



LIBERTY HILL EDC BOARD OF DIRECTORS
MEETING MINUTES

Wednesday, February 15, 2023, 5:00 PM
Council Chamber / Municipal Court Room,
2801 Ranch Road 1869, Liberty Hill, TX 78642

Board Directors:

Landon Smith --- arrived 5:10 PM
Amy Gandy
Demetrice Gonzalez, Secretary
Tiffany Stillwell, Chair
Steven Schiff
Robert Baughn

Absent:

Greg Parma

City Staff:

Paul Brandenburg, City Administrator
Mary Poche, Executive Director LHEDC
Elaine Simpson, City Secretary
Sidney Smith, Director of Finance
Mayor Liz Branigan

1. CALL TO ORDER

Tiffany Stillwell called the meeting to order at 5:00 PM. Demetrice Gonzalez gave the invocation, and Chair Stillwell led the pledges.

2. PUBLIC COMMENTS

Public comments related to posted agenda items are welcome by the LHEDC Board. Individuals who wish to speak must complete a Public Comment Form and present the form to the City Secretary before the meeting is called to order. Individuals will be allowed to speak up to three (3) minutes on a posted agenda item. Alternatively, Public Comments related to posted agenda items may be submitted by email to esimpson@libertyhilltx.gov before 3:00 PM the day of the meeting for comments to be read at the 5:00 PM meeting by the City Secretary.

There were no speakers during Citizen Comments.

**3 EXECUTIVE DIRECTOR'S UPDATE / WELCOME / INTRODUCTIONS -
MARY POCHE, EXECUTIVE DIRECTOR OF THE LIBERTY HILL ECONOMIC
DEVELOPMENT CORPORATION BOARD OF DIRECTORS**

Mary Poche (pronounced Poe-Shay) introduced herself and made brief remarks regarding being on the job here in Liberty Hill. So far, she has met with 24 different people one on one, and has been working closely with Director of Planning and Development Jerry Millard to get a clear picture of areas that can be identified for future development.

She reported about her meeting with the Williamson County ED group and planned work with the TEDC.

She explained that one of the first projects she has started, is to get a new Liberty Hill EDC official website. The current one is attractive but lacks some functionality that she believes to be necessary to attract businesses. The Request for Proposals for a new website will be issued soon with cooperation from Kelly Wenzel the city's purchasing coordinator.

**4) MONTHLY REPORT FROM A REPRESENTATIVE OF THE LIBERTY HILL
CHAMBER OF COMMERCE**

Mr. Mayes, Chair of the Chamber of Commerce, is not available tonight due to illness.

5) TREASURER'S REPORT

Treasurer will provide a financial update for the corporation. (Director of Finance Sidney Smith)

- a) Treasurers Report / Financials for LHEDC Board of Directors 12-12-22

See Exhibit 'A' to these meeting minutes.

Director Smith explained that the latest Sales Tax payment has been received. The City received \$579,262.44 for sales in December. The EDC portion of this is \$165,495.28.

Director Smith also updated the Directors regarding the moving of the EDC money to the Special EDC city fund accounts. When the funds have all been moved, Ms. Smith will ask the Board and then the City Council for permission to close out the old accounts. These accounts were not earning interest for the EDC at a very high interest level and the interest will increase now that the EDC Fund is in an account under the umbrella of the City.

Director Smith explained that she and Exec. Director Poche will work together to get any necessary 'mid-year' budget amendments prepared to go to City Council.

6 REGULAR AGENDA

- a) Discussion, consideration, and possible action regarding the January 18, 2023, Liberty Hill Economic Development Corporation (LHEDC) Regular Called Meeting minutes. (D. Gonzalez)

Director Steven Schiff moved, and Director Amy Gandy seconded, to approve, as presented, the January 18, 2023 Liberty Hill Economic Development Corporation (LHEDC) Regular Called Meeting minutes, by Secretary Gonzalez. Motion carried unanimously by a vote of 6-0. Ayes: Smith, Gandy, Gonzalez, Stillwell, Schiff and Baughn. Nays: 0. With Director Parma being absent.

- b) Discussion, consideration and possible action regarding the Liberty Hill Economic Development Corporation (LHEDC) Strategic Plan. (Lorie Vincent with Acceleration By Design and EDC Exec. Director Mary Poche)

Ms. Vincent was unable to attend due to family emergency. She sent a summary (Exhibit 'B' to these meeting minutes) of the report that she was going to present tonight. If able to access her computer, she plans to send out a link tomorrow to all the EDC members of the report.

Mary read some of the highlight topics that will be included in the report.

The Directors briefly discussed the issue of 'retail leakage'.

The final report will be shared with appropriate city staff members, with representatives for the Planning and Zoning Commission and with City Council. It was emphasized that all of us want to be on the same page.

There was no formal action taken.

- c) Discussion, consideration and possible action regarding the LHEDC Subcommittee report on the evaluation of the Invest and Boost Grant Programs. (M. Poche)

Greg Parma was absent, but submitted a report from the subcommittee via email and this was disseminated to all Directors.

This is the report:

Liberty Hill Economic Development Corporation
Subcommittee on Incentives Report to the Board

ATTN: EDC Board, ED Director, City Administrator

To the Board and Members of the City,

The EDC subcommittee on Incentivization has collaborated to create a Framework for consideration in creating new incentive programs in the City of Liberty Hill in order to promote job growth and increase tax revenues. We see these two lines of effort as the EDC's primary goals in supporting the City of Liberty Hill and its commensurate objectives. To that end, the board has determined that a new approach to incentives be established with a view to wholistic programs that can be implemented over time in conjunction with the city staff and other boards, committees, and councils' objectives.

Here is a basic outline of the five major strategies that our subcommittee has determined to be the best courses of action for supporting our goals in a prioritized list:

- 1. Expedited Permitting – Permit expediting has the power to reduce development costs for new businesses without actually requiring the city or EDC to directly fund projects. While there will likely be some ancillary cost to the city to implement new systems and processes, and likely hire a small number of additional staff (or contract this work out), this is a great opportunity to make Liberty Hill stand out amongst the various suburbs with a robust system that not only saves developers/companies money through development and construction, but also demonstrates a level of competence and commitment that most other competing communities currently lack. When combined with the US 183 corridor and new tollway, these are powerful incentives to bring new, large businesses to Liberty Hill instead of other surrounding communities. This effort will require close coordination between the city staff, council, and EDC, but if accomplished could significantly increase the attractiveness of development in Liberty Hill for commercial and industrial businesses.*
- 2. Sales Tax Abatement – We are just beginning to understand how this incentive may work. There are several options that could be done singularly or in combination: partial or total sales tax holiday for a given period of time, a rebate on a portion of sales tax (for example, allowing the business to charge 8.25% but rebating the business .25% at the end of each year if they meet certain conditions, thus allowing the city to generate slightly reduced revenue while also allowing the business to enhance short term revenues as a method to pay off capital improvements). This is likely an issue that will require input and feedback from the city staff, council, and legal counsel, but has the possibility to enhance the attractiveness of Liberty Hill as a “business friendly environment,” especially for retail commercial businesses (one of our primary targets).*
- 3. Direct Funding – This option essentially affords the EDC (with City Council approval) or city government to contribute funds directly to a new business development to defray the costs of capital improvements. This may take one or several of the following suggested programs:*

- a. *Business Start Up and Improvement Loans* – Utilized for new business startups and/or capital improvements to build and improve existing businesses. All applicants must complete an EDC loan application and provide essential collateral to offset the loan amount requested. Additionally, each candidate/applicant will need to be vetted by the EDC Incentive Committee to ensure that each key element is successfully met (i.e., viability of three-year business plan, creation of new jobs (both full-time and part-time along with ability to repay loan within terms of the loan agreement). Suggested terms for the Business Building loan program would include:
 - i. ten-year loan
 - ii. two percent interest rate
 - iii. first year (12 months) with no payment due
 - b. *Facade Improvement Grants* – Reimbursement for improvements to property, signage and/or established business building would be reimbursed up to \$5,000 with an investment by current/established business of \$10,000 or more. Additionally, each applicant will need to be vetted by the EDC Incentive Committee to ensure that the business has successfully provided a minimum of three estimates for suggested improvements. These grants will be available to each business to apply for consideration every two years.
 - c. *Boots to Business Program* – Program designed to provide qualified veterans who have been honorably discharged from service who are starting a business and own and minimum of 51% of said business. This program would entitle a qualified veteran to apply for a grant of a maximum of \$50,000 for a new business development/investment of over \$100,000. Additionally, each applicant/candidate must provide a three-year business plan, creation of new jobs (full-time and part-time), honorable discharge from service paperwork, proof of ownership at a minimum of 51% and must open new business within a 90–120-day timeframe. Additionally, each applicant /candidate will need to be successfully vetted by the EDC Incentive Committee.
4. *Property Tax Abatement* – This option is meant to enhance the city’s ability to drive voluntary annexation of new businesses that may be thinking about developing in the area, but who find suitable land in the city’s ETJ, while also incentivizing new business development in Liberty Hill municipal limits without requiring direct funding. Total or partial abatement of the city’s portion of the ad valorem tax over a given period of time could make a difference for some businesses. However, the biggest driver of cost for businesses in the ad valorem tax is the Liberty Hill ISD. At approximately 1.4% of the tax burden for any given property, this is by far and away the largest possibility for incentivization. Of course, this would require approval from the ISD, and would require close facilitation and coordination from both the EDC and the city council. This is a common strategy, especially in Travis County for very large businesses. Examples of this include Samsung’s new development in Taylor, Dell (originally, though

most of its incentives have long since expired), and Tesla (in Del Valle ISD). Businesses that are appropriate for this incentive must be large to very large to ensure that the ISD is not bereft of the revenues it requires. However, the ISD must also realize that just because a business locates in Liberty Hill does not necessarily mean that it brings commensurate cost increase to the school district, thus presenting an opportunity where the ISD can see significant increases in revenue, while still helping to provide an economic incentive for business to locate in Liberty Hill, as opposed to surrounding communities. A meeting with the superintendent and school board would be required to gauge interest before exploring this opportunity further. This option would likely be limited to a narrow scope of businesses (largely based on size) to ensure a “win-win” scenario for all stakeholders.

5. *Impact Fee Abatement – This option is probably the least beneficial for the city at this point in time. As Liberty Hill continues working hard on increase future capacity of utilities, especially water and wastewater, it can ill afford to forgo the revenues sources meant to directly fund these projects. However, this is still an option widely used by municipalities across the state. It is possible that under certain circumstances this may make sense. As Liberty Hill expands our water and wastewater treatment capacity, this option will become more feasible. Should the city decide that stable, long term (future) revenues outweigh its current fiscal needs, this is another easy way to promote new business growth and development. A frank discussion between the Planning and Zoning Committee, city development staff, city council and engineering would be required to discern how beneficial programs form this category can be and when they would likely be more feasible than the other options presented here.*

This is not a comprehensive list of options, and we expect that other suggestions for incentives can and will be made. Some options can be implemented much faster than others, while all have varying impacts on the city’s revenue streams. All options will need to be evaluated as well for suitability and attractiveness against the businesses we hope to attract to Liberty Hill. The administrative burden should also be minimized (easy to apply for, reasonably fast for approval) while minimizing legal and economic risk to the city. Ultimately the final form of these options also needs to be evaluated against the city’s current growth plan and the goals and objectives of all other city, board, council, and committee stakeholders, as well as the needs of the residents of Liberty Hill.

The members of the sub-committee were Parma, Schiff and Baughn.

In the absence of Parma, Directors Schiff and Baughn discussed their 5 recommendations.

Executive Director Poche explained that she would be available for guidance on these items, should the Board wish to investigate them further. There will be new legislation adopted at this new legislature that may alter the ability of the Corporation to use all of these ‘tools’ from the ‘toolbox’. It was agreed by general consensus that Exec. Director Poche will consolidate some

of these ideas, and any comments received from Board members. She will formulate a matrix of recommendations that are feasible and all stakeholders could get behind.

There was no formal motion. This agenda item will be brought back at a future meeting.

d) Liberty Hill Beer Market Grant.

City Administrator Brandenburg explained that the owner of the Beer Market, was caught up in the changeover of personnel on staff and on the Board. He believes that he applied for a type of façade grant back in October. He painted his Beer Market. The application that he believes he completed was entirely on-line. This application was never received by anyone in city administration. It has not been found. The old 'Façade' grant program was phased out, in order to adopt the Boost and Invest Grants.

Although there is evidence that the previous Executive Director, Mr. Powell, had considered having this grant on the October 2022 EDC meeting agenda, the item was pulled, the meeting was canceled for other unrelated reasons, and the grant was never considered/approved by the Board.

There was a discussion of the complexities of the situation. There were, in the past, multiple email addresses attached to the Executive Director for the EDC. There was an extended discussion of such concerns as: concern that the EDC 'honor' the commitments it makes, the concern that this local business owner made a decision to improve his business based on a belief that he would be reimbursed half of the cost (total cost = approximately \$5,000, so expected reimbursement = \$2,500), concern that there is no application to be found and if this missing grant application is 'honored' – how many more will turn up?- will they need to 'honor' all of them?

A suggestion was made that more time be provided to the applicant to look for the application. Mr. Jon Mathiason, a friend of Mr. Renato Hajleli the owner, explained that Mr. Hajleli has a language barrier. Mr. Renato Hajleli told Mathiason that all of the grant paperwork was done 'over the internet'.

There was a discussion that city staff had looked through all the records and had requested assistance from the current website host, but there is no application in cyberspace or at City Hall.

Motion: Motion by Secretary Gonzalez, seconded by Director Schiff, to authorize payment of up to ½ of the eligible cost of the painting to the Beer Market, conditional upon business owner producing a RECEIPT showing what/or that \$5,000 was spent on the project. This RECEIPT must be produced to the City Administrator within the next 30 days. Motion carried unanimously by a vote of 6-0. Ayes: Smith, Gandy, Gonzalez, Stillwell, Schiff and Baughn. Nays: 0. With Director Parma being absent.

Motion by Director Baughn, seconded by Director Gandy, to establish that any business owner who has proof that they have applied for any grant that is no longer offered (such as façade grant), they have 30 days to produce the proof to the City, in order to be considered. Motion carried unanimously by a vote of 6-0. Ayes: Smith, Gandy, Gonzalez, Stillwell, Schiff and Baughn. Nays: 0. With Director Parma being absent.

- e) Discussion, consideration and possible action regarding the LHEDC webpage and marketing. (M. Poche)

Mary Poche returned to her earlier discussion of the EDC website. It is currently maintained by a company called Rothco Blue, owned by a Mr. Levi Slayer. Although the website is extremely attractive (Mr. Slayer's expertise is as a graphic designer), it lacks some of the functionality that EDC websites normally have. Mr. Slayer has not done any other EDC websites.

Liberty Hill EDC website needs more maps, demographic information, etc. It needs to have a search engine capable of providing real information about available properties.

Currently the City is paying \$1,500.00 per month, per the contract. Mr. Slayer has not received direction during the personnel turnover, so this has been money spent without much to show for it.

Luckily, the contract was written so that either Mr. Slayer, or the City, could notify the other party of a desire to terminate and provide 30 days' notice. This notice has been submitted to Mr. Slayer, and he is prepared to bill appropriately (prorate the last part of the billing cycle). The contract will end as of March 15th. Exec. Director Poche then summarized her plan to work with the city's Purchasing coordinator to issue a Request for Proposals (RFP) for the new website. It is hoped that a firm can be found with experience in this type of 'niche' website.

In regards to other forms of marketing, Poche discussed her belief that it would be more effective to use the website than to advertise in magazines or invest in paper brochures at this time.

There was no formal motion:

Chair Stillwell recessed the meeting from 6:40 PM to 6:45 PM.

- f) Discussion, consideration, and possible action related to 'Shovel Ready Sites'. (M. Poche)

There was a discussion of what general consensus of the definition of 'Shovel Ready Site' really means? Consensus was that it means there are utilities ready, infrastructure ready, and either onsite or with a planned construction date. The site must be correctly zoned. Environmental studies done or scheduled.

The group discussed the need to identify and to start to cultivate 'Shovel Ready' sites. Once a site is 'Shovel Ready' it can be named by EDC as a 'pre-certified area' for attracting new businesses.

There was also a brief discussion of other tools in the Economic Development 'toolbox' such as creating a Tax Increment Reinvestment Zone (TIRZ), also, how to approach the issue of annexation of property that could be made 'Shovel Ready'.

There was no formal motion made. The Directors expressed a desire to revisit this agenda item/topic in an Executive Session in the future. Also, they expressed a desire to review the maps of the city limits, the utility service area (also known as CCN area), and Extra Territorial Jurisdiction (ETJ). Director of Planning Millard has Google Maps with these areas mapped in different overlays. These will be reviewed at a future meeting.

- g) Update, discussion and possible action regarding training on the EDOIQ software, as discussed at the January meeting. (M. Poche)

Executive Director Poche explained that she and City Administrator Brandenburg are scheduled to have one-on-one training sessions with the EDOIQ software trainers in the next few days. She explained that she desires to be trained correctly, and not simply referred to the on-line support articles, etc. If the members of the Board also wish to be trained formally, this can be arranged.

She is eager to use this software to the best of its ability to provide transparency wherever information of a non-confidential nature can be shared.

No formal motion was made.

- h) Discussion, consideration and possible action regarding Membership(s) and Training Opportunities with the Texas Economic Development Council (TEDC). (M. Poche)

Exec. Dir. Poche noted that all the Directors have expressed interest in training. She highly recommended the Sales Tax class that will be held about August timeframe. By next meeting, all Directors will have the \$150.00 level membership. Directors Gandy, Baughn and Schiff expressed interest in a four-day training that is particularly in-depth.

At the next EDC meeting, more information will be discussed about EDC Board members training and networking opportunities.

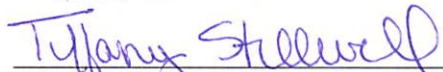
There was no formal motion made.


Future Agenda items: Infrastructure, Maps, website, possible Downtown Design Guidelines, Incentive ideas as proposed by sub-committee (the 5 Strategies), Comprehensive Plan/Lori Vincent, and an agenda item to allow the Board of Directors to Formally dissolve and cancel all previous incentive plans – possibly including the Waterwise Program (city staff will investigate with Lower Colorado River Authority – LCRA – regarding the status of this program which was provided in partnership with the LCRA, it is believed).

7) ADJOURNMENT

With no further business on the agenda, and no objections from the Board, Director (Chair) Stillwell adjourned the meeting at 7:14 PM.

PASSED AND APPROVED on March 21, 2023 by the Liberty Hill Economic Development Corporation Board of Director on vote of 6 AYES, 0 NAYS, and ABSTENTIONS.


LHEDC Board President / Presiding Officer


Board or City Secretary