



# City of Dripping Springs

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

<b>TIRZ Board Meeting Date:</b>	April 12, 2021				
<b>Agenda Item Wording:</b>	TIRZ Budget Scenarios- FY '22				
<b>Agenda Item Requestor:</b>	TIRZ Budget Committee				
<b>Board Member Sponsor:</b>	Taline Manassian / Vice Chair				
<p><b>Summary/Background:</b> <b>The TIRZ Board formed a “FY ’22 Budget Committee”</b> at their March 8, 2021 meeting to formulate draft FY’21 Budget recommendations to the TIRZ Board, in order to enable their subsequent recommendations to City Council in accordance with the established <b>City Council deadline of May 14, 2020</b>.</p> <p>The Budget Subcommittee met by videoconference once (3/25) to review and discuss prospective project budgets and approaches to enable the desired advancement of the four (4) TIRZ Priority Projects. Draft Budget Scenarios were then developed by the TIRZ Project Manager, with review and input from Vice Chair Taline Manassian. These “DRAFT Scenarios” are currently “Works in Progress.”</p> <p>Staff is seeking input and feedback from the Budget Subcommittee and TIRZ Board to enable the further development, refinement, vetting, finalization of one or both Draft Scenarios, leading to possible TIRZ Board action on FY’22 TIRZ Budget recommendations to City Council in the May 10, 2021 TIRZ Board Meeting.</p> <p><b>“FY ’22 TIRZ Budget Scenarios” for Budget Subcommittee &amp; TIRZ Board consideration in a “Workshop” format:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><b>Scenario A</b></td> <td style="text-align: right;"><b>\$ 333,456*</b></td> </tr> <tr> <td><b>Scenario B</b></td> <td style="text-align: right;"><b>\$ 265,056*</b></td> </tr> </table> <p>* Includes credit for “carryover” amounts from previously approved in FY’s ‘19-21 Budgets</p> <p><b>Scenario “A”</b> presumes advancement of the Town Center Project as currently planned and contemplated in the ILA and Real Estate Agreement efforts, including continuing those supporting tasks previously budgeted and currently contracted. It also assumes initiation of PDD Zoning and Infrastructure Plans, Specifications and Estimates (PSE’s), activities which require startup during ‘FY ’22 per Master Project Schedule to move toward Stakeholder site delivery.</p> <p>Scenario “A” presumes Old Fitzhugh Rd. advances as a “Grant Funding” project as currently contracted. Potential partial funding identified (via Hays POSAC) and efforts identifying balance of funding underway (via Grant Writer).</p> <p>Scenario “A” also moves forward with Downtown Parking Project (Stephenson Tracts) as previously budgeted and currently contracted, advancing from Concept Plans to PSE’s, and funding contingent, to Contract Bidding &amp; Award.</p>		<b>Scenario A</b>	<b>\$ 333,456*</b>	<b>Scenario B</b>	<b>\$ 265,056*</b>
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**Scenario “B”** illustrates a potential “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 savings applied to prospective new Budget allowances enabling any future TIRZ Board and City Council approved Concept Planning Feasibility Studies and Supporting Activities, TBD.

Scenario “B” shifts focus and dedicates more resources to Old Fitzhugh Rd. The “Grant Funding” efforts would be advanced as currently contracted (per Scenarios A). In addition, work on project PSE’s via TIRZ Project Team would be initiated, in a “Phase 1” installment or increment, TBD. Such an initiative would show progress toward making the project more “Shovel Ready,” which may improve Grant Funding prospects, while providing a possible Grant funding “match” rationale, which could also attract funding sources.

Pending possible future studies for a redirected Town Center or Civic improvements, Scenario “B” contemplates “freezing” the Downtown Parking Project (Stephenson Tracts) as previously budgeted and currently contracted.

**Both Scenarios “A” + “B”** maintain minimal “Technical Issue Support” funding for the Triangle Project, which continues to be effectively “On Hold” pending FEMA, Drainage & Water Quality and TXDOT studies.

**Common Costs:** TIRZ Project Manager, Administrator, Legal and Misc. Budgets are also allocated to both scenarios.

**TIRZ Budget Sources:** If approved, it appears that both Budget Scenarios 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 document from P3 Works). Budget Subcommittee and Staff will coordinate with the TIRZ Administrator to confirm.

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:** However, if approved, each Budget Scenario is 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. A discussion of Cost Sharing and Budget implications is also a separate Agenda Item.

**Respectfully Submitted:**

Keenan E. Smith, AIA  
TIRZ Project Manager

April 9, 2021 / 1055 hrs.