



City of Dripping Springs

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

TIRZ Board Meeting Date:	April 06, 2023								
Agenda Item Wording:	TIRZ Budget Analysis- FY '24								
Agenda Item Requestor:	TIRZ Budget SubCommittee								
Board Member Sponsors:	Walt Smith & Craig Starcher								
Summary/Background:									
<p>The "FY '24 Budget Subcommittee" met on 4/5/23 to discuss and refine the Draft FY'23 Budget recommendations.</p> <p>The overall budget approach was reviewed, along with refined analysis of projected cost allocations, and an adjusted scenario of anticipated expenditures. The projected TIRZ Cash Position was reviewed as well, as provided by the most recent TIRZ Administrator's Report (excerpts and adjusted analysis attached), with consideration to the separate but related issue of outstanding Stakeholder Reimbursements.</p> <p>TIRZ Board review and approval of the proposed FY'24 Budget is needed by the May 8, 2023 TIRZ Board meeting, in accordance with the established City Council Budget Submission timelines. See FY 2024 "Final Draft" Budget Scenario summary spreadsheets, summary, and recap (dated 4/4/23), with approach, analysis, and discussion below.</p> <p>Proposed Budget Approach: The proposed TIRZ Budget scenario illustrates the full and continued funding by the TIRZ of the Old Fitzhugh Road PSE's Project (underway) through the FY '24 work period. OFR PSE's budgeted amounts are based on HDR's PSA amounts & projections. Town Center Project planning & feasibility studies in support of alternative sites are also allocated, as sites are identified by the City, and if TIRZ Team support and expertise is sought. Downtown Parking is allocated for engineering PSE's and to coordinate & an updated Concept Plan to integrate the with City's initiatives for the Stephenson Building reuse and Downtown Restrooms and with OFR. An allocation to the Downtown Drainage, Roadways and Sidewalks Study is also provided to investigate and identify a program of comprehensive and integrated infrastructure improvements and solutions for Downtown. Indirect Expenses (Project Management, Administrative, and Miscellaneous) have been scrutinized, with minimal budget allocations proposed.</p> <p>"FY '24 TIRZ Draft Budget" for TIRZ Board discussion and possible approval:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Proposed Project Expenditures:</td> <td style="text-align: right;">\$467,500 (Total Direct Costs)</td> </tr> <tr> <td>Proposed Indirect Expenditures:</td> <td style="text-align: right;">\$ 74,750 (Total Indirect Costs)</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td style="text-align: right;">\$542,250 (Grand Total)</td> </tr> </table>		Proposed Project Expenditures:	\$467,500 (Total Direct Costs)	Proposed Indirect Expenditures:	\$ 74,750 (Total Indirect Costs)		-----		\$542,250 (Grand Total)
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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 Jan ’23 Analysis. Hays CAD projected tax revenues may change and lead to possible future Budget Adjustments or Amendments.

***FY ’24 Budget Analysis Notes:**

1. **FY ’23 Stakeholder Reimbursements:** Remaining Stakeholder Reimbursements (City of Dripping Springs only) in FY’23 should be considered by the Board along with the proposed FY ’23 TIRZ Budget.
2. **Potential FY’23 TIRZ Revenues:** The proposed FY ’24 Budget analysis is based on “Total Cash Position” (Table 10) and “FY 2023 Budget and Estimated Ending Cash Balance” (Table 12) projections from the TIRZ Administrator’s report (January 09, 2023). It assumes the (current) FY ’23 Budget draws down the full FY’23 Budget Amount (\$573,000) prior to the end of the Fiscal Year, producing an available projected TIRZ Ending Cash Balance at the end of FY ’23 (Sep. 30, 2023) of \$647,140. Future TIRZ Revenues, including any FY ’23 TIRZ Revenues (anticipated June-July of 2023) are projected and included in the estimate, and potentially would be collected and be available to fund TIRZ expenditures prior to the end of the FY ’23 Budget cycle (before Sep. 30, 2023).
3. **TIRZ Revenue Projections:** Are based on Hays CAD tax rates and collection estimates, and may vary.

Cost Sharing: If approved, TIRZ Budget 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.

Staff and the Budget Subcommittee is recommending approval of the proposed FY’24 TIRZ Budget.

Respectfully Submitted:

Keenan E. Smith, AIA
TIRZ Project Manager

April 6, 2023 / 1225 hrs.