

A G E N D A

PRE-COUNCIL MEETING
TUESDAY, NOVEMBER 18, 1986
8:30 A.M.

PRE-COUNCIL CHAMBER

FOR DISCUSSION ONLY

- 1) Convention and Visitors Bureau Appointments to Election Committee -
Douglas Harman, City Manager (5 Min.)
- 2) Tax Reform Impacts - A. Judson Bailiff, Finance Director (15 Min.)
- 3) Financing Proposal for Equestrian Center Parking Facility - A. Judson
Bailiff, Finance Director (15 Min.)

FOR ACTION TODAY

- 4) Submission of Urban Development Action Grant - Overton Ridge Development
(M&C G-6882) - Bob Terrell, Assistant City Manager (30 Min.)
- 5) Award of Contract for Professional Consulting Services (M&C C-9988) -
Charles Boswell, Management Services Director (15 Min.)

To add or make revisions, please call the City Manager's Office,
870-6140, before 3:00 P.M., Monday, November 17, 1986

The purpose of the Pre-Council Conference held prior to a regular City Council Meeting is to allow the Mayor and Councilmembers to discuss informally items on the agenda and to secure information from the City Manager and the staff. Although the meeting is open to the public, citizens are requested to reserve comments and questions for the subsequent Council meeting so they will be a part of the public record.

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ABSENT: Councilman Zapata

ITEMS:

1. CONVENTION AND VISITORS BUREAU APPOINTMENTS TO ELECTION COMMITTEE- Doug Harman, City Manager announced that Mayor Bolen, Councilman Garrison and Councilman Gilley be considered for appointment to the committee.

2. TAX REFORM IMPACTS- Judson Bailiff, Finance Director, announced that the presentation on the current tax reform will be based on a law that is relatively difficult to understand and on a regulation that has not yet been written. The impact of this reform is complex and requires more investigation.

Mr. Edwin Cook presented his findings from seminars he has attended pertaining to the tax reform and its impact on the City. In summary he indicated that the law would impose further restrictions for cities issuing bonds and debts. It will also reduce the cities authority to issue certain debts. The law also entails redefintion and new rules which will not be listed here.

Ms. Linda Patterson elaborated on the restrictions and monitoring difficulty that may result.

Councilman Williams asked how a \$180 bond program would be effected. (Mr. Bailiff replied that it reduces the market of those who will buy the bonds. Therefore increasing the cost for the city. In addition the monitoring of the investment process will be increased and create more proceeds for the federal government.

Councilman Williams asked about the yeild and leniency of the impact.

Ms. Patterson indicated there would be little oe none.

David Ivory, Senior Assistant City Manager, stated that from the Citys stand point this tax reform completely changes the philosophy of how the City finances or invests its money. Now it will be necessary to break even. If there are any penalties the City would have to pay.

3. FINANCING PROPOSAL FOR EQUESTRIAN CENTER PARKING FACILITY- Judson Bailiff, Finance Director, proposed a financing program which would involve issuing revenue bonds on which debt service would be paid for by parking fees and receipts from the Southwestern Exposition and Fat Stock Show. Mr. Bailiff stated that this program has been successful in other cities such as Boston and German

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Town, Tennessee.

Councilman Williams asked if the Fat Stock Show supporters have been contacted on this matter. (Mr. Bailiff indicated they have.)

Councilman Lancaster asked if the Fat Stock Show had originally intended to contribute some funds and the use of parking fees. (Mr. Bailiff: "yes, but we are not obligated to use it".)

4. SUBMISSION OF URBAN DEVELOPMENT ACTION GRANT - OVERTON RIDGE DEVELOPMENT- Robert Terrell, Assistant City Manager, introduced the plans of submitting an application for a UDAG to the U.S. Department of Housing and Urban Development on behalf of the Brisco Company's Overton Ridge Development for construction of 2,280 units of multi-family housing.

Mr. Terrell indicated that as a result of questions raised about the eligibility of this project, since it is located outside the "pockets" boundaries, staff contacted Deputy Asst. Secretary of HUD responsible for UDAG projects. The current policy allows for case-by-case projects. The cities must demonstrate that it is not economically feasible to locate in the pocket and there must be a demonstration that although the project is located outside of the project, the residents will benefit from the permanent jobs created.

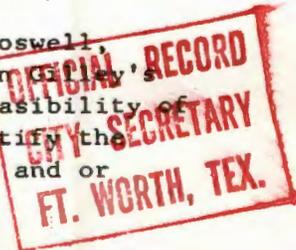
Councilman Gilley asked what financial risks are involved. (Mr. Terrell stated thus far there are none, however there have been previous UDAG projects that required some financing.)

Councilman Garrison asked about the matching of the \$ 6.8 million, were will that come from? Is the City obligated?
(Mr. Terrell stated that there was absolutely no obligation at this time. The Brisco Company has indicated it will ask for no money now or in the future. This process now is for the submission of the application.)

Councilman Lancaster was concerned with the lack of market demand for apartments. Currently the City ranks among one of the highest in vacancies.

Councilman Bagsby indicated that may be the case now but it may not be in the future, should the project come through.

5. AWARD OF CONTRACT FOR PROFESSIONAL CONSULTING SERVICES- Charles Boswell, Management Services Director, addressed this issue based on Councilman Gilley's request. This service would allow the City to review further the feasibility of conducting a variety of projects. It is necessary to be able to identify the "soft cost" that is involved in engineering, construction, planning and or



development projects. This process of identifying other cost will be of great benefit to the City.

Councilman Williams asked if this would actually benefit the City.

Councilman Gilley indicated that in dollar amount it would be vital to know what we are doing.

Mr. Harman stated that there is an economic value, however we cannot estimate returns, yet this service would allow for better methodology in determining returns.

