

MINUTE RECORD OF THE CITY OF SAN ANGELO TAX INCREMENT REINVESTMENT ZONE MEETING HELD ON Tuesday, January 28, 2020 AT 3:00 PM, CITY HALL 1ST FLOOR EAST RECEPTION ROOM, 72 WEST COLLEGE ROAD.

PRESENT: **Voting Members:** Jim Cummings, Greg Gayler, Toni Hunter, Dudra Butler, Jon Mark Hogg and Lee Pfluger

Non-voting Members: None present

ABSENT: Jason Hernandez, Michael Biggerstaff and Tom Maurer

STAFF: Jon James, Director
 Sheri Guidry, Sr. Administrative Assistant
 Shannon Scott, Business Retention & Expansion Coordinator
 Aaron Vannoy, Assistant Director of Planning and Development Services
 Rick Weise, Assistant City Manager

I. Call to order, establish quorum.

The meeting was called to order at 3:02 pm. It was established that a quorum was present.

II. Public comment.

 No public comment

III. Consideration of approving the minutes from the September 24, 2019 TIRZ Board Meeting with corrections [two typos and addition of address 1822 N. Chadbourne].

Motion to approve the September 24, 2019 TIRZ Board Minutes with corrections by Mr. Lee Pfluger, seconded by Mr Greg Gayler, and carried unanimously.

IV. Consent Agenda.

Ms. Shannon Scott presented the following for consent agenda to correct extension dates for the following.

 Consider correction of extension letters for the following:

 2821 N. Chadbourne – Harvey Andrews until 07/18/2020

 2829 N. Chadbourne – Harvey Andrews until 07/18/2020

Motion to approve corrections by Mr. Lee Pfluger, seconded by Ms Dudra Butler, and carried unanimously.

V. Financial Report

Mr. Jon James, Director of Planning and Development Services presented the following financial information:

TIRZ Finance Report (thru end of December 2019)

	North	South
Beginning Balance	\$1,851,263	\$402,996
2019 Anticipated Revenue	\$ 680,072	\$396,043
Private Incentives	-\$ 210,760	-\$385,011
Committed (Chadbourne)	-\$ 556,323	-\$229,613
Committed (Public Projects)*	-\$ 2,924	-\$ 2,473
2017 unspent public project set aside	-\$ 103,740	\$ --
Operating	-\$ 15,153	\$ 7,361
Available for Assignment	\$1,642,435	\$174,581

**streetscape improvements and maintenance (North & South)
Updated: May 25, 2019 (based on February 28, 2019 report)*

Mr. James Cummings commented on the ease of understanding the layout of the financial report and he appreciated staff working to get it to this point.

VI. Discussion and possible action regarding the first Incentive Award Cycle for FY2020 (North Only)

Ms. Shannon Scott, Business Retention and Expansion Retention Coordinator for COSA presented the following information:

First Award Cycle-North Only (Staff Recommendation)

- **April 1st – May 31st:** Window for submittal of application packets
- **June:** Staff recommendations presented to TIRZ Board
- **July:** TIRZ Board recommendations presented to City Council

Motion to approve First Award Cycle as recommended by Staff by Mr. Jon Mark Hogg, seconded by Mr. Lee Pfluger and carried unanimously.

VII. Update and discussion on projects in progress

Ms. Shannon Scott, Business Retention and Expansion Retention Coordinator for COSA presented the following information:

Projects in progress: South

- 59 N. Chadbourne – (Michelle Chapa)
- 305 W. Twohig (Dean & Lineberger Attorneys at Law)
- 123 N Chadbourne (Buffalo Soldier Gallery)
- 202 S. Chadbourne (One East Twohig Partnership)

Projects in progress: North

- 2020 N. Bryant (Icon Cinema)
- 2821 N. Chadbourne (Harvey Andrews)
- 2829 N. Chadbourne (Harvey Andrews)

Projects Completed: South

- 6 E. Concho --
- 39 W. Concho Avenue – (Casa Décor)
- 101 S. Chadbourne (Fuente’s Café Downtown)
- 200 S. Magdalen (Old Central Firehouse Bed & Brew)

Before and after photos of the completed projects were shown to the TIRZ Board members, staff and public in attendance. Boards commented on how well the projects were progressing. No questions from board members.

VIII. Discussion and Possible Action Regarding the Last Incentive Awards Cycle for FY2019

Submitted Projects -- NORTH

Address/Name	Funding Amount Requested
124 W. 4 th St./Twofold Journey Properties, LLC	\$70,197
Total Amount of Funding Requested	\$70,197
Total Amount of Funding Available	\$1,642,435

124 W. 4th Street – Twofold Journey Properties, LLC

Funding Requested: \$70,197.00

Match: \$32,000.00 (31%)

Total Project Cost: \$102,197.00

Summary of Work: Asbestos abatement, upgrades to the façade to include 3 new exterior doors, 10 new windows, and outside stairwell awning, new exterior light fixtures, 2 new garage doors and assistance with development fees.

Project Criteria: Meets 11 of 14

Staff Recommended Funding Amount: \$70,197

Before and after photos were shown. Ms Shannon Scott confirmed that there would be two apartments built inside the building. Board members were excited about the improvements taking place at this property. Mr. Lee Pfluger suggested the board create policies regarding projects that include housing and mixed use downtown. Mr. Lee Pfluger commented that “vitality for downtown is housing”. Mr Pfluger questions that we should have housing in the same category as parking lots. Mr. Pfluger did express concern over parking for this project. The property owner, Ms. Lori Ann Lara, addressed Mr. Pfluger’s concerns regarding parking by listing several options that they were currently looking into including but not limited to property currently owned by the Salvation Army and property adjacent to the building being renovated. Mr Pfluger also asked about fire sprinkler requirements inside the building. Ms. Lara stated that back October 2019 when this was first discussed with the city, it was not known that this would be a requirement because of the square footage issue. You are not required to have sprinklers until you have 5,000 sq ft or more. The bottom portion of the building is 6,000 sq ft but the upper portion that is being remodeled into the two suites is 2,900 sq ft. The Fire Marshall was indecisive about requirements as whether or not she would be required to install fire sprinklers. Once it is determined that fire sprinklers are required then Ms. Lara stated that she will apply for that incentive as well.

Motion to approve funding requested (\$70,197.00) of 124 W. 4th Street – Twofold Journey Properties, LLC by Mr. Lee Pfluger, seconded by Mr. Jon Mark Hogg and carried unanimously.

Submitted Projects -- SOUTH

Address/Name	Funding Amount Requested	Recommended Funding Amount	Ranking Order
19 W. Beaugard/Box Hangar Two Ten, LLC	\$75,000	\$35,000	1
136 E. Concho Avenue /San Angelo Autism Center, PLLC	\$14,778.44	\$14,778.44	2
109 N. Chadbourne / Concho Venue	\$43,013.25	\$25,351	3
322 N. Chadbourne/ Burlap & Paisley	\$ 30,000	\$25,000	4
40 W. Twohig/Spur Building	\$75,000	\$25,000	5
226 S. Abe/Reyna’s Tacos	\$15,467.53	\$9,445.88	6

909 W. Beaugard/ Concho Self Storage	\$75,000	\$20,500	7
223 S. Abe/ Consulting Practice Reimbursement, Inc.	\$27,626.91	\$0.00	n/a
Total Amount of Funding Requested	\$355,886.13	\$155,675.32	
Total Amount of Funding Available	\$174,581		

19 W. Beaugard – Box Hangar Two Ten, LLC

Funding Requested: \$75,000.00

Match: \$143,100 (66%)

Total Project Cost: \$218,100

Summary of Work: Upgrades to the façade to include demo of the front entry, reconstruction of the front entry glass, painting of the exterior, installation of 15 new windows, four new exterior doors, construction on the rear entry stair case and front entry balcony, new sign installation and front and rear entry landscaping.

Project Criteria: Meets 8 of 14

Staff Recommended Funding Amount: \$35,600

Staff Ranking Order : 1

General contractor, John Mahoney, was present at the meeting. Owners were attending a conference and were unable to attend. Offices are currently housed in incubator at the Business Resource Center.

Cost of the building was not included in the cost of funding requested.

136 E. Concho Avenue – San Angelo Autism Center, PLLC

Funding Requested: \$14,778.44

Match: \$4,926.14 (25%)

Total Project Cost: \$19,704.58

Summary of Work: New landscaping to include the removal of the current plants and weeds along the building and sidewalk and replacing with new drought resistant plants, boulders and river rock.

Project Criteria: Meets 5 of 14

Staff Recommended Funding Amount: \$14,778.44

Staff Ranking Order : 2

Question? Mr. Lee Pfluger questioned as to whether or not San Angelo Autism Center was a non-profit? Shannon Scott confirmed that San Angelo Autism Center is not a non-profit and also stated that TIRZ does not fund non-profits.

109 N. Chadbourne – Concho Venue

Funding Requested: \$43,013.25

Match: \$14,337.75 (25%)

Total Project Cost: \$57,351

Summary of Work: Upgrades to the façade to include demo and cut for new windows and doors, construction of a barricade wall, re-facing of the brick, a front porch awning, new paint and outside electrical work.

Project Criteria: Meets 7 of 14

Staff Recommended Funding Amount: \$25,351

Staff Ranking Order : 3

Mr Lee Pfluger had a question about parking. He asked if it was “city parking next door” and if it would be available for them to use. Is there was a city policy/liability policy surrounding that? Ms. Shannon Scott stated that she is not aware of the parking policy for the weekends. Mr. Jon James stated that if it became a problem then the city would have a conversation with the owners about parking. Initially we would wait and see. Mr. Jon Mark Hogg asked if this was something as a TIRZ Board that they take into account....parking. Or, do they just review the application for the funds as requested and does it meet the guidelines for the TIRZ? He is just trying to stay on task of what we need to be focused on”. Mr. Jon James stated that the short answer is, “you are really looking at the application and what they are proposing. On the other hand, with so many projects and your judging between one vs the other looking at things like viability and do they have sufficient resources to make it work could be a factor that you need to consider. Mr Jon Mark Hogg stated that he understood.

322 N. Chadbourne – Burlap & Paisley

Funding Requested: \$30,000.00

Match: \$215,201.98 (88%)

Total Project Cost: \$245,021.98

Summary of Work: Installation of a new fire alarm system.

Project Criteria: Meets 6 of 14

Staff Recommended Funding Amount: \$25,000

Staff Ranking Order : 4

Fire alarm is for 2nd story only and there will be two housing units.

40 W. Twohig – Spur Building

Funding Requested: \$ 75,000.00

Match: \$25,000.00 (25%)

Total Project Cost: \$100,000.00

Summary of Work: Installation of an updated fire sprinkler system on all five floors as well as a fire and smoke alarm system throughout the building

Project Criteria: Meets 5 of 14

Staff Recommended Funding Amount: \$25,000

Staff Ranking Order : 5

Mr. Lee Pfluger expressed concern about the each floor being separated by a firewall and therefore being identified as single businesses, which would allow for the applicant to apply for TIRZ funds per floor instead of as an entire unit. He referenced Adrian Soto's project on N. Chadbourne where the board gave him "two-- \$75,000 fundings for a single building, under a single roof, with the same owner, going horizontally". Should we consider vertically the same thing? In other words, if he's going back up 5 stories high, should we consider each of these stories as being a separate applicant? The General Contractor stated that there is a total of almost 30,000 sq feet, 7,000 bottom, 5,000 sq ft per floor, then 4,000 on top floor. Mr. Jon James, added "that there were two differences he saw with Adrian Soto's building. 1-) Adrian Soto had 2 identified businesses, so we know what was going in there. Two completely different businesses with two façade treatments. We also had some discussion about maybe going back and adding a policy to not allow that in the future. 2-) The other main difference was that it was on the North side. On the South side, due to limited funds, Mr. James thinks that staff would be hesitant to recommend multiple, maximum funds for one building when we don't have funds to cover all projects that we're getting. Having said that, it's really up to the board. There is no official policy that would preclude that." Mr. James Cummings suggested bringing this back as a discussion item to cover Mr. Lee Pfulger's concern about this type of building. Mr Jon James stated that we've got it on our "to do" list to look at the policy plan and guidelines. Mr James added that "another option might be that for building over a certain size or multi floor buildings, we can have a separate policy with a higher cap".

226 S. Abe – Reyna's Tacos

Funding Requested: \$15,467.53

Match: \$5,155.85 (25%)

Total Project Cost: \$20,623.38

Summary of Work: Upgrades to the façade by installing new garage doors and the addition of a concrete pad for more parking spaces.

Project Criteria: Meets 3 of 14

Staff Recommended Funding Amount: \$9,445.88

Staff Ranking Order : 6

Ms. Toni Hunter mentioned that she likes the idea of the parking lot to get rid of parking in the street. Board members agreed that this was a busy and tough intersection to maneuver. Mr Lee Pfluger questioned if this project has gone through DHRC yet because property doesn't have a curb cut. Mr. Aaron Vannoy confirmed that it has not gone through the DHRC process yet but they were still within time limits once TIRZ funds were voted on. Ms. Shannon Scott mentioned that most of the time these projects aren't seen until the end of the day of the deadline. Ms Shannon Scott does communicate with Planners to confirm everything is compliant once everything is submitted and before final payment is made.

909 W. Beauregard – Concho Self Storage

Funding Requested: \$75,000.00

Match: \$407,560.00 (84%)

Total Project Cost: \$482,560

Summary of Work: Upgrades to the façade in the form of new exterior paint, Austin stone, and EIFS as well as new sign installation, outside storage screening, new landscaping and paving to include concrete and striping.

Project Criteria: Meets 13 of 14

Staff Recommended Funding Amount: \$20,500

Staff Ranking Order : 7

Questions? Per the policy...Can TIRZ fund for portions of repairs that have already been started? Ms Shannon Scott confirmed that applicants can only apply for funding for portions of the building that have not been started. Ms. Amberly Hawkins, Owner answered questions about the materials being used on the façade. It will be Austin Stone only up to the windows. It was confirmed for Mr. Jon Mark Hogg that TIRZ Boundary is up to Park Street.

223 S. Abe – Consulting Practice Reimbursement, Inc.

Funding Requested: \$27,626.91

Match: \$9,208.97 (25%)

Total Project Cost: \$36,835.88

Summary of Work: New landscaping, the installation of a new, LED sign and upgrades to the façade in the form of exterior office paint.

Project Criteria: Meets 2 of 14

Staff Recommended Funding Amount: \$0.00

Staff Ranking Order : n/a

Questions? na

Total Amount of Funding Requested for 7 projects -- \$355,886.13

Total Amount of Funding Available: \$174,581

Recommended Funding Amount: \$ 155,675.32

Board members questioned staff as to how we came up with the funding amount for each applicant. Jon James explained the process that they go through each criteria line by line and then go off of things that the board has funded in the past. For example, signage and paving are not funded normally. Mr. Lee Pfluger stated that he would prefer to fund items that bring more funding downtown.

Ms Shannon Scott reviewed the TIRZ South projects listed in order of staff ranking and the amounts that staff recommended. Ms Toni Hunter stated that she liked the fact that the money was spread out between all projects. She likes the fact that all are getting some assistance. Mr. Jon James stated that this is why staff did what they did because of the direction of the board in the past has been to help everyone a little if they can as opposed to fully funding the better projects and not funding the others at all. Staff tried to follow past board direction. Mr. Jon Mark Hogg asked why staff chose to fully fund 136 E. Concho Ave. Ms. Shannon Scott stated that staff decided that since it was such a low amount and the projects were of good quality that they recommended to fully fund the project.

Mr Greg Gayler asked why staff recommended leaving \$19,000 on the "table". Mr Jon James explained that last year we overspent and staff was trying to leave a little bit of wiggle room. Mr Jim Cummings stated that he didn't think we needed to leave quite that much. Mr. Lee Pfluger suggested that we take \$5,000 out of that to give to Burlap & Paisley.

Mr. Rob Hawkins (Amberly Hawkins father – Concho Self Storage) spoke about the criteria that applicants were required to meet. He suggested that staff look at that portion of the application again because he thought it was a little misleading. Mr Hawkins didn't understand how they met 13 of the 14 criteria but still couldn't get more funding than what staff is recommending.

Mr. Lee Pfluger stated that the board members need to decide on how the funds are allocated and not the staff. He stated that this is why the board members are there. Mr. Jon Mark Hogg stated that the board needs to follow the criteria set forth in the application because that is what the applicant is being told. If the board wants to change that then certainly it needs to be changed but at this point

the board should follow the current criteria. Ms Toni Hunter stated that we also can't look at the match amounts. Are we looking at only those with large match amounts? If so, then we would be ruling out the smaller businesses.

Mr Lee Pfluger wants to spend all of the funds and not leave anything on the table. It's not doing any good laying in the bank and not being spent. Mr. Jon Mark Hogg asked for clarification again as to why we were leaving money in the fund. Ms. Shannon Scott stated that it was left there in case the projections turned out to be lower than projected. Mr. James Cummings asked what happened if we spent it all and then the projections were lower than expected. Mr. Jon James explained that we probably would not over spend unless all of the projects finished at the same time and we had to pay everything out at once. He also suggested that if the board wanted to leave a smaller amount in the fund then that was fine. It was up to the board to decide what they wanted to fund and how much. Ms. Shannon Scott suggested that we take the remaining money and divide it evenly amongst the seven applicants proportionately. Mr. Lee Pfluger suggested that we take the \$19,000.00 that is remaining then divide by \$155,000 is 12% to each applicant.

Board members instructed staff to add 12% to each recommended amount except for the 136 E. Concho amount since it was fully funded.

South:

	<i>Original recommended amount</i>	<i>New recommended amount</i>
19 W. Beauregard:	\$35,600	$\$35,600 \times .12 = \$39,872$
40 W. Twohig:	\$25,000	$\$25,000 \times .12 = \$28,000$
109 N. Chadbourne:	\$25,351	$\$25,351 \times .12 = \$28,393.12$
136 E. Concho Ave.:	\$14,778.44	\$14,778.44
223 S. Abe:	Not recommended	Not recommended
226 S. Abe:	\$9,445.88	$\$9,445.88 \times .12 = \$10,579.38$
322 N. Chadbourne:	\$25,000	$\$25,000 \times .12 = \$28,000$
909 W. Beauregard:	\$20,500	$\$20,500 \times .12 = \$22,960$
Total	\$155,675.32	\$172,582.94

Motion to approve funding as recommended by staff with addition of 12% increase to each recommended amount except 136 E. Concho Avenue by Mr. Lee Pfluger, seconded by Mr. Jon Mark Hogg and carried unanimously.

Ms Toni Hunter suggested that the board discuss where we go from here with the future of TIRZ. Mr. James Cummings agreed that we need to meet when we don't have

funds to disperse. The board needs to make major decisions on the issues that were bought up here today.

Mr Lee Pfluger asked if Palmer backed out and Ms. Shannon Scott stated that they contacted her a few weeks ago and returned the funds.

IX. Director's Report

Mr. Jon James mentioned discussion items listing that board asked to be brought back. He also mentioned that COSA is working with COG on sidewalks along Chadbourne. There will be more information to come once COG completes some items that they are working on. Jon also mentioned that due to scheduling conflicts, February's TIRZ Board Meeting which would normally be held on February 25, will now be held on February 18, 2020. Reminders will be sent out as that date gets closer.

IX. Announcements/possible future agenda items.

a) Next Meeting –February 18, 2020

X. Adjournment.

Motion to adjourn at 4:35 pm by Mr. Lee Pfluger, seconded by Ms. Toni Hunter and carried unanimously.


Mr. Jim Cummings, TIRZ Chairman

