



City of Dripping Springs

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 Dripping Springs, Texas 78620

Agenda Item Report from: TIRZ Project Manager / Keenan Smith

TIRZ Board Meeting Date:	May 10, 2021								
Agenda Item Wording:	TIRZ Budget Scenarios- FY '22								
Agenda Item Requestor:	TIRZ Budget Committee								
Board Member Sponsor:	Taline Manassian / Vice Chair								
<p>Summary/Background: Following the April 12, 2021 TIRZ Board Meeting, the “FY ’22 Budget Committee” met on 4/29/21 to review updated and refined Draft Budget Scenarios and formulate final FY’22 Budget recommendations to the TIRZ Board. Action and recommendations by the TIRZ Board to City Council on the proposed FY’22 Budget are needed in accordance with the established City Council Budget Submission deadline of May 14, 2020.</p> <p>The Budget Subcommittee met by videoconference (4/29) and affirmed the “Scenarios B” approach, with specific budget allocations to enable the proposed advancement scenarios for the four (4) TIRZ Priority Projects. The TIRZ Project Manager then conducted a 3rd party review with former Vice Chair Mim James, who also affirmed the approach, confirmed budgeting logic, projected cost allocations, and overall approach to anticipated expenditures.</p> <p>“FY ’22 TIRZ Budget Scenario B” for TIRZ Board discussion, consideration and possible approval:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: left;">Scenario B:</td> <td style="text-align: right;">\$434,000 (Total Budget)</td> </tr> <tr> <td></td> <td style="text-align: right;">(\$161,884) (Carryover fr. FY’21)</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td style="text-align: right;">\$272,116* (Net Total)</td> </tr> </table> <p>*Net “New Ask” Includes credit for “carryover” amounts from approved FY’s ‘19-21 Budgets</p> <p>Scenario “B” illustrates the “cancellation” and de-funding of the Town Center Project related tasks as currently planned, budgeted, and contracted. Planning efforts around a reconstituted program & arrangement of Civic improvements would be shifted or “pivoted” to explorations of alternative sites in the Downtown area. Existing contracts would be either cancelled or reallocated, with “carryover” savings applied to prospective new Budget allowances enabling any future Concept Planning Feasibility Studies and Supporting Activities, TBD.</p> <p>Scenario “B” also contemplates shifting focus and dedicating more resources to Old Fitzhugh Rd. The “Grant Funding” efforts would still be advanced as currently contracted (per Scenarios A). In addition, engineering work (Plans, Specifications & Estimates or “PSE’s) would be initiated via the TIRZ Project, in a “Phase 1” installment or increment, amounting to approximately 40% of the total PSE task (exact cost TBD by contract scope proposals). Such an initiative would show forward progress and making the project more “Shovel Ready,” which may improve Grant Funding prospects, while also providing Grant funding “match” rationale, attracting other potential funding sources.</p>		Scenario B:	\$434,000 (Total Budget)		(\$161,884) (Carryover fr. FY’21)		-----		\$272,116* (Net Total)
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Pending possible future studies for a redirected Town Center or Civic improvements, Scenario “B” contemplates “freezing” the Downtown Parking Project (on Stephenson Tracts) as previously budgeted and currently contracted.

Scenario “B” anticipates maintaining minimal “Technical Issue Support” funding for the Triangle Project, which continues to be effectively “On Hold” pending FEMA, Drainage & Water Quality and TXDOT studies.

Basic Costs: TIRZ Project Manager, Administrator, Legal and Misc. Budgets are also allocated to this scenario.

TIRZ Budget Sources: If approved, it appears likely that the proposed Budget Scenario may be adequately funded by the current and anticipated “DS TIRZ Total Cash Position” balance, as shown in the TIRZ Administrator’s Analysis (see supporting analysis from P3 Works).

Furthermore, based on current TIRZ No. 1 and TIRZ No. 2 Revenues and Expenditures, it appears that specific “TIRZ Budget (cash) Requests” will not be required at this time, either from the City of Dripping Springs or any other source. This assertion needs to be analyzed and confirmed by the City Treasurer and TIRZ Administrator, once Final (preferred) FY ’22 Budget Recommendations have been approved by the TIRZ Board.

Cost Sharing: If approved, each Budget Scenario is, however, still subject to the separate “Cost Sharing & Reimbursement Agreement” ILA which details and governs provisions for the sharing and reimbursement of TIRZ Priority Project Costs, between and amongst the Projects and various Stakeholders.

Staff is recommending approval of the above FY’22 TIRZ Budget recommendations to City Council.

Respectfully Submitted:

Keenan E. Smith, AIA
TIRZ Project Manager

May 5, 2021 / 1205 hrs.