

**MINUTE RECORD OF THE CITY OF SAN ANGELO TAX INCREMENT REINVESTMENT ZONE MEETING HELD ON Tuesday, February 28, 2017 AT 3:00 PM, MCNEASE CONVENTION CENTER, 501 RIO CONCHO DRIVE.**

**PRESENT: Voting Members:** Bill Dendle, Brenda Gunter, Dudra Butler, Casey Barrett, Lee Pfluger, Tim Edwards, Johnny Silvas, Jason Fernandez

**Non-voting Members:** DSA – Del Velasquez, Chamber – Dan Koenig

**ABSENT:** Mike Campbell (AE)

**STAFF:** Jon James, Director-Planning & Development Services  
Sarah Tackett, Senior Administrative Assistant-Planning & Development Services  
Shannon Scott, Economic Development Specialist-Economic Development  
Rick Weise, Assistant City Manager-City Manager’s Office  
Dan Saluri, Assistant City Attorney

I. Call to order, establish quorum.

The meeting was called to order at 3:05 pm. It was established that a quorum was present.

II. Public comment.

No public comment.

III. Consideration of approving the minutes from the January 24, 2017 TIRZ Board Meeting.

***No action taken. (Minutes will be brought back at the March Meeting)***

IV. Financial Report.

Mr. Jon James gave a brief overview of the financials.

North

• Balance (January 2017)	\$890,459.00
• Projected Revenue (FY17)	\$344,429.00
• Less Committed*:	\$ 36,635.69
• Available:	<u>\$1,198,252.31</u>

South

• Balance (January 2017)	\$606,406.00
• Projected Revenue (FY17)	\$259,798.00
• Less Committed*:	<u>\$446,166.07</u>
• Available:	\$420,037.93

**No action taken.**

V. Discussion and possible action regarding TIRZ Policy Updates.

Ms. Shannon Scott presented the following TIRZ Policy Updates:

- Separate Policy for North and South Zones
- Separate Applications for North and South Zones
- Window dates adjusted for 2017
- 25% of funds allocated to Public Improvement Projects
- Contracts must be signed/executed within 30 days of receipt

She then presented the following staff **recommended** updates:

- Remove New Sign Installation Award amounts <\$10,000 require 25% match
- Incentive- (Can be considered under Façade Improvement as part of an overall project)
- Remove Property Tax Incentive- (More value can be found in other incentives)
- Paving Incentive- Must be part of an overall funding package

Ms. Shannon Scott added that another recommended update added to the policy is that Incentive Contracts must be signed/executed within 30 days. Regarding the separate policies for the North and South; Mr. Johnny Silvas asked if they were totally different. Mr. Jon James stated for the most part they are similar. Ms. Shannon Scott added that each policy was created to enhance the features for each zone. The window dates have been adjusted to coincide with TIRZ and City Council Meeting dates. Mr. Lee Pfluger stated he felt that having only three areas of focus for eligibility is too restrictive. Ms. Brenda Gunter stated that retail is a very important part of downtown; we need to add retail. Ms. Brenda Gunter added that it was a minimum of 25% to be allocated for Public Improvement Projects. Mr. Lee Pfluger asked if architectural or engineering fees have ever been considered for incentive funds; as these fees can be very costly. Mr. Lee Pfluger added that he would like the item on Page 5, under other important information regarding when work can begin to be clarified. Mr. Jon James stated that *TIRZ funded* improvements may not begin until the letter to proceed has been received; other improvements may begin. Mr. Lee Pfluger stated he was also happy to see that bids no longer have to be submitted. Mr.

Del Velasquez asked what the expected timeframes are from beginning of a cycle to end. Ms. Shannon Scott that with the new cycles there will be one month for application submittal, month to present to TIRZ Board, month to present to Council – then letters to proceed may be sent. Therefore, a very quick turn-around time.

Mr. Lee Pfluger suggested posting signs or banners during construction and possibly 6 months after funding stating that “Partial Funding for the Project Provided by TIRZ”. He gave each member of the board and staff a copy of a memo with this information. (a copy of the memo will be included with the permanent minutes)

Ms. Brenda Gunter asked if an applicant has ever received funding for Development Fees and the project fell through. Mr. Jon James stated that he did not know of a time that this situation ever occurred. He added that staff discussed whether or not to eliminate incentive funding for Development Fees, very rarely had this incentive been requested. Ms. Brenda Gunter added that they are such a small portion of a project.

Mr. Lee Pfluger stated he noticed the Property Tax Abatement Incentive was absent from the policy. Mr. Jon James replied that, yes, staff took this part of the policy out. This can be hard to track, create accounting issues, and most recipients in the past have not come in to request these funds. Also, it seems more beneficial to pay up-front for bricks, sprinklers, etc. Mr. Lee Pfluger added, I think you are correct on a small project; however, on a large project this is a serious incentive. Mr. Jon James stated that very large projects could possibly receive incentive funding outside of regular TIRZ Incentives.

Ms. Shannon Scott discussed the change to policy regarding the 25% match for projects under \$10,000. Mr. Lee Pfluger stated there have been many challenges in the north where a match is required. The board directed staff to update the policy for the South TIRZ to require a 25% match for all projects. The North TIRZ will remain the same; no match for projects less than \$10,000.

Mr. Jon James stated that staff will make revisions and bring the updated policy back to the board at the March 2017 TIRZ Board Meeting.

*Mr. Johnny Silvas left the meeting at 4:15 PM.*

***Motion made by Mr. Lee Pfluger to include the Property Tax Incentive in the policy for projects greater than &750,000, seconded by Mr. Bill Dendle. Motion carries 6-1, with Ms. Brenda Gunter casting the dissenting vote.***

VI. Update and discussion of current projects in process.

Ms. Shannon Scott presented a brief overview of the TIRZ Projects currently in process.

- **Raw Studio & Gallery** (38 N. Chadbourne)- Expected to be complete in a couple of weeks
- **Flamingo Flatts** (204 S. Oakes)- Completed as of 1/30/17
- **Eggemeyer General Store** (35 E. Concho)- In progress
- **DeLarncce DeWitt** (220 MLK Blvd.)- Expected to be complete in a couple of weeks
- **Swagito** (204 S. Chadbourne)- Expected to be complete by the end of this week
- **Brian Raymond** (12 Chadbourne)- Expected to be complete in the next 3 weeks
- **The Casual Pint** (19 E. Concho)- Expected to be complete in the next 4-5 weeks
- **Wendland Tank Corp.** (601 W. 11<sup>th</sup>)- Completed as of 2/2/17
- **San Angelo Dream Center** (1928 MLK)- Project on hold- Contract executed 6-24-16
- **James Chiu** (236 W. Beauregard)- In progress, would like to get an extension- Contract executed 11-9-15
- **Burgess Construction** (639 S. Chadbourne)- Project on hold, Contract executed 11-12-15
- **Pearl on the Concho** (333 Rio Concho)- Awarded \$25,000, Notification letter sent 9-17-15, Contract never executed

**No action taken.**

- VII. Consideration of a Resolution in support of the Chadbourne Street Pedestrian Corridor grant application through the Transportation Alternatives Set-Aside Program and allocation funds to assist with preparation of cost estimates and preliminary plans in support of the grant application.

Mr. Jon James presented a brief overview of the project:

- Opportunity for a TxDOT grant through the *Transportation Alternative Set-Aside Program* for Chadbourne Street pedestrian improvements
- State pays 80% of project costs
- Would complete the Chadbourne Street streetscaping project in line with original vision
- Would dovetail with the already-planned street maintenance project currently under design

- Seeking TIRZ funding not to exceed \$40,000 to pay half the cost of preparing estimates and grant application
- Proportionally from North (~12%) and South (~88%) based on length of project in each area
- Other half from COSADC


***Motion to approve \$50,000 in TIRZ Funding for the Chadbourne Street Pedestrian Corridor Project by Mr. Lee Pfluger, seconded by Ms. Brenda Gunter and carried unanimously.***

VIII. Announcements/possible future agenda items.

a) Next Meeting – Tuesday, March 28, 2017

IX. Adjournment.

***Motion to adjourn at 4:31 PM by Mr. Casey Barrett, seconded by Mr. Lee Pfluger and carried unanimously.***



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**Bill Dendle, TIRZ Chairman**