

ABILENE CITY COUNCIL

and

ABILENE REINVESTMENT ZONE NO. ONE (Tax Increment Board)

FOLLOWING ARE THE MINUTES OF A JOINT MEETING OF THE ABILENE CITY COUNCIL AND THE ABILENE REINVESTMENT ZONE NUMBER ONE (TAX INCREMENT BOARD) HELD ON THE 24TH DAY OF SEPTEMBER, 1985, AT 10:00 A.M. IN THE CITY COUNCIL CHAMBERS, 555 WALNUT, ABILENE, TEXAS. THE FOLLOWING LIST INDICATES ATTENDANCE AT THIS MEETING:

City Council Members Present: David Stubbeman, Mayor
Harold Nixon
Betty Ray

City Council Members Absent: Walter Wheat
Welton Robinson
A.E. Fogle
Gary McCaleb

Tax Increment Board Members
Present: H.C. Zachry, Chairman
Mike Young
Lynn Barnett
Fred Lee Hughes
Frank Puckett
Stormy
Joe Cannon
Jim Tittle
Jesse Harris
Adolfo Gonzales
Sara Hudman
Glen Churchill

Tax Increment Board Members
Absent: Sam Waldrop
Downing Bolls, Sr.
Mel Richards
Raymond McDaniel, Jr.
Syd Niblo
Walter Johnson
Dick Spalding
Lee Moore

City Staff Members Present: Jim C. Blagg, City Manager
Roy McDaniel, Assistant City Manager
Lee Roy George, Director of Planning
Patricia Patton, City Secretary

Media Present: Richard Horn, Abilene Reporter-News

The meeting was called to order by the Chairman, H.C. Zachry, at 10:05 a.m. The purpose of this meeting was to provide the Board members with a progress report for implementation of the downtown redevelopment plan.

Mr. Zachry stated that since the City Council has approved the plan, the following steps were in order:

1. Personnel Search

Full time personnel established to develop guidelines to determine the method of dealing with or screening applications. Frank Puckett, Chairman of the Personnel Committee, stated that this Committee has been charged with the task of hiring a project manager for the Abilene Tax Increment Financing District. Three steps leading to this are:

1. develop job description
2. recruiting & interviewing of candidates
3. recommending of applicant(s) to the appropriate TIF organization

The Committee outlined some of the initial major responsibilities and goals and concluded that the Chairman would develop a draft job description. This draft will be distributed to the Board and other interested parties for input.

Mr. Zachry followed up Mr. Puckett's report with information submitted by Mel Richards regarding budget figures for general consideration by the Board.

- o First year operating budget for the Development Corporation - approximately \$150,000 (includes 2 employees with personnel costs amounting to approximately \$70,000 of this total)
- o The Board has received an offer of donated office space, however, there will be some furniture requirements. It is expected that a heavy travel allocation will be required for principal marketing person.

Mr. Zachry stated that this is a proposed budget for the Development Corporation and not the TIF Board. The TIF Board would be in a approval position of the Development Corporation's expenditures:

TIF Board to "appoint," "hire," or "employ" a development Corporation

TIF Board will have an operating agreement with the development corporation (presumably renewable on an annual basis)

The Nonprofit Development Corporation will propose a budget to the TIF Board annually

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The TIF Board will approve and forward proposed budget to the City Council for approval

A completely separate set of expenditure approvals would be funded for development purposes. The Nonprofit Development Corporation will screen proposals for development and recommended to the TIF Board. The TIF board would then forward the proposal(s) to the City Coduncil for approval. At some point, guidelines must be developed so that; (1) the development corporation has some criteria from which they can make a decision without going back to the TIF Board; (2) the level of expenditures that the TIF Board can approve without going to the City Council is established; and (3) the level beyond which the City Council must approve is established.

The question was asked why the TIF Board cannot administer the entire program rather than creating a development corporation. Mr. Zachry responded that there are two principal reasons for this:

1. Development Corporation needs to be set up, a 501C3 Corporation, which then allows tax deductible gifts to be made to the Corporation
2. The Development Corporation can provide confidentiality to sensitive investor or developer negotiations.

Mr. Zachry stated that a second questions that musy be dealt with is how do proposed projects progress through the development corporation, the TIF Board, and the City Council, i.e. the level (dollar amoung) at which each entity can act independently.

Fund Raising Committee

From the start, the Council has felt it is important for private businesses in the downtown to contribute some fund to initiate the tax increment district. Mr. Zachry stated that he has begun this process and it appears as through it will be difficult to general more than \$50,000 from the private sector - about 1/3 of the first year's operating budget.

Bylaws Committee

C.G. Whitten and Syd Niblo are developing bylaws for the corporation. Copies will be distributed to the Board members for approval.

Mr. Zachry stated that at this meeting, he is requesting the TIF Board's acceptance, in general, of the Nonprofit Development Corporation structure, the bylaws (which will be mailed to the members, make-up of the Board of Directors of the Nonprofit Development Corporation. It was proposed that the Nonprofit Development Corporation Board be composed of representatives from the following:

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Abilene Reinvestment Zone No. 1 (Tax Increment Board) Chairman
West Central Texas Municipal Water District
Abilene Independent School District
Taylor County Commissioners (1 Representative)
Abilene City Council (1 Representative)
Southwestern Bell Telephone Company
One Energy Square
Abilene Reporter-News
First State Bank
First National Bank
InterFirst Bank
Lone Star Gas Company
West Texas Utilities Company

Each of the entities named above would specify a representative. It is also anticipated that the Bylaws would contain an expansion clause which would allow the Board to expand, if the need arises.

Mr. Zachry asked the TIF Board members for their consensus regarding the establishment of a Board to: (1) Proceed with establishing the Development Corporation; (2) Development of Bylaws; (3) Develop a working relationship between development corporation and the TIF Board to implement the Tax Increment Plan (with the various approval steps, financially, and otherwise, including the Board and the Council yet to be developed). Jim Tittle moved the aforementioned. The motion was second and passed without opposition.

Discussed next were the procedures or steps involved in processing information or projects from the development corporation to the TIF Board and from the TIF Board on to the City Council.

Discussed briefly were the issues of condemnation and eminent domain.

There being no further business, the meeting adjourned.

Lee Roy George, Director
Planning Department

H.C. Zachry, Chairman
Abilene Reinvestment Zone
No. 1 (Tax Increment Board)