



Meeting Minutes

Reinvestment Zone No. 3 - Downtown

Tuesday, July 27, 2021

9:30 AM

Council Chambers

A. Chair Billy Lerma to call the meeting to order.

Chairman Lerma called the meeting to order at 9:33 a.m.

B. City Secretary Rebecca Huerta to call roll of the Corporation Directors.

City Secretary Rebecca L. Huerta called the roll and verified that a quorum of the Board was present to conduct the meeting.

Note: Board Member Barbara Canales participated by video conference.

Present 12 - Board Member Billy A. Lerma, Board Member Roland Barrera, Board Member Barbara Canales, Board Member Paulette M. Guajardo, Board Member Gil Hernandez, Board Member Michael Hunter, Board Member Susan Hutchinson, Board Member John Martinez, Board Member Ben Molina, Board Member Mike Pusley, Board Member James Sedwick, and Board Member Greg Smith

C. PUBLIC COMMENT:

Chairman Lerma referred to Public Comment. There were no public comments.

D. MINUTES:

1. 21-0837 Approval of the June 22, 2021 Regular Meeting Minutes.

Chairman Lerma referred to Item 1.

Board Member Guajardo made a motion to approve the minutes, seconded by Board Member Molina and passed unanimously

E. FINANCIAL REPORT:

2. [21-0856](#) TIRZ #3 Financial Reports as of May 31, 2021

Chairman Lerma referred to Item 2.

Director of Finance Heather Hurlbert presented the financial report for Tax Reinvestment Zone No. 3 for the eight months ended May 31, 2021, including: commitments; project specific development; target vacant property improvement grant; downtown living initiative; new tenant commercial finish out; and streetscape and safety improvement

program.

There were no questions from the Board.

F. EXECUTIVE SESSION ITEMS:

Chairman Lerma referred to Executive Session Item 3. The Board went into Executive Session at 9:37 a.m. The Board returned from Executive Session at 10:23 a.m.

3. [21-0894](#) **Executive session pursuant to Texas Government Code § 551.071** and Texas Disciplinary Rules of Professional Conduct Rule 1.05 to consult with attorneys concerning legal issues related to economic development agreement(s) involving potential TIRZ #3 Reimbursement Agreement(s) with Caitlin Shook and/or 300 Chaparral, LLC regarding development, re-development, or expansion of the development at 312 S. Chaparral, including issues related to proposed incentive agreement(s) in an estimated total amount not to exceed \$86,743.00; **and pursuant to Texas Government Code § 551.087** to discuss or deliberate regarding commercial or financial information relating to some or all of the aforementioned matter(s) or entities that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations and/or financial or other incentives involving said business prospect(s).

The following motions were considered:

Board Member Pusley made a motion authorizing a downtown development reimbursement agreement with Caitlin Shook, in an amount not to exceed \$66,743, for improvements to the property located at 312 S. Chaparral Street under the New Tenant Commercial Finish Out Program and the Streetscape and Safety Improvement Program, seconded by Board Member Smith.

Board Member Pusley made a motion authorizing a downtown development reimbursement agreement with 300 Chaparral LLC, in an amount not to exceed \$20,000.00 for improvements to the property located at 312 S. Chaparral Street under the New Tenant Commercial Finish Out Program, seconded by Board Member Smith.

The Motions were passed and approved with the following vote:

Aye: 12 - Board Member Lerma, Board Member Barrera, Board Member Canales, Board Member Guajardo, Board Member Hernandez, Board Member Hunter, Board Member Hutchinson, Board Member Martinez, Board Member Molina, Board Member Pusley, Board Member Sedwick, and Board Member Smith

Abstained: 0

G. AGENDA ITEMS:

4. [21-0893](#) Motion to approve a Downtown Streetscape Reimbursement Agreement with Education Service Center Region 2 for improvements to the property located at 209 N Water St. for a total incentive amount not to exceed \$18,613, effective upon signature by the City Manager or designee.

Chairman Lerma referred to Item 4.

Executive Director of the Downtown Management District Alyssa Barrera Mason presented information on the following topics: Education Service Center (ESC); ESC properties; camera locations; lighting; project economics; and recommendation.

There were no questions from the Board.

Board Member Hunter made a motion to approve the motion, seconded by Board Member Molina. This Motion was passed and approved with the following vote:

Aye: 12 - Board Member Lerma, Board Member Barrera, Board Member Canales, Board Member Guajardo, Board Member Hernandez, Board Member Hunter, Board Member Hutchinson, Board Member Martinez, Board Member Molina, Board Member Pusley, Board Member Sedwick, and Board Member Smith

Abstained: 0

5. [21-0824](#) Resolution to approve the Proposed Fiscal Year 2022 Tax Increment Reinvestment Zone Number Three Operating Budget in the amount of \$2,283,866 in revenues and \$2,260,327 in expenditures to become effective upon City Council approval during the normal budget process.

Chairman Lerma referred to Item 5.

Director of Management and Budget Eddie Houlihan presented information on the following topics: budgeted revenues; program budget; proposed expenses; and budget overview.

A Board Member and Executive Director of the Downtown Management District (DMD) Alyssa Barrera Mason discussed the following topics: the proposed budget amount was increased in the DMD TIRZ Management Agreement because two additional positions were necessary to help the DMD handle the workload and produce quality work.

Board Member Molina made a motion to approve the resolution, seconded by Board Member Hunter. This Resolution was passed and approved with the following vote:

Aye: 12 - Board Member Lerma, Board Member Barrera, Board Member Canales, Board Member Guajardo, Board Member Hernandez, Board Member Hunter, Board Member Hutchinson, Board Member Martinez, Board Member Molina, Board Member Pusley, Board Member Sedwick, and Board Member Smith

Abstained: 0

H. PRESENTATION ITEMS:

6. [21-0896](#) TIRZ #3 Fiscal Year 2021 Right of Way Project Updates

Chairman Lerma referred to Item 6.

Executive Director of the Downtown Management District (DMD) Alyssa Barrera Mason presented information on the FY 2021 traffic and planning analysis right of way projects update: traffic and planning expenditures; Artesian Park; Jasmine replacement; other right of way projects; sidewalk zones; street tree purpose; and current sidewalk conditions.

A Board Member and Executive Director Mason discussed the following topics: in response to a Board Member's question regarding the tree beds for the palm trees, Director Mason stated that the DMD looked at other options including tree grates, but jasmine was the lowest cost option.

7. [21-0895](#) Update of TIRZ #3 Approved Projects - July 2021

Chairman Lerma referred to Item 7.

Economic Development Manager of the Downtown Management District Jason Alaniz presented an update on the TIRZ #3 approved projects: the developer of Dusty's Taco Shop delayed the project indefinitely; Elizabeth's received their Certificate of Occupancy and are currently open for private events; and BUS Tasty Bites has had some contractor delays and an extension will be needed.

Board Members and Mr. Alaniz discussed the following topics: all other projects on this list are on-schedule.

8. [21-0897](#) Downtown Management District's Five-Year Strategic Plan

Chairman Lerma referred to Item 8.

Executive Director of the Downtown Management District (DMD) Alyssa Barrera Mason presented information on the Five Year Strategic Plan: three year strategic plan and service plans; intro; five year strategic plan; about the plan; analysis; implementation of Downtown Area Development Plan (DADP); downtown area development plan analysis; downtown 2020 implementation analysis; strategic framework; priority setting and structure; district operations; placemaking; economic development; promotions; organizational development; and downtown revitalization partnership funding model 2020.

Board Members and Executive Director Mason discussed the following topics: in

response to a Board Member's question regarding expanding boundaries, Director Mason stated that the DMD has received inquiries from properties to the south about expanding boundaries; the goal is to look for participants interested in being a part of the DMD; a Board Member's suggestion to exercise caution when it comes to extending the intent of the TIRZ; and a Board Member's request to define the goal of the DMD and how it aligns with the TIRZ.

I. ADJOURNMENT

This meeting was adjourned at 11:08 a.m.