

**MINUTES
City Council**

**Joint Special Meeting with the Pflugerville Community Development Corporation
100 East Main Street, Suite 500
Tuesday – September 21, 2010 - 06:00 PM**

1. Call to Order. Mayor Jeff Coleman called the meeting to order at 6:09 p.m. Councilmembers Wayne Cooper, Darelle White, Starlet Sattler and Victor Gonzales were in attendance. Councilmember Mike Marsh was absent. City employees attending: Brandon Wade, City Manager; Floyd Akers, City Attorney; Lauri Gillam, Assistant City Manager; Trey Fletcher, Managing Director of Operations; Karen Thompson, City Secretary.

Pflugerville Community Development Corporation (PCDC) Boardmembers in attendance: Randy Duncan, President; Darelle White, Vice President; David Clay; Omar Peña; Jeff Reeb; Doug Weiss. Janice Heath, Secretary, was absent. PCDC staff in attendance: Charles Simon, Director; Mary Poché, Business Recruiting Specialist; Elizabeth Leisure; Business Retention Specialist. Randy Duncan called the PCDC meeting to order at 6:10 p.m.

Items were addressed in the order as recorded in the minutes.

3. Discuss only.

A. 1.) Executive Session Item: Deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code regarding a Chapter 380 economic development agreement and use of 4B funds with Pecan Street Plaza, LLC or its affiliates for the Pacana ALUR Development. 2.) Open Session Item: Discussion regarding a Chapter 380 economic development agreement and use of 4B funds with Pecan Street Plaza, LLC or its affiliates for the Pacana ALUR Development. Mayor Coleman opened the open session discussion item. Cid Galindo, developer, presented an overview of his proposal for the Pacana Walking District. Eric Schultz, landscape architect with TBG Partners, presented the plans for the project. He answered questions of the group with input from Mr. Galindo. Mr. Galindo provided an overview of the proposed issuance of \$4.0 million in Certificates of Obligation by the City to occur when funding commitments are secured for the Phase 1 private improvements. Mr. Galindo indicated that the Phase 1 tax revenues would cover the bond payments. He answered questions of the group.

Mr. Galindo provided information on the second part of the proposal, a \$16 million reimbursement calculated on a net present value basis, with termination after 35 years. He reviewed the proposed tax revenue split between the project and City. Jennifer Douglas, director with Specialized Public Finance, reviewed the financial information. She answered questions of the group with input from Mr. Galindo. Mr. Galindo presented the City staff concerns he noted previously and his responses to addressing those concerns. He answered questions of the group.

Mr. Galindo presented a summary on his plans to mitigate risk for the City. He answered questions of the group. Mr. Galindo concluded his presentation with the proposed next steps to validate the pro forma assumptions, refine the Phase I construction cost estimates, prepare a draft PCDC/Council resolution and prepare a draft 380 agreement. He answered questions of the group with input from Ms. Douglas.

Mayor Coleman announced that the City Council was retiring to executive session on the item for deliberation regarding economic negotiations. The time was 8:02 p.m.

Mr. Duncan announced that the PCDC was retiring to a separate executive session on the item for deliberation regarding economic negotiations. The time was 8:02 p.m.

Mayor Coleman reconvened in open session at 8:57 p.m. No action was taken by the City Council.

Mr. Duncan reconvened the PCDC in open session at 8:57 p.m. No action was taken by the PCDC.

Mayor Coleman stated that the Council does not see how the City can put \$4 million at risk in a bond capacity. He explained that the Council wants the project but would like to negotiate a reimbursement agreement. He stated that under this scenario there are just too many unknowns and risks to the City. Mr. White provided comments indicating the same conclusion. Mr. Galindo stated that the economics are just not there for them to do that at this point. Mayor Coleman stated that if there is another creative way, they are willing to listen. Mr. Galindo explained that his proposal has only a small amount of risk to the City. Mr. Cooper stated that the incentive agreement that they offer to developments is a reimbursement. Mr. Galindo stated that he thinks his proposal is different because it creates a public improvement. He stated that he thinks they are comparing apples to oranges; that it is not a fair comparison.

Mr. Duncan stated that the PCDC Board is interested in the project and hopes to move forward if Mr. Galindo can come back with a different way for the PCDC to participate.

Mr. Galindo stated that he thinks he has come forward with the best ideas that he and his team could generate. He stated that when you look at the mixed-use developments throughout the country, they require a public-private partnership. He stated that the only possible way that he could go back to his partners might be if the City would consider still bonding the funds if the developer would assume all risk on the bond payment. Mayor Coleman stated that the Council had discussed this and did not know how they could get a good enough guarantee that there would be no risk to the City. Mr. Gonzales stated that the Council is not willing to take any risk. Ms. Douglas suggested that the developer could present a letter of credit. Mayor Coleman explained that the City is currently experiencing an uncollectable letter of credit. Mr. Galindo thanked the Council for their candor. He stated if he comes up with any other ideas or opportunities, the Council will be the first to know about it, but he does not have any at this time.

Mr. Duncan adjourned the PCDC meeting. The time was 9:10. A quorum of the PCDC was no longer in attendance.

2. Discuss and Consider Action

A. Discuss and consider action regarding the use of 4B funds for a challenge grant application in the amount of \$12,946 from City of Pflugerville Parks and Recreation Department for 2,400 feet to Mountain Creek Trail to connect trail between 10th Street and Settlers Valley. Mr. Wade provided information and answered Council questions on the item with input from Mr. Fletcher and Ms. Gillam. Mr. White made a motion to approve. Mr. Cooper seconded the motion. All voted in favor. The motion carried.

B. Discuss and consider action to approve the Fiscal Year 2011 budget for the Pflugerville Community Development Corporation (PCDC). Mr. Wade indicated that City staff has reviewed and recommends approval of the PCDC budget. Mr. Simon answered questions of the Council. Mr. Gonzales made a motion to approve the Fiscal Year 2011 budget for the PCDC. Mr. Cooper seconded the motion. All voted in favor. The motion carried.

4. Adjourn. Mr. White made a motion to adjourn. Mr. Cooper seconded the motion. All voted in favor. The motion carried. The meeting was adjourned at 9:19 p.m.

Respectfully submitted,

Karen Thompson
City Secretary

Approved as _____ on October 12, 2010.