



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

City of Dripping Springs

Council Chambers, 511 Mercer St, Dripping Springs, TX

Monday, May 10, 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/85913766294?pwd=QTRBekFwS0NlK1NBVksFZE4vSEo3UT09>

Meeting ID: 859 1376 6294

Passcode: 655988

Dial Toll Free:

877 853 5257 US Toll-free

888 475 4499 US Toll-free

Find your local number: <https://us02web.zoom.us/u/ky9llWRac>

Join by Skype for Business: <https://us02web.zoom.us/skype/85913766294>

CALL TO ORDER AND ROLL CALL

Board Members

Dave Edwards, Chair

Taline Manassian, Vice Chair

Missy Atwood

Dan O'Brien

John McIntosh

Walt Smith

Bob Richardson (Advisory Board Member)

Staff, Consultants & Appointed/Elected Officials:

City Administrator Michelle Fischer
City Attorney Laura Mueller
Finance Director Shawn Cox
City Secretary Andrea Cunningham
TIRZ Project Manager Kennan Smith
TIRZ Project Consultant Aldo Fritz, TJKM
TIRZ Project Consultant Cory Peterson, TJKM

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.

MINUTES

- 1. Discuss and consider approval of the April 12, 2021 TIRZ No. 1 & No. 2 Board regular meeting minutes.**

BUSINESS

- 2. Presentation and discussion regarding the Town Center Project Real Estate Agreements.**
- 3. Update and discussion regarding TIRZ Priority Projects.**
 - a) Old Fitzhugh Road
 - b) Downtown Parking
 - c) Triangle
- 4. Discuss and consider recommendation regarding the Fiscal Year 2022 TIRZ Budget request and recommendation.**
- 5. Discuss and consider possible action regarding the reassessment and evaluation of TIRZ Priority Projects.**

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

June 14, 2021 at 4:00 p.m.

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

August 9, 2021 at 4:00 p.m.

City Council Meetings

May 11, 2021 at 6:00 p.m.

May 18, 2021 at 6:00 p.m.

June 8, 2021 at 6:00 p.m.

June 15, 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 current Public Health Emergency and guidance from the Texas Governor including the current Disaster Declarations by the Governor and the City of Dripping Springs, and Center for Disease Control guidelines related to COVID-19, the City will continue with meetings 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 **May 7, 2021 at 1:00 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.



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

City of Dripping Springs

Council Chambers, 511 Mercer St, Dripping Springs, TX

Monday, April 12, 2021 at 4:00 PM

MINUTES

MEETING SPECIFIC VIDEOCONFERENCE INFORMATION

Join Zoom Meeting

<https://us02web.zoom.us/j/89346665419?pwd=cUI5UERjSDFWaWVLeUJWRU9BSVVqZz09>

Meeting ID: 893 4666 5419

Passcode: 489236

Dial Toll Free:

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Find your local number: <https://us02web.zoom.us/j/89346665419>

Join by Skype for Business: <https://us02web.zoom.us/skype/89346665419>

CALL TO ORDER AND ROLL CALL

Board Members present were:

- Dave Edwards, Chair
- Taline Manassian, Vice Chair
- Missy Atwood
- Dan O'Brien
- John McIntosh
- Walt Smith
- Bob Richardson (Advisory Board Member)

Board Member absent was:

- Shannon O'Connor (Advisory Board Member)

Staff, Consultants & Appointed/Elected Officials present were:

- City Administrator Michelle Fischer
- City Attorney Laura Mueller
- Finance Director Shawn Cox
- City Secretary Andrea Cunningham
- TIRZ Project Manager Keenan Smith
- TIRZ Administrator John Snyder - P3 Works, LLC

TIRZ P3 Consultant Darin Smith – EPS, Inc.
TIRZ Project Consultant Jim Adams – McCann Adams Studio

PRESENTATION OF CITIZENS

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No one spoke during Presentation of Citizens.

MINUTES

- 1. Discuss and consider approval of the March 8, 2021 TIRZ Board No. 1 & No. 2 regular meeting minutes.**

A motion was made by Vice Chair Manassian to approve the March 8, 2021 TIRZ Board No. 1 & No. 2 regular meeting minutes with the condition that the highlighted section be un-highlighted prior to posting of approved minutes. Board Member Smith seconded the motion which carried unanimously.

BUSINESS

- 2. Presentation, discussion and possible action regarding the Fiscal Year 2021 TIRZ Quarterly Report, including Cost Sharing and Reimbursement for Priority Projects.**

Mim James and Jon Snyder presented the report which is on file.

No action was taken on this item.

- 3. Discuss and consider possible action regarding the Fiscal Year 2022 TIRZ Budget request and recommendation.**

Keenan Smith presented the staff report which is on file.

No action was taken on this item.

- 4. Update, discussion and possible action regarding TIRZ Priority Projects.**

Keenan Smith presented the staff report which is on file.

a) Old Fitzhugh Road

Grant writer is working on data analysis and scenarios. The Board will receive an update next month.

b) Triangle

Project continues to be on hold due to FEMA and TxDOT issues.

c) Downtown Parking

Project is on pause due to Town Center Project. City staff has received the concept plan.

5. Update, discussion and possible action regarding the TIRZ Town Center Project.

The Board will consider this item following the Executive Session.

A motion was made by Vice Chair Manassian to adjourn into Executive Session under Texas Government Code Sections 551.071, Consultation with City Attorney and 551.072, Deliberation of Real Property and regarding Executive Session Agenda Item 6 and Business Agenda Item 5. Board Member McIntosh seconded the motion which carried unanimously 6 to 0.

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.

- 6. Consultation with City Attorney and Deliberation of Real Property regarding legal issues related to Real Property for the Tax Increment Reinvestment Zone including the Town Center Project.** *Consultation with City Attorney, 551.071; Deliberation of Real Property, 551.072*

Business Agenda Item

5. Update, discussion and possible action regarding the TIRZ Town Center Project.

The Board met in Executive Session from 5:00 – 6:15 p.m.

No vote or action was taken during Executive Session. Chair Edwards returned the meeting to Open Session at 6:15 p.m.

Board Member Smith left the meeting during Executive Session.

OPEN SESSION

Business Agenda Item

5. Update, discussion and possible action regarding the TIRZ Town Center Project.

No action was taken on this item.

UPCOMING MEETINGS

TIRZ No. 1 & No. 2 Board Meetings

May 10, 2021 at 4:00 p.m.

June 14, 2021 at 4:00 p.m.

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

City Council Meetings

April 13, 2021 at 6:00 p.m.

April 20, 2021 at 6:00 p.m.

ADJOURN

A motion was made by Board Member O'Brien to adjourn the meeting. Board Member Atwood seconded the motion which carried unanimously 5 to 0.

This regular meeting adjourned at 6:18 p.m.

TIRZ Real Estate Agreement-School/City



May 10, 2021 Update

Laura Mueller
City Attorney

Background

- ▶ 2016 TIRZ Created with Primary Purpose of Town Center including room for the School District, City, County, and Library on School and City property on Mercer Street
- ▶ School informs City they will not share offices in the Town Center Project with the other stakeholders
- ▶ 2020 Agreement by these stakeholders to have real estate agreements for the School Property for 11.7 acres
- ▶ Acreage is changed to ± 9 acres for sale excluding the track
- ▶ Mediation with School where certain items agreed to (to bring to our boards)
- ▶ January 25, 2021 School District approves mediation agreement with edits
- ▶ Negotiations between School and City on open issues
- ▶ February 9, 2021-April 22, 2021 CC presented possible agreements and sent various options to School District
- ▶ Presented approved agreement from School District on April 28, 2021

Open Issues prior to April meetings

- ▶ Exact Parcel to be sold
 - ▶ A bump on the Northeast corner of the parcel was in our concept plans but not in the April 2020 TIRZ ILA. TIRZ Project Manager has stated that this area is essential for planning for infrastructure.
- ▶ Easement across Parade Way
 - ▶ How to keep an easement that runs under the Track but state that Phases 1 and 1A will not have improvements that are built on the track. We already have a wastewater easement but the school has agreed to expand the easement to right-of-way
- ▶ Limitations on use of Parcel
 - ▶ In December 2020, the School sent over a provision that limited the use of the property after sale. We informed the School that this was an issue after mediation based on the planning that has occurred with the Town Center since 2016 including a P3 and Market Study.

School Approvals

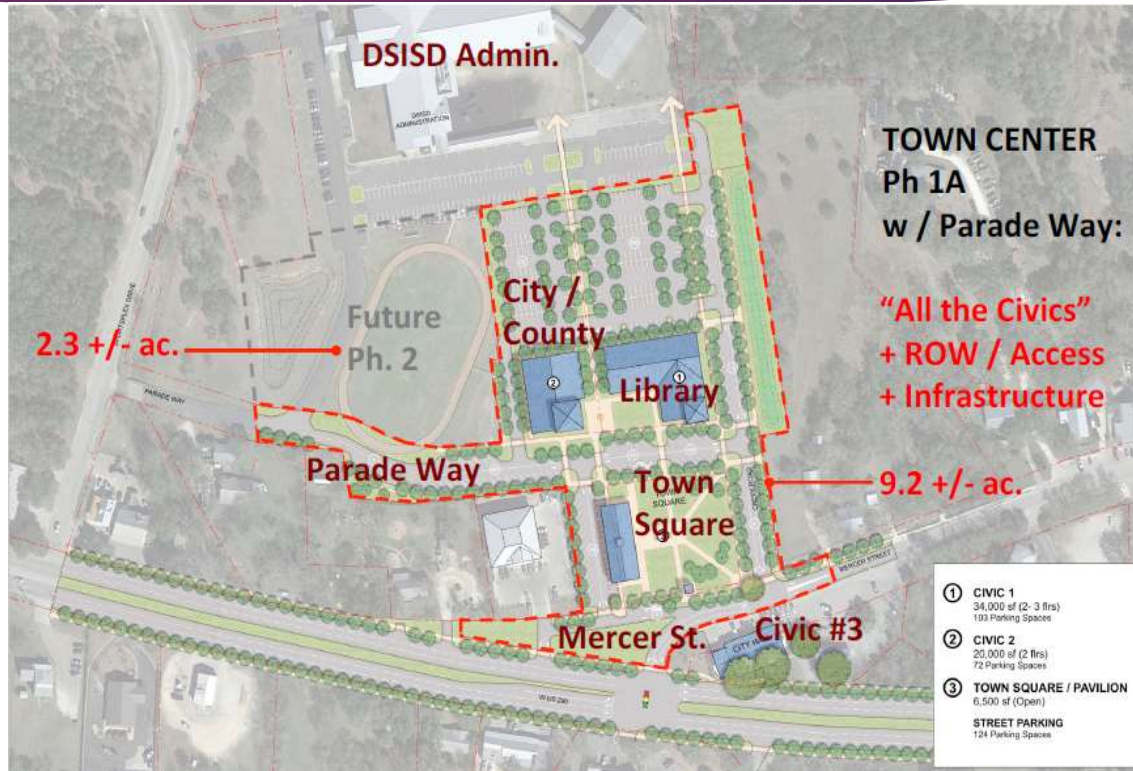
- ▶ School approved bump out for fee simple acquisition by the City but did request impervious cover credit
- ▶ School approved Parade Way easement including easement document created by City
- ▶ Floor on the payment to the School regardless of demolition and remediation costs
- ▶ Price is FMV minus cost of remediation and demolition
- ▶ Items not in draft:
 - ▶ Requirement that the project be completed in a certain number of years;
 - ▶ An objective percentage of governmental v. non-governmental use.

Use of TIRZ Property

City and TIRZ:

- ▶ Primary uses are for Library and City Hall with possibility of County.
- ▶ Park area that could be partially funded by County grant.
- ▶ Plus, possible retail and related commercial uses as proposed in the concept plans.

Proposed: Require that the Administration Property be used for Town Center, list of possible Town Center projects, do not require specific Town Center projects to be on the Administration Property



School District:

- Removed the percentage limitation
- Requires that City Council Chambers, Primary City Offices, and at least .9 acres of parkland be placed on the Parcel

School Restriction on Use of Property

- ▶ Agreement requires the City to build City Council Chambers and primary administrative offices on administration lot
- ▶ Agreement requires the City to put in a .9 or greater park on the lot
- ▶ Offer right of repurchase if any portion of the property is sold to a non-governmental entity
- ▶ Offer right of repurchase if City does not construct Town Center as described by the School in the Agreement

Demolition and Remediation

- ▶ School District is subtracting the cost of demolition and remediation from the cost of the building
- ▶ City had agreed to do the demolition and remediation through bidding and contract process that included input from School District
- ▶ School District is now asking that the City commence the demolition and remediation within 60 days of closing

City Council Declined to Approve

- ▶ School desired to retain control over specific uses on the property after sale.
- ▶ School desired to retain control over when the demolition and remediation occurred.

“We cannot support a real estate agreement that restricts the City’s ability to develop the property as it deems appropriate. The City needs the flexibility to adapt as things change, should the economy change, or should some other urgent need arise that requires us to spend money somewhere else. We have a duty to make the best decisions we can for the City, for our taxpayers, and for the community today and in the future. I appreciate the time and effort the District put into these negotiations. I also recognize they have priorities and concerns just as we do. But giving up our authority to exercise our judgment on how best to develop a Town Center on property we purchase is not something I can agree to.”—Mayor Pro Tem Manassian upon disapproval

Next Steps-Budgeting for 2022





City of Dripping Springs

Post Office Box 384
511 Mercer Street
Dripping Springs, Texas 78620

Agenda Item Report from: TIRZ Project Manager / Keenan Smith

TIRZ Board Meeting Date:	May 10, 2021
Agenda Item Wording:	TIRZ Budget Scenarios- FY '22
Agenda Item Requestor:	TIRZ Budget Committee
Board Member Sponsor:	Taline Manassian / Vice Chair

Summary/Background: Following the April 12, 2021 TIRZ Board Meeting, the “FY ’22 Budget Committee” met on 4/29/21 to review updated and refined Draft Budget Scenarios and formulate final FY’22 Budget recommendations to the TIRZ Board. Action and recommendations by the TIRZ Board to City Council on the proposed FY’22 Budget are needed in accordance with the established **City Council Budget Submission deadline of May 14, 2020.**

The Budget Subcommittee met by videoconference (4/29) and affirmed the “Scenarios B” approach, with specific budget allocations to enable the proposed advancement scenarios for the four (4) TIRZ Priority Projects. The TIRZ Project Manager then conducted a 3rd party review with former Vice Chair Mim James, who also affirmed the approach, confirmed budgeting logic, projected cost allocations, and overall approach to anticipated expenditures.

“FY ’22 TIRZ Budget Scenario B” for TIRZ Board discussion, consideration and possible approval:

Scenario B:	\$434,000 (Total Budget)
	(\$161,884) (Carryover fr. FY’21)

	\$272,116* (Net Total)

*Net “New Ask” Includes credit for “carryover” amounts from approved FY’s ‘19-21 Budgets

Scenario “B” illustrates the “cancellation” and de-funding of the Town Center Project related tasks as currently planned, budgeted, and contracted. Planning efforts around a reconstituted program & arrangement of Civic improvements would be shifted or “pivoted” to explorations of alternative sites in the Downtown area. Existing contracts would be either cancelled or reallocated, with “carryover” savings applied to prospective new Budget allowances enabling any future Concept Planning Feasibility Studies and Supporting Activities, TBD.

Scenario “B” also contemplates shifting focus and dedicating more resources to Old Fitzhugh Rd. The “Grant Funding” efforts would still be advanced as currently contracted (per Scenarios A). In addition, engineering work (Plans, Specifications & Estimates or “PSE’s) would be initiated via the TIRZ Project, in a “Phase 1” installment or increment, amounting to approximately 40% of the total PSE task (exact cost TBD by contract scope proposals). Such an initiative would show forward progress and making the project more “Shovel Ready,” which may improve Grant Funding prospects, while also providing Grant funding “match” rationale, attracting other potential funding sources.

Pending possible future studies for a redirected Town Center or Civic improvements, Scenario “B” contemplates “freezing” the Downtown Parking Project (on Stephenson Tracts) as previously budgeted and currently contracted.

Scenario “B” anticipates maintaining minimal “Technical Issue Support” funding for the Triangle Project, which continues to be effectively “On Hold” pending FEMA, Drainage & Water Quality and TXDOT studies.

Basic Costs: TIRZ Project Manager, Administrator, Legal and Misc. Budgets are also allocated to this scenario.

TIRZ Budget Sources: If approved, it appears likely that the proposed Budget Scenario may be adequately funded by the current and anticipated “DS TIRZ Total Cash Position” balance, as shown in the TIRZ Administrator’s Analysis (see supporting analysis from P3 Works).

Furthermore, based on current TIRZ No. 1 and TIRZ No. 2 Revenues and Expenditures, it appears that specific “TIRZ Budget (cash) Requests” will not be required at this time, either from the City of Dripping Springs or any other source. This assertion needs to be analyzed and confirmed by the City Treasurer and TIRZ Administrator, once Final (preferred) FY ’22 Budget Recommendations have been approved by the TIRZ Board.

Cost Sharing: If approved, each Budget Scenario is, however, still subject to the separate “Cost Sharing & Reimbursement Agreement” ILA which details and governs provisions for the sharing and reimbursement of TIRZ Priority Project Costs, between and amongst the Projects and various Stakeholders.

Staff is recommending approval of the above FY’22 TIRZ Budget recommendations to City Council.

Respectfully Submitted:

Keenan E. Smith, AIA
TIRZ Project Manager

May 5, 2021 / 1205 hrs.

4/29/21					FY 2022 Proposed TIRZ Budget Scenario "B"				
5/5/21 "Final" KES / Budget Subcommittee / MJ									
B.1 Town Center Project: "Town Center Pivots to Alternative Site(s)- 'Restart' Planning & Feasibility Studies"									
T.O.3	Discontinue Task Order #3 Tasks per Contracts	\$ -		FY 21					cash-in
T.O.4	Town Center 2.0 Concept Planning & Feasibility	\$ 90,000		FY 22					allowance
Town Center Project Total:		\$ 90,000							
B.2 Old Fitzhugh Rd Project: "OFR Project Advances via Grant Funding + PSE's Initiated"									
T.O.3	Continue Task Order #3 Tasks per Contracts	\$ 17,500		FY 21					fr. carryover
T.O.4	Advance OFR Plans Specs & Estimates (Ph. 1)	\$ 175,000		FY 22					\$440K total*
Old Fitzhugh Rd Project Total:		\$ 192,500							allowance
*40% of estimated Total PSE's									
B.3 Downtown Parking Project Project: "Downtown Parking Project Frozen"									
T.O.3	Discontinue Task Order #3 Tasks per Contracts	\$ -		FY 21					cash-in
T.O.4	Misc. Supplemental "Parking Support" Tasks	\$ 10,000		FY 22					allowance
Downtown Parking Project Total:		\$ 10,000							
B.4 Triangle Project Project: "Remains on Hold or Dropped"									
T.O.3	Continue Task Order #3 Tech Issue Support Tasks	\$ 5,000		FY 21					fr. carryover
T.O.4	Discontinue "Technical Issue Support" Tasks	\$ -		FY 22					
Triangle Project Total:		\$ 5,000							fr. carryover
Direct Project Budget- Scenario "B" Proposal:		\$ 297,500		FY 22					\$ 22,500

4/29/21 TIRZ PM & Budget Committee Recommendations- FY '22

Scenario "B" - Town Center > "Pivots" to Alternative Site(s) + OFR Advances Ph.1 PSE's:

5/5/21 "Final" KES / Budget Subcommittee / MJ	PSA's /	Contract Bal.	Proj'd Spend.	FY '22	Carry Over /	
date	Committed	Thru 4/29/21	Thru 9/31/21	projected	Notes	
FY 2021 TIRZ Contract Balances:						
4/29/21	Task Order #1: E&A - MAS / HDR / Doucet (FY '18 \$ 327,642	\$ 35	\$ 35	tapped-out:	\$ -	
4/29/21	Task Order #2: E&A - MAS / HDR / Doucet (FY '19 \$ 158,165	\$ 14,028	\$ 14,028	tapped-out:	\$ -	
4/29/21	Task Order #3: E&A - MAS / HDR / Doucet (FY '21 \$ 170,502	\$ 136,291	\$ 2,500	cash & carry:	\$ 133,791	
4/29/21	Town Center Market Study: CMR*	\$ 20,000	\$ -	tapped-out:	\$ -	
4/29/21	Town Center P3 Advisor: EPS* (Amendments #1-4)	\$ 114,370	\$ 19,950	cash-in:	\$ 19,950	
4/29/21	Town Center Cost Estimator: AG I CM (FY '20-21)	\$ 22,500	\$ 3,153	tapped-out:	\$ -	
4/29/21	TIRZ Communications- Task Order #1: Buie	\$ 10,000	\$ 643	tapped-out:	\$ 643	
4/29/21	OFR Grant Writer: TJKM	\$ 15,000	\$ 14,275	carry over:	\$ 7,500	
4/29/21	TIRZ Project Manager-(Amendments #1-4)	\$ 200,995	\$ 21,017	tapped-out:	\$ -	
Totals- All TIRZ PM's Contracts:		\$1,039,174	\$ 209,392	\$ 26,491	B Carryover Tot	\$ 161,884

FY 2022 Proposed TIRZ Budget Recap:

10/1/21	TIRZ Priority Projects - Direct Expenses (Scenario "B" Town Center Pivot + OFR PSE Installme	\$ 297,500	Detail p.1
10/1/21	TIRZ Project Manager: Amendment #5: KES	\$ 48,000	PSA Renewal
10/1/21	TIRZ Administrator: P3 Works (Administered by City of DS)	\$ 35,000	PSA Renewal
10/1/21	TIRZ Legal Assistance - CODS City Att'y (Administered by City of DS)	\$ 20,000	allowance
6/1/20	TIRZ Communications & Public Outreach Consultant (Town Center)	\$ 8,500	allowance
10/1/20	TIRZ Miscellaneous Consulting (Cost Estimating, Real Estate Svcs, Appraisals, etc. TBD)	\$ 25,000	allowance
Scenario "B" Total:		\$ 434,000	Budget '22
Carryover Tot:		\$ (161,884)	Budget '21
Net "Ask" Scenario "B":		\$ 272,116	Funding '22