085,575 | \$ 198,469,149 | \$ 0.1900 | \$ 0.3899 | \$ 136,881 | \$ 280,895 | \$ 417,776 | \$ 188,546 | \$ 386,916 | \$ 575,461 | \$ 993,237 |
| 8 | 2025 | \$ 178,459,227 | \$ 238,966,552 | \$ 0.1900 | \$ 0.3899 | \$ 169,536 | \$ 347,906 | \$ 517,443 | \$ 227,018 | \$ 465,865 | \$ 692,884 | \$ 1,210,326 |
| 9 | 2026 | \$ 214,765,622 | \$ 265,191,171 | \$ 0.1900 | \$ 0.3899 | \$ 204,027 | \$ 418,686 | \$ 622,713 | \$ 251,932 | \$ 516,990 | \$ 768,922 | \$ 1,391,635 |
| 10 | 2027 | \$ 268,015,441 | \$ 273,146,907 | \$ 0.1900 | \$ 0.3899 | \$ 254,615 | \$ 522,496 | \$ 777,111 | \$ 259,490 | \$ 532,500 | \$ 791,989 | \$ 1,569,100 |
| 11 | 2028 | \$ 308,893,536 | \$ 281,341,314 | \$ 0.1900 | \$ 0.3899 | \$ 293,449 | \$ 602,188 | \$ 895,637 | \$ 267,274 | \$ 548,475 | \$ 815,749 | \$ 1,711,386 |
| 12 | 2029 | \$ 351,983,103 | \$ 289,781,553 | \$ 0.1900 | \$ 0.3899 | \$ 334,384 | \$ 686,191 | \$ 1,020,575 | \$ 275,292 | \$ 564,929 | \$ 840,222 | \$ 1,860,797 |
| 13 | 2030 | \$ 397,380,040 | \$ 298,475,000 | \$ 0.1900 | \$ 0.3899 | \$ 377,511 | \$ 774,692 | \$ 1,152,203 | \$ 283,551 | \$ 581,877 | \$ 865,428 | \$ 2,017,632 |
| 14 | 2031 | \$ 433,895,111 | \$ 307,429,250 | \$ 0.1900 | \$ 0.3899 | \$ 412,200 | \$ 845,879 | \$ 1,258,079 | \$ 292,058 | \$ 599,333 | \$ 891,391 | \$ 2,149,470 |
| 15 | 2032 | \$ 446,911,965 | \$ 316,652,127 | \$ 0.1900 | \$ 0.3899 | \$ 424,566 | \$ 871,255 | \$ 1,295,821 | \$ 300,820 | \$ 617,313 | \$ 918,133 | \$ 2,213,954 |
| 16 | 2033 | \$ 460,319,324 | \$ 326,151,691 | \$ 0.1900 | \$ 0.3899 | \$ 437,303 | \$ 897,393 | \$ 1,334,696 | \$ 309,844 | \$ 635,833 | \$ 945,677 | \$ 2,280,373 |
| 17 | 2034 | \$ 474,128,903 | \$ 335,936,242 | \$ 0.1900 | \$ 0.3899 | \$ 450,422 | \$ 924,314 | \$ 1,374,737 | \$ 319,139 | \$ 654,908 | \$ 974,047 | \$ 2,348,784 |
| 18 | 2035 | \$ 488,352,770 | \$ 346,014,329 | \$ 0.1900 | \$ 0.3899 | \$ 463,935 | \$ 952,044 | \$ 1,415,979 | \$ 328,714 | \$ 674,555 | \$ 1,003,269 | \$ 2,419,247 |
| 19 | 2036 | \$ 503,003,353 | \$ 356,394,759 | \$ 0.1900 | \$ 0.3899 | \$ 477,853 | \$ 980,605 | \$ 1,458,458 | \$ 338,575 | \$ 694,792 | \$ 1,033,367 | \$ 2,491,825 |
| 20 | 2037 | \$ 518,093,454 | \$ 367,086,602 | \$ 0.1900 | \$ 0.3899 | \$ 492,189 | \$ 1,010,023 | \$ 1,502,212 | \$ 348,732 | \$ 715,635 | \$ 1,064,368 | \$ 2,566,580 |
| 21 | 2038 | \$ 533,636,258 | \$ 378,099,200 | \$ 0.1900 | \$ 0.3899 | \$ 506,954 | \$ 1,040,324 | \$ 1,547,278 | \$ 359,194 | \$ 737,104 | \$ 1,096,299 | \$ 2,643,577 |
| 22 | 2039 | \$ 549,645,345 | \$ 389,442,176 | \$ 0.1900 | \$ 0.3899 | \$ 522,163 | \$ 1,071,534 | \$ 1,593,697 | \$ 369,970 | \$ 759,218 | \$ 1,129,188 | \$ 2,722,884 |
| 23 | 2040 | \$ 566,134,706 | \$ 401,125,441 | \$ 0.1900 | \$ 0.3899 | \$ 537,828 | \$ 1,103,680 | \$ 1,641,508 | \$ 381,069 | \$ 781,994 | \$ 1,163,063 | \$ 2,804,571 |
| 24 | 2041 | \$ 583,118,747 | \$ 413,159,204 | \$ 0.1900 | \$ 0.3899 | \$ 553,963 | \$ 1,136,790 | \$ 1,690,753 | \$ 392,501 | \$ 805,454 | \$ 1,197,955 | \$ 2,888,708 |
| 25 | 2042 | \$ 600,612,309 | \$ 425,553,980 | \$ 0.1900 | \$ 0.3899 | \$ 570,582 | \$ 1,170,894 | \$ 1,741,475 | \$ 404,276 | \$ 829,617 | \$ 1,233,894 | \$ 2,975,369 |
| 26 | 2043 | \$ 618,630,679 | \$ 438,320,600 | \$ 0.1900 | \$ 0.3899 | \$ 587,699 | \$ 1,206,021 | \$ 1,793,720 | \$ 416,405 | \$ 854,506 | \$ 1,270,911 | \$ 3,064,630 |
| 27 | 2044 | \$ 637,189,599 | \$ 451,470,218 | \$ 0.1900 | \$ 0.3899 | \$ 605,330 | \$ 1,242,201 | \$ 1,847,531 | \$ 428,897 | \$ 880,141 | \$ 1,309,038 | \$ 3,156,569 |
| 28 | 2045 | \$ 656,305,287 | \$ 465,014,324 | \$ 0.1900 | \$ 0.3899 | \$ 623,490 | \$ 1,279,467 | \$ 1,902,957 | \$ 441,764 | \$ 906,545 | \$ 1,348,309 | \$ 3,251,266 |
| 29 | 2046 | \$ 675,994,446 | \$ 478,964,754 | \$ 0.1900 | \$ 0.3899 | \$ 642,195 | \$ 1,317,851 | \$ 1,960,046 | \$ 455,017 | \$ 933,742 | \$ 1,388,758 | \$ 3,348,804 |
| 30 | 2047 | \$ 696,274,279 | \$ 493,333,697 | \$ 0.1900 | \$ 0.3899 | \$ 661,461 | \$ 1,357,387 | \$ 2,018,847 | \$ 468,667 | \$ 961,754 | \$ 1,430,421 | \$ 3,449,268 |

Note: TIRZ No. 2 can only fund 25% of Town Center, Downtown Parking, and Triangle costs. The amounts shown are gross revenues, not revenues subject to the cap.



Table 16: TIRZ Cash Flow

| Year No. | Fiscal Year | TIRZ Revenues Available | | | | Projected General Ledger Costs | | TIRZ Revenue Surplus/(Shortage) |
|--------------|-------------|-------------------------|---------------------|----------------------|--------------------|--------------------------------|--------------|---------------------------------|
| | | TIRZ No. 1 | TIRZ No. 2* | Total Annual Revenue | Cumulative Revenue | Annual | Cumulative | |
| 0 | 2017 | \$ - | \$ - | \$ - | \$ - | \$ 60,971 | \$ 60,971 | \$ (60,971) |
| 1 | 2018 | \$ 31,624 | \$ 32,243 | \$ 63,867 | \$ 63,867 | \$ 381,678 | \$ 442,648 | \$ (378,781) |
| 2 | 2019 | \$ 131,135 | \$ 73,993 | \$ 205,128 | \$ 268,995 | \$ 238,793 | \$ 681,442 | \$ (412,447) |
| 3 | 2020 | \$ 194,547 | \$ 121,979 | \$ 316,525 | \$ 585,520 | \$ 320,000 | \$ 1,001,442 | \$ (415,921) |
| 4 | 2021 | \$ 382,324 | \$ 214,465 | \$ 596,789 | \$ 1,182,309 | \$ 320,000 | \$ 1,321,442 | \$ (139,132) |
| 5 | 2022 | \$ 393,794 | \$ 328,075 | \$ 721,869 | \$ 1,904,178 | \$ 320,000 | \$ 1,641,442 | \$ 262,737 |
| 6 | 2023 | \$ 405,608 | \$ 448,309 | \$ 853,917 | \$ 2,758,095 | \$ 200,000 | \$ 1,841,442 | \$ 916,653 |
| 7 | 2024 | \$ 417,776 | \$ 575,461 | \$ 993,237 | \$ 3,751,332 | \$ 180,000 | \$ 2,021,442 | \$ 1,729,891 |
| 8 | 2025 | \$ 517,443 | \$ 692,884 | \$ 1,210,326 | \$ 4,961,658 | \$ 160,000 | \$ 2,181,442 | \$ 2,780,217 |
| 9 | 2026 | \$ 622,713 | \$ 762,593 | \$ 1,385,306 | \$ 6,346,964 | \$ 160,000 | \$ 2,341,442 | \$ 4,005,522 |
| 10 | 2027 | \$ 777,111 | \$ - | \$ 777,111 | \$ 7,124,075 | \$ 160,000 | \$ 2,501,442 | \$ 4,622,633 |
| 11 | 2028 | \$ 895,637 | \$ - | \$ 895,637 | \$ 8,019,711 | \$ 160,000 | \$ 2,661,442 | \$ 5,358,270 |
| 12 | 2029 | \$ 1,020,575 | \$ - | \$ 1,020,575 | \$ 9,040,286 | \$ 160,000 | \$ 2,821,442 | \$ 6,218,845 |
| 13 | 2030 | \$ 1,152,203 | \$ - | \$ 1,152,203 | \$ 10,192,490 | \$ 160,000 | \$ 2,981,442 | \$ 7,211,048 |
| 14 | 2031 | \$ 1,258,079 | \$ - | \$ 1,258,079 | \$ 11,450,569 | \$ - | \$ 2,981,442 | \$ 8,469,127 |
| 15 | 2032 | \$ 1,295,821 | \$ - | \$ 1,295,821 | \$ 12,746,390 | \$ - | \$ 2,981,442 | \$ 9,764,948 |
| 16 | 2033 | \$ 1,334,696 | \$ - | \$ 1,334,696 | \$ 14,081,086 | \$ - | \$ 2,981,442 | \$ 11,099,644 |
| 17 | 2034 | \$ 1,374,737 | \$ - | \$ 1,374,737 | \$ 15,455,823 | \$ - | \$ 2,981,442 | \$ 12,474,381 |
| 18 | 2035 | \$ 1,415,979 | \$ - | \$ 1,415,979 | \$ 16,871,801 | \$ - | \$ 2,981,442 | \$ 13,890,360 |
| 19 | 2036 | \$ 1,458,458 | \$ - | \$ 1,458,458 | \$ 18,330,260 | \$ - | \$ 2,981,442 | \$ 15,348,818 |
| 20 | 2037 | \$ 1,502,212 | \$ - | \$ 1,502,212 | \$ 19,832,472 | \$ - | \$ 2,981,442 | \$ 16,851,030 |
| 21 | 2038 | \$ 1,547,278 | \$ - | \$ 1,547,278 | \$ 21,379,750 | \$ - | \$ 2,981,442 | \$ 18,398,308 |
| 22 | 2039 | \$ 1,593,697 | \$ - | \$ 1,593,697 | \$ 22,973,447 | \$ - | \$ 2,981,442 | \$ 19,992,005 |
| 23 | 2040 | \$ 1,641,508 | \$ - | \$ 1,641,508 | \$ 24,614,954 | \$ - | \$ 2,981,442 | \$ 21,633,513 |
| 24 | 2041 | \$ 1,690,753 | \$ - | \$ 1,690,753 | \$ 26,305,707 | \$ - | \$ 2,981,442 | \$ 23,324,266 |
| 25 | 2042 | \$ 1,741,475 | \$ - | \$ 1,741,475 | \$ 28,047,182 | \$ - | \$ 2,981,442 | \$ 25,065,741 |
| 26 | 2043 | \$ 1,793,720 | \$ - | \$ 1,793,720 | \$ 29,840,902 | \$ - | \$ 2,981,442 | \$ 26,859,461 |
| 27 | 2044 | \$ 1,847,531 | \$ - | \$ 1,847,531 | \$ 31,688,433 | \$ - | \$ 2,981,442 | \$ 28,706,992 |
| 28 | 2045 | \$ 1,902,957 | \$ - | \$ 1,902,957 | \$ 33,591,391 | \$ - | \$ 2,981,442 | \$ 30,609,949 |
| 29 | 2046 | \$ 1,960,046 | \$ - | \$ 1,960,046 | \$ 35,551,436 | \$ - | \$ 2,981,442 | \$ 32,569,995 |
| 30 | 2047 | \$ 2,018,847 | \$ - | \$ 2,018,847 | \$ 37,570,284 | \$ - | \$ 2,981,442 | \$ 34,588,842 |
| Total | | \$ 34,320,284 | \$ 3,250,000 | \$ 37,570,284 | | \$ 2,981,442 | | |

* TIRZ No. 2 revenue capped at 25% of TIRZ Expenditures for Town Center, Downtown Parking, and Triangle Improvements. The Analysis assumes a total cost of \$13 million of these improvements, thereby capping TIRZ No. 2 revenue at 25% of \$25 million, or \$3,250,000.



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78602

Submitted By: Laura Mueller, City Attorney

Board Meeting Date: January 11, 2021

Agenda Item Wording: **Discuss and consider approval of Amendments to the Tax Increment Reinvestment Zones No. 1 & No. 2 Bylaws to reflect approved Ordinance No. 2020-54 for staggered terms and to address the use of videoconferencing.**

Agenda Item Requestor: Laura Mueller, City Attorney

Summary/Background: The TIRZ No. 1 & No. 2 Bylaws were recommended for approval by the board on December 5, 2016 officially adopted by the City Council on December 13, 2016. The bylaws provide a more detailed description of the board with regards to members and meetings that may not otherwise be expressed in the City's Code of Ordinances.

This amendment will include the following changes:

- Update to Place System for members
- Update to Terms for all members
- Inclusion of videoconferencing for meetings

Recommended Board Actions: Staff recommends approval of the amendments.

Attachments:

1. Ordinance 2020-54
2. TIRZ No. 1 Bylaws Amendment
3. TIRZ No. 2 Bylaws Amendment

Next Steps/Schedule:

1. Update and file amended bylaws with the city record
2. Forward amended bylaws to board members and Mark Kennedy with Hays County



City of Dripping Springs
Dripping Springs Tax Increment Reinvestment Zone No. 1
Town Center TIRZ
BYLAWS

ARTICLE I
POWERS AND PURPOSE

Section 1. Financing Development or Redevelopment in the Zone. In order to implement the purposes for which Tax Increment Reinvestment Zone No.1, Town Center TIRZ, City of Dripping Springs, Texas (the “Zone”) was formed, as set forth in Ordinance No. 1110.15 approved on November 29, 2016, creating the Zone, the City of Dripping Springs, Texas (the “City”) may issue obligations to finance all or part of the cost of implementing the “project plan” for the Zone as defined in the Tax Increment Financing Act of the Tax Code, Chapter 311, Vernon's Texas Codes Annotated (the “Act”).

Section 2. Books and Records: Approval of Programs and Financial Statements. The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the City Council and the City Auditor will have access to the books and records of the Zone. The City Council must approve all programs and expenditures for the Zone and annually review any financial statements of the Zone.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Powers, Number, and Term of Office. The property and affairs of the Zone shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the Zone (“Board of Directors” or “Board”), subject to the restrictions imposed by law, the ordinances creating the Zone, and these Bylaws. It is the intention of the City Council that the Board of Directors shall function only in an advisory capacity with respect to the Zone and shall exercise only those powers which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council.

The Board of Directors shall consist of seven (7) directors appointed by the City Council of the City, however should the County participate in the TIRZ, the City Council shall appoint five (5) directors and two (2) directors shall be appointed by the County Commissioners Court of Hays County. Provided however, that if a taxing unit (other than the City) waives its right to appoint a member to the Board, as evidenced by written resolution duly adopted by the governing body of such taxing unit, the City may appoint such Board member in its stead.

The first Board of Directors shall serve for an initial term ending December 31, 2018 or until his or her successor is appointed. Subsequent directors shall be appointed by the governing bodies of the City and County, and shall serve for two (2) year terms beginning January 1, 2019 or until their successors are appointed by the respective governing bodies. Starting January 1, 2020, the members will serve staggered terms with 4 members serving a two-year term from January 1, 2020 to December 31, 2021 and the remaining members serving a one-year term from January 1, 2020 to December 31, 2021. After that time, all members will serve staggered two-year terms.

Any director may be removed from office by the City Council for cause deemed by the City Council as sufficient for their removal in the interest of the public.

In the event of a vacancy caused by the resignation, death, or removal for any reason, of a director, the governing body of the respective taxing unit which made such Board appointment shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors shall hold their meetings once a month pursuant to the city code of ordinances at City Hall. Additional special meetings may be called as deemed necessary by the Board of Directors or the City Council. Monthly meetings may be cancelled if the board has no business to discuss.

Section 3. Regular and Special Meetings. Regular Meetings shall be held on the second Monday of every month at 4 p.m. Special Meetings of the Board of Directors shall be held at such times and places as shall be designated, from time to time, by the Board of Directors. All monthly, regular meetings of the Board shall be of a public nature unless pertaining to matters of land purchase, security, personnel, matters where such meetings would be allowed by the Open Meetings Act, or strictly legal matters. Special meetings may be held in person at City Hall or by teleconference or e-mail. Special meetings held by teleconference or e-mail shall be for discussion purposes only, unless such teleconference or videoconference falls under an exception to the Open Meetings Act allowing action at a teleconference or videoconference. Notice of all regular and special meetings of the Board held at City Hall shall be posted in accordance with the provisions of Chapter 551, Texas Government Code. There shall be at least one Regular Meeting held each year.

Section 4. Emergency Meetings. Emergency Meetings of the Board of Directors shall be held whenever called by the chair or the majority of the directors then in office or upon advice or request by the City Council. The secretary shall give notice to each director of each Emergency Meeting. Emergency meetings may be held at City Hall, or may be held by teleconference, videoconference, or e-mail. Minutes of emergency meetings where decisions are made will be kept.

Section 5. Quorum. A majority four (4) of the seven (7) directors holding current appointments shall

constitute a quorum for the consideration of matters pertaining to the purposes of the Zone. The act of a majority of the directors' present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

Section 6. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Zone shall be considered in such order as from time to time the Board of Directors may determine. At all meetings of the Board of Directors, the chair shall preside and in the absence of the chair, the vice chair shall exercise the power of the chair.

The City Secretary or their designee shall act as secretary of all meetings of the Board of Directors, but in the absence of the City Secretary or their designee, the presiding officer may appoint any person to act as secretary of the meeting. City staff shall provide notice of meetings and prepare meeting agendas.

Within five (5) days of approval of minutes for each Regular Meeting, Special, and Emergency meeting, a copy of the approved minutes shall be submitted to the City Secretary of the City.

Section 7. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 8. Attendance. Board members shall make every effort to attend all Regular, Special and Emergency meetings of the Board and/or Committees. The City Council may replace a City appointee of the Board or request replacement of an appointee from other taxing jurisdictions for non-attendance at three consecutive meetings.

ARTICLE III OFFICERS

Section 1. Titles and Term of Office. The officers of the Zone shall consist of a chair, a vice chair, and such other officers as the Board of Directors may from time to time elect or appoint; provided however that the City Council shall, on an annual basis, appoint the chair whose term shall end on December 31 of each year. Terms of office for officers, other than the chair, shall not exceed two (2) years.

A vacancy in the office of any officer, other than the chair, shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the Chair. The chair shall be the chief executive officer of the Board of Directors and, subject to the approval of the City Council, they shall be in general charge of the properties and affairs of the Zone and shall preside at all meetings of the Board of Directors.

Section 3. Vice Chair. The vice chair shall be a member of the Board of Directors, shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the chair during that officer's absence or inability to act. Any action taken by the vice chair in the performance of the duties of the chair shall be conclusive evidence of the absence or inability to act of the chair at the time such action was taken.

Section 4. Secretary. The City Secretary or their designee shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose, they shall have charge of such books, records, documents and instruments as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection, and they shall in general perform all duties incident to the office of secretary subject to the control of the City Council and the Board of Directors.

Section 5. Compensation. Officers as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 6. Staff. Staff functions for the Board of Directors may be performed by the City Administrator or their designees.

ARTICLE IV PROVISIONS REGARDING BYLAWS

Section 1. Effective Date. These Bylaws shall become effective only upon the adoption of these Bylaws by the Board of Directors. The Board of Directors shall submit its Bylaws to the City Council who may approve or disapprove of the Bylaws.

Section 2. Amendments to Bylaws. These Bylaws may be amended by majority vote of the Board of Directors, provided that the Board of Directors files with the City Council a written application requesting that the City Council approve such amendment to the Bylaws, specifying in such application, the amendment or amendments proposed to be made. If the City Council finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Bylaws.

After consultation with the Board of Directors, the Bylaws may also be amended at any time by the City Council by adopting an amendment to the Bylaws by the City Council and delivering the Bylaws to the secretary of the Board of Directors.

Section 3. Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE V GENERAL PROVISIONS

Section 1. Notice and Waiver of Notice. Unless otherwise required by state law, whenever any notice whatsoever is required to be given under the provision of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled hereto at his post office address, as it appears on the books of the Zone, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a

meeting shall constitute a waiver of notice of such meeting. A waiver of notice in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these Bylaws refer to any approval by the City, such approval of delegation shall be evidenced by a certified copy of an ordinance, or resolution (if permissible), duly adopted by the City Council.

Approved by the TIRZ Board of Directors on the 5th day of December 2016.

Approved by the Dripping Springs City Council on the 13th day of December 2016.

Amended by the TIRZ Board of Directors on the ___ day of _____ 20__.

Amended by the Dripping Springs City Council on the ___ day of _____ 20__.



City of Dripping Springs
Dripping Springs Tax Increment Reinvestment Zone No. 2
Southwest TIRZ
BYLAWS

ARTICLE I
POWERS AND PURPOSE

Section 1. Financing Development or Redevelopment in the Zone. In order to implement the purposes for which Tax Increment Reinvestment Zone No. 2, Southwest TIRZ, City of Dripping Springs, Texas (the “Zone”) was formed, as set forth in Ordinance No. 1110.16 approved on November 29, 2016, creating the Zone, the City of Dripping Springs, Texas (the “City”) may issue obligations to finance all or part of the cost of implementing the “project plan” for the Zone as defined in the Tax Increment Financing Act of the Tax Code, Chapter 311, Vernon's Texas Codes Annotated (the “Act”).

Section 2. Books and Records: Approval of Programs and Financial Statements. The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the City Council and the City Auditor will have access to the books and records of the Zone. The City Council must approve all programs and expenditures for the Zone and annually review any financial statements of the Zone.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Powers, Number, and Term of Office. The property and affairs of the Zone shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the Zone (“Board of Directors” or “Board”), subject to the restrictions imposed by law, the ordinances creating the Zone, and these Bylaws. It is the intention of the City Council that the Board of Directors shall function only in an advisory capacity with respect to the Zone and shall exercise only those powers which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council.

The Board of Directors shall consist of seven (7) directors appointed by the City Council of the City, however, should the County participate in the TIRZ, the City Council shall appoint five (5) directors and two (2) directors shall be appointed by the County Commissioners Court of Hays County. Provided however, that if a taxing unit (other than the City) waives its right to appoint a member to the Board, as evidenced by written resolution duly adopted by the governing body of such taxing unit, the City may appoint such Board member in its stead.

The first Board of Directors shall serve for an initial term ending December 31, 2018 or until his or her successor is appointed. Subsequent directors shall be appointed by the governing bodies of the City and County, and shall serve for two (2) year terms beginning January 1, 2019 or until their successors are appointed by the respective governing bodies. Starting January 1, 2020, the members will serve staggered terms with 4 members serving a two-year term from January 1, 2020 to December 31, 2021 and the remaining members serving a one-year term from January 1, 2020 to December 31, 2021. After that time, all members will serve staggered two-year terms.

Any director may be removed from office by the City Council for cause deemed by the City Council as sufficient for their removal in the interest of the public.

In the event of a vacancy caused by the resignation, death, or removal for any reason, of a director, the governing body of the respective taxing unit which made such Board appointment shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors shall hold their meetings once a month pursuant to the city code of ordinances at City Hall. Additional special meetings may be called as deemed necessary by the Board of Directors or the City Council. Monthly meetings may be cancelled if the board has no business to discuss.

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Section 5. Quorum. A majority four (4) of the seven (7) directors holding current appointments shall constitute a quorum for the consideration of matters pertaining to the purposes of the Zone. The act of a majority of the directors' present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

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chair in the performance of the duties of the chair shall be conclusive evidence of the absence or inability to act of the chair at the time such action was taken.

Section 4. Secretary. The City Secretary or their designee shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose, they shall have charge of such books, records, documents and instruments as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection, and they shall in general perform all duties incident to the office of secretary subject to the control of the City Council and the Board of Directors.

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Section 3. Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE V GENERAL PROVISIONS

Section 1. Notice and Waiver of Notice. Unless otherwise required by state law, whenever any notice whatsoever is required to be given under the provision of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled hereto at his post office address, as it appears on the books of the Zone, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting. A waiver of notice in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these Bylaws refer to any approval by the City, such approval of delegation shall be evidenced by a certified copy of an ordinance, or resolution (if permissible), duly adopted by the City Council.

Approved by the TIRZ Board of Directors on the 5th day of December 2016.

Approved by the Dripping Springs City Council on the 13th day of December 2016.

Amended by the TIRZ Board of Directors on the ___ day of _____ 20__.

Amended by the Dripping Springs City Council on the ___ day of _____ 20__.