



MINUTES

Tax Increment Reinvestment Zone (TIRZ) Board

August 18, 2022 | 2 PM | City Hall Basement Conference Room

In Attendance

Members Present

Mr. Robert (Stormy) Higgins ~ Vice Chair

Mr. Sam Vinson

Mr. Ben Grant

Mr. Ricardo Gutierrez

Members Absent

Mr. Charles Black

City Staff Present

Mr. Robert Hanna, City Manager

Mr. Michael Rice, Assistant City Manager

Mr. Michael Rains, Director of Finance

Mr. Tim Littlejohn, Director/Planning and Development Services

Ms. Kelley Messer, First Assistant City Attorney

Call to Order

Mr. Higgins called the meeting to order at 2:04 p.m. and Mr. Tim Littlejohn recorded the minutes. A quorum of members was present, and the meeting proceeded.

Approval of Minutes

The minutes of the previous meeting, July 21, 2022, were reviewed by Board members. Mr. Gutierrez made the motion to approve the minutes. Mr. Vinson seconded the motion.

The vote to **approve** minutes was carried by four (4) in favor with none (0) in opposition.

AYES: Vinson, Grant, Gutierrez, Higgins

NAYS: None

Agenda Items

Receive a Presentation, Hold a Discussion, and Take Possible Action on Downtown Streetscape Masterplan

Mr. Hanna recapped the most recent meeting with the following points:

- The Board was interested in the project.
- The Board was concerned about using all of its revenue for debt service.
- The Board was interested in discussing financing this project.

He informed the Board that Staff has worked with Hilltop Securities to determine the annual debt service required for \$7.5M in project proceeds at an interest rate that is 65 basis points above current tax-exempt financing rates.

Staff has completed an analysis of current TIRZ commitments with the addition of the annual requirements to service the debt issuance. The model assumes a 6% annual growth rate in revenues. The actual six-year historical average is 21%.

Staff's analysis shows that there is sufficient TIRZ revenue to service debt requirements associated with this project. Annual debt service would be approximately \$550,000 per year. The Fund Balance would decrease through FY 2025 to a projected balance of \$699,367. The Fund Balance would begin year over year positive growth in FY 2026 with an initial balance of \$803,065.

Mr. Hanna's request to the Board is for approval to begin design work. The task of the Board is to identify \$538,000 of current revenues for this purpose (design fees). Staff recommends the TIRZ Board approve \$538,000 in TIRZ Revenues for engineering and design services to be expended in FY 2023.

Staff will approach the City Council to fund the remaining \$300,000 in design fees from other revenue sources. It is anticipated that debt service would be issued sometime in late FY 2023, or early FY 2024. Construction would begin shortly thereafter.

Mr. Hanna invited the Board to pledge TIRZ revenues in the City's issuance of bonds. The Certificates of Obligation would only be issued by City Council.

Discussion topics included the estimated costs to maintain landscaping, lighting, etc. once the project is in place, and whether or not TIRZ funds might be used for this purpose, what will fill the space when the *Abilene Reporter-News* building is demolished and will that slow the project on Cypress Street. The possibility for some type of a sidewalk program was also discussed. Board members would like to see a proposal for the improvement of sidewalks.

Mr. Higgins moved to designate and recommend approval to City Council of \$538,000 of TIRZ funds to use for engineering and design of Cypress Street Corridor. Mr. Gutierrez seconded the motion. The motion to **approve** moving forward prevailed by the following vote:

AYES: Vinson, Grant, Gutierrez, Higgins

NAYS: None

Adjournment

Mr. Higgins requested an update regarding funds for Minter Park and Pine Street Lighting be discussed at the next meeting. He also asked for a breakdown of funds spent from the Facade Improvement and Demolition Assistance Programs. He also stated the next agenda should include the election of a vice-chairman.

Mr. Higgins moved to adjourn the meeting. Mr. Grant seconded the motion. The meeting adjourned at 3:09 p.m.

APPROVED



Robert (Stormy) Higgins, Chairman

