



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78602

Submitted By: Laura Mueller, City Attorney
Casey Sclar, P3Works

CC Meeting Date: November 5, 2024

Agenda Item Wording: **Approval of corrected Interlocal Agreement related to the Tax Increment Reinvestment Zones between the City of Dripping Springs and Hays County.** *Sponsor: Mayor Pro Tem Taline Manassian*

Agenda Item Requestor: Casey Sclar, P3Works

Summary/Background: TIRZ No. 1 and TIRZ No. 2 were created in 2016 with the adoption of the Project and Financing Plans along with an Interlocal Agreement with Hays County. The City Council approved in 2022 an amendment to the Project and Financing Plan for TIRZ No. 1 expanding the boundary of the TIRZ to include additional property. The Interlocal Agreement was also amended to address the County's contribution to the TIRZ No. 1 Fund associated with the added property.

The amended Interlocal Agreement stated an incorrect base value figure for TIRZ No. 1 and TIRZ No. 2. The stated base value for TIRZ No. 1 in the 2022 amended Interlocal Agreement was \$70,382,980 which is being corrected to \$71,930,830. The stated base value for TIRZ No. 2 in the 2022 amended Interlocal Agreement was \$14,625,030 which is being corrected to \$5,836,710.

The amended Interlocal Agreement and accompanying ordinances will need to be approved by both the City Council and Hays County Commissioners Court to verify the County's contribution amount to the TIRZ.

Commission Recommendations: N/A

Recommended CC Actions: Approve amended Project and Financing Plans and amended Interlocal Agreement.

Attachments/On File: Amended Ordinance, Feasibility Tables.

Next Steps/Schedule: The amended Interlocal Agreement was presented to Hays County Commissioners Court the morning of November 5. Once approved by both parties, the City and P3Works will work with the County to ensure that the proper TIRZ contributions are made.