



**City Council Agenda Item Report
March 5, 2013**

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SUBJECT: Discuss and consider appointing members to the Board of Directors for Reinvestment Zone No. 1 and the Dupre Local Government Corporation.

1. BACKGROUND/HISTORY

In 2004 the City of Buda created Reinvestment Zone No. 1 and the Dupre Local Government Corporation to facilitate a program of public improvements to serve the Cabela's project. After a period of inactivity, in August 2012 the boards of the Zone and the Corporation were reconstituted so that routine procedural functions could be completed. Given the ministerial nature of both boards, and given the necessity for both boards and the Council to act in precise harmony, the Council decided to appoint the same slate of sitting members of the City Council to both boards.

2. FINDINGS/CURRENT ACTIVITY

Due to the resignation of Sarah Mangham from all positions held with the City, one vacancy currently exists on the TIRZ and LGC boards. Since the City's 2010/2011 audit was recently completed, staff will be ready to resume conducting regular board meetings soon, and will need to fill the vacancy.

Background Information on Board membership:

Eligibility requirements for reinvestment zone board membership:

(Texas Tax Code): To be eligible for appointment to the board by the governing body of the municipality that designated the zone, an individual must be at least 18 years of age and:

(1) ...(A) be a resident of the county in which the zone is located or a county adjacent to that county; or

(B) own real property in the zone, whether or not the individual resides in the county in which the zone is located or a county adjacent to that county

Importantly, Sec. Sec. 311.009(f) of the Code allows City Council members to serve on a Zone board and allows a Zone Board member to concurrently serve on the Board of a Local Government Corporation.

Eligibility requirements for local government corporation board membership:

The eligibility requirements for membership on a local government corporation are minimal. The main requirement is that a majority of the members of the board must be residents of the City. Additionally, the corporate bylaws provide that no member can serve more than six years consecutively.

Additional considerations for board membership

As the City Council considers appointments to these boards, the following issues should be kept in mind:

1. Since almost all business related to the development must be approved by both boards, they will usually be required to act in tandem with each other, taking the same actions at the same times. Since agreement between both boards is essential to the proper functioning of the funding mechanisms associated with the development, it is strongly recommended that the same persons be appointed to serve on both boards. This arrangement is specifically provided for in the statues creating the zone and the corporation.

2. Both boards are contractually obligated to carry out their duties in a specific manner, and have minimal discretion in the administration of their responsibilities. Furthermore, neither board will need to meet often, perhaps as little as once a year. Given these restraints, persons eager to play a role in shaping policy or contributing creatively to the City through board or commission membership are likely to be frustrated if appointed to serve on either of these boards.

3. Both boards are governed by a complex network of state statues, City ordinances, interlocal agreements, and economic development contracts. Persons not already familiar with the operations municipal government may experience a substantial learning curve in preparing to assume their duties if appointed to either of these boards.

3. FINANCIAL IMPACT
N/A

4. ACTION OPTIONS/RECOMMENDATION

Staff recommends that City Council consider appointing one individual to serve on the board of directors for Reinvestment Zone No. 1 and the Dupre Local Government Corporation. Additionally, for the reasons mentioned above, staff recommends that the same individual be appointed to both boards. Staff further recommends that, for the reasons laid out above, a sitting councilmember be appointed to this vacancy.