



City of Dripping Springs

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Agenda Item Report from: [TIRZ Project Manager / Keenan Smith](#)

TIRZ Board Meeting Date:	April 11, 2021								
Agenda Item Wording:	TIRZ Budget Analysis- FY '23								
Agenda Item Requestor:	TIRZ Budget Committee								
Board Member Sponsor:	Taline Manassian / Vice Chair								
Summary/Background:									
<p>Following formation at the March 24, 2022 TIRZ Board Meeting, the “FY ’22 Budget Subcommittee” met on 3/28/22 to formulate a Draft FY’22 Budget recommendations to the TIRZ Board.</p> <p>The Budget Subcommittee met by videoconference (3/28) and developed the budget approach, draft projected cost allocations, and a scenario for overall anticipated expenditures. See FY 2023 Draft Budget Scenario summary spreadsheets, with analysis discussion below.</p> <p>Feedback and recommendations by the TIRZ Board on the proposed FY’23 Budget are solicited by the Subcommittee. Final TIRZ Board Budget Recommendations and approval are needed by the May 9, 2022 TIRZ Board meeting, in accordance with the established City Council Budget Submission timelines.</p> <p>Proposed Expenditures: TIRZ Budgets are the sum of two major cost components: Direct Project Expenses (Priority Project Budget Allocations) plus Indirect Expenses (Project Management, Administrative, Legal and Miscellaneous).</p> <p style="text-align: center;">“FY ’23 TIRZ Draft Budget” for TIRZ Board discussion and consideration:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Proposed Project Expenditures:</td> <td style="text-align: right;">\$452,250 (Total Direct Costs)</td> </tr> <tr> <td>Proposed Indirect Expenditures:</td> <td style="text-align: right;">\$128,000 (Total Indirect Costs)</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td style="text-align: right;">\$580,250 (Grand Total)</td> </tr> </table> <p>Project Expenditures: The proposed budget illustrates the continued full funding of Old Fitzhugh Road engineering work (PSE’s) as per latest cash flow projections. Importantly, it assumes that the work on that project in the current year (FY’22) flows continuously, and that it is fully funded this year via a FY’22 Budget Amendment, or from other sources (Grants, etc). Town Center Project Planning and Feasibility Studies, around a possible reconstituted program & arrangement of Civic improvements and open spaces, shifted to alternative sites, are also allocated.</p> <p>The budget also contemplates providing minimal planning support for the Downtown Parking Project (on City’s Stephenson Tracts) as previously allocated, and reflects the current “On Hold” status for the Triangle project.</p>		Proposed Project Expenditures:	\$452,250 (Total Direct Costs)	Proposed Indirect Expenditures:	\$128,000 (Total Indirect Costs)		-----		\$580,250 (Grand Total)
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Indirect Expenditures: TIRZ Project Manager, Administrator, Legal and Misc. Budgets are also allocated in this proposal, based on nominal annualized cost projections.

TIRZ Budget Sources: If approved, it appears likely that the proposed Budget Scenario may be fully 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 ’23 Budget Recommendations have been approved by the TIRZ Board.

Cost Sharing: If approved, TIRZ Budget 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.

Proposed “FY ’23 Cost Sharing Allocations” are at the Boards’ discretion. These also depend upon the TIRZ Cash Balances and projected TIF revenues and should be considered by the Board in concert with the proposed TIRZ Budget.

Staff and the Budget Subcommittee is requesting feedback and input regarding the proposed FY’23 TIRZ Budget.

Respectfully Submitted:

Keenan E. Smith, AIA
TIRZ Project Manager

April 7, 2022 / 0635 hrs.