

MINUTES OF THE SPECIAL CITY COUNCIL MEETING  
CITY OF COLLEGE STATION  
DECEMBER 4, 2012

STATE OF TEXAS           §  
  §  
COUNTY OF BRAZOS       §

**Present:**

Nancy Berry

**Council:**

Blanche Brick  
Jess Fields  
Karl Mooney  
John Nichols  
Julie Schultz  
James Benham

**City Staff:**

David Neeley, City Manager  
Kathy Merrill, Deputy City Manager  
Frank Simpson, Deputy City Manager  
Carla Robinson, City Attorney  
Sherry Mashburn, City Secretary

**1. Call to Order and Announce a Quorum is Present**

With a quorum present, the Special Meeting of the College Station City Council was called to order by Mayor Nancy Berry at 1:15 p.m. on Tuesday, December 4, 2012 in the College Station Utility Services Training Center, 1603 Graham Road, College Station, Texas 77842.

**2. Presentation and discussion of an Overview of College Station Medical District Master Plan and Plan Implementation.**

**3. Presentation, possible action, and discussion regarding an Overview of the Need for Alternative Financing and Management Approaches in the College Station Medical District.**

**4. Presentation and discussion of an Overview of Tax Increment Reinvestment Zones.**

**5. Presentation, possible action and discussion regarding Proposed College Station Medical District Tax Increment Reinvestment Zones.**

**6. Presentation and discussion of an Overview of Municipal Management Districts.**

**7. Presentation, possible action, and discussion regarding Proposed College Station Medical District Municipal Management Districts.**

Items 2-7 were discussed together.

Bob Cowell, Executive Director of Development Services, led the discussion on the College Station Medical District TIRZ and MMD. A few years ago the City partnered with The Med in the creation of a Medical District. Considerations involved in the vision for the Medical District are: the population, nation-wide, is aging with a need for greater health care, seeking alternative housing options, and a greater emphasis on healthy living. This aging population with their greater health care needs will result in greater employment opportunities. The Medical District will be a unique place to work, visit, live, recreate, and get health care. It will be oriented around health and wellness with physically integrated parts for a better whole. It will be managed as a District. To realize the vision, significant private investment, with shared communication to the vision, will be needed. A significant infrastructure investment by the City is also required. The regulatory structure will be created with tailored development regulations and standards. The District will require a very structured management. Time is also of the essence. The faster we can turn the TIRZ on, the faster we can reap the benefits of new revenue. Additionally, timing for public notices will need to be considered when going forward with the Management District. The third piece related to timing is the pressure from property owners looking for development opportunity.

Financing is needed for infrastructure. A minimum of \$60 million is estimated to be needed for infrastructure. Nearly half of this cost is necessary for any development. The projects are of a magnitude they will require City involvement through debt, property taxes, rate increases, etc.

Structured management is necessary to realize the vision, such as unique identity items (enhanced landscaping, signage, etc). Other considerations are marketing, promotion, and event management. Failures will limit the success of the District. Without structure, costs will likely be borne by the taxpayers. It will require the direct involvement of the beneficiaries.

A brief overview of Tax Increment Reinvestment Zones was presented. TIRZ are authorized under Chapter 311 of the Texas Tax Code for areas of the City that are undeveloped due to some inadequate or defective condition. An increment of new value is "captured" to pay for those remedies to inadequate or defective conditions. Tax revenues already in existence continue to go to the taxing entity. Once the TIRZ has met its term life, the total value then goes to all the taxing districts in the project area.

Schematics for proposed thoroughfares, greenway trails, and water and wastewater lines were provided. A brief overview of the associated costs and funding needs was presented. Jeff Kersten, Executive Director of Fiscal Services, presented the preliminary finance plan. After the Council creates the TIRZ, the TIRZ Board will develop a final project list and Finance Plan to be submitted to the Council for approval.

Staff is proposing two separate TIRZ. Proposals and preliminary finance plans for TIRZ A and TIRZ B will be presented to Council at the December 13 Regular Meeting and will be a Public Hearing as well. Afterwards, the Council will consider an ordinance creating TIRZ A and TIRZ B, adopting the preliminary project and finance plans and adopting the TIRZ Boards.

Bob Cowell, Executive Director of Development Services, began the presentation on Municipal Management Districts. MMD's are authorized under Chapter 375 of the Texas Local Government Code and enabling legislation. This is a tool for areas of the City where it is desirable for property owners to work together to identify and address common problems or opportunities. MMD's are used to supplement City services, not supplant them, and may also be used to develop certain improvements. They are governed by a Board of Directors initially appointed through the enabling legislation and then by Council appointment. They are financed through property assessments, ad valorem taxes, and issuance of debt. Council maintains oversight of the District through enabling legislation, appointments, consent to bond issuance, consent to add area to the District, and the ability to dissolve the District. They may also combine the District with other funding mechanisms.

Staff is proposing two management districts because there are two very different needs. For MMD West, staff recommends an increased board composition of 12-15 members. They would have no ad valorem authority, but would have the ability to consider additions to the District with Council approval and a "pay-in" mechanism. The primary purpose of MMD West is to fund enhanced services, promotion and marketing.

The focus for MMD East is on infrastructure costs. Board composition is limited to five to seven members. They would have ad valorem authority in addition to assessment by a required vote by the property owners. They would have the ability to consider additions to the District with Council approval and a "pay-in" mechanism. It was reiterated that the primary focus is the construction of improvements, as well as enhanced services, promotion and marketing. Revenue would be generated to fund the standard items, but also to finance debt. This District has more authority because its needs are greater.

Council directed staff to go forward with TIRZ A, TIRZ B, MMD West, and MMD East.

## **8. Executive Session**

In accordance with the Texas Government Code §551.087-Economic Incentive Negotiations, the College Station City Council convened into Executive Session at 5:04 p.m. on Tuesday, December 4, 2012 in order to continue discussing matters pertaining to:

A. Deliberation on economic development negotiations regarding an offer of financial or other incentives for a business prospect; to wit:

- Economic development incentives to prospect in West College Station.

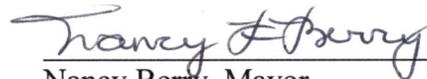
The Executive Session adjourned at 6:10 p.m. on Tuesday, December 4, 2012.

**9. Action on Executive Session.**

No action was required from Executive Session.

**10. Adjournment**

**MOTION:** There being no further business, Mayor Berry adjourned the Special Meeting of the College Station City Council at 6:10 p.m. on Tuesday, December 4, 2012. The motion carried unanimously.

  
Nancy Berry, Mayor

ATTEST:

  
Sherry Mashburn, City Secretary