



AGENDA

Regular Meeting

BEE CAVE DEVELOPMENT BOARD

Tuesday, March 26, 2024

4:00 PM, City Hall

4000 Galleria Parkway

Bee Cave, Texas 78738-3104

THE CITY OF BEE CAVE DEVELOPMENT BOARD MEETINGS ARE AVAILABLE TO ALL PERSONS REGARDLESS OF DISABILITY. IF YOU REQUIRE SPECIAL ASSISTANCE, PLEASE CONTACT KAYLYNN HOLLOWAY AT (512) 767-6641 AT LEAST 48 HOURS IN ADVANCE OF THE MEETING. THANK YOU.

A quorum of the Planning and Zoning Commission and/or City Council may be in attendance at the Meeting. No action will be taken by the Commission or Council.

1. Call meeting to order
2. Roll Call
3. Consider approval of minutes of the regular session conducted on January 23, 2024 and the minutes of the Special Session conducted on February 27, 2024.
4. Elevated Enterprises: Comments from a local Bee Cave Business.
5. Discuss the initial conceptual renderings for new City wayfinding signage.
6. Discuss and consider action on developing a review committee for the Workforce Housing RFP.
7. Discuss and consider action items of the BCDC workshop, including financial structures.
8. Discuss and consider action on donating two separate \$500 checks to "Best Lake Travis High School Worker Bee" at the Lake Travis High School Annual Job Fair.
9. Discuss and consider action on contracting Opportunity Strategies to develop a strategic plan for the Bee Cave Development Corporation.

10. Activity update.
11. Discussion regarding future administrative items, meeting times and dates.
12. Adjournment

The Board may go into closed session at any time when permitted by Chapters 418 or 551, Texas Government Code, or Section 321.3022 of the Texas Tax Code. Before going into closed session a quorum of the Board must be present, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551 or 418, Texas Government Code, or Section 321.3022 of the Texas Tax Code authorizing the closed session.



***Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal***

Agenda Item: 3.

Agenda Title: Consider approval of minutes of the regular session conducted on January 23, 2024 and the minutes of the Special Session conducted on February 27, 2024.

Board Action: Discuss and Consider Action

Department: Admin Assistant

Staff Contact: Thomas Hatfield-Interim City Secretary

1. INTRODUCTION/PURPOSE

2. DESCRIPTION/JUSTIFICATION

a) Background

b) Issues and Analysis

3. FINANCIAL/BUDGET

Amount Requested	Fund/Account No.
Cert. Obligation	GO Funds
Other source	Grant title
Addtl tracking info	

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION

ATTACHMENTS:

Description		Type
	Minutes of 1/23/2024	Backup Material
	Minutes of 2/27/2024	Backup Material

MINUTES OF THE REGULAR MEETING OF THE
BEE CAVE DEVELOPMENT BOARD
CITY OF BEE CAVE
January 23, 2024

STATE OF TEXAS §
COUNTY OF TRAVIS §

Present:

Quinn Gormley, President
Christian Alvarado, Vice President
Tony Lockridge, Secretary
Christy Black, Director
John Dashtara, Director
Kevin Hight, Director
Victoria Winburne, Director

City Staff:

Clint Garza, City Manager
Rebecca Regueira, Deputy City Secretary
Ryan Henry, Attorney
Jenny Hoff, Communications Director
Dori Kelley, Business Development Manager

Call to Order and Announce a Quorum is Present

With a quorum present, the regular meeting of the Bee Cave Development Board was called to order by President Gormley at 4:05 p.m. on Tuesday, January 23, 2024.

Consider approval of the minutes of the Regular Session conducted on December 12, 2023.

MOTION: A motion was made by Director Winburne, seconded by Director Hight, to approve the minutes of the Regular Session conducted on December 12, 2023.

The vote was taken on the motion with the following result:

Voting Aye:	President Gormley and Directors Alvarado, Black, Dashtara, Hight, Lockridge and Winburne
Voting Nay:	None
Absent:	None

The motion carried 7-0.

Elevated Enterprises: Comments from a local Bee Cave Business.

Business owner Hunter Brown with CryoFit spoke to the Board.

Presentation and discussion with Butler Snow related to a proposal for Consulting and Real Estate Advisory Services.

MOTION: A motion was made by Director Hight, seconded by Director Winburne, to authorize staff to negotiate an agreement for Consulting and Real Estate Advisory Services with Butler Snow.

The vote was taken on the motion with the following result:

Voting Aye:	President Gormley and Directors Alvarado, Black, Dashtara, Hight, Lockridge and Winburne
Voting Nay:	None
Absent:	None

The motion carried 7-0.

Discussion and possible approval of the branding signage.

Communications Director Jenny Hoff presented this item.

MOTION: A motion was made by Vice President Alvarado, seconded by Director Hight, to approve a proposal for the design phase of the branding signage in an amount up to \$5,000.

The vote was taken on the motion with the following result:

Voting Aye:	President Gormley and Directors Alvarado, Black, Dashtara, Hight, Lockridge and Winburne
Voting Nay:	None
Absent:	None

The motion carried 7-0.

Discuss and consider action on a change in scope of work with RTG for design of 71/HPR intersection.

City Manager Clint Garza presented this item.

MOTION: A motion was made by Director Hight, seconded by Director Lockridge, to authorize an amendment to the scope of work increasing the grand total to \$413,748.12.

The vote was taken on the motion with the following result:

Voting Aye: President Gormley and Directors Alvarado, Black, Dashtara, Hight,
Lockridge and Winburne
Voting Nay: None
Absent: None

The motion carried 7-0.

Discussion and update related to Work Force Housing.

Dori Kelley, Business Relations Manager, presented this item.

No action was taken.

Discussion and update from the Regulatory Review Committee, Planning and Business Development Committee and the Professional Acquisition and Disposition Committee.

Committee members John Dashtara and Christy Black provided updates to the Board.

Activity update.

Ms. Kelley reported on the Business Roundtable and the completion of the Ice Rink season.

Discussion regarding future administrative items, meeting times and dates.

The Board's next meeting will be on February 27, 2024.

Adjournment

MOTION: A motion was made by Director Hight, seconded by Director Alvarado, to adjourn.

The vote was taken on the motion with the following result:

Voting Aye: President Gormley and Directors Alvarado, Black, Dashtara, Hight,
Lockridge and Winburne
Voting Nay: None
Absent: None

The motion carried 7-0.

The Economic Development Board adjourned the meeting at 5:43 p.m.

PASSED AND APPROVED THIS _____ DAY OF _____, 2024.

President

DB012324

ATTEST:

Secretary/Treasurer

MINUTES OF THE REGULAR MEETING OF THE
BEE CAVE DEVELOPMENT BOARD
CITY OF BEE CAVE
February 27, 2024

STATE OF TEXAS §
COUNTY OF TRAVIS §

Present:

Quinn Gormley, President
Christian Alvarado, Vice President
Tony Lockridge, Secretary
Christy Black, Director
Kevin Hight, Director
Victoria Winburne, Director

Absent:

John Dashtara, Director

City Staff:

Clint Garza, City Manager
Rebecca Regueira, Deputy City Secretary
Ryan Henry, Attorney
Jenny Hoff, Communications Director
Dori Kelley, Business Development Manager

Call to Order and Announce a Quorum is Present

With a quorum present, the regular meeting of the Bee Cave Development Board was called to order by President Gormley at 4:00 p.m. on Tuesday, February 27, 2024.

Consider approval of the minutes of the Regular Session conducted on January 23, 2024.

Tabled by President Gormley to next meeting as these minutes were not attached to the agenda.

Elevated Enterprises: Comments from a local Bee Cave Business.

- Violet Crown Business Owner, provided context to the type of veterinary services they will be offering within the City.
 - President Gormley expressed that he'd like to have him come back and speak to the business aspect should they ever need any assistance from the board after having some time to get settled in as a new business.

Discuss and consider action on the approval of a Request For Proposals for Work Force Housing.

Motion: A motion was made by President Gormley, seconded by Director Hight, to the RFP for Work Force Housing.

The vote was taken on the motion with the following result:

Voting Aye: President Gormley and Directors Alvarado, Black, Hight, Lockridge and Winburne

Voting Nay: None

Absent: Director Dashtara.

The motion carried 6-0.

Discuss and consider action on Resolution No. BCDC 2024-01 between the Bee Cave Development Board and the City of Bee Cave for reimbursement of payments made related to the 380 Grant Agreement between Kent Sports Holdings, L.P., TCHMALL Sports, LLC and the City of Bee Cave.

Motion: A motion was made by Director Hight, seconded by Secretary Lockridge to approve

The vote was taken on the motion with the following result:

Voting Aye: President Gormley and Directors Alvarado, Black, Hight, Lockridge and Winburne

Voting Nay: None

Absent: Director Dashtara.

The motion carried 6-0.

Discussion and possible action to support the Bee Women fund raising Gala by directing donations to the Bee Cave Development Corporation.

Motion: A motion was made by President Gormley, seconded by Director Hight to table this to the March meeting to better understand if this is best done through EDB.

The vote was taken on the motion with the following result:

Voting Aye: President Gormley and Directors Alvarado, Black, Hight, Lockridge and Winburne

Voting Nay: None

Absent: Director Dashtara.

The motion carried 6-0.

Discuss and consider a request for funds to host the German Christmas Market 2024.

President Gormley tabled the item until the Board is provided further information since presenter could not attend.

Discussion and update from the Regulatory Review Committee, Planning and Business Development Committee and the Professional Acquisition and Disposition Committee.

No action taken.

Activity update.

No updates

Discussion regarding future administrative items, meeting times and dates.

The March meeting date will be determined at a later date.

Adjournment.

Motion: A motion was made by Director Hight, seconded by Director Winburne to adjourn at 4:51PM.

The vote was taken on the motion with the following result:

Voting Aye: President Gormley and Directors Alvarado, Black, Hight, Lockridge and Winburne

Voting Nay: None

Absent: Director Dashtara.

The motion carried 6-0.

The Economic Development Board adjourned the meeting at 4:51p.m.

PASSED AND APPROVED THIS ____ DAY OF _____, 2024.

President

ATTEST:

Secretary/Treasurer



***Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal***

Agenda Item: 4.

Agenda Title: Elevated Enterprises: Comments from a local Bee Cave Business.

Board Action:

Department: Administration

Staff Contact: Dori Kelley, Business Relations and Development Manager

1. INTRODUCTION/PURPOSE

Elevated Enterprises provides a platform for the Development Corporation's Board of Directors to engage directly with local businesses.

Today's session offers an opportunity to hear from ____.

2. DESCRIPTION/JUSTIFICATION

a) Background

b) Issues and Analysis

3. FINANCIAL/BUDGET

Amount Requested	Fund/Account No.
Cert. Obligation	GO Funds
Other source	Grant title
Addtl tracking info	

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION



***Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal***

Agenda Item: 5.

Agenda Title: Discuss the initial conceptual renderings for new City wayfinding signage.

Board Action: Discuss and Consider Action

Department: Administration

Staff Contact: Jenny Hoff

1. INTRODUCTION/PURPOSE

Last year, the Development Corporation voted for staff to move forward with gateway signage for the city.

2. DESCRIPTION/JUSTIFICATION

a) Background

After discussions and looking through the proposals, Jenny Hoff, has chosen to move forward with a local firm, Ion Art. Ion Art has created some of the Austin region's iconic signs, such as ACL Music Fest, the ATX sign outside of Whole Foods and more.

In January, the Development Corporation approved funding to move into the design phase with Ion Art.

b) Issues and Analysis

Today, Jenny will present the preliminary conceptual renderings for the city wayfinding signage.

3. FINANCIAL/BUDGET

Amount Requested	Fund/Account No.
Cert. Obligation	GO Funds
Other source	Grant title
Addtl tracking info	

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION

Staff recommends review of the designs.

ATTACHMENTS:

Description		Type
	Initial Renderings	Backup Material
	Initial Renderings 2/2	Backup Material



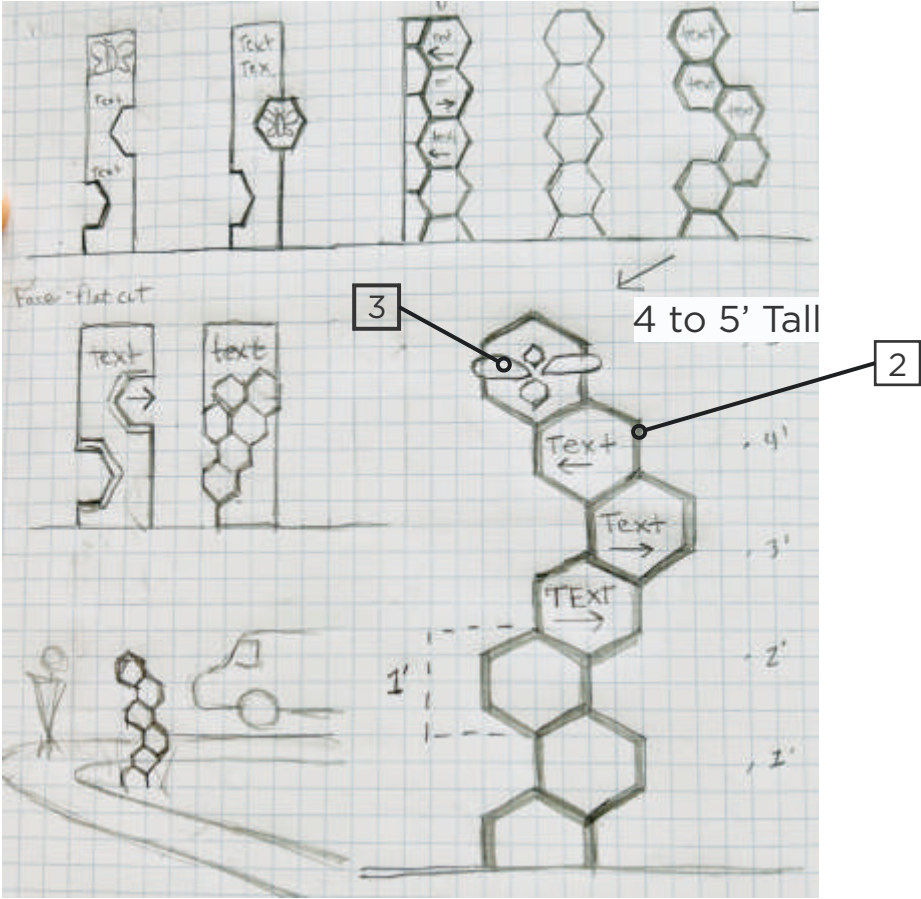
City of Bee Cave | **Series 1**

Series 1 of the exterior sculpture sign and wayfinding set sign explore the honeycomb motif at different scales and in different arrangements.

The material inspiration and reference material utilize metals with organic paint color-ways with the intention of matching the local beauty and aesthetic natural to the Hill Country.



Exterior Sculptural Sign | Series 1



Wayfinding Sign Set | Series 1

Material Inspiration and Reference

1 Zilker Partners



Sign has internal lighting.

2 Laser Cut Metal screen Pattern



Rustic metal that matches the aesthetic of the natural beauty of the Bee Cave region. Details are elegantly cut out of the material.

3

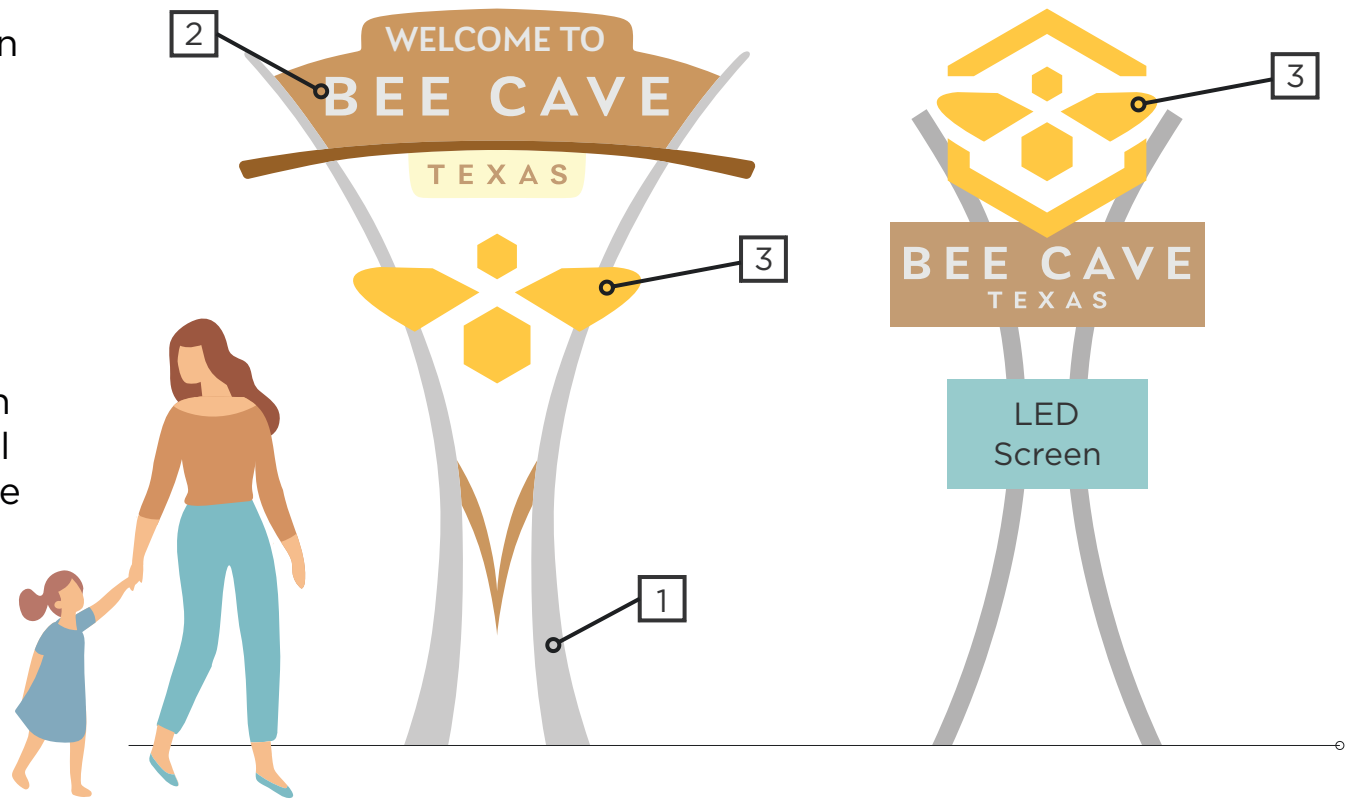


Stained glass components that could add a pop of color and an interplay with light.

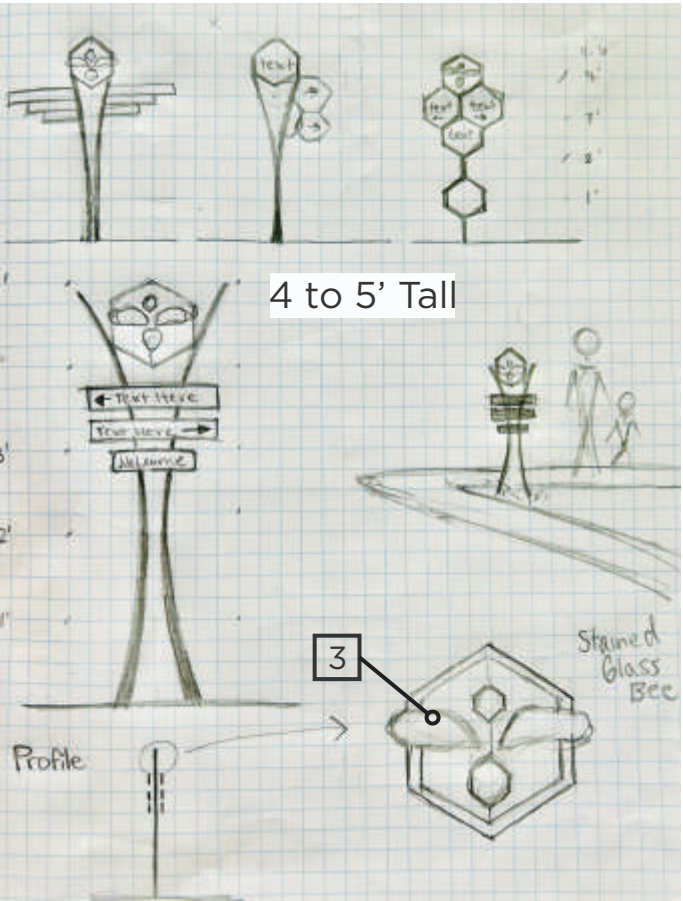
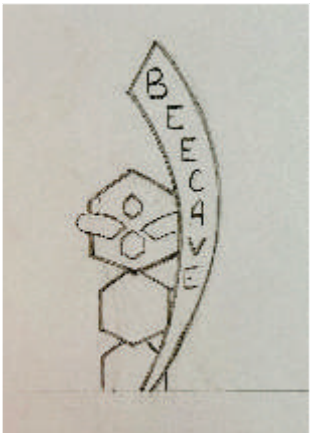
City of Bee Cave | **Series 2**

Series 2 of the exterior sculpture sign and wayfinding set sign explore a more minimal integration of the City of Bee Cave branding. This series shows a potential placeholder for an LED screen display.

The material inspiration and reference material utilize metals with organic paint color-ways with the intention of matching the local beauty and aesthetic natural to the Hill Country.



Exterior Sculptural Sign | Series 2



Wayfinding Sign Set | Series 2

Material Inspiration and Reference

1 Trailhead at Shady Lane



Example of the vertical support structure.

2 City of Bee Cave Central Park Sign



Dark rustic metal background with aluminum letters that pop.

3 MMA Stained Glass Windmill



Stained glass wildflowers native to the Hill country.

4 Monument Sign



Sign shows the integration of stone, which could be limestone per the regional aesthetic.

City of Bee Cave | Art Book

Art book for client review and approval. Not for construction.

DATE
03.26.2024

Client Approval

Name _____

Signature _____

Date _____

Landlord Approval

Name _____

Signature _____

Date _____



BEE CAVE
TEXAS

Simply Elevated

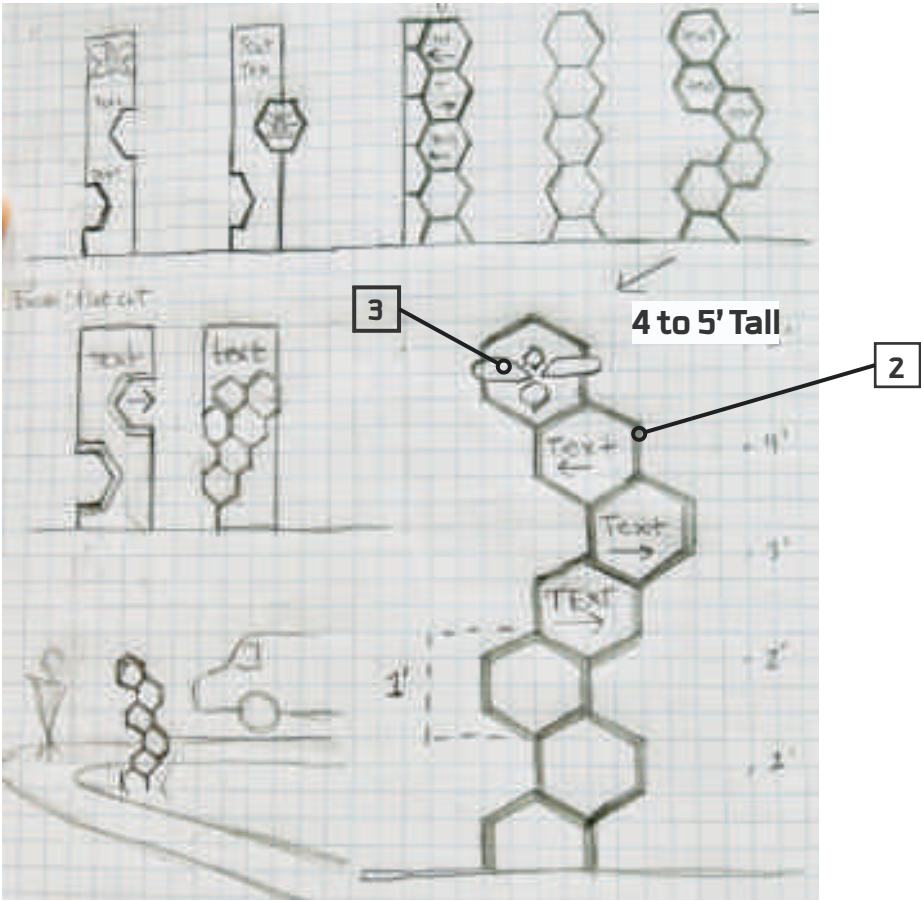
City of Bee Cave | **Series 1**

Series 1 of the exterior sculpture sign and wayfinding set sign explore the honeycomb motif at different scales and in different arrangements.

The material inspiration and reference material utilize metals with organic paint color-ways with the intention of matching the local beauty and aesthetic natural to the Hill Country.



Exterior Sculptural Sign | Series 1



Wayfinding Sign Set | Series 1

Material Inspiration and Reference

1 Zilker Partners



Sign has internal lighting.

2 Laser Cut Metal screen Pattern



Rustic metal that matches the aesthetic of the natural beauty of the Bee Cave region. Details are elegantly cut out of the material.

3

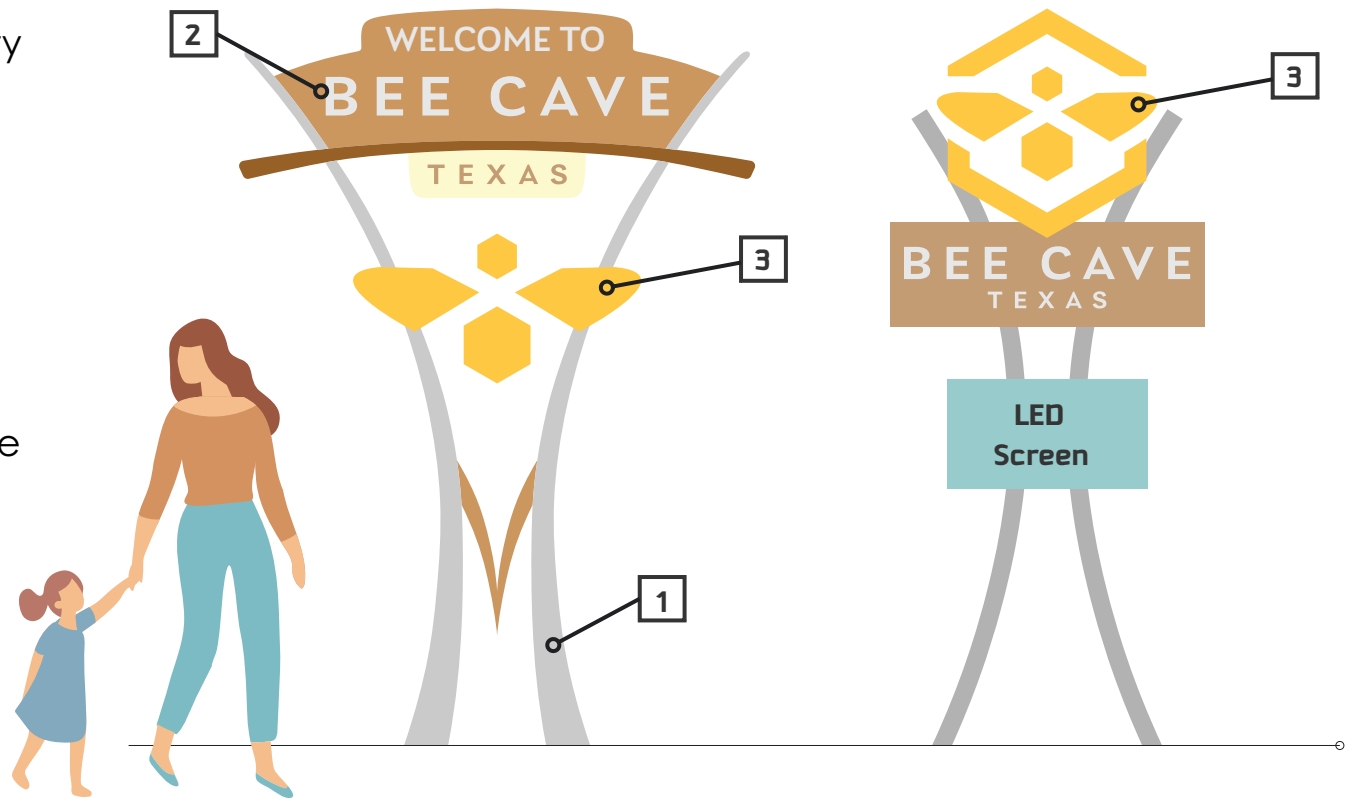


Stained glass components that could add a pop of color and an interplay with light.

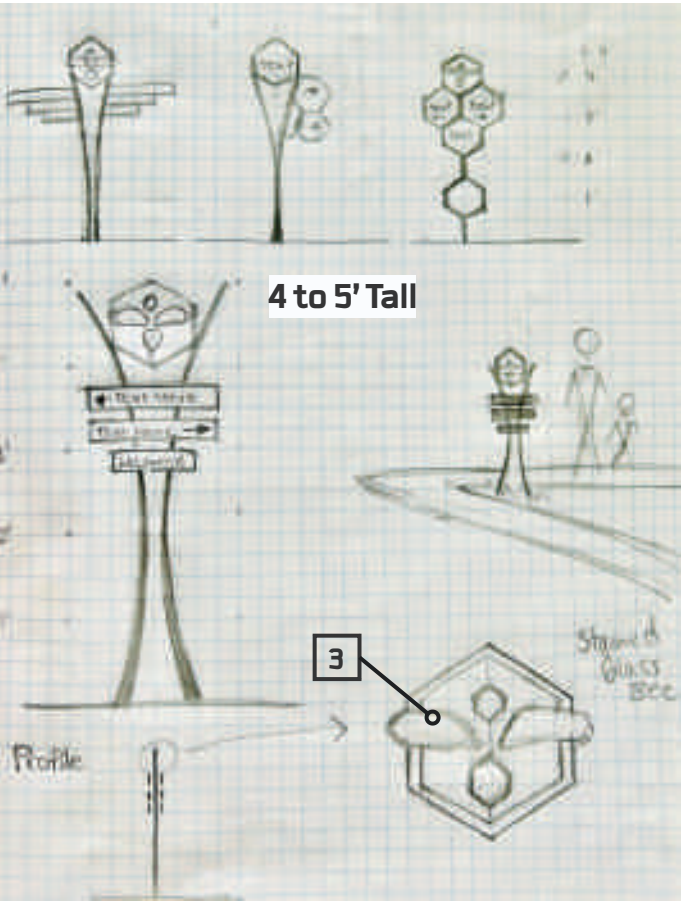
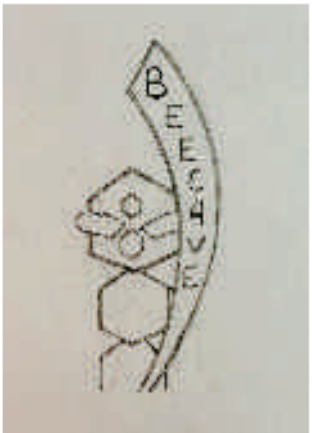
City of Bee Cave | Series 2

Series 2 of the exterior sculpture sign and wayfinding set sign explore a more minimal integration of the City of Bee Cave branding. This series shows a potential placeholder for an LED screen display.

The material inspiration and reference material utilize metals with organic paint color-ways with the intention of matching the local beauty and aesthetic natural to the Hill Country.



Exterior Sculptural Sign | Series 2



Wayfinding Sign Set | Series 2

Material Inspiration and Reference

1 Trailhead at Shady Lane



Example of the vertical support structure.

2 City of Bee Cave Central Park Sign



Dark rustic metal background with aluminum letters that pop.

3 MMA Stained Glass Windmill



Stained glass wildflowers native to the Hill country.

4 Monument Sign

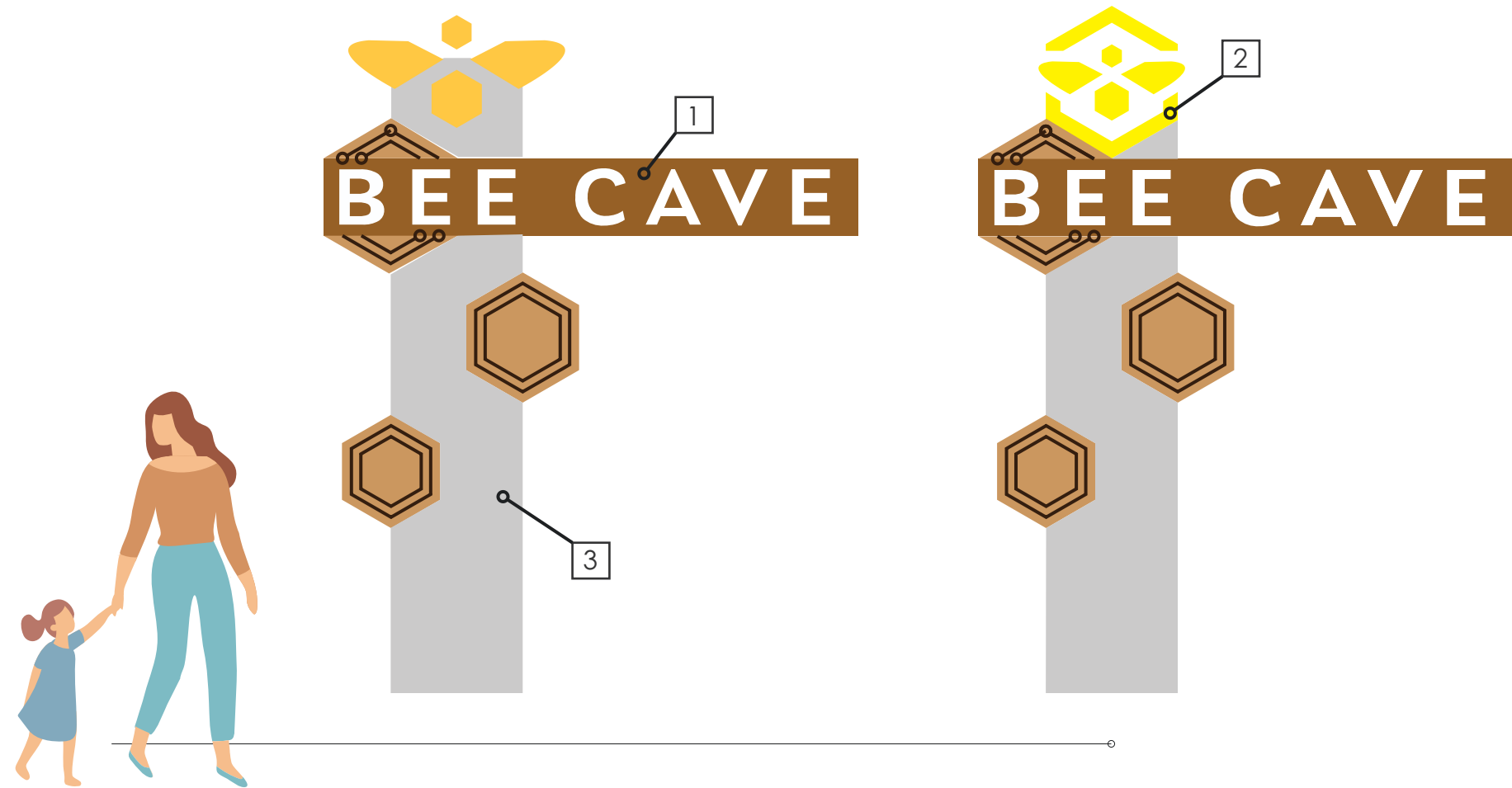


Sign shows the integration of stone, which could be limestone per the regional aesthetic.

City of Bee Cave | **Series 3**

Series 3 of the exterior sculpture sign and wayfinding set sign explore the honeycomb motif at different scales and in different arrangements.

The material inspiration and reference material utilize metals with organic paint color-ways with the intention of matching the local beauty and aesthetic natural to the Hill Country.



Exterior Sculptural Sign | **Series 3**

Material Inspiration and Reference

1 City of Bee Cave Central Park Sign



Dark rustic metal background with aluminum letters that pop.

2 MMA Stained Glass Windmill



Stained glass wildflowers native to the Hill country.

3 Monument Sign

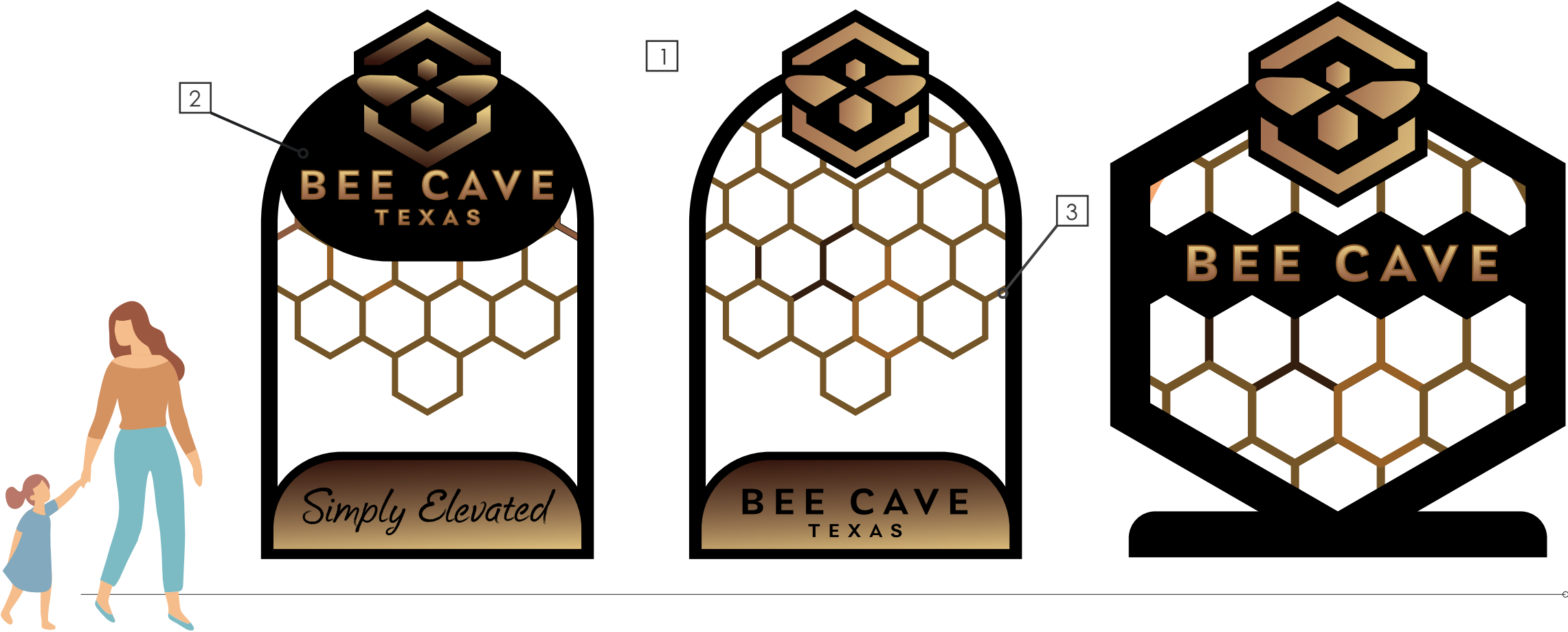


Sign shows the integration of stone, which could be limestone per the regional aesthetic.

City of Bee Cave | **Series 4**

Series 4 of the exterior sculpture sign and wayfinding set sign explore the honeycomb motif at different scales and in different arrangements.

The material inspiration and reference material utilize metals with a more “rustic” feel. This set also explores the utilization of a lasered out honeycomb mesh.



Exterior Sculptural Sign | **Series 2**

Material Inspiration and Reference

1 Image provided by Client



Inspiration Image

2 City of Bee Cave Central Park Sign



Dark rustic metal background with aluminum letters that pop.

3 Laser Cut Metal screen Pattern



Rustic metal that matches the aesthetic of the natural beauty of the Bee Cave region. Details are elegantly cut out of the material.



***Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal***

Agenda Item: 6.

Agenda Title: Discuss and consider action on developing a review committee for the Workforce Housing RFP.

Board Action: Discuss and Consider Action

Department: Administration

Staff Contact: Dori Kelley, Business Relations and Development Manager

1. INTRODUCTION/PURPOSE

On February 27th, the Bee Cave Development Corporation and Bee Cave City Council passed a Request for Proposal (RFP) for Workforce Housing. The RFP was formally issued on February 28th and has since garnered significant interest from developers statewide.

2. DESCRIPTION/JUSTIFICATION

a) Background

In partnership with JLL, the City of Bee Cave created an RFP for Workforce Housing on the city owned tract of land which consists of approximately 22.51 acres located along the south side of the heavily traveled Bee Cave Parkway and west of Skaggs Drive.

The City's vision for the project site includes a multifamily development to offer more housing alternatives, retail, recreational uses, and open spaces for those in the community at various income levels and onsite amenities that are synergistic to the development and complement the fabric of the surrounding community.

b) Issues and Analysis

Given the surge of interest in our Workforce Housing initiative, establishing a review committee would prove invaluable in selecting a optimal partner for the City of Bee Cave's inaugural project in this realm. This committee would undertake critical tasks such as proposal evaluation, scoring, due diligence, and recommendation.

To this end, staff recommends the following individuals for the Request for Proposal for Workforce Housing Review Committee:

President Gormley
Lindsey Oskoui

- Amanda Padilla
- Dori Kelley

Additionally, we propose including representatives from JLL, namely Will Douglas and/or Joe Dowdle, as well as representatives from Butler Snow, Esme Thoman and/or Carley Butler. This diverse composition ensures a comprehensive and well-informed assessment process, aligning with our commitment to selecting the most suitable partners for this pivotal project.

3. FINANCIAL/BUDGET

Amount Requested	Fund/Account No.
Cert. Obligation	GO Funds
Other source	Grant title
Addtl tracking info	

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Workforce Housing RFP	Backup Material



BEE CAVE
TEXAS
Simply Elevated

**REQUEST FOR PROPOSALS
FOR
WORKFORCE HOUSING DEVELOPER**

DATE OF ISSUE:	February 28, 2024
QUALIFIED RESPONDENT SITE VISIT:	March 20, 2024
DEADLINE FOR CLARIFICATIONS/QUESTIONS:	April 3, 2024
SUBMITTAL DATE:	April 29, 2024, at 3 pm
PRESENTATION/INTERVIEWS:	June 3-7, 2024
CITY COUNCIL AUTHORIZES STAFF TO NEGOTIATE CONTRACT:	June 25, 2024*

**Date subject to change in consideration of interview necessity and changes in council meeting dates in the month of June.*

FOR PROPOSAL
WORKFORCE HOUSING DEVELOPER

On Wednesday, February 28th, 2024, the City of Bee Cave will post an RFP for Workforce Housing Developer. Proposals will be accepted until 3:00 P.M. April 29th, 2024, at which time they will be publicly opened and read following the deadline, at the City of Bee Cave located at 4000 Galleria Parkway, Bee Cave, TX, 78738.

Please submit two (2) bound copies of the proposal, and one (1) USB drive containing a PDF copy of the proposal. The package should be clearly marked: "RFP – Workforce Housing Developer".

If mailed, mail to:
Attention, Thomas Hatfield, Deputy City Secretary
City of Bee Cave
4000 Galleria Parkway
Bee Cave, Texas 78738

If mailing, please allow time for delivery. Late submissions will not be considered. Proposals must be submitted with the respondent's name and address clearly indicated on the front of the envelope.

RESPONDENTS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE DOCUMENT PRIOR TO SUBMITTING A RESPONSE. THE DOCUMENT WILL BE AVAILABLE ON THE CITY'S WEBSITE AT:

<https://www.beecavetexas.com/cms/one.aspx?portalid=18412027&pageid=18725860> or by contacting the email address below.

Questions regarding the RFP may be directed in writing only to:
rfp@beecavetexas.gov

Please note that all submissions must be received at the designated location by the deadline shown above. Proposals received after the deadline will not be considered for the award of the agreement and will be rejected as non-responsive.

No questions will be answered over the phone. Questions will only be accepted until the stated deadline. Interpretations, corrections and/or changes of or to the

Proposal Documents will be made by City in the form of a written addendum.

Addenda may be obtained from the City website at:

<https://www.beecavetexas.com/cms/one.aspx?portalid=18412027&pageid=18725860>

It is the vendor’s responsibility to check the City website for addenda.

Any interpretations, corrections, or changes of or to the Proposal Documents made in any other manner, will not be binding upon the City, and Responders may not rely upon them.

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I. Introduction:

The City of Bee Cave (the “**City**”) hereby requests proposals from qualified and experienced residential housing development teams interested in the design, finance, construction, operation and continued maintenance and compliance of long-term affordable workforce housing for those residents making modest incomes such as first responders, teachers, and the workforce employed by many of our local community businesses. The City has identified a City owned tract of land which consists of approximately 22.51 acres located along the southside of the heavily traveled Bee Cave Parkway and west of Skaggs Drive (the “**Project Site**”). The Project Site is located within walkable proximity to retail, restaurants, and regional shopping centers. The Project Site is adjacent to pedestrian paths, a large fitness/sports complex, and recreational parks.

The development of workforce housing is technical and may require specialized financing that could require certain mandated timelines and certain on-going compliance monitoring; therefore, the City is soliciting proposals through this Request for Proposal (“**RFP**”) from housing developers that demonstrate to the City, in its sole and absolute discretion, an understanding of the Bee Cave community and that have a proven track record of developing and operating high-quality housing. Qualified Respondents (“Qualified Respondent”) should provide satisfactory evidence of successful experience in developing and managing affordable mixed-income housing and maintaining affordability commitments.

The purpose of this RFP is to invite the creativity of the development community to meet the objectives outlined herein and encourage Qualified Respondents to bring all viable ideas to the City. The City recognizes the need for varied housing options to meet the needs of the community and acknowledges the importance of collaborating with a Qualified Respondent to achieve an accelerated development cycle realized by the private sector’s expertise and resources.

The Project Site is owned by the City and it is the responsibility of the City to ensure the most beneficial, efficient and expedited process in its utilization. While fee simple acquisition of the Project Site is preferred for the purposes of providing workforce housing, the City understands that there are common practices in the development community in relation to City owned property that leverages the best outcomes of affordability, maximizes the number of affordable units and returns the greatest benefits to the City. The City may consider such options included within selected proposals. Qualified Respondents must consider to the extent of law or in equity, that the City must adhere to a standard of reasonable care when considering alternative land control and utilization within capital structures. Based on proposals other than fee simple acquisition, the City may engage outside advisors and/or counsel familiar with such structures to ensure the highest duty of care in the Project Site

utilization. Such costs for the engagement of outside professionals regarding such a structure may be required to be included in the development budget.

II. Project Overview and Objectives:

A. OVERVIEW

Bee Cave is located in the hills of Travis County, Texas, approximately 15 miles west of Austin, and is known for its natural beauty; superior school district; low property taxes; and shopping, dining, and outdoor recreational activities. The City's population, including the extra territorial jurisdiction (ETJ) is approximately 15,400 as of March 2023 and continues to grow as the greater Austin economy has boomed over the past decade.

Bee Cave is experiencing an affordable housing crisis, much like the rest of the United States and particularly Texas¹. The explosive population growth over the past decade in Central Texas paired with skyrocketing home values and limited new supply of homes has created an unaffordable environment for many who work in Bee Cave. According to Zillow, the typical home value in Bee Cave is \$901,135 resulting in a mortgage payment of \$5,431². To support this payment amount, a household must earn \$260,000³ annually. The median rent for a three bedroom apartment is \$2,840. To support this rental payment a household must earn approximately \$140,000 annually. The average first responder makes between \$35,000 and \$55,000 annually, a teacher's salary is approximately \$51,816, and retail workers range from \$15,080 to \$32,240 annually. As a result of the current options for housing, many of these types of residents must pay more than 30% of their annual gross income on housing and therefore must seek housing in communities located further and further away from Bee Cave. A lack of affordable workforce housing impacts the quality of life for Bee Cave residents as evidenced through longer wait times for services, businesses struggling to fill labor shortages causing reduced business hours and business closures, and families facing difficult housing decisions. In addition, the workforce at these wage ranges must travel from other communities further contributing to local traffic impact and more employee turnover.

The City seeks to promote a living environment in which people at all stages of life and on a variety of career paths can flourish and utilize our community businesses. The City's objective is to facilitate a housing market where young families, those in essential career roles

¹ When there is a shortage of affordable single family homeownership opportunities due to a low supply of homes available to certain income levels and first-time home buyers. If fewer people can buy homes, then more people remain in the rental market, creating greater demand for rental units and driving up local rental cost.

² 30-yr Fixed FHA at 6.25% interest rate. Does not include taxes or insurance.

³ Based on a \$85,000 down payment, \$500 in monthly debts and a credit score range of 700-719

supporting our community, and hospitality workers who provide service in our restaurants, stores, and entertainment venues work *and live* here, while also enjoying a high quality of life.

B. OBJECTIVES

The City's vision for the project site includes a multifamily development to offer more housing alternatives, retail, recreational uses, and open spaces for those in the community at various income levels and onsite amenities that are synergistic to the development and complement the fabric of the surrounding community. The City's key objectives include:

- Development of a multifamily project that includes a minimum of 50% or more of the units that are rent and income-restricted to households earning less than 80% of the 2023 Austin-Round Rock, TX MSA Median Family Income or "Area Median Income" ("AMI") of \$122,300 as defined by the U.S. Department of Housing and Urban Development ([link here](#)). While 80% is the top-level minimum of calculated workforce housing affordability, preference shall be given to Qualified Respondents that offer deeper discounted rent and income-restricted unit set-asides serving 50%-70% AMI workers.
- A minimum affordability period of 20 years is required; however, preference will be given to those able to ensure the affordable units remain affordable for the longest period of time (30 years or more). Proposals that offer an eventual path to ownership for a portion of the development are highly encouraged.
- A matchless design that incorporates a "Big House" style approach, which makes residents and the community feel like they are living in and surrounded by homes versus common garden-style design apartments. Any design elements must promote a mix of unit types developed within the project (studio, 1-bedroom, 2-bedroom, 3-bedroom+) that aligns with the housing demands of the target residents within the market.
- Developing a site layout with impervious cover not to exceed 55% of the net site area and in general accordance to the City's Unified Development Code and Engineering Technical Manuals.
- Partnering with a Qualified Respondent who has a deep understanding of how to capitalize a project to realize the highest number of affordable units while maintaining the integrity of the site through appropriate density and design context that is compatible with the surrounding area.
- Partnering with a Qualified Respondent who has experience in maintaining oversight and management of an affordable housing programs and can demonstrate a plan for maintaining operation and management of the affordability program within the Project. For clarity, said plan must include 3rd party oversight and monetary penalties

for non-compliance. Annual compliance reviews shall be required from an acceptable unrelated professional accounting and advisory firm. A proposal for the Project Site that does not include fee simple acquisition may also be required to submit annual financial audits for the term of affordability or until the Project Site is acquired.

In addition to affordable housing, the Site lends itself to community enrichment by way of mixed use, to include retail and recreational uses. Qualified Respondents are encouraged to propose uses to complement the residential project which might include:

Neighborhood Retail/restaurant

Destination retail

Utilization of the open space within the property boundaries to offer recreation activities for use of future residents and the community at-large.

III. Project Requirements:

The successful Qualified Respondent will have experience in developing and operating multi-family affordable rental properties that may contain a mixed-income requirement that is compatible and complementary with the Bee Cave community. The developer should plan to seek any mix of available funding to complete the capital stack required to meet the objectives of the project.

The City is soliciting a development team that can maximize the number affordable units developed on the City-owned site described in **Section IV Project Site**. The scope of the Qualified Respondent's responsibility includes the following, as described in further detail in this RFP and its appendices.

1. Site planning, budgeting, designing, financing, and constructing (horizontally and vertically), the Project Site; and
2. Operating and maintaining the Project Site.

For clarity, the Qualified Respondent will be responsible for all aspects of the site development at their expense, which may include but not be limited to the following:

1. Identification of site conditions and suitability for a proposed affordable housing project, which may include mixed income levels.
2. Conducting all site due diligence such as obtaining site surveys, appraisals, environmental studies, geotechnical assessments, and any other required studies.
3. Preparation and maintenance of accurate project timelines, pro-forma, and financial feasibility documentation, as may be required by the City to confirm the likelihood of success for proposed components.

4. Securing all required development approvals, including but not limited to any necessary land use entitlements, state and federal approvals, environmental clearances, and building permits. Developers should assume that the City will rezone the property as necessary to support the winning proposal's development plan. Such re-entitlement is assumed to be R5 or similar. Qualified Respondents may propose density above R5 if the integrity of the site is maintained and the site plan does not exceed 55% impervious cover and must take into the additional expense to increase the capacity of stormwater detention and treatment.
5. Recognizing that some funding may come from project partners without income restrictions to facilitate a range of incomes, obtaining adequate financing for all aspects of the proposed project, including predevelopment, construction, permanent financing, and property operations/operators.
6. Bringing all horizontal infrastructure to the site, including all offsite improvements required to serve the Project. Horizontal improvements shall not mean roadways currently included in the City's Capital Improvements Plan.
7. Ingress, and egress, including all coordination with Texas Department of Transportation ("TxDOT") and the City.
8. Designing and building the project in a manner that produces a high-quality living environment consistent with the greater Bee Cave community, and which meets all applicable funding requirements.
9. Managing and operating the Project in a manner that ensures its long-term financial viability and affordability and the ongoing satisfaction of residents.

Outlined below is an overview and description of the Project Site (as defined herein) and references to additional resources that offer a variety of additional site due diligence that has been compiled by the City. The information provided in this section and in the appendices is provided for reference only. The City does not warrant the accuracy of any of the Project Site or due diligence information provided. Qualified Respondents shall be responsible for verifying all existing conditions.

SUBJECT SITE:
current & future conditions

FUTURE SIGNAL

Bee Cave Parkway

FLAT, GRADED

INTERMITTENT CREEK

← DROP

BEAUTIFUL ROCK LEDGE/BLUFF & MATURE TREES

Project Site

PROJECT SITE

620

FUTURE SIGNAL

DEVELOPABLE AREAS

APPROXIMATE 0.18 ACRE GLOBE EASEMENT ENCUMBRANCE (DOC #200900607)

APPROXIMATE 1.61 ACRE DRAINAGE EASEMENT ENCUMBRANCE (DOC #200900607)

TRACT A
5.21 ACRE DEVELOPABLE AREA ZONED: RETAIL

TRACT B
2.84 ACRE DEVELOPABLE AREA ZONED: RETAIL

TRACT C
4.53 ACRE DEVELOPABLE AREA ZONED: RETAIL

EXISTING DETENTION POND

EXISTING WATER QUALITY POND

WATER QUALITY BUFFER ZONE

ENCUMBRANCES

0.597 ACRE AREA OF BUFFER ZONE WHICH IS RECLAIMABLE

PREVIOUSLY RECLAIMED WATER QUALITY BUFFER ZONE

Skages Tract Encumbrances	
Gross Property Area (Ac.)	21.067
Future ROW Area (Ac.)	5.955
Water Quality Buffer Zone (Ac.)	6.136
Drainage/Slope Easement Area (Ac.) (Not shown - Doc #2009036808, 2009036807)	1.42
Un-encumbered Area (Ac.)	11.456

The Project site is approximately 22.51 acres located to the south of Bee Cave Parkway to the southwest of Skaggs Drive as outlined in the above aerials (the “Project Site”). The Project Site is located less than 2 miles from the Hill Country Galleria, a destination shopping district, and approximately 15 miles west of downtown Austin. The site is located within the triangle that is

created by the boundaries of SH 71, Bee Cave Parkway, and FM 620, an area that has been envisioned for higher density as the city population grows.

A creek bisects the property from NW to SE, which will require appropriate setbacks from the floodplain. The existing stormwater detention facility is considered a dam and will require a dam management plan. The developer will need to increase water quality and detention volumes for impervious cover above 40 percent. The existing water quality and detention facilities are currently designed and approved to accommodate a maximum of 40% impervious cover, which may be increased to 55% if the density of the site plan requires it. Qualified Respondents must clearly describe all variances requested to current entitlements.

E. SITE CONDITIONS

The following documents are included as hyperlinks and should be used as reference for developing the site plan.

- 1) [City of Bee Cave Comprehensive Plan](#)
- 2) [City of Bee Cave Connectivity Plan \(2014\)](#)
- 3) [Unified Development Code](#)

All information is provided for reference only and is not warranted to be accurate by the City.

V. Solicitation Schedule:

A. PROPOSAL DUE DATE

Submittals from Qualified Respondents must be delivered by 3:00 p.m. Central Standard Time on April 29, 2024, in accordance with the requirements of Section VII.

B. SOLICITATION SCHEDULE

The solicitation, receipt and evaluation of the RFP responses are anticipated to follow the schedule below:

Distribution of the RFP	February 28, 2024
Qualified Respondent Site Visit	March 20, 2024
Deadline for Qualified Respondent Questions	April 3, 2024
Submittal Due Date for RFP	April 29, 2024, at 3 pm
Qualified Respondent Presentations/Interviews	Week of June 3-7
Submittal Due Date For BAFO	7 days after Interviews
Anticipated Notification of Award	June 25, 2024

VI. Communication Protocol:

A. DESIGNATED POINT OF CONTACT

JLL is the City's representative for the Project. All Qualified Respondent communications and questions must be in writing and sent via email to: rfp@beecavetexas.gov

All communication relating to this RFP must be submitted in writing by the date indicated in the Solicitation Schedule.

B. COMMUNICATION WITH THE CITY

Except as otherwise necessary for the conduct of existing City business operations, Qualified Respondents are expressly prohibited from engaging in communications with City personnel. JLL will act as the City's representative and will respond to questions on behalf of the City.

C. QUALIFIED RESPONDENTS' QUESTIONS REGARDING THE RFP

Qualified Respondents may submit questions in writing via email. Questions must be submitted by the deadline listed in the Solicitation Schedule. Qualified Respondents are encouraged to submit questions as quickly as possible and the City through JLL will respond on a timely basis.

VII. Submittal Requirements:

Qualified Respondents shall include in their Proposals a conceptual development site plan and a pro forma financial analysis including both development cost estimates and the estimated operating income and expenses of the proposed project plan.

A. SUBMITTAL INSTRUCTIONS

Proposals shall be submitted in accordance with the following procedures.

1. Format

Proposals shall be formatted on 8.5" x 11" sheets (except as expressly provided herein), preferably in portrait orientation to the Point of Contact listed in Section VI. All page limitations identify single-sided pages of content (i.e. one double-sided page equals two pages of content). Drawings and renderings do not count towards stated page limits.

2. Contents and Organization

Proposal emphasis should be on completeness and clarity of content.

Proposal materials shall be organized as follows:

- a. Letter of Interest: Brief introductory cover letter, including signature of authorized Qualified Respondent representative affirming the Proposal's conformance with the Proposal requirements of the RFP, to include acknowledgement of receipt of all addenda;
- b. Section 1 - Respondent Qualifications, as described in Section VII.C. below; and
- a. Section 2 - Technical Proposal, as described in Section VII.D. below; and
- b. Section 3 - Financial Proposal, as described in Section VII.E. below;

3. Submission of Proposals

Qualified Respondents shall submit two (2) spiral bound or semi-permanent binding method hard copies of the proposal and one (1) USB drive containing a PDF copy of the proposal shall be sealed and clearly marked: "RFP – For Workforce Housing Developer".

The package shall be delivered in person to:

Attention: Thomas Hatfield, Deputy City Secretary
City of Bee Cave
4000 Galleria Parkway
Bee Cave, TX 78738

If mailed, mail to:

Attention: Thomas Hatfield, Deputy City Secretary
City of Bee Cave
4000 Galleria Parkway
Bee Cave, TX 78738

If mailing, please allow time for delivery. Late submissions will not be considered. Proposals must be submitted with the respondent's name and address clearly indicated on the front of the envelope.

To be considered, all Proposal materials must be received by April 29, 2024 at 3:00 p.m. Central Standard Time.

It is the Qualified Respondent's responsibility to make sure that its submission is received by the City before the submittal due date and time.

4. FACSIMILE, INTERNET OR EMAIL TRANSMITTALS SHALL NOT BE ACCEPTED.

B. PROPOSAL ADMINISTRATIVE SUBMITTALS

The Qualified Respondent shall, as its administrative submittals:

1. Provide a letter of interest signed by a principal of the Qualified Respondent that acknowledges that the Qualified Respondent's submission is compliant with the Proposal requirements of the RFP, to include acknowledgement of all addendums.

C. QUALIFIED RESPONDENT QUALIFICATIONS

1. Description of Qualified Respondent

Qualified Respondents shall provide the following:

- a. A description of the Qualified Respondent, including a description and qualifications of all team members;
- b. An organizational chart; and
- c. The anticipated legal or contractual relationship of Qualified Respondent team with the City (governance and capital structure).

Qualified Respondents must identify the following team members as part of their Qualifications Submittals:

1. Lead developer, co-developers and/or sub-developers;
2. Civil engineer;
3. Equity investors and shareholders;
4. Lead architect and design team;
5. Lead construction manager; and
6. Financial partners.
7. Proposed operator

In addition, Qualified Respondents should identify any other identified design and construction partners, service providers, or key contractors who they anticipate will be part of the Qualified Respondent's team.

2. Qualified Respondent Background

Qualified Respondents shall provide information regarding each member of the Qualified Respondent, such as brief history, legal structure, service offerings / product type specializations, and geographic concentrations. The Qualified Respondent Background shall not exceed three (3) pages for each member of the Qualified Respondent.

3. Key Personnel

Qualified Respondents shall identify the day-to-day primary point of contact (POC) and provide resumes for the POC and other key personnel and describe each person's proposed role in the Project.

4. Controlling Interest

Qualified Respondents shall identify the individuals or companies who hold a major or controlling interest in each Qualified Respondent team member as well as the anticipated controlling interest in the Qualified Respondent.

5. Lead Member and Designated Representative

Qualified Respondents shall identify the lead member of the Qualified Respondent and provide a single point of contact for all future communications related to this RFP. Qualified Respondents shall provide the contact person's name, title, organization, address, telephone number, and email address.

6. Demonstrated Performance on Comparable Projects

Qualified Respondents shall provide qualifications that demonstrate the Qualified Respondent's expertise, experience, and financial capacity in the delivery of at least two (2) but not more than five (5) projects that compare to the Project that were completed within the past ten (10) years ("Comparable Projects").

7. Financial Capacity

Qualified Respondents shall demonstrate their financial capacity to finance the Project. Qualified Respondents shall provide:

- a. Evidence to demonstrate that they have the financial resources required to successfully execute a project or projects of this nature and scope;
- b. Evidence of their capability to raise debt and equity in the current capital/credit market as well as their experience financing recent transactions;
- c. Financial statements demonstrating the Qualified Respondent's credit worthiness and good financial standing.

D. TECHNICAL PROPOSAL

1. Executive Summary

Qualified Respondents shall provide a brief written narrative and other supporting materials ("Executive Summary") required below to describe their proposed approach for the Project. The purpose of the Executive Summary is to provide the City with a summary of key elements of the Technical Proposal and how such elements will be integrated, managed, and implemented to achieve a successful outcome. The Executive Summary shall not exceed ten (10) pages and shall state how the Qualified Respondent intends to achieve the goals and objectives for the Project as stated in Section II., including the following and presented in this order:

- a. A summary of programming on the Project Site, including proposed amenities or on-site social services to enhance the quality of life for residents of the project and the community;
- b. Proposed timing for occupancy by phase;
- c. Project schedule;
- d. Site plan approach;
- e. Project phasing plan;
- f. Design approach;
- g. Resident program management and operation and maintenance program plan

2. Project Schedule

The Project Schedule shall assume commencement upon award of the Project to the successful Qualified Respondent.

a. Project Schedule

Qualified Respondents shall submit a Project Schedule in Gantt chart format for the entirety of the design, development, and construction of the Project detailing major milestones and estimated dates of completion, to include, at minimum, the following elements:

- i. Targeted approval dates;
- ii. Architecture/engineering design milestones;
- iii. For each major proposed phase of the Project:
 - 1) Completion of schematic design, design development, and construction documents;
 - 2) Construction
 - a) Construction Commencement date;
 - b) Substantial Completion milestones;
 - c) Beneficial Occupancy; and
 - d) Full Occupancy milestones.

3. Site Planning Approach

Qualified Respondents shall provide a written narrative summary not to exceed ten (10) pages describing their approach to site planning for the Project. The site planning effort shall be inclusive of the following elements:

a. Program Summary

- i. Summary of the programming on the Project Site;
- ii. Proposed outdoor space; and
- iii. Proposed onsite parking.

b. Physical Planning

- i. Land use. Qualified Respondents must concisely and explicitly describe all anticipated variance requests to the current land use code that will be necessary to complete the project as proposed;

- ii. Architectural design strategies (including climate responsive orientation, massing and fenestration strategies);
- iii. Green space (including landscape character);
- iv. Circulation and access (including parking);
- v. Utilities (based on understanding of needs to include power distribution, potable water, fire and non-potable water, sanitary sewer, storm sewer); and
- vi. Comprehensive phasing strategy.

c. Project Phasing Plan

- i. Description of each proposed phase of the Project, identifying for each phase, at a minimum, the gross square footage of space to be completed by use, infrastructure and utilities to be completed, and all other elements that are proposed for each phase;
- ii. Written narrative addressing, at a minimum, an overview and rationale for phasing of space and associated infrastructure and utilities; and
- iii. Written narrative addressing, at a minimum, an overview and rationale for key considerations of the phasing plan, including parking and vehicular and pedestrian site circulation.

5. Design Submittals

Qualified Respondents shall provide the following design submittals and related information:

a. Physical Planning Framework

A Physical Planning Framework document consisting of the following elements:

i. Land Use Plan Diagram

A site strategy for the Project Site consisting of drawings and diagrams on 11" x 17" sheets, in PDF format, vector-based, and scaled to fit, which shall:

- 1) Distinctly differentiate between existing infrastructure, roads, and landscaped areas, and those that are being proposed as new or modified;
- 2) Identify the boundary of the project footprint ("Area of Disturbance"), considering the area required for the proposed

building(s), circulation features, utility corridors and easements, landscape features, storm water management features, site access, and temporary staging area(s), including construction-related parking;

- 3) Include proposed building footprints (with number of stories indicated on plan), circulation (roads, paths, vehicular, transit, and bike parking and access), locations of major above-ground infrastructure, outdoor site development (plazas, gathering areas, green spaces, etc.), storm water management and water quality facilities, and landscaping concepts with major site contours shown;
- 4) Include a presentation quality illustrative drawing that integrates the elements of the urban design concepts set forth in the urban form diagrams required by Section VII.D.5.a.ii below; and
- 5) Include an aerial view site plan rendering – point of view should be from the south looking north representing a full view of the project boundary.

ii. Urban Form Diagrams

Detailed urban form diagrams to scale on 11” x 17” sheets showing Qualified Respondents’ visions for the Project. The urban form diagrams shall:

- 1) Illustrate massing of the project at each major phase of construction to show how newly constructed areas relate to the site, landscape, and existing buildings; and
- 2) Provide the total GSF and USF for the proposed facility.

iii. Site Phasing Plan and Diagram

A sequencing plan and diagram submittal on 11” x 17” sheets consisting of the following:

- 1) A site phasing plan that estimates when each facility within the Project will achieve completion;
- 2) A site phasing diagram identifying:
 - a) The location and physical boundaries of each facility;
 - and

- b) The location of public gathering spaces and green spaces.

E. FINANCIAL PROPOSAL

1. Financial Narrative

Qualified Respondents must submit a Financial Narrative that includes the following:

- a. Identification of the entity or entities who will be purchasing the Project Site or will be party to the ground lease;
- b. If proposing to purchase the Project Site, the proposed purchase price;
- c. If proposing to ground lease the Project Site:
 - i. Proposed initial term and option terms for the ground lease;
 - ii. Description of the proposed ground rent structure (i.e. fixed, variable, combination) and the proposed annual fixed ground rent or variable ground rent to be paid to the City. Estimated land value and proposed ground rent constant must be provided. All variable ground rent shall be calculated as a percentage of the effective gross income (“EGI”) from the ground leased property;
 - iii. Proposed fixed ground rent escalation and any proposed resets;
- d. Details of each planned source of financing and the proposed capital structure;
- e. High level financing terms (interest rate for debt facilities, debt tenor);
- f. Proposed grants or other public subsidy needed to support the Project, such as Low Income Housing Tax Credits, Housing Finance Corporation (HFC) or Public Facilities Corporation (PFC) tax abatements
- g. Anticipated levered, pre-tax equity IRR;
- h. Identification of each equity investor and the amount to be provided by each investor, including expected yields or returns;
- i. If any equity or quasi-equity financing is to be raised from external sources, identify proposed sources and describe their current level of commitment to provide funding;
- j. Any conditions upon which the Financial Proposal is contingent;
- k. Detailed plan for achieving financial close, including the process and detailed timeline of activities to arrange the financing. Such timeline must include dates for the following milestones:
 - i. Commercial close
 - ii. Financial close

2. Pro Formas

The City requires Qualified Respondents to submit pro formas for the Project based on available debt and equity financing.

- a. Financial pro formas submitted shall be developed using Microsoft Excel software that is unlocked and shall contain the following worksheets:
 - i. Assumptions – The assumptions worksheet shall be linked to all other worksheets within the pro forma and allow for manipulation of the assumptions to produce varying results during the evaluation of Proposals. All cells that have assumptions (i.e. variables) that can be manipulated shall be colored in blue font. Assumptions shall allow the City to understand the following metrics:
 - 1) Size: GSF/use; USF/use;
 - 2) Rent: rent/GSF; and
 - 3) Cost: total project cost/GSF.
 - ii. Project Design and Construction Budget – This worksheet shall include a line item budget that reflects all expected design and construction costs by major trades/milestones and that is detailed for each year of the construction period through completion. The design and construction cost estimates shall be developed in accordance with the Program and Design Requirements in Appendix A and shall correspond with Qualified Respondent's responses to Appendix F.1. This Project and Design Construction budget shall contain formulae so that cell references and calculations can be verified.
 - iii. Project Sources and Uses Summary – This worksheet shall include all expected development costs, including a detailed breakout of fees to all parties and the sources to fund these costs. This summary shall contain formulae so that cell references and calculations can be verified.
 - iv. Project Annual Cash Flow Statement (for each year of the project term) – These statements shall contain formulae so that cell references and calculations can be verified. Specifically, the worksheet shall include the following on an annual basis:

- 1) Line item description and dollar amount for each source of revenue;
- 2) Line item description and dollar amount for each charge (deduction) against project revenue (e.g., vacancy loss, credit/collection loss, etc.);
- 3) EGI projection for each year of the project term based on items above;
- 4) Line item description and dollar amount for each project expense item;
- 5) Net Operating Income projection for each year of the project term based on items above;
- 6) Line item description and dollar amount of all deposits to project reserve accounts;
- 7) Fixed ground rent payments to the City, if applicable; and
- 8) Variable ground rent payments to the City, if applicable. All variable ground rent shall be calculated as a percentage of the EGI from the ground leased property.

F. MARKETING PLAN

1. Submission of a Marketing Plan (“**Marketing Plan**”) that promotes leasing initiatives to individuals and families that intend to reside within the community and work within the City of Bee Cave. While residency for working individuals and families that intend to work within the City of Bee Cave is desired, the Marketing Plan and ALL leasing activities must be consistent with all federal, state, and local fair housing regulations and provide for nondiscriminatory and equal opportunity leasing practices and policies applicable to all prospective residents.

A. EVALUATION PROCESS

All proposals will be evaluated and scored by a review panel that includes staff from the City of Bee Cave, the Bee Cave Development Corporation, and JLL. The evaluation and scoring shall be based on how well each proposal addresses the development of workforce housing while maintaining community priorities described in this RFP, as well as, how thoroughly each Qualified Respondent demonstrates the ability of their development and operating team to successfully complete and operate the development described in their proposal.

EVALUATION CRITERIA	MAX SCORE
Development Concept, Amenities Plan, Greenspace Utilization	20
Affordability (affordable units spread across AMI levels at or below 80% AMI)	20
Developer Experience/Development Team	15
Financial Feasibility/Readiness	15
Compliance Plan	10
Marketing Plan	10
Presentation	10



Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal

Agenda Item: 7.

Agenda Title: Discuss and consider action items of the BCDC workshop, including financial structures.

Board Action: Discuss and Consider Action

Department: Administration

Staff Contact: Dori Kelley, Business Relations and Development Manager

1. INTRODUCTION/PURPOSE

On Tuesday, March 19th, the Development Corporation convened a workshop in collaboration with Butler Snow. The focus of the session was on exploring financial structures relevant to Workforce Housing and discuss Economic Development tools.

2. DESCRIPTION/JUSTIFICATION

a) Background

Since the August 2023 workshop, the Development Corporation has undertaken significant initiatives, notably the Request for Proposal for Workforce Housing on the city-owned "Skaggs" site.

President Gormley started off the meeting by providing a comprehensive overview of last year's workshop discussions and a breakdown of bond issuance.

Esme Thoman and Carley Butler, representing Butler Snow, delivered a detailed presentation on two financial structures for Workforce Housing aimed at incentivizing development: Public Facilities Corporations (PFC) and Housing Finance Corporations (HFC). Following their presentation, the board engaged in a thorough discussion on each structure and requested a comparison highlighting the pros, cons, and trade-offs for further examination. This document is included in your backup materials, offering a high-level overview assuming a basic understanding of each entity.

In addition to financial structures, Esme and Carley explained a Municipal Development District (MDD), designed to foster economic development within its designated area, including portions of an Extraterritorial Jurisdiction (ETJ). They outlined how revenue generated from the MDD's sales tax can be allocated for similar economic development projects as a Type B Economic Development Corporation (EDC). Notably, an MDD is the sole means through which a municipal sales tax can be imposed on a city's ETJ.

NOTE: The Bee Cave Development Corporation is a Type B, 501(c)(3), which is an usual structure for a Development Corporation.

b) Issues and Analysis

In your back-up you will find the following documents:

1. 2024 Spring EDC Workshop Primer (President Gormley's presentation)
2. PFC_HFC_March 19th Presentation (From Butler Snow)
3. Texas PFC Process and Structure
 - PFC overview, ownership structure, fee structure, and partnership process
4. Housing Finance Corporation Partnerships
 - Overview of structure
5. MDD_Final
 - Overview of MDD, MDD sales tax
6. Economic Development Glossary
7. PFC and HFC pros/cons/trade-offs comparison

Butler Snow's recommendation:

Based on feedback received from the City of Bee Cave EDC, we recommend PFC formation to achieve the goal of developing workforce housing in the community. A PFC financing structure offers the guardrails necessary to ensure adequate oversight of the property tax exemption in exchange for workforce housing.

3. FINANCIAL/BUDGET

Amount Requested	Fund/Account No.
Cert. Obligation	GO Funds
Other source	Grant title
Addtl tracking info	

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION

Staff recommends the Development Corporation votes to recommend a PFC Structure to City Council.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> 2024 Spring EDC Workshop Primer	Presentation
<input type="checkbox"/> HFC March 19th Presentation Final	Presentation
<input type="checkbox"/> Housing Finance Corporation Partnerships	Backup Material
<input type="checkbox"/> PFC_HFC Compare & Contrast	Backup Material
<input type="checkbox"/> Texas PFC Process and Structure 2.13.2024	Backup Material
<input type="checkbox"/> MDD Final	Backup Material
<input type="checkbox"/> Economic Development Glossary	Backup Material

SECTORS

- Tradeable industries that brings wealth & quality of life into the community, creates employment opportunities and carry strong multiplier effects that support the overall local economy.



WORKFORCE

- Human capital is the life blood of any community. A healthy skilled workforce IS the most important factor in attracting and retaining businesses and the employees in those Sectors. Workers spread wealth and create more jobs through buying goods and services within the community.

COMMUNITY & CONNECTIVITY

- The most intangible element is community and connectivity. It includes services and amenities critical to the quality of life within our neighborhoods. Transportation, infrastructure, arts and culture, healthcare, childcare, higher learning and access to broadband are examples of community assets that support the workforce and stabilize thriving Sectors.



Begin

- **Planning**
 - Develop Spring Workshop
 - Develop Objectives/Goals

Arrange Goals

- 100 workforce affordable units in Bee Cave over 10 years
- Develop standard business development package & processes
- Continue review of regulations, policy and ordinances
- Strategic property acquisitions
- Leverage EDC 501(c) structure



Position

- Identify tools, partnerships and connections needed to achieve goals and future objectives
- Collaborate with internal and external stakeholders
- Weigh data from research, analysis and forecasting. Know the existing community assets
- Recognize strengths,

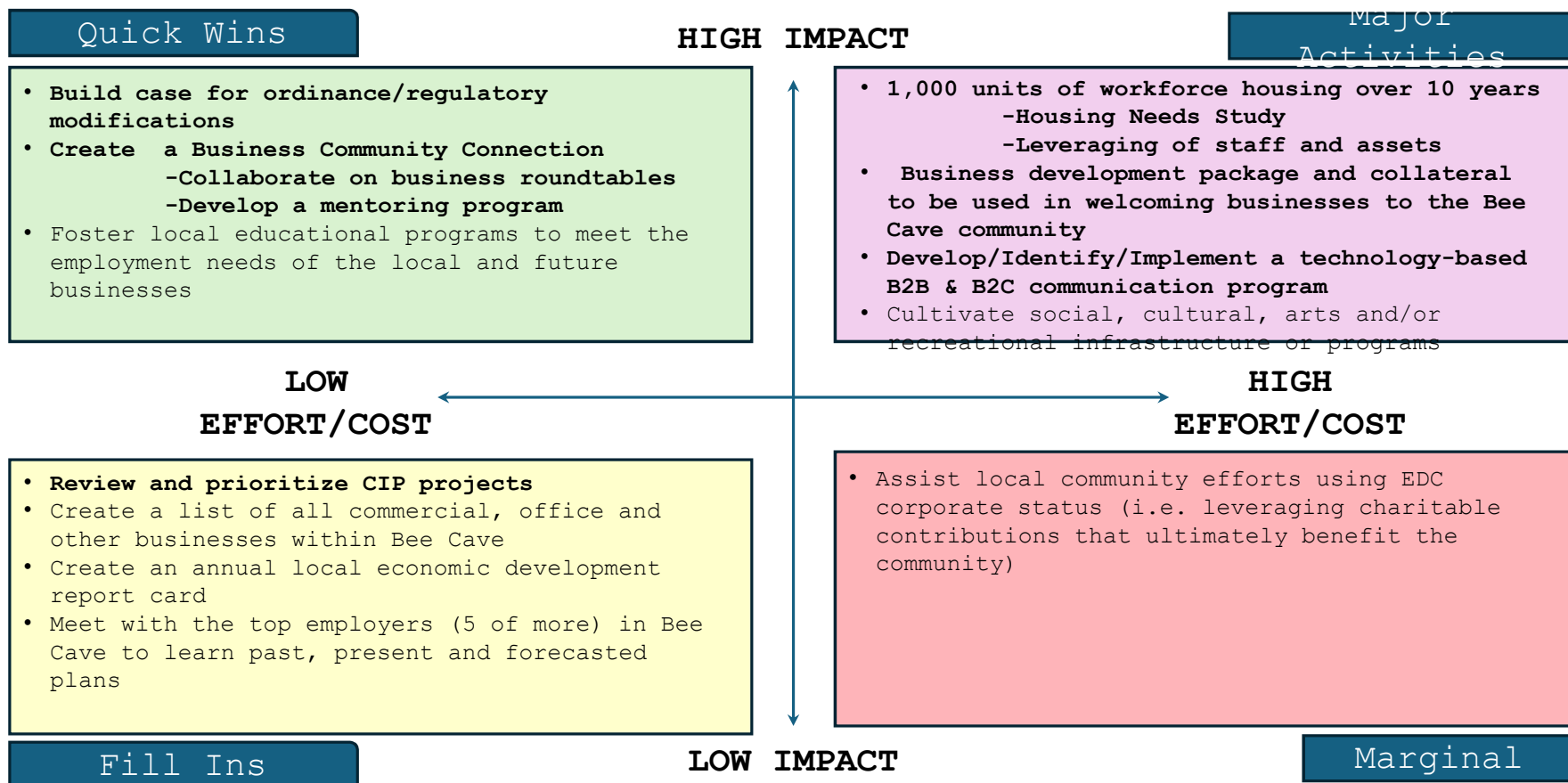
Action Plan

- Draft economic development plan framework. Determine Vision, Mission, Strategies, Objectives, Processes & Methods, and Implementation & Results
- Finalize a Strategic Plan that sets clear and attainable economic development objectives that target Sectors, Workforce, Community & Connectivity.



Implement

- Like the CIP, the Strategic Plan should be used to determine short-, medium-, and long-range goals, and consider costs associated with implementation.



*Items in bold were identified at the 2023 EDC Spring Workshop or are continuing activities

Bonds

An Introduction

Taxable Bonds vs. Tax-Exempt Bonds

- The difference between these two bonds is simply, unlike corporate bonds or U.S. Treasury bonds, the bond buyer does not have to include the interest income from the bond in the buyer's calculation of federal gross income.
- Typically, the bond buyer of tax-exempt bonds is willing to take a lower interest rate due to the reduction in taxable income.
- Certain rules apply to determine if Private Activity Bonds (PABs) are qualified to be tax-exempt.

Taxable vs. Tax-Exempt Rate Savings

EXAMPLE: \$10,000,000 Financing

	TAXABLE BOND	TAX-EXEMPT BOND (37%/21% Federal Tax Rate)
Interest Rates	7.00%	4.41%/5.53%
Annual Interest	\$700,000	\$441,000/\$553,000
Annual Savings	–	\$259,000/\$147,000

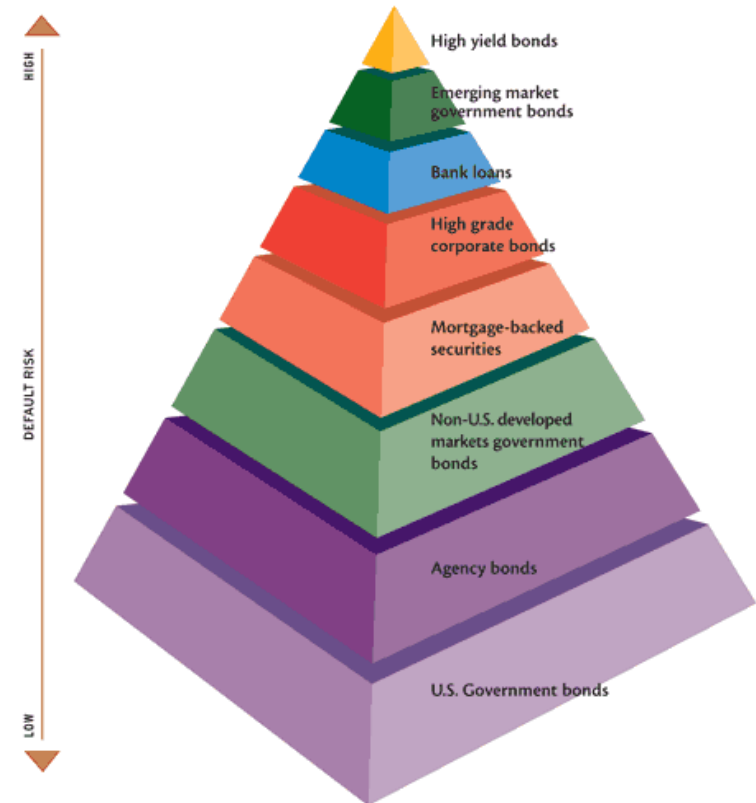
Bonds – what, why and how

- **WHAT:** A bond is a borrowing arrangement through which a borrower (the bond seller) issues/sells an IOU document to the investor/buyer.
- **WHY:** (1) To raise capital; (2) need funds, but don't want to dilute ownership; (3) investor could earn better returns through a steady and reliable payment than just a simple debt facility.
- **HOW:** Borrower identifies an issuer. Issuer facilitates the bond offering to the market or private investors. Investor/buyer purchases the bonds and those proceeds are used to facilitate a portion of the financing.



Types of Bonds

- There are many different types of bonds:
 - U.S. Treasury Bonds - issued by the U.S. government, considered a safe investment
 - Agency Bonds - issued by agencies of the U.S. government or government sponsored enterprises
 - Municipal Bonds - issued by states, cities, counties, etc. to fund public projects (**for example; GO Bonds/Private Activity Bonds**)
 - Corporate Bonds - issued by corporations (**for example: 501(c)3 bonds**)
 - High Yield Bonds - issued by entities that have a low investment grade (they have a weaker ability to pay back the bond); generally results in a higher interest rate and higher yields



Private Activity Bonds – Taxable or Tax-Exempt

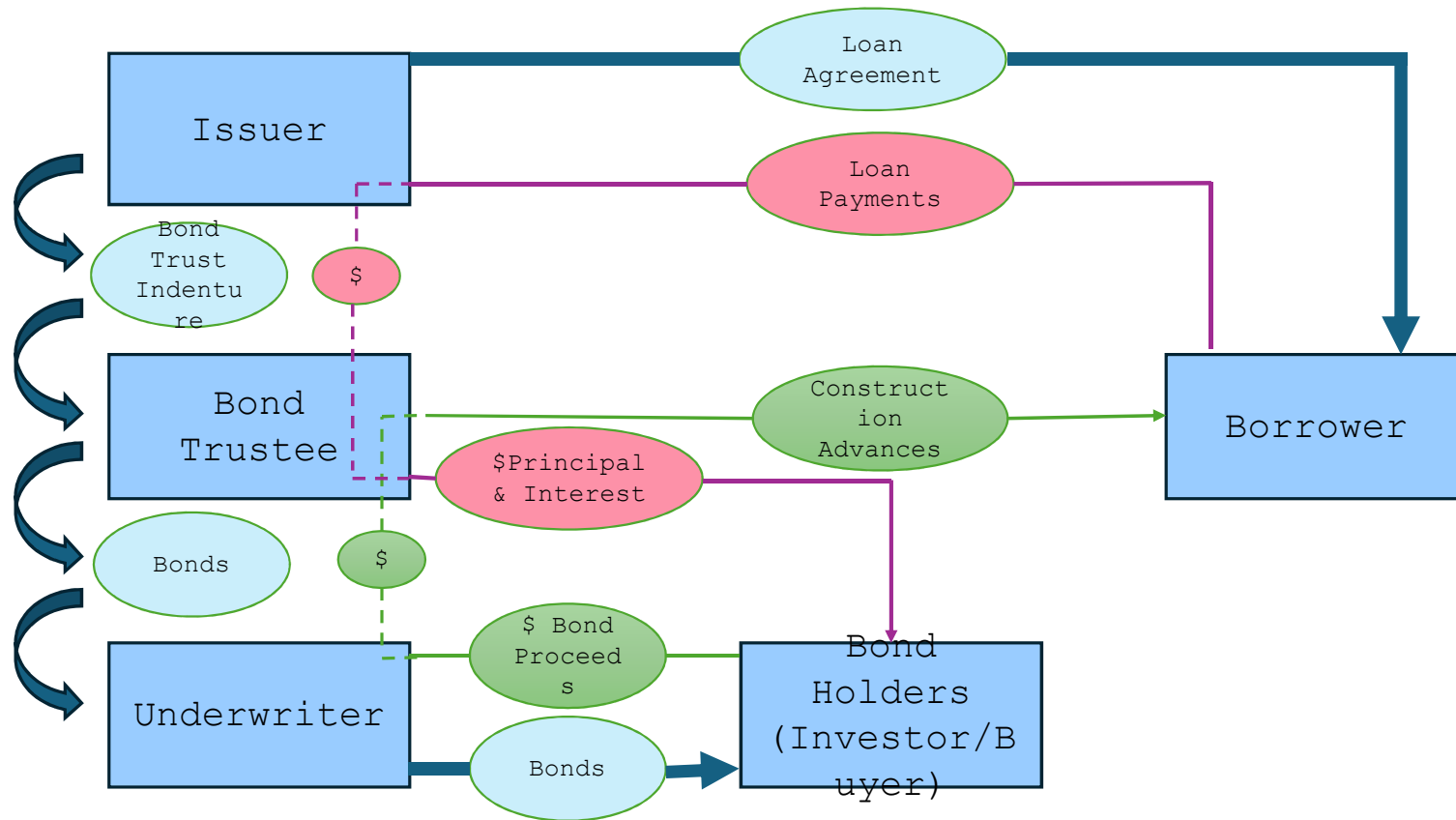
- Private activity bonds (PAB) are tax-exempt bonds issued by or on behalf of a local or state government for the purpose of providing special financing benefits for qualified projects. According to Section 141 of the IRC, a municipal bond will be deemed a private activity bond if more than 10% of the proceeds from the bond issue are used for any private business, and the principal and interest payment on more than 10% of the sale proceeds of the issue is secured by a private business property. States and cities, through private activity bonds, are able to borrow on behalf of private companies and nonprofits, lowering borrowing costs for entities that might otherwise turn to corporate bonds or bank loans. Private activity bonds are municipal bonds that are used to attract private investment for projects that have some public benefit; however, there are strict rules as to which projects qualify. Private activity bonds (PAB) are tax-exempt bonds issued by or on behalf of a local or state government for the purpose of providing special financing benefits for qualified projects.

General Obligation Bond –

- General obligation bonds are government-issued bonds that are repaid from state or local general funds or a dedicated tax. The issuing entity (e.g., the city, county, or state) places its full faith and credit in paying back the purchasers of the bond.
- Since 2013, the City of Austin has provided general obligation bond funds totaling \$122 million to support the development of workforce and senior affordable housing in Austin. From that seed, developers leveraged \$788 million in additional financing to develop 43 projects in the city of Austin. Those developments contain 4,372 units, of which 3,707 are designated as affordable. Through 2021, an additional \$16.5 million in 2018 bond funds have been provided to support home repairs for qualifying property owners. That brings the total bond expenditure on workforce and senior housing since 2013 to \$138.6 million.
- Developments enabled by general obligation bonds for workforce and senior affordable housing in Austin have supported 5,110 direct jobs and a total of 7,466 jobs, with labor income exceeding \$600 million. The total one-time economic impact of constructing and rehabilitating these developments exceeds \$1 billion since 2016.
- Annual local quantifiable economic activities produce a substantial impact on the Austin economy of \$101 million each year, including more than 700 jobs with \$42 million per year in labor income.

AUSTIN BOND FUNDED AFFORDABLE HOUSING DEVELOPMENTS		
Projects funded with GO Bonds since 2013		
Projects receiving only 2013 bond funds		
# of Projects: 17	GO Bond \$:	\$ 44,036,045
# of Units: 2142	Leveraged \$:	\$ 358,208,067
Affordable Units: 1583		
Projects receiving 2013 and 2018 bond funds		
# of Projects: 5	GO Bond \$:	\$ 15,453,553
# of Units: 518	Leveraged \$:	\$ 93,667,537
Affordable Units: 475		
Projects receiving only 2018 bond funds		
# of Projects: 21	GO Bond \$:	\$ 79,142,881
# of Units: 1712	Leveraged \$:	\$ 336,167,754
Affordable Units: 1649		
All Projects		
# of Projects: 43	GO Bond \$:	\$ 138,632,479
# of Units: 4372	Leveraged \$:	\$ 788,043,358
Affordable Units: 3707		
SOURCES: HousingWorks, City of Austin		

Anatomy of a Bond Issue





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Economic Development

Esme Thoman and Carley Butler

LAW ELEVATED

Public Facility Corporation

- Governed by Chapter 303 of the Texas Local Government Code
 - A **public private partnership** tool used by local governments to create **workforce housing** and promote **economic development**.
 - Local government entities (City Council) create a PFC to provide a property tax exemption in return for the development of workforce housing.
 - PFCs can own and finance property and issue tax exempt bonds.
 - **PFC owned property is exempt from property taxes.**
- Example of a PFC Partnership for new Construction, conventionally financed project with a Section 303.042(f) Exemption:



Chapter 303 of Texas Local Government Code

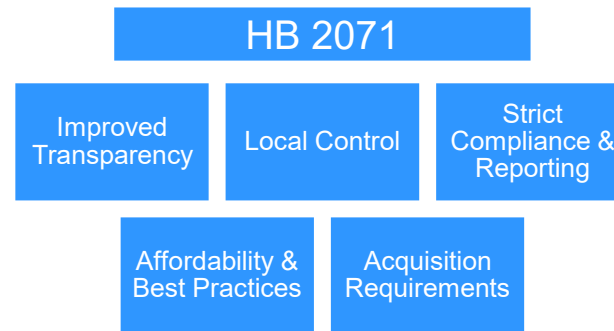
- When a PFC leases land and improvements built on that land to a private developer, the leasehold interest is now taxed in the name of the public facility corporation and is 100% exempt from property taxes.
- With the PFC as only a minor limited partner, the leasehold interest is easily transferred to new buyers without approval from the PFC sponsor.
- A PFC financing structure allows for the leasehold interest by a private owner to remain tax exempt as long as they meet the requirements under Chapter 303 of the Local Govt code.
- The private developer maintains control of the land while the land/buildings are taxed in the name of the PFC (which is 100% exempt from property taxes).

How a PFC Partnership Works for new Construction Projects with a Section 303.042(f) Exemption:



PFC Proliferation & Media Attention

- From 2015 – 2023, PFCs only required 50% of the units to be reserved at 80% of the area median income.
- Media attention:
 - The University of Texas at Austin Report shed light on the perceived misuse of the PFC tool and how it was being misused across the state.
- Chapter 303 statute reform addressed the following concerns:
 - Improved transparency
 - Local control
 - Strict compliance and reporting
 - Affordability and best practices
 - Acquisition requirements

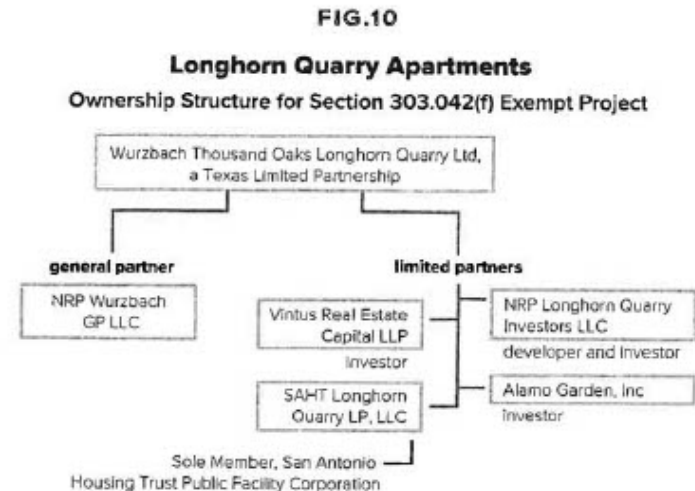


PFC Ownership Structure

- PFC and developer agree on affordability terms. PFC deals include the following income and rent restrictions (adjusted for family size):
 - Income Restrictions:
 - 40% of the units at 80% AMI
 - 10% of the units at 60% AMI
 - Rent Restrictions:
 - 30% of units at 60% AMI
 - 30% of units at 80% AMI

These commitments are contained in the ground lease for the project and in the regulatory agreement that is recorded in the deed records.

Ownership Structure for Section 303.042(f) Exempt Project Public Facility Corporation



PFC Ownership Structure

This example shows a typical structure of a PFC arrangement:

- A new limited partnership is formed.
 - **General Partner:** private developer who controls the land and buildings
 - **Limited Partners:** PFC and investors

Ownership Structure for Section 303.042(f) Exempt Project Public Facility Corporation

FIG.10

Longhorn Quarry Apartments Ownership Structure for Section 303.042(f) Exempt Project



PFC PILOT

PFCs generate revenue that can be used to fund workforce housing projects including:

- Application Fee
 - \$5k-\$25k
- Origination Fee
 - .5 to 1% of development costs
- Net Cash Flow
 - 10%-25%
- Asset Management Fee
 - \$12k-\$25k/year paid after stabilization
- Net Sales Revenue
 - If leasehold interest is sold to a third party, a PFC can be eligible to receive 10-25% of the net sales revenue, depending on structure of the deal and if PFC remains in the deal.

The Upton at Longhorn Quarry (opened for leasing in 2017)

Revenue		Tax Savings	
Application fee (one-time, up-front fee)	None	Property tax exemption	Total: \$2.6 million 2020: \$445,942 (pro rata as of July 2020) 2019: \$891,884 2018: \$892,804 2017: \$373,112
Origination fee (one-time, up-front fee)	\$250,000		
Cumulative asset management fees (\$25,000 annual fee once project is leased)	\$47,916		
Cumulative share of rental revenue (annual fee)	\$21,271	Estimated sales tax exemption (one-time)	\$1.3 million
Total revenue to the PFC, as of June 2020	\$319,188	Total tax savings, as of June 2020	\$3.9 million

The Baldwin at St. Paul Square (opened for leasing in May 2018)

Revenue		Tax Savings	
Application fee (one-time, up-front fee)	\$3,000	Property tax exemption	Total: \$2.1 million 2020 (pro rata): \$532,128 2019: \$1,042,726 2018: \$371,624 2017: \$133,165
Origination fee (one-time, up-front fee)	\$250,000		
Cumulative asset management fees (\$25,000 annual fee once project is leased)	\$16,666		
Cumulative share of rental revenue (annual fee)	\$11,656	Estimated sales tax exemption (one-time)	\$1.1 million
Total revenue to the PFC, as of June 2020	\$281,322	Total tax savings, as of June 2020	\$3.8 million

PFC Partnership Process

1. **Site Control.** A developer pitches deal to a PFC.
2. **Negotiate Financial Terms.** The developer and PFC negotiate the financial benefits to the local jurisdiction and the affordability restrictions to be included in the LURA.
3. **Approvals.** The local government and PFC approves the deal (i.e., the PFC board, city council).
4. **Leasehold Interest.** For new construction projects, the developer transfers the land to the PFC and the PFC leases the land and to-be-built improvements to a limited partnership entity controlled by the developer (typically for 60+ years). For acquisition projects, the developer transfers the land and improvements to the PFC, which are then leased back to the limited partnership.
5. **Tax Exemption.** A 100% property tax exemption is secured on the property from the local appraisal district.
6. **Development.** The developer, via the limited partnership entity, builds and rents out the apartment complex with a 100% sales tax exemption on construction materials.
7. **Stabilization.** Upon stabilization, the developer and investors can sell the leasehold interest to a third party. The PFC can choose to remain in the partnership, which extends the property tax exemption on the property.

PFC: Affordability Requirements

	BEFORE	AFTER HB 2071
Income Restrictions	50% of units at 80% AMI	40% of units at 80% AMI 10% of units at 60% AMI
Rent Restrictions	N/A	30% of 60% AMI 30% of 80% AMI
Adjustment for Family Size	N/A	Required per HUD Standards
Proportionality	N/A	Restricted units must be distributed among BR types
Housing Voucher Program	N/A	No income source discrimination
Lease Requirement	N/A	Certain tenant protections (tenant organizations)
LURA	N/A	Required to document affordability for 10 years

PFC: Local Control

	BEFORE	AFTER HB 2071
Jurisdiction	N/A	Development located in the sponsor's boundaries
Notice Requirement	Public Hearing (HAs)	Notice to all taxing units 30 days prior to board action
Elected Official Approval	PFC Board only	If majority of PFC board not elected officials, must be approved by City/County
Exemption	100%	Does not include MUD taxes without written agreement
Exemption Term	For as long as PFC owns land (typical ground lease 75-99 years)	60 years with option for renewal

PFC: Improved Transparency

	BEFORE	AFTER HB 2071
Underwriting Assessment	N/A	Development would not be feasible without participation of a PFC
Notice Requirement	Public Hearing (Housing Authorities)	Notice to all taxing units 30 days prior to board action
Website Information	N/A	Publish compliance requirements, voucher participation
Affirmative Marketing	N/A	Affirmatively market for voucher holders, notify local PHAs

PFC: Compliance & Reporting

	BEFORE	AFTER HB 2071
Audit Requirements	N/A	Audit report required to show compliance with affordability requirements; difference in market vs. restricted rents
TDHCA	N/A	Reviews third-party audit reports; gives notice of any non-compliance
Auditor Rotation	N/A	Must rotate audit firm every 3 years

PFC: Acquisition Requirements

	BEFORE	AFTER HB 2071
Income Restrictions WITH Renovation	50% of units at 80% AMI	40% of units at 80%AMI 10% of units at 60% AMI AND 15% of the total gross costs spent on renovation
Income Restrictions WITHOUT Renovation	50% of units at 80% AMI	40% of units at 80% AMI 25% of units at 60% AMI
Underwriting Report	N/A	Must show that reduced rents will equal at minimum 60% of the anticipated tax savings
City/County Approval(no reno)	N/A	Must receive City Council approval if in city, otherwise County Commissioner approval
Exemption Length	N/A	30 years

Public Facility Corporation

Note: In these conventionally financed projects, all of which are eligible for a 100% property tax exemption, the private developer serves as the general partner in the entity holding the leasehold interest to the property. These examples are PRIOR to statutory updates that now require rent and income restrictions.

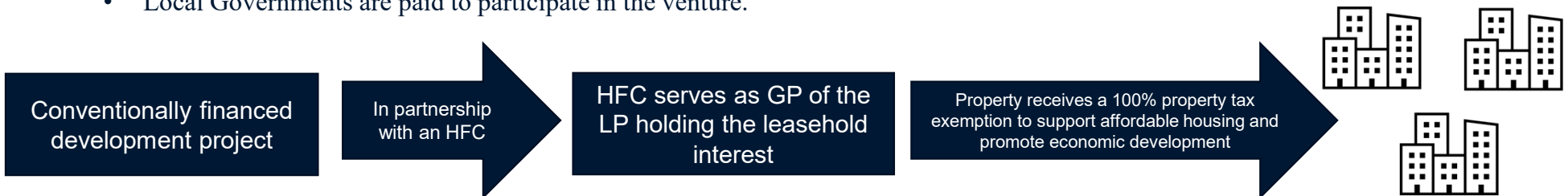
Name of Complex	Address	Year PFC approved, type of project, # of units, Developer	Income targeting (examples are PRIOR to 2023 rent and income restrictions)	Tax Exemptions	Notes
Huntsville Housing Authority: Vega Avenue	172 Ravenwood Village Drive, Huntsville 77340	2020, new construction, 250 units, Lynd Development	50% @ 80% AMI; 50% @ market rate	Property tax exemption: \$617k. Sales tax exemption \$1.03M	Prior to 2023 rent and income restriction requirements
City of Cibolo: Trophy Oaks Apartments	FM 78 at South Mains Street, Cibolo 78108	2019, new construction, 324 units, NRP Group	50% @ 80% AMI; 50% at market	Property tax exemption: \$1.25M. Sales tax exemption \$1.3M	Prior to 2023 rent and income restriction requirements
City of SA Housing Trust. Ridgeline Flats Apartments	26 acres on N side of 1604 between IH10/Bitters	2020 new construction, 349 units, NRP Group	40% @ 80% AMI; 10% @ 60% AMI for 15 years; 50% at market rate	Property tax exemption: \$1.46M. Sales tax exemption \$1.4M	Prior to 2023 rent and income restriction requirements
City of San Antonio PFC, The Apartments at Hemisfair	623 Hemisfair Boulevard, 78205	2016, new construction, 151 units, Davide Adelman Development	50% market; 50% @ 80% AMI. Within 80% units: 3 units @ 50-60%	Property tax exemption: \$1.5M. Sales tax exemption: \$650k	Prior to 2023 rent and income restriction requirements
City of San Antonio Housing Trust; South Floes Lofts (Soflo)	1334 Flores Street	2020, new construction, 292 units, Athena Domain Development	40% @ 80% AMI; 10% @ 60% AMI for 15 years; 50% at market rate	Property tax exemption: \$1.3M. Sales tax exemption: \$1.2M	Prior to 2023 rent and income restriction requirements

PFC Board

- The City of Bee Cave City Council (sponsoring entity) appoints board members to the PFC board:
 - Composed of at least 3 individuals
 - 6-year terms
- A board member who is a member of the governing body or an officer or employee of the sponsor is eligible to serve as an officer of the corporation.
- If majority of the PFC board are not elected officials, decisions must be approved by City/County.

Housing Finance Corporation

- Governed by Chapter 394 of the Texas Local Government Code
- A **public private partnership** tool used by local governments to create **workforce housing** and promote **economic development**.
- Established by a sponsoring local government (City Council) to support workforce housing.
- HFCs can sponsor conventionally financed development projects where the public entity (HFC) is serving as the general partner of the limited partnership holding the leasehold interest in the property.
 - Property receives a 100% property tax exemption because the public entity (HFC) is the general partner of the entity holding the leasehold interest.
 - To qualify for this 100% exemption, a property must be both **publicly owned** and used for **public purposes**. Property used for **public purposes** qualifies for an exemption *as long as* it is “equitably owned” by a public entity.
 - **Equitable Title** is determined by having the public partner as the general partner of the lessee. This gives the public partner control rights to the property or claw backs to gain control of the land.
 - Few restrictions and more flexibility regarding limiting rents or incomes. At least 90% of a development must be used or “intended to be occupied by persons of low or moderate income.”
 - Local Governments are paid to participate in the venture.



Housing Finance Corporation

To qualify for this 100% exemption using Section 394, a property must be both **publicly owned** and used for **public purposes**.

Publicly owned: Equitable ownership means that the local governmental entity has the “present right to compel legal title.” A property is equitably owned by a city or county housing finance corporation when the following conditions exist:

1. The land is owned in fee simple by the HFC and leased for at least 50 years to a limited partnership;
2. The improvements are owned by the limited partnership, but the public entity has control over the conditions to compel transfer of legal title to the property to the public entity, such as an option to acquire the property;
3. The public entity is the general partner of the limited partnership (or owns at least a 51% interest in the general partnership), while the investors and other for-profit partners are limited partners;
4. The public entity has a right of first refusal (usually at fair market value) to acquire the property if a purchase offer is received by a third party; and
5. The public entity has the right to cure financing defaults by the partnership.

Public purpose: To qualify for the 100% exemption, at least 90% of a residential development must be used or “intended to be occupied by persons of low or moderate income.”

Housing Finance Corporation

Note: In these conventionally financed projects, all of which are eligible for a 100% property tax exemption, the finance corporation serves as the general partner in the entity holding the leasehold interest to the property.

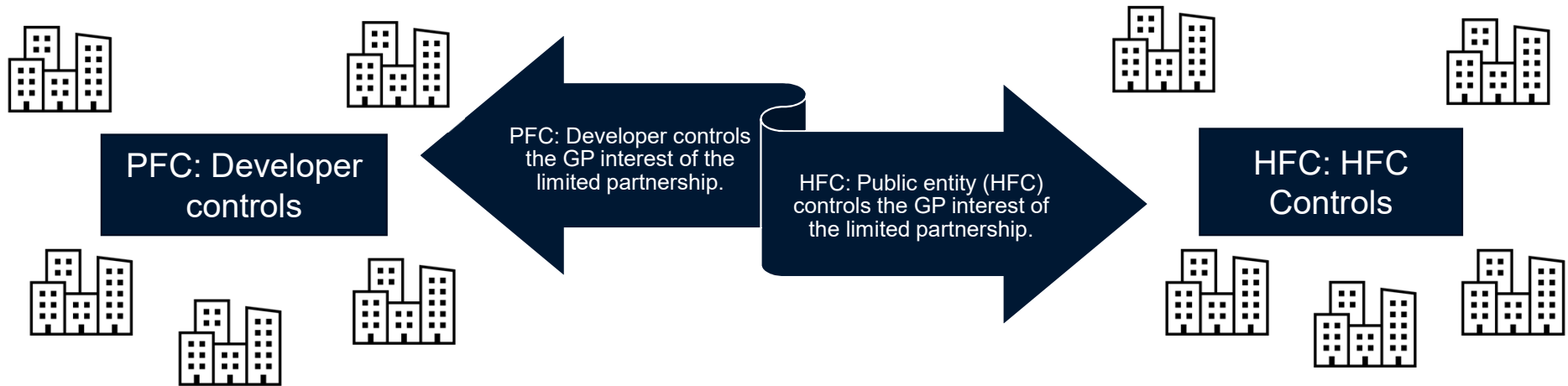
Travis County Housing Finance Corporation Examples:

Name of apartment complex	Address	Year of Partnership approval, # of units	Income Targeting	Tax Exemption	Notes
SOCO Dwell	4401 and 4411 South Congress Avenue, Austin	2019, new construction, 275 units/mixed use. Cypress Realty	10% at 60 AMI; 35% at 80% AMI; 15% at 90% AMI; 30% at 120% AMI	Property tax exemption: \$834k Sales tax exemption: \$1.1M	11 year affordability period; right of first refusal at FMV at 11 years
Riverside Dwell	6507 E. Riverside, Austin	2019, new construction, 225 units/mixed use. Cypress Realty	12% at 60% AMI; 48% at 80% AMI; 30% at 120% AMI; 10% Market Rate	Property tax exemption: \$1.025M Sales tax exemption: \$928k	11 year affordability period; right of first refusal at FMV at 11 years
701 Trinity Street	701 Trinity Street, Austin	2020, new construction, 342 units/mixed use. Cielo Property Group	45% at 80% AMI 45% at 140% AMI 10% Market Rate	Property tax exemption: \$2.2M Sales tax exemption: \$1.4M	99 year income restrictions

HFC vs. PFC

- *Similar arrangements*

- Both PFC and HFC structure offer a 100% property tax exemption to incentivize WFH development.
- Ownership structures are different.
 - In a PFC arrangement, a private developer controls the general partnership.
 - In an HFC structure, the public entity (HFC) controls the general partnership.



HFC vs. PFC

	Publicly Owned Properties: LGC Sec. 392 (HFC)	Public Facility Corporations and privately controlled leasehold interests: Sec. 303.042
Summary of Entity Role	Public entity either owns or maintains control over land and improvements; can be through a general partner interest	Public entity leases the land and improvements to a general partnership entity controlled by private developer
Amount of Property Tax Exemption	100%	100%
Income Targeting	At least 90% of the units must be occupied by persons of low and moderate income	40% of units at 80% AMI 10% of units at 60% AMI
Rent Restriction		30% of 60% AMI 30% of 80% AMI
Other Requirements		LURA: Required to document affordability for 10 years. Local govt. approval, etc.

Municipal Development District (MDDs)

Governed by Chapter 377 of the Local Government Code

MDDs may be formed independently of or formed in conjunction with a Type B EDC.

MDD Advantages:

1. The MDD tax need not be levied over the entire city, which is useful for cities that are at the two-percent sales tax “cap” in some portion of the city but not in others; and
 2. The MDD tax is the only municipal sales tax that may be levied in a city’s extraterritorial jurisdiction (ETJ).
- **Creation:** Cities can hold an election in all or part of a city, including its ETJ, to create an MDD.
 - **Purpose:** MDDs are established to promote economic development within their designated area including portions of an ETJ.
 - **Funding:** MDDs can adopt a **sales tax** to fund their projects. It may issue bonds or other obligations to pay the costs of a development project.
 - **Scope:** The revenue generated from the MDD sales tax can be spent on similar economic development projects as a Type B EDC.
 - **Limitation:** Funds can only be spent within the district boundaries.

Think of MDDs as a “Type B EDC on steroids” – they can undertake similar projects without the procedural requirements.

MDDs are considered political subdivisions.

Municipal Development District

Advantages of a MDD sales tax vs. an economic development sales tax:

1. The MDD tax need not be levied over the entire city, which is useful for cities that are at the two-percent sales tax “cap” in some portion of the city but not in others; and
2. It is the only municipal sales tax that may be levied in a city’s extraterritorial jurisdiction (ETJ)
3. The district may not impose a sales and use tax that would result in a combined local tax rate of more than two percent in any location in the district.

An MDD is the only way a municipal sales tax can be levied on a city’s ETJ.

Municipal Development District (MDD) vs Type B EDC

What are the differences between a Municipal Development District and a Type B Economic Development Corporation?

Any MDD will be able to perform the **EXACT SAME** types of projects as are currently allowed by a Type B EDC.

Difference: The major difference is that an MDD can impose a sales tax in the ETJ of the City. The EDC can only impose sales tax within city limits.

How is the district created? To create an MDD, a municipality must call for an election and define the proposed boundaries of the district (in this case to include the City limits and the ETJ of the city).

Who pays for the MDD? Anyone making a purchase of taxable items inside the boundaries of the MDD will pay the sales tax including purchases made by individuals who live outside of the district but who are shopping and eating in the district. This is very similar to what occurs with the EDC within the City limits.

Who oversees the MDD? A board of at least four directors would govern the District.

Fair Housing Guidelines

Protected classes under federal law include: race, color, religion, sex, national origin, familial status, disability.

Advertising & Marketing Guidelines:

When advertising housing, it is prohibited to specify a preference or limitation of housing based on someone's membership in any of the **protected classes**.

Marketing and incentives can be targeted towards certain groups *k*no preference is given based on someone's membership in any of the **protected classes**.



Thank You

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100% Exemption for Developments Owned by Political Subdivisions and Their Instrumentalities

Under Section 11.11(a) of the Tax Code, property owned by the state or a political subdivision of the state is 100% exempt from property taxes if the property is used for a public purpose.

To qualify for this 100% exemption, a property must be both **publicly owned** and used for **public purposes**. Counties and cities typically utilize a housing finance corporation to participate in housing development projects, although a growing number of counties and cities utilized public facility corporations from 2015-2023.

Publicly owned: In instances where a public entity is not the sole owner of property, Texas court rulings and an opinion from Texas Attorney General provide that property used for public purposes qualifies for an exemption as long as it is “equitably owned” by a public entity. Equitable ownership means that the local governmental entity has the “present right to compel legal title.” Whether property is equitably owned by a public housing authority or city or county housing finance corporation is a fact-specific determination. The case law and AG guidance have been interpreted by apartment industry attorneys, appraisal districts, lenders, and investors to support a 100% tax exemption on apartments developed and owned through a public-private partnership when the following conditions exist:

1. The land is owned in fee simple by the housing authority or housing finance corporation and leased for at least 50 years to a limited partnership;
2. The improvements are owned by the limited partnership, but the public entity has control over the conditions it can fulfill to compel transfer of legal title to the property to the public entity, such as an option to acquire the property;
3. The public entity is the general partner of the limited partnership (or owns at least a 51% interest in the general partnership), while the investors and other for-profit partners are limited partners;
4. The public entity has a right of first refusal (usually at fair market value) to acquire the property if a purchase offer is received by a third party; and
5. The public entity has the right to cure financing defaults by the partnership.

Public purpose: Texas statutes do not provide much in the way of restrictions when it comes to limiting the incomes or rents that must be imposed on a publicly-owned rental property to further a public purpose under the Texas Constitution and thus qualify for the 100% property and sales tax exemption.

For city and county housing finance corporations to qualify for the 100% exemption, at least 90% of a residential development must be used or “intended to be occupied by persons of low or moderate income,” as those terms are defined by the housing finance corporation.

	Housing Finance Corporation: HFC (Local Govt. Code 394)	Public Facility Corporation: PFC (Local Govt. Code 303)
Entity Role	HFC (the public entity) either owns or maintains control over land/land improvements and serves as the general partner of the limited partnership.	PFC leases land/land improvements to a private developer. Developer serves as the general partner of the limited partnership and maintains control of the land/land improvements.
Amount of Property Tax Exemption	100%	100%
Income Restriction (units set aside for incomes at a % of AMI)	Statute requires “at least 90% of units to be occupied by persons of low or moderate income.” Beyond that requirement, an HFC deal offers flexibility regarding affordability.	40% of units at 80% of the Area Median Income 10% of units at 60% of the Area Median Income
Rent Restriction (rent capped at % of AMI)	Negotiated with HFC, no statutory requirement.	30% of units at 60% of the Area Median Income 30% of units at 80% of the Area Median Income
Other Statute Requirements	Negotiated with HFC, no statutory requirement.	*Land Use Regulatory Agreement (LURA): required to document affordability for 10 years. *Local Govt Approvals (City Council, PFC Board) *Notice to all taxing entities. *Annual Compliance Audit
PROS	*Statute provides flexibility to determine affordability for new construction developments and conversions of existing assets. *HFC (local govt.) maintains control and oversight of the asset as the GP (HFC approval prior to sale, etc.). *HFC structure can provide assurance to taxpayers that a publicly owned asset used for a public purpose (WFH) is providing a public benefit. This general sentiment is that when the local	*PFC statute is prescriptive and requires explicit rent and income restrictions, local control, transparency, notice (not approval) to all taxing authorities, and compliance that must be met before a property tax exemption is granted. *PFC statute requires deeper affordability for conversions of existing assets in addition to a public benefit analysis demonstrating reduced rents equal 60% of the tax savings.

	<p>government has more control in the property, the local govt. can ensure the property provides adequate affordability that justifies the incentive received.</p> <p>*HFCs can be used to engage in many affordable housing initiatives and programs.</p> <p>*Board members typically elected officials.</p> <p>*Many cities have both an HFC and PFC.</p> <p>*Option to purchase property at end of affordability period or when sold.</p> <p>*HFC paid to participate in the venture through PILOTs.</p>	<p>*Developer serves as the general partner and maintains control of the property.</p> <p>*PFC serves as a limited partner in the deal. The financial structure places less potential for financial and liability risk on the PFC (as the limited partner).</p> <p>*PFC required to document affordability and other terms in the LURA. This requirement memorializes commitments made by developer.</p> <p>*Annual audit required that demonstrates the affordability requirements are met.</p> <p>*Majority of the compliance burden is placed on the developer.</p> <p>*PFC paid to participate in the venture through PILOTs.</p>
CONS	<p>*Increased financial and liability risk (since the HFC is the general partner).</p> <p>*Increased involvement in property decisions (i.e., approval prior to a sell, etc.).</p> <p>*Greater potential for financial exposure.</p> <p>*Increased administrative and personnel costs. Additional burden on staff to ensure compliance.</p> <p>*Statute not prescriptive as to the terms of affordability. Less guidance as to what affordability terms must be met.</p>	<p>*Less control and involvement in property decisions (private developer controls property as the GP).</p> <p>*Developer (as the GP) controls the property and has ultimate decision-making authority (regarding sale, etc.).</p> <p>*The PFC structure, where a private developer is the general partner and maintains control of the property, can be perceived as a private entity controlling a public incentive without providing adequate accountability to taxpayers.</p>

	*No audit requirement.	Negotiating terms and expectations prior to an agreement can mitigate this concern.
TRADEOFFS	<p>*TRADEOFF: Increased control, increased risk.</p> <p>*Since the HFC serves as the general partner and maintains equitable title on the property, the HFC has more control and decision-making authority. Because of this financial structure, the HFC assumes a greater liability risk and increased oversight of the asset.</p> <p>*An HFC financing structure requires additional burden on staff to ensure compliance. HFCs are commonly used by larger cities as a tool to develop WFH. Larger, more established cities can easily withstand the additional staff support.</p> <p>*An HFC offers flexibility regarding the affordability requirements. The HFC statute allows for the flexibility needed to structure HFC deals to meet the needs of the community. The HFC structure is often used when a PFC deal is infeasible (due to statutory requirements).</p>	<p>TRADEOFF: Less risk, less control.</p> <p>*PFC statute provides specific requirements and control measures to ensure affordability and compliance. Required audits demonstrate that WFH is achieved in exchange for the public benefit of a property tax abatement.</p> <p>*Since the private developer serves as the general partner and maintains control of the property, the PFC has less control and decision-making authority. PFC is not required to weigh in when the property is sold to a third party, etc. Negotiating terms and expectations prior to an agreement can mitigate this concern.</p> <p>*A PFC financing structure requires less PFC personnel involvement (since the PFC is a limited partner).</p>
Assessment		Based on feedback received from the City of Bee Cave EDC, we recommend a PFC formation to achieve the goal of developing workforce housing in the community. A PFC financing structure is an effective economic development tool that offers the guardrails necessary to ensure adequate oversight of the property tax exemption in exchange for workforce housing.

Process and Structure of PFC-Leasehold Interest Deals Under Section 303.042(f):

While the process for how local governments end up partnering with private developers in apartment development and acquisition projects for purposes of the Section 303.042(f) exemption varies, most come about when a private apartment developer pitches the deal to the local housing authority or other local government entity. If the staff member overseeing housing development projects for the local governmental entity is interested in the deal and thinks it merits support, the staff or general counsel will negotiate a memorandum of understanding (MOU) with the developer containing core terms of the proposed partnership. The MOU will then be presented to the PFC's board of directors for final approval. If the MOU is approved by the PFC board, then the PFC staff and developer will enter into further negotiations leading up to the execution of a final ground lease and partnership agreement. More recent PFC deals also often include a regulatory agreement, which is recorded in the deed records, and sets forth additional specificity concerning the income and any rent restrictions on the property as well as a process for certifying renters' eligibility for the income-restricted units.

The PFC collaborates with the private developer in communications with the local appraisal district to secure the 100% property tax exemption from the appraisal district on the leasehold interest. If the exemption is lost within five years of the commencement of construction as a result of a legislative change or any reason that is not the fault of the developer, a standard provision in many PFC deal documents requires the PFC to assign over its ownership interest (i.e., fee simple interest) in the property (both land and improvements) to the private developer and investors for \$0 or \$1.

In exchange for the local jurisdiction participating in the partnership in a way that allows for a 100% tax exemption on the project, the developer offers the local jurisdiction some form of financial incentives, which typically, but not always, include an up-front fee (e.g., a developer or acquisition fee). Most PFC deals also offer the local governmental jurisdiction a percentage cut of the net cash flow (10-25%) from the property after the equity investors receive their preferred return on investment (typically 10-15%). The actual payment to the PFC will typically end up being minimal by the time the property's expenses (including debt) and the investors' returns on equity are paid.

The PFC and developer must also agree on the different ranges of affordable housing benefits that will be required. The minimum threshold required under Section 303.043 for sponsoring entities entering PFC deals include the following income and rent restrictions (adjusted for family size):

- Income Restrictions:
 - 40% of the units to be restricted to households making 80% AMI
 - 10% of the units to be restricted to households making 60% AMI
- Rent Restrictions:
 - 30% of units at 60% AMI
 - 30% of units at 80% AMI

These commitments are contained in the ground lease for the project and in the regulatory agreement that is recorded in the deed records.

Ownership Structure for Section 303.042(f) Exempt Project:

The decision to enter into a leasehold interest deal with a private developer—and thus effectively abate all of the property taxes on the property under Section 303.042(f)—is ultimately made by the governing body of the public facility corporation.

Once a PFC project is approved by the governing body of the local jurisdiction the public entity and private developer enter into a limited partnership, with the private developer serving as the general partner via a subsidiary entity it controls, and with the developer and equity investors serving as limited partners. The public entity receives a special limited partner interest, typically of less than 0.1%. Once a public entity enters into one of these partnerships, its role is very limited.

For new construction projects, the developer typically sells the land for the development to the local government entity, which then leases the land along with the to-be-built improvements to the limited partnership via a long-term ground lease running for 70 plus years. The local jurisdiction then secures a property exemption on the leasehold interest, which includes both the land and improvements. If the property tax exemption is revoked within the first five years of the deal through no fault of the developer, then the local jurisdiction is typically to transfer the fee estate the limited partnership for \$0 or \$1. In some cases, the local jurisdiction is also required to transfer its ownership interest if the exemption is revoked after five years.

At any time, the private developer and investors could decide to stop including any income-restricted units, at which time the property loses its property tax exemption and is then subject to property taxes. The PFC-sponsored properties are also eligible for a 100% sales tax exemption on construction materials because the PFC serves in name as the general contractor for the construction project. Many PFC deals are structured in anticipation of the leasehold interest being sold to a third party after the property is leased up, usually within five years of construction, with the developers and private equity investors exiting the investment. According to industry officials, the internal rate of return to the investors on these deals has ranged from 15-20%.

The PFC has little control over whom the property is sold to. When the leasehold interest is sold, the local governmental entity typically has the option to stay in the partnership, which results in the continuance of the property tax exemption and affordable housing commitments. For example, the first three tax-exempt PFC leasehold deals in San Antonio have already been sold to third parties, with the City of San Antonio choosing to stay in the partnerships. The Baldwin in San Antonio, the NRP Group (developer), sold the property for \$62 million after two years of being developed, with profits of \$10 million to the NRP Group and investors (who had made an equity investment in the property of around \$10 million). When the property was sold, one option available to the City of San Antonio was to receive 10% of the net proceeds of the sale, which was approximately \$949,000, and put the property back on the property tax rolls. The City chose instead to remain as a limited partner and keep the property off the tax rolls in exchange for receiving a portion of the net cash flow from the property.

Typical PFC Fees as follows:

1. **Application fee.** Also called a due diligence fee. This fee is paid by the developer in order for the PFC to vet the apartment deal proposed by the developer. This fee typically ranges from \$3,000 to \$15,000 per project.
2. **Origination fee.** Also called a developer fee or acquisition fee. This fee typically varies from 0.5 to 1% of the development costs, or \$200,000 to \$600,000 per property. The San Antonio Housing Trust (SAHT) has received \$250,000 as an up-front fee for each of its first eight conventionally-financed PFC deals. The Housing Houston Authority's up-front fees on its first eight conventionally-financed projects vary from \$150,000 to \$611,000. For some PFCs, a portion of the fee is not paid out until the property is refinanced.
3. **Net cash flow.** This revenue source consists typically of a 10-25% cut of the net cash flow from the property after the property expenses are covered and equity investors receive their preferred return on investment. This annual revenue source usually does not kick in until after the leasehold interest has been sold several years into the project given that the cash flow is first used to cover debt and the investors' preferred returns. Even then, the actual payment to the PFC from the cash flow will typically end up being very minimal. As an example, SAHT expects to receive approximately \$100,000-\$150,000 a year on average over the next ten years for sponsoring their most recent PFC partnerships.
4. **Asset management fee.** This fee is also called administrative rent or a compliance fee. Some properties also include an annual fee that is paid after the project is leased up (usually after two to three years), but whether this is ever paid out depends on whether the legal documents require the fee to be paid before the investors receive their return. The annual fees can range from \$12,000 to \$25,000 a year per property. For some PFC deals, this fee of \$25,000 a year fee is not paid until the latter of rent stabilization or 36 months after the ground lease date.
5. **Net sales revenue.** When the leasehold interest is sold to a third party, a PFC may be eligible to receive 10-25% of the net sales revenue, depending on the structure of the deal. In some deals, the PFC is eligible for 10% of the net sales proceeds when the leasehold interest is sold, but the PFC board can choose to remain in the partnership. In those cases, the PFC is ineligible to collect this revenue.

PFC Partnership Process Under Section 303.042(f):

1. A developer pitches an acquisition or new construction of an apartment complex to a public housing authority or sponsoring PFC.
2. The developer and local government staff negotiate the financial benefits to the local jurisdiction and the affordability restrictions or terms to be included.
3. The public entity's governing body approves the deal (i.e., the Housing Authority Board of Commissioners, the City Council, or County Commissioners Court).
4. For new construction projects, the developer sells the land to the PFC and the PFC leases the land and to-be-built improvements to a limited partnership entity controlled by the developer (typically for 75-99 years). For acquisition projects, the developer sells the land and improvements to the PFC, which are then leased back to the limited partnership.
5. A 100% property tax exemption is secured on the property from the local appraisal district.
6. The developer, via the limited partnership entity, builds and rents out the apartment complex (for new construction projects), with a 100% sales tax exemption on construction materials.
7. At year three to year five, the developer and investors typically cash out of the deal, and the leasehold interest is sold to a third party. The PFC can choose to remain in the partnership, which extends the property tax exemption on the property.

Municipal Development Districts (MDDs)

Chapter 377 of the Texas Local Government Code enables cities to form MDDs. MDD oversight is vastly different than that of Type A and Type B EDCs. Type A and Type B EDCs are independent non-profit corporations with restrictions on who may serve on their boards.

Chapter 377 allows a city to hold an election approving an MDD and then appoint a board of directors of no less than four members who may be exclusively made up of city employees or officers. The board of directors of the MDD may also be residents of the ETJ and not exclusively within the city limits and serve two-year staggered terms.

MDDs must hold meetings under the Texas Open Meetings Act to approve any type of project (defined by status as a Type B project), or any additional types of civic projects outlined in Chapter 377. The additional types of projects afforded to MDDs include civic centers, auditoriums, convention centers, parking facilities, and other tourism related facilities not expressly allowed as Type B projects.

MDDs are formed with defined boundaries that are required to be defined on the ballot to approve the MDD. These boundaries may be both within the city's limits and the city's ETJ. That MDD can then tax exclusively within that defined boundary for MDD approved projects within either the boundary or within the city limits or ETJ. The MDD projects may be outside the MDD boundary, so long as they are approved and found to be "beneficial to the district" by the MDD's board and governing authority.

MDDs may be formed independently of or formed in conjunction with a Type A or Type B EDC.

Municipal Development District:

An MDD is a political subdivision created by a city to plan, acquire, establish, develop, construct, or renovate development projects beneficial to the district. An MDD closely resembles a Type B economic development corporation, with some key differences.

The MDD is funded through a dedicated local sales and use tax that must be approved by the voters in an election held within the district.

MDD Sales Tax:

An MDD sales tax is an economic development tax that can be spent on authorized "development projects," which include any of the following:

1. The MDD tax automatically encompasses any project available to a similarly-sized Type B economic development corporation.
2. A convention center facility or related improvements such as a civic center or auditorium.
3. Parking lots for such convention or related facilities
4. Civic center hotels. This authority can be quite important; funding of civic center hotels with other funds, such as hotel occupancy taxes, is controversial both legally and politically.

MDD Sales Tax:

There are several distinctions between an MDD tax and a Type B tax that might make the MDD tax preferable to a particular city:

1. The scope of projects that can be funded with an MDD sales tax is slightly larger than a Type B sales tax
2. An MDD sales tax need not be levied over the entire corporate limits of a city, as a Type B sales tax must. This can be useful for cities that straddle county boundaries and are thus “maxed out” at their two-percent local sales tax cap in some areas of the city but not in others. The statute states that the city can create the district (and thus levy the tax) in “all or part of the boundaries of the municipality.” A city might choose to limit the application of the tax to certain areas of the city for other reasons as well, including economic development considerations.
3. The MDD sales tax is the only city sales tax that may be levied in the ETJ of a city.
4. The MDD statute does not have the same level of detailed restrictions that the Type B statute does. For example, the EDC statute prevents the city from giving aid to an EDC. The MDD statute contains no such restriction. The MDD statute only references the Type B law to define the permissible projects of an MDD; it does not incorporate the other procedural and substantive aspects of the EDC statutes.
5. The board of an MDD consists of a minimum of four persons. A Type B corporation has a seven-member board. Many Type B cities, particularly smaller cities, report difficulty in locating persons willing to serve on the Type B board. The smaller MDD board can help in this regard.

Can an MDD spend its revenue for authorized projects outside the district?

One area where MDDs clearly have less flexibility than an EDC relates to spending on projects located outside the boundaries of the district. An EDC may undertake projects outside of the city limits with permission of the governing body that has jurisdiction over the property.

For instance, if a potential project is located completely within the jurisdiction of another city, the corporation would need approval of the city council of that city before funding the project. An MDD, on the other hand, is only authorized to fund projects located within the boundaries of the district.

As a general matter, an MDD may use money in the development project fund only to “pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects in the district.” So if the boundaries of an MDD include only the corporate boundaries of the city, the MDD is not clearly authorized to spend money on projects located in the ETJ.

Is an MDD required to follow certain procedures when selling or conveying real property owned by the MDD?

Yes. Unlike an EDC, an MDD is considered to be a political subdivision of the state. As such, an MDD must comply with laws that are generally applicable to political subdivisions. This includes

Chapter 272 of the Local Government Code, which establishes a notice and bidding process for the sale of real property by a political subdivision.

Is an MDD required to have bylaws? No. Chapter 377 of the Local Government code is silent regarding the adoption of MDD bylaws. Because MDDs operate in a similar manner to EDCs, and state statute specifically provides for the creation of EDC bylaws, many cities also adopt MDD bylaws. Unlike EDCs, there is no specific procedure to follow to adopt or amend MDD bylaws.

The ability of a Type B corporation to fund commercial and retail economic development projects depends on the size and/or Type B revenues of the city. Does this distinction extend to an MDD sales tax as well?

The likely answer is yes. The MDD statute, when listing eligible projects that can be funded by the MDD sales tax, incorporates by reference the section of the Type B laws that contains the population/revenue distinction with respect to commercial and retail projects. Thus, a court would likely find that the ability of an MDD to engage in general commercial and retail economic development projects depends on the same population/revenue distinction that is contained in the Type B statute. Specifically, an MDD district with less than 20,000 population, or less than \$50,000 in revenues from the MDD sales tax in each of the two preceding years, may fund commercial and retail economic development projects with the MDD sales tax.

MDDs that don't meet either of those criteria would be limited to Type B projects other than commercial and retail. Typically, such projects are of a more "blue collar" variety (the statute uses the term "primary jobs"), such as industry and manufacturing, as well as certain targeted infrastructure projects, and recreational and community facilities, among other things. Such a district would still have the additional projects available to it such as convention centers and civic center hotels.

What is the procedure for levying an MDD sales tax?

Following are the procedures for levying an MDD sales tax.

- (1) Draft Order of Election. The city must draft an order that does the following: (a) defines the boundaries of the proposed MDD; (b) calls for an election to be held within those boundaries for the creation of the district and the levy of a sales tax, with the ballot proposition containing the following exact language:

- a. "Authorizing the creation of the _____ Municipal Development District (insert name of district) and the imposition of a sales and use tax at the rate of _____ of one percent (insert one-eighth, one-fourth, three-eighths, or one-half, as appropriate) for the purpose of financing development projects beneficial to the district."; 248 and (c) provides that the district boundaries automatically conform to any changes in the boundaries of the city or the ETJ (this provision is optional). 249

- (2) Call the Election. The city council calls the election on creation of the MDD and the MDD sales tax by passing the order in step 1 above at a properly noticed public meeting.250

(3) Conduct the Election. The city holds the election on the creation of the MDD and the MDD sales tax on one of the two uniform election dates

(4) Notify Comptroller. If the election is successful, the city should send a copy of the order and canvass documents to the comptroller's office, and request that the comptroller begin remitting the MDD sales tax to the city. The new tax won't officially be in effect until the first day of the first calendar quarter occurring after the expiration of the first complete quarter occurring after the date on which the comptroller receives a notice of the results of the election adopting, changing, or repealing the tax.

(5) Appoint the MDD Board. The city council should next appoint a board of directors to govern the MDD. The board must consist of at least four members, who serve staggered two-year terms. Directors may be removed by the city council at any time without cause. Board members must reside in the city that created the MDD or in the city's ETJ. City councilmembers, city officers, and city employees may be members of the board, but may not have a personal interest in a contract executed by the district

(6) Establish Development Project Fund. The board of the MDD then must pass a resolution establishing the "development project fund."²⁵⁵ It is into this fund that the sales tax proceeds are deposited and spent on authorized MDD projects (see above).

Economic Development Glossary

Housing Finance Corporation (HFC): Financing structure that provides a property tax exemption in exchange for developing workforce housing. In a HFC structure, the local government is the general partner of the limited partnership. The local government is part of the ownership of the property.

Municipal Development District (MDD): MDDs are established to promote economic development within their designated area including portions of an ETJ. The revenue generated from the MDD sales tax can be spent on similar economic development projects as a Type B EDC. An MDD is the only way a municipal sales tax can be levied on a city's ETJ.

Public Facility Corporation (PFC): Financing structure that provides a property tax exemption in exchange for developing workforce housing. In a PFC structure, the developer is the general partner of the limited partnership.



Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal

Agenda Item: 8.

Agenda Title: Discuss and consider action on donating two separate \$500 checks to “Best Lake Travis High School Worker Bee” at the Lake Travis High School Annual Job Fair.

Board Action:

Department: Administration

Staff Contact: Dori Kelley

1. INTRODUCTION/PURPOSE

The City of Bee Cave is proud to sponsor the annual Lake Travis High School Job Fair, scheduled for Monday, May 20th. This event stands as the largest hiring platform in the region, offering a valuable opportunity for businesses within Lake Travis. Best of all, participation is free.

The job fair is hosted in the Lake Travis High School gymnasium and is scheduled from 12 pm through 3 pm, hosting over 2,500 students.

2. DESCRIPTION/JUSTIFICATION

a) Background

Prior to the start of the job fair, the City of Bee Cave organizes two consecutive leadership panels featuring Mayor King, executives, and community leaders. These panels are dynamic and engaging, featuring an array of swag, video clips, and anecdotes, all aimed at emphasizing the significance of acquiring soft skills and responsibility through workforce experience.

b) Issues and Analysis

During discussions with the City of Lakeway and the Career and Technical Education Program, an idea generated that publicly acknowledging and honoring a high school student during the Leadership Panel would be a meaningful recognition of their contributions to the workforce. Such acknowledgment could have the potential to inspire others to join the area workforce as well.

In the April and May editions of our Business Newsletter, we plan to include a nomination form for businesses to nominate their high school "Worker Bees." This can also go out in the Lake Travis Chamber newsletter, and the Bee Cave Chamber newsletter. These nominations will be considered for the chance to win a \$500 check from the Bee Cave Development Corporation in recognition of their commendable service to our community.

The recognition and checks can be presented at the Leadership Panels.

3. FINANCIAL/BUDGET

Amount Requested	\$1,000	Fund/Account No.
Cert. Obligation		GO Funds
Other source		Grant title
Addtl tracking info		

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION

Staff recommends the Development Corporation to grant \$1,000 in funds to the recognition of two "Best 2023 High School Worker Bees".



Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal

Agenda Item: 9.

Agenda Title: Discuss and consider action on contracting Opportunity Strategies to develop a strategic plan for the Bee Cave Development Corporation.

Board Action:

Department: Administration

Staff Contact: Dori Kelley

1. INTRODUCTION/PURPOSE

Given the establishment of the current Development Corporation Board of Directors, and the proactive initiatives taken thus far, a few directors have proposed the creation and implementation of a Strategic Plan.

2. DESCRIPTION/JUSTIFICATION

a) Background

President Gormley and Dori Kelley were initially introduced to Alycia Cook during the International Economic Development Council Conference in the fall of 2023. Dori Kelley had the opportunity to hear her speak at the recent Texas Basic Economic Development Course and also gained insights from discussions with Cook's other clients regarding the impactful outcomes of her work.

This project will be led by Alycia A. Cook, PCED, IOM, Principal of Austin, TX-based Opportunity Strategies LLC. Alycia Cook is a noted organizational & downtown strategist and professional facilitator. She is an international public speaker.

Alycia Cook is the owner of Opportunity Strategies and uses a Strategic Planning Methodology called The Drivers Method for strategic planning processes. The Drivers Model is a strategic approach to addressing an organization's situation, created by Leadership Strategies.

It is a simple 4-step tool that can be used by any sized organization for any sized planning process. The four steps include:

1. Where are we now? (Current Assessment)
2. Where do we want to go? (Strategic Direction)
3. How do we plan to get there? (Implementation Guide)
4. How will we monitor progress? (Metric & Monitoring)

Miss Cook has a 5-step menu for clients to choose from:

1. *Economic Development Workshop*
2. *Board Member Interviews*
3. Strengths/Weaknesses/Opportunity/Threats (SWOT) Analysis

4. *Strategic Planning*

5. Customized Business Retention & Expansion (BRE) Program

This structured approach ensures tailored solutions for organizations of all sizes, facilitating effective planning processes and achieving desired outcomes.

b) Issues and Analysis

Miss Cook will not present at the upcoming board meeting as she is currently out of town. However, attached is her proposal for the strategic planning process for the Bee Cave Development Corporation. The proposal is designed in a cafeteria-style format, allowing you to select the components that are most relevant and beneficial to the Bee Cave Development Corporation's needs.

Additionally, a separate page is attached outlining Opportunity Strategies' metrics and key performance indicators (KPIs). This one-page document includes a link to metrics displayed in an annual report from one of Miss Cook's clients for your reference.

3. FINANCIAL/BUDGET

Amount Requested	\$28,000	Fund/Account No.
Cert. Obligation		GO Funds
Other source		Grant title
Addtl tracking info		

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION

Staff recommends contracting with Opportunity Strategies to development a Strategic Plan for the Bee Cave Development Corporation.

ATTACHMENTS:

Description	Type
❑ BCDC Proposal	Backup Material
❑ Metrics and KPI's	Backup Material



BEE CAVE
DEVELOPMENT CORPORATION

Proposal for

Bee Cave Development Corporation
for
Board Development &
Strategic Planning Services

Submitted by



March 7, 2024

March 7, 2024

Ms. Dori Kelley
Bee Cave Development Corporation
4000 Galleria Parkway
Bee Cave, TX 78738



Dear Dori:

I am pleased to submit this proposal in response to your request for economic development board development and strategic planning services. Opportunity Strategies LLC is well-versed in community and economic development, organizational management, city council development, and will provide the Bee Cave Development Corporation with powerful tools for creating its desired future. We have over three decades of experience working with communities and economic development organizations across the United States. This enables us to deliver a meaningful implementable plan that reflects the unique challenges and opportunities facing your organization and community.

Our process offers options for you to choose the tools that fit your needs best using our extensive experience. This proposal offers economic development training and board development for your board, elected officials, and economic development partners, as well as strategic planning options. The Bee Cave Development Corporation will have a clear direction, and this will ensure the plan has a meaningful impact on the Bee Cave area, your citizens, your employers, your stakeholders, and serves the community well.

Our proposal below details a training workshop as well as a Strategic Planning process and the accompanying Strategic Plan.

Opportunity Strategies has the experience, the talent, and the knowledge to ensure the Bee Cave Development Corporation is successful in its training and strategic planning endeavors and provides a clear framework for decision-making to protect and improve the business community, the quality of life, and the employment experience in Bee Cave, helping ensure continued economic vitality into the future.

I want your business!

Sincerely,

Alysia A. Cook

Alysia A. Cook, PCED, IOM
PO Box 50101
Austin, TX 78763
512-963-2263
alysia@opportunitystrategies.com

OUR OBSERVATIONS & FINDINGS FOR

The Bee Cave Development Corporation

At Opportunity Strategies LLC, we are committed to providing the Bee Cave Development Corporation with the process and deliverables that will be the solution to successfully equip the board, staff, elected officials, and other community leaders with the tools needed to continue to be successful in economic development.

We understand that each project begins from its own unique place. We want to meet you where you are and help you get to where you want to be. For this project, we understand that:

- *You are Interested in Economic Development*

Being a successful and eager organization and wanting to retain relevance and impact in a changing business world, you understand the need for self-reflection and focus on business retention and attraction.

- *You Have a Focus on Strategic Planning*

The fact that you have an ongoing interest in facilitating key catalyst projects benefits this process in that you're used to working together toward common goals and achieving objectives.

- *You are Poised for Success*

Your organization is poised for success by embarking on a process with robust economic development education and a meaningful strategic plan with the help of your leadership, staff, partners, and an experienced professional facilitator.

WHAT IS REQUIRED FOR SUCCESS?

Our Methodology

At Opportunity Strategies, we use a Strategic Planning Methodology called The Drivers Method for strategic planning processes. The Drivers Model is a strategic approach to addressing an organization's situation, created by Leadership Strategies.

It is a simple 4-step tool that can be used by any sized organization for any sized planning process. The four steps include:

1. Where are we now? (Current Assessment)
2. Where do we want to go? (Strategic Direction)
3. How do we plan to get there? (Implementation Guide)
4. How will we monitor progress? (Metric & Monitoring)

We know the importance of the 5 P's and take each into consideration throughout the project: purpose, products, participants, probable issues, and process.

We see you, our client, as a partner throughout the entire project and we remain your partner post-project when you need advice or have questions during implementation. Yes, the whole implementation period.

We want the Bee Cave Development Corporation to have practical and workable operations that your citizens, businesses, visitors, and community consider efficient, effective, and serves them well.

We want to help you anticipate future needs while maintaining an ability to respond to current needs....all while maximizing your resources.

We will bring our own innovative spirit and couple it with sound best practices to help your leadership drive the process to fruition.

You get customized recommendations based on your unique situation and your specific needs. You won't find the name of another client buried deep in a cut & paste cookie-cutter document. Every goal, every objective, and every action step is a mix of your institutional knowledge and our 31 years of experience developing solutions for communities and economic development organizations.

OUR SCOPE OF WORK

The Keys to Achieving Your Vision

We agree to:

- ☑ Work with your board, elected officials, and community leaders to articulate a clear 3-year economic development strategic plan for the Bee Cave Development Corporation. This plan will identify specific priorities for the organization in pursuit of its mission.
- ☑ If interested, we will conduct a general SWOT analysis of internal and/or external perceptions of the organization.
- ☑ Develop a timetable of implementation with specific measurable benchmarks, objectives and tasks to be accomplished to achieve goals. We will identify clear, measurable outcomes for how to measure organizational and strategic effectiveness, impact, and success.
- ☑ Establish a framework and process for the organization's leadership to effectively implement the strategic plan and monitor progress toward achievement of goals and objectives.
- ☑ Prepare strategic planning agenda with the client.
- ☑ We will facilitate the meeting and provide leadership, direction and expert consultation and advice related to the development of an effective strategic plan, including successful implementation.
- ☑ Deliverable being a clear, easily consumed, strategic planning roadmap, accompanied by a strategic planning timeline, implementation, and evaluation methodology.
- ☑ Make any modifications to content or design as directed by the client.

Elements of Our Recommended Process

The Scope of Work

Step 1:

Economic Development Workshop: We recommend that in Q2 or Q3 of 2024, the Bee Cave Development Corporation participate in a workshop called “Understanding the Economic Development Process” Workshop.

Participants are expected to include members of the board of directors and staff of the Bee Cave Development Corporation, City government staff, elected officials, and can include (at the client’s wishes) any special guests such as P&Z, permitting, building inspections, code enforcement, ISD Superintendent, etc. Guests can include anyone a prospect, investor, or developer may encounter during the industrial, commercial, or downtown site selection/elimination or development process.

Final Deliverable: The topics for the “Understanding the Economic Development Process” Workshop will include but may not be limited to board vs. staff roles & responsibilities, best practices from other economic development organizations, allowable/prohibited Type B projects, business attraction, existing business retention, working with entrepreneurs, workforce development, social & physical infrastructure, confidentiality, marketing, social media, events, roles of elected officials in economic development, product development (buildings, sites) etc. The purpose is to give the Development Corporation board and other Bee Cave area leaders the tools they need to make effective and efficient decisions in the realm of economic development and be able to ask questions about economic development and what it means for their community.

We can also incorporate thorough board governance training and tips to maximize board engagement and effectiveness.

The interactive training workshop is a half-day workshop (3.5-4-hours.) The final deliverable is the workshop itself, as well as accompanying materials and handouts.

Step 2: (Optional)

Board Member Interviews: Opportunity Strategies will privately and confidentially interview each Bee Cave Development Corporation board member in person or via Zoom or phone (their preference), anonymously aggregate their responses, and present our findings to the participants of the visioning process.

Experience has proven that board members will anonymously share their true thoughts and opinions with our facilitator that they will not share in public meetings or paid staff of the client. The facilitator protects the privacy of the interview and aggregates results with the interviews of others.

The facilitator will work with the client to determine exact dates, but it must be completed at least 3-4 weeks prior to the Strategic Planning Sessions. The results are a very helpful tool to properly plan for the future during the Community Visioning process.

The facilitator will compile, categorize, and analyze all results. The facilitator will then formulate specific recommendations for the client.

Final Deliverable: Board Member Assessments with aggregated conclusions and detailed recommendations to the client electronically. These will also include the results of a SWOT (strengths, weaknesses, opportunity, threats) assessment conducted during the interviews.

Step 3: (Optional)

SWOT: We are happy to conduct a SWOT(Strengths/Weaknesses/Opportunity/Threats) Analysis with all attendees (and anyone else the client chooses to invite to give feedback) via brief email survey prior to the planning retreat. The results of the SWOT Analysis can help shape the direction of the planning retreat by allowing participants to submit their responses anonymously. Aggregated results will be presented at the Planning Session prior to Goal Development.

This work is done prior to the Planning Retreat so there is no additional time added to the Planning Session.

Step 4:

Strategic Planning: The client, the Bee Cave Development Corporation, requests professional facilitation services and strategic planning services. Participants are expected to include members of the board of directors of the Bee Cave Development Corporation, staff, and any invited guests. This is likely to be a 3-year Strategic Plan.

This will be a 1-day retreat. The facilitator will help the organization board develop specific goals, strategies, and metrics.

Final Deliverable: We recommend the strategic planning participants include board members, staff, and any other stakeholders the client invites to participate.

Exact dates and times will be decided by the client.

In this 1-day retreat, the facilitator will review the results of the SWOT Analysis, sharing her findings as well as her recommendations, reach group consensus on goal development and/or any modifications, and facilitate the initial group discussion of desired outcomes. We work together to develop 3-7 goals/goal categories in total. This participatory session will likely include:

- Mission and Vision Statement Review or Development
- Interview Results Summary (if chosen)
- SWOT Analysis (if chosen)
- Goal Development (3-7 goals)
- Strategy Development
- Metrics/Key Performance Indicators to gauge progress
- Accountability Areas (who is responsible for what)
- Timetables (estimated start and end quarters)

This will ensure that anyone who picks up the plan can quickly gain an understanding of what needs to happen to make the plan a reality.

We specialize in creating realistic goals and implementation guides for organizations and communities that are “living” documents. Many clients turn to us after making the mistake of hiring a consultant who only provided “pie-in-the-sky” goals that bear no relevance to what the organization can realistically accomplish. Our strategic plans are well known for being achievable practical roadmaps to help organizations get from where you are to where you want to be. This is where we earn our repeat clients when they see goals consistently coming to fruition.

The draft Strategic Plan will be submitted in an electronic format within 30 business days of the planning session date.

Step 5: (Optional if needed)

Customized Business Retention & Expansion (BRE) Program:

Overall, we believe that a robust Business Retention and Expansion Program has the potential to make a significant positive impact on the local business community and the region's economy. We look forward to the opportunity to work with your team to develop and implement this program tailored specifically to you.

Your Opportunity Strategies LLC consultant will work with you to:

Identify key industries and businesses in the region: To effectively support local businesses, it is important to understand the needs and challenges faced by different

industries and businesses. By identifying key industries and businesses in the region, we can tailor the BRE program to meet their specific needs.

Develop resources and support programs: Based on the needs of local businesses, we will work with the Bee Cave Development Corporation to identify and/or develop a range of resources and support programs, such as training and development opportunities, financial assistance, and access to networks and partnerships.

Engage with local businesses: To build relationships with local businesses and understand their needs, we will work with you to develop methods that have proven success records to engage with business owners and leaders through regular meetings, events, and other opportunities.

Develop questions to ask: The consultant will work with the client to develop a set of specific questions that are appropriate to ask on BRE visits and supply the client a list from which to choose for future visits based on the various purposes of the visits.

Establish a system for tracking and measuring success: To ensure that the BRE program is effective, we will work with you to establish a system for tracking and measuring the success of the program. This will include strategies for follow-up. This will involve collecting data from business retention and expansion visits, as well as verbal feedback from participating businesses.

Final Deliverables: The completed project will be a customized BRE Program draft submitted to the client in an electronic format within 6 weeks of the deposit payment. The final deliverable will include the above content as well as step-by-step directions on how to build other elements of a robust BRE such as a business directory, recognition events, and workforce development connectivity for services needed by local industry leaders.

WHY OPPORTUNITY STRATEGIES LLC?

Experienced. Reliable.

Opportunity Strategies LLC specializes in organizational management, customized training, professional facilitation, and strategic planning services.

Our clients include economic development organizations, local governments, chambers of commerce, Main Street/downtown organizations, associations, and other community nonprofits. Many of our clients are repeat customers. They turn to us to assist in their organizational needs regularly as new board members are selected, new processes are developed, and new goals are established.

Our repeat customers trust us because they have seen goals accomplished, board members developed, staff improved, productivity increased, and revenues grown because of our services.

Our small low-overhead firm delivers increased efficiencies – meaning you get better results at a lower cost.

We offer superior client service with on-time, on-budget, on-point communications and deliverables.

We are committed to value.

We have the availability and bandwidth to effectively manage this project at this time. We limit our client load to ensure we fully dedicate all the time and resources necessary for a meaningful process and product.

We are enthusiastic to serve the Bee Cave Development Corporation!

YOUR PROFESSIONAL FACILITATOR

Alysia A. Cook, PCED, IOM

This project will be led by Alysia A. Cook, PCED, IOM, Principal of Austin, TX-based Opportunity Strategies LLC. Alysia Cook is a noted organizational & downtown strategist and professional facilitator. She is an international public speaker.

Her skills include the design and delivery of organizational strategic plans, as well as community and leadership development. Cook has designed and presented hundreds of training programs for elected officials, community leaders, adult and youth leadership groups, staff, and volunteers. She has much experience developing and streamlining processes specifically for chambers of commerce & economic development organizations. Her programs improve operations and relations and prepare organizations for the future.

Relevant experience includes:

- Cook has been a **professional facilitator for 31 years, serving thousands of chamber & economic development professionals, and elected officials.**
- Cook has served as a **curriculum developer and instructor of the Texas Basic Economic Development Course** for the past 20 years.
- Cook serves on the **faculty of the U.S. Chamber of Commerce Institute for Organization Management (IOM.)**
- Cook serves on the **faculty of the Community Development Institute.**

Alysia Cook is a member of the Association of Chamber of Commerce Executives (ACCE,) Southern Economic Development Council (SEDC,) Texas Chamber of Commerce Executives (TCCE,) Texas Economic Development Council (TEDC,) and recently served on the board of directors of the Texas Downtown Association (TDA.) She has completed the Program on Negotiation at Harvard Law School.

Cook holds a Bachelor of Science degree in Marketing from Louisiana State University in Shreveport, is a 1995 graduate at the Basic Economic Development Course at Texas A&M, a 1997 graduate of the Economic Development Institute (EDI) at the University of Oklahoma, a 2002 graduate of the U.S. Chamber of Commerce's Institute for Organization Management (IOM/Chamber Institute,) and a 2009 graduate of the Community Development Institute (CDI.) She earned her Professional Community & Economic Developer (PCED) certification in 2009 from the Community Development Council.

Your Investment

Providing Value and Return on Investment

- Travel – Some elements of this proposal can be conducted via Zoom or phone, thus saving travel expenses. The facilitator will travel to Bee Cave via car and since the facilitator lives in Austin, there are no travel expenses.
- Lodging – The facilitator lives in Austin so there will be no lodging expenses.
- Meals – No meals are ever charged to the client.
- Fees –
 - Step 1 (EconDev workshop) including all elements of the scope of work as described including all preparation & deliverables is \$3497.
 - Step 2 (Board Member Interviews) including all elements of the scope of work as described including all preparation & deliverables is \$4497.
 - Step 3 (SWOT Analysis) including all elements of the scope of work as described including all preparation & deliverables is \$1997.
 - Step 4 (Strategic Planning Retreat) including all elements of the scope of work as described including all preparation & deliverables is \$8997.
 - Optional Step 5 (BRE Program) – The total fee for all elements of the scope of work as described including all preparation & deliverables is \$6997.
 - The client may mix and match any elements or choose any combination.
- Terms –
 - The client will pay 1/3 deposit upon contract execution to begin work, conduct interviews, and secure the dates of the sessions. The deposit is nonrefundable and is applied to the total fee.
 - The client will pay 1/3 upon completion of Strategic Planning Retreat.
 - The client will pay 1/3 upon electronic delivery of the draft Strategic Plan.
 - The total fee for the workshop is due on the day of the workshop delivery (if chosen.)
 - Final payment is due within 15 calendar days of the receipt of the invoice.
 - Any expenses will be charged to the nearest invoice.

- At least 30 days' notice from the original scheduled date is required for any change in event date and payment date. If event date is changed in under 30 days of original contracted date, payment is still due the original date of the event but will be applied as payment for the new date. There is no penalty to the client for changing any dates.
- Based on client's budget, please note that we are happy to adjust fees and scope of work (increase or decrease) to meet specific needs.
- All preparation, facilitation, delivery, and documentation time are included in this proposal, as are all reasonable expenses unless otherwise specified in this contract.
- The scope of work and fees in this proposal are valid for any contract signed by June 30, 2024.
- Client will also be responsible to issue applicable tax documentation: IRS Form 1099 to Opportunity Strategies LLC for income earned in each tax year that exceeds \$600. Opportunity Strategies LLC will provide appropriate tax documentation including Employer Identification Number (EIN) upon execution of the contract.

TAKE THEIR WORD FOR IT

What Our Clients Say...

“Our work with Alysia Cook was aimed to prioritize our economic development partner goals and outline organizational objectives. Within nine months, our economic development team has become much more unified, our roles are clear, and the organization is on course to realize many of our objectives. The pace of what we have achieved was beyond our expectation. She is a seasoned professional with a skilled insight and versatility marks her ability to manage multiple stakeholders effectively. Especially when the importance of the outcome matters. I have witnessed her facilitation capabilities throughout several projects of public involvement, goal setting, and economic development plans.”

*Roland A. Peña
City of San Angelo, Texas
(Former) Director of Economic Development
Now at VP at the Austin Chamber of Commerce*

“We needed someone who could guide us through a months-long planning process that involved several different stakeholders located all over Texas. Opportunity Strategies to the rescue! Alysia was able to balance priorities, differing opinions, and strong personalities all while maintaining an eagle-eyed focus on the mission - a unified heritage tourism strategic plan for our state program and its 10 heritage trail regions. The result? State agency and regional staff are in lockstep and motivated to achieve our joint goals. Everyone understands the important role they play in our mission, and we are working together as a team. Things like this just don't happen. Alysia may be a magician or a professional cat-herder, OR she's just exceptionally good at what she does. We would not be on this path if it weren't for her work.”

*Sarah Page
Heritage Tourism Program Coordinator
Texas Historical Commission*

“Alysia is the consummate professional facilitator. She engages early with staff to learn the desired outcomes and capably guides the group through the planning process with humor, poise, and sensitivity. Her skilled facilitation of our Organizational Audit helped our Chamber completely revamp our approach to the program of work and resulted in increased participation across all levels of the organization. I highly recommend her and am grateful for the opportunities that I have had to work with her in the past.”

*Morgan Law, CEcD, IOM
(Former) President/CEO of the Robins Regional Chamber of Commerce (Georgia)
(Now Chief Experience Officer at the Georgia Chamber)*

Additional Good-to-Knows About the Facilitator

- High energy level to keep the participants enthusiastic, on-track, and results-focused
- Helps the group excel as a team
- Effectively manages individual and group dysfunctions
- Uses a proven approach for success
- Has many repeat clients and regular referrals
- Respects the expectation of being a neutral party
- Will offer advice and recommendations if/when that is part of the assignment; otherwise provides neutral services
- Extensive experience working with strong personalities including elected/appointed officials, vocal citizens, executives, at-risk youth, and protestors
- Nimble...able to shift gears quickly to adapt to changing situations



This proposal and related materials are proprietary and confidential. No part of these documents may be disclosed in any manner to a third party without the prior written consent of Opportunity Strategies LLC.

I have many repeat and annual clients because they have successfully implemented the strategic plans that they built with me and they've realized significant results year on year. They've seen their initiatives created and implemented resulting in attracting jobs from their target industries and steering projects that are not a good fit to other communities. They've seen their boards educated on the 8 Pillars of Economic Development and invite me back to train the new board members when the board changes. My clients have built robust BRE Programs after working with me to establish the proper framework for their specific BRE and now they have a set visitation schedule, a meaningful questionnaire, and a tool to record visit results and appropriately follow up with existing business leaders.

They come back to me regularly because they're accomplishing the goals they put on paper. After 31 years, nearly all my clients are repeat or referral. Frankly, I am often hired after the EDC regretted hiring some consultant before me who didn't help them set grounded realistic goals.

Regarding metrics, each goal and/or strategy your team builds will have a metric/KPI attached. There are only three ways to measure things:

1. Numbers (counting things such as dollars, BRE visits, jobs, site selection consultant visits, HQ visits, etc.)
2. Percentages (counting increase/decrease in things such as sales tax, expenses, website traffic movement, etc.)
3. Binary (the board says they will do XYZ and they either do it or fail to do it. If they do the thing they say they will do, the box gets checked with a red pen to mark accomplishment)

I recommend that at the end of each year, the board reviews the progress of their implementation of those goals. That review should shape the next year's Work Plan or Implementation Guide.

In the end, I'm only there a day or two; the success of your strategic plan will be determined by the commitment of the board and staff to the implementation of the goals they put on paper.

Here are the metrics of one of my clients. By the way, I recommend every EDC put together an Annual Report this thorough:

<https://view.publitas.com/chokeee-office-of-economic-development/chokeee-office-of-economic-development-2023-annual-report/page/1>

Please let me know if anyone has any additional questions. I am happy to answer!

Thank you for the opportunity to respond to her questions prior to the board meeting.
Alysia



***Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal***

Agenda Item: 10.

Agenda Title: Activity update.

Board Action:

Department: Admin Assistant

Staff Contact: Dori Kelley, Business Relations and Development Manager

1. INTRODUCTION/PURPOSE

Staff will provide an update on activities in the city.

2. DESCRIPTION/JUSTIFICATION

a) Background

b) Issues and Analysis

3. FINANCIAL/BUDGET

Amount Requested	Fund/Account No.
Cert. Obligation	GO Funds
Other source	Grant title
Addtl tracking info	

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION



***Economic Development Board Meeting
3/26/2024
Agenda Item Transmittal***

Agenda Item: 11.

Agenda Title: Discussion regarding future administrative items, meeting times and dates.

Board Action:

Department: Admin Assistant

Staff Contact: Thomas Hatfield-Interim City Secretary

1. INTRODUCTION/PURPOSE

Staff will discuss future admin items.

2. DESCRIPTION/JUSTIFICATION

a) Background

b) Issues and Analysis

3. FINANCIAL/BUDGET

Amount Requested

Cert. Obligation

Other source

Addtl tracking info

Fund/Account No.

GO Funds

Grant title

4. TIMELINE CONSIDERATIONS

5. RECOMMENDATION