



**SCHERTZ TAX INCREMENT REINVESTMENT ZONE NUMBER TWO  
HAL BALDWIN MUNICIPAL COMPLEX COUNCIL CHAMBERS  
1400 SCHERTZ PARKWAY, BUILDING #4  
SCHERTZ, TEXAS 78154**

**AGENDA  
TUESDAY, JULY 9, 2024 AT 4:00 PM**

**CALL TO ORDER**

**HEARING OF RESIDENTS**

*This time is set aside for any person who wishes to address the Schertz Tax Increment Reinvestment Zone Number Two. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 5 minutes. Discussion by the Board of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.*

**DISCUSSION AND/OR ACTION ITEMS**

1. MINUTES - Consideration and/or action regarding the minutes of the regular meeting of January 9, 2024.
2. DISTRIBUTION OF AMENDED BYLAWS.
3. OVERVIEW OF THE DEVELOPMENT.

**ADJOURNMENT**

**CERTIFICATION**

I, BRIAN JAMES, DEPUTY CITY MANAGER, OF THE CITY OF SCHERTZ, TEXAS, DO HEREBY CERTIFY THAT THE ABOVE AGENDA WAS PREPARED AND POSTED ON THE OFFICIAL BULLETIN BOARDS ON THIS THE 3RD DAY OF JULY, 2024 AT 6:00 P.M., WHICH IS A PLACE READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THAT SAID NOTICE WAS POSTED IN ACCORDANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

**Brian James**

**I CERTIFY THAT THE ATTACHED NOTICE AND AGENDA OF ITEMS TO BE CONSIDERED BY THE CITY COUNCIL WAS REMOVED BY ME FROM THE OFFICIAL BULLETIN BOARD ON \_\_\_\_ DAY OF \_\_\_\_\_, 2024.  
TITLE: \_\_\_\_\_**

*This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1023 at least 24 hours in advance of meeting.*

**MEMORANDUM**

**Schertz Tax Increment Reinvestment  
Zone Number Two Meeting:**

**07/09/2024**

**Department:**

**Executive Team**

**Subject:**

**MINUTES - Consideration and/or action regarding the minutes  
of the regular meeting of January 9, 2024.**

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**BACKGROUND**

Attached are the draft minutes of the January 9, 2024 TIRZ Board meeting for consideration and approval.

**FISCAL IMPACT**

NA

**RECOMMENDATION**

Approval of the draft minutes.

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**Attachments**

Draft Minutes TIRZ Jan 9 2024

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**Schertz Tax Increment Reinvestment Zone Number Two**  
**Minutes**  
**Tuesday, January 9, 2024**  
**4:00 PM**

The Schertz Tax Increment Reinvestment Zone Number Two convened for a meeting on  
Tuesday, January 9, 2024 at 4:00 PM in the Council Chambers, Building #4,  
1400 Schertz Parkway, Schertz, Texas 78154

TIRZ Board of Directors Present:

*Michael Dahle, Chair*

*Mark Davis, Vice Chair*

*Gary Inmon*

*Clark McChesney, Jr.*

*Brad Pittenger*

*Rick Trefzer, SARA*

*Jill Whittaker*

*Tommy Calvert, Jr., Bexar County Member*

*Manuel Leal, Bexar County Member (Remote)*

Staff Present:

*Brian James, Deputy City Manager*

*Cyndi Simmons, Administrative Assistant*

Guest Present:

*Bradley Bechtel*

CALL TO ORDER at 4:06 PM by Chair Michael Dahle.

HEARING OF RESIDENTS

None present.

DISCUSSION AND/OR ACTION ITEMS

- 1. Approval of Bylaws:** Approval of Amendments to the Bylaws of the Reinvestment Zone Number Two, City of Schertz, Texas. The three recommended changes as highlighted in red are:
  - a. 2.3 Special Meetings can be called by City of Schertz Staff.
  - b. 3.2 (c) Removal of Secretary/Treasurer position. There's not a need for this position as our Finance Department handles the finances and city staff handles the minutes.
  - c. 6.1 (a) Form of Notice, adding the word "or" to the end of the section.

Tommy Calvert commented that in terms of accounting controls and the oversight of a board, if the staff is primarily one of the budget governors, then how do you ensure from the board level that we're having an independent look at the finances. Brian James responded that we have to prepare the annual report to the state comptroller, so in speaking with the Finance Director, what we plan to do is in our second meeting of the year – which is in April – we'll have him do a presentation to provide the financials. Tommy Calvert responded that as long as it doesn't

interfere with best practices on accounting controls, he's okay with it. Brian James responded that we would do the walk-through at the April meeting and he believes the audit will cover this issue.

A motion was made by Jill Whittaker to approve the amendments to the Bylaws. Seconded by Michael Dahle. *Motion passed. Vote was unanimous.*

- 2. Election of Officers:** Per the bylaws, Brian James indicated we need to elect the Chair and Vice Chair annually.

Jill Whittaker nominated Mark Davis as the Chair. Michael Dahle seconded. *Motion passed. Vote was unanimous.*

Mark Davis called for nominations for Vice Chair. Gary Inmon nominated Jill Whittaker as the Vice Chair. Michael Dahle seconded. *Motion passed. Vote was unanimous.*

- 3. Minutes:** Consideration and/or action regarding the approval of the minutes of the September 19, 2023 TIRZ Meeting. A motion was made by Tommy Calvert to approve the minutes of the September 19, 2023, TIRZ Meeting. Seconded by Michael Dahle. *Motion passed. Vote was unanimous.*

#### **4. Overview of the Development:**

Bradley Bechtel reports that not much has changed since we met last September.

Module 1, Units 1-4, has been developed for several years now. There are 501 residential lots. There are four (4) houses that haven't been sold. There were five (5) closings since we met last three months ago.

All of the lots in Module 2A, Unit 1, which is the garden homes, have all been completed and built. We don't currently have a builder for those lots. They are speaking with several builders. The circumstances leading us to not have a builder were that Weekley and Felder had them all under contract and decided they were going to cannibalize the single-family product that they are building below Woman Hollering Creek and would rather concentrate all their capital on those houses. It was a very uncertain time in the homebuilding business last year so that was their way of mitigating risk. They are confident they will find the right builder. These are completely built lots which is rare to find in the market, especially in subdivisions like The Crossvine.

All the lots in Module 3A, Unit 1, have been completed. Those are the lots south of Woman Hollering Creek and those are all under contract with Felder and Weekley. They have done two lot take-downs so far. Currently they are obligated to build 18 homes – one model home each and eight spec homes. They have been turning in all their building permit applications to them and they've been approving and been sent to the City. She's not sure if all 18 have been submitted, but their model homes are under construction and forming up foundations now.

There are 133 lots in Module 3B, Unit 1, which is next door, that are being built by Brightland Homes. The plan is they should be able to record their plat by the end of this month.

Other infrastructure projects:

Working with the City to upsize a water/wastewater line in front of Founders Academy along 1518. That will give more wastewater capacity to The Crossvine. We are just moving the water line so that capacity will be the same. It will also bring more capacity to development north of The Crossvine.

Installing the entry features on Module 3 right now.

We also have an agreement with the City of Schertz to improve and widen a portion of Lower Seguin Road that is adjacent to The Crossvine. We've had this agreement for a while and are working with TxDOT so that construction can be completed in conjunction with the improvement to where 1518 and Lower Seguin Road connect. The construction needs to be done at the same time to make sure it's very efficient and the least disruptive that it can possibly be. It will be disruptive but will be better when it's done.

Actively marketing our multi-family site. We have a signed LOI right now so there is a group that is committed to trying to purchase and we're hoping to have a sale done by the middle of this year.

Commissioner Calvert asked if there is a target in terms of the multi-family and what does it look like with the entity with the LOI. Bradley Bechtel responded that right now they are looking at a site plan that is primarily two-story so there are 14 different buildings – more buildings, less mass. They're all pushed out to the edge of the parcel with parking on the interior so that it looks more residential, less asphalt. There will be connectivity to all the trails to the rest of The Crossvine. The plans that we had worked out with the previous developer that we can show to other developers are a Texas heritage look – board and batten and Texas limestone – in fitting with the rest of the architectural designs at The Crossvine. The current plan, which is something is a typical plan for a multi-family development of this level – a workout gym, a pool, etc. -- would be just for the residents of the multi-family.

Michael Dahle asked how many units are there going to be? Market rate or luxury-type? Bradley Bechtel responded that the developer would push it to whatever they can push the rates. It is definitely going to be at least market. We're looking at a plan with 287 units right now and there are 1, 2, and 3-bedroom units. There's also a strip of townhomes that is a buffer between the single-family and the multi-family. In our PDD there is the ability to go 3-story as this was a plan that we worked out with the previous developer. Another developer could come in and want to get a little more density and as long as it's within our PDD allowances and also passes our architectural standards it would be something we would support going to staff for approval.

We're starting to talk about north of Lower Seguin Road where the Town Center is, that has always had to wait on TxDOT and their improvements of 1518 because that will be where the main entrance to that area is an any commercial developers in there would really want that finished before they open a lot of commercial square footage. We're looking at a combination of multi-family, neighborhood commercial, office, neighborhood retail, restaurants, potentially additional single-family to fill in some area. We're just starting to think about that in earnest because 1518 won't be done for probably three years, but it's not that long in terms of planning a piece of property that big.

Brad Pittenger does all of our number-crunching on our side as far as home values and TIRZ values and when he was looking at last year's numbers, he found that there was a significant increase in the number of veteran disability exemptions and waiver, but that property valuations were up so much that it essentially offset that decrease that came from the waivers. Also, there's a 10% cap on how much our primary residence can increase in taxable value every year, so we think there's a lot of room for a lot of these homes to keep going up that 10% every year for 2-3 years.

Brad Pittenger reported that there were some circumstances where the house had increased so much in value over the course of 2-3 years that the market value compared to current assessed value is almost 50% higher. If you sat down and did the math and said assuming no continuing

increase in terms of home value, it could go up 10% per year for 5 years before it would max out. So, what we're finding is that these waivers have increased fairly significantly. But what's happening is the increase in value has offset that to the point where our projections were off by \$2,000. For the future going forward, we're anticipating the same thing – we're just hoping we're maxing out in terms of the waivers we're getting. We're at about 75% market value to assessed value. We're losing about 25% of our taxable value as a result of either waivers or the constitutional cap on annual increases.

Brad Pittenger also commented that Bradley Bechtel had made a note of the number of spec homes and models, but the other thing that the builders have shared with us is that they're going towards more spec homes because it's taking so long to build a house that they'll get a client that wants to build a house and they get told it will be ready in 8 months and they can't wait that long. So, the builders are moving towards building more houses on a completely spec basis. Felder was talking about building 12-18 spec homes.

Bradley Bechtel also reported that the Board has already approved expenditures of over \$35 million that they have submitted. We probably have another \$15 million that we will be submitting for this year because we've not made a submittal in a few years so that will be coming in.

Lastly, we're working on the engineering and preliminary construction plans for the rest of Module 3 – all of the single-family houses that are south of Woman Hollering Creek which includes an extension of all the public greenbelts and pocket parks. They'll also be building an amenity center that will only be available to the residents, but next to it will be a really large area that will be open to the public. It's going to be in the old quarry which is really cool because there are giant 200-year-old oak trees that were excavated around so they're up on big hills and it's going to be really beautiful. The hike and bike trails will be extended.

Brian James commented he'd like to add that Council funded the design of Lower Seguin Road from where The Crossvine would stop all the way to the end of the City limits. That design is underway and we've reached out to the City of Converse and have gotten some positive feedback. There will need to be some adjustments in their city for an additional right turn lane. They have or are about to send out letters requesting right of entry to do so surveying for that. We anticipate going back to the military to talk about grant funding opportunities in the next month or so. He also mentioned the city acquired the triangular piece of property on the south side of the s-curve where the mobile home is because we'll likely need it for right-of-way.

Lastly, we unfortunately have not finished the Woman Hollering Creek trunkline. We had hoped to have that go into effect at the end of December – we think now it will be February. We have all the equipment and all the electronic components which had been the hold up, only then to find out that there are a few more things the contractor has to knock out. We're sending them a letter reminding them of the penalties in the damages clause in the contract to try to get that up and running. The benefit to the city is that it saves us on pump and haul for Hallie's Cove and it would take the batch plant offline in The Crossvine. Again, we're aiming for February to get that done.

Our next meeting is April 9, 2024. Now that we're done with Council Chambers, some of you are having to drive up for a fairly short meeting, so if you would like the option to remote in, touch base with Bryan Jackson in the control room as you leave and we can remote you into the meeting.

Brad Pittenger asked Brian if we need to go through a formal authorization for the disbursement of funds from this next one. The documents we did originally was kind of an evergreen

approval, but wanted to make sure we don't need to do anything. Brian James responded that he doesn't think there's anything we need to do. At the last meeting, the board authorized disbursement of funds that we were asked to hold onto, so he doesn't think there's anything else we need to do. He will check with James Walters, Finance Director, so that if we have additional monies coming by next meeting then we can certainly put it on to disburse more at that time. Brad Pittenger replied that we have to make our payment to FFB on April 1, 2024. Brian James responded that it's already been approved so whenever they are ready for that payment, let us know and we will issue the payment.

ADJOURNMENT

Motion made by

Clark McChesney to adjourn the meeting. Seconded by Michael Dahle. *Motion passed. Vote was unanimous. Meeting adjourned at 4:32 PM.*

Attest:

\_\_\_\_\_  
Mark Davis, Chair

\_\_\_\_\_  
Brian James, Recording Secretary



**BYLAWS  
OF  
REINVESTMENT ZONE NUMBER TWO, CITY OF SCHERTZ, TEXAS**

**ARTICLE I  
NAME AND PURPOSE**

1.1 Name. The name of this reinvestment zone is Reinvestment Zone Number Two, City of Schertz, Texas (the "Zone"). The City of Schertz, Texas (the "City"), by means of Ordinance No. 06-T-61 approved by its City Council, created the Zone on December 19, 2006, pursuant to Texas Tax Code, Chapter 311, as amended (the "Code").

1.2 Purpose. The Zone was created to support development and public infrastructure improvements for the Sedona mixed-use project. Such development and improvements within the Zone shall include, but are in no way limited to, streets, sidewalks, utilities, drainage, parks, and up to 2,200 residential units. The Board of Directors of the Zone shall perform its purpose within the limitations of Ordinance No. 06-T-61, and the Code.

1.3 Powers. The Board of Directors of the Zone (the "Board") shall have such powers and duties as are granted by Section 311.0 IO of the Code.

**ARTICLE II  
BOARD OF DIRECTORS**

2.1 Numbers, Tenure, Appointments, and Vacancies.

(a) Number. Direction and management of the Zone, including control and disposition of its properties and funds, shall be vested in its Board of Directors (the "Board"). The Board shall be made up of eleven (11) members.

(b) Appointments. The City Council of the City may appoint six (6) directors. The Commissioners Court of Bexar County (the "County") may appoint two (2) directors so long as the County is approving payment of its agreed-upon percentage tax increment to the tax increment fund for the Zone. The San Antonio River Authority ("SARA") may appoint one (1) director so long as SARA is approving payment of its agreed-upon percentage tax increment to the tax increment fund for the Zone. The Texas State Senator in whose district the Zone is located is a director or may designate an individual to serve in that State Senator's place on the Board, at the pleasure of that State Senator. The member of the Texas State House in whose district the Zone is located is a director or may designate an individual to serve in that State House member's place on the Board, at the pleasure of that State House member. Each director must meet the eligibility requirements of Section 311.0091(f) of the Code. Each director may be removed at any time, with or without cause, by the entity or individual appointing such director as described above. The preceding sentence may not be amended without the written consent of the appointing entities and individuals named above.

(c) Tenure. Each director may serve a term of two (2) years and until he/she is re-appointed or his/her successor has been appointed. Terms of directors may be staggered. There shall be no limits on the number of terms an individual may serve as a director.

(d) Vacancies. The City Council of the City may declare a vacancy in any seat on the Board upon the death, resignation, or removal (with or without cause) of a director by the appointing authority thereof, or upon a disability that renders a director incapable of participating in the management and affairs of the Zone. In the event of a vacancy in a Board position, the original appointing authority may appoint a successor in the same manner as set forth herein. The appointing authority may appoint the successor to only serve the time remaining in the former director's two-year term. Any director may resign at any time by giving written notice thereof to any officer of the Board and to the entity that appointed said director to the Board. Such resignation shall not become effective until a successor has been elected or appointed as provided herein.

2.2 Regular Meetings. The regular meetings of the Board shall be held at such time and on such date as set by the Board. At such meetings, the Board may transact any business as may lawfully come before it. The Board shall comply with the Texas Open Meetings Act for all regular meetings.

2.3 Special Meetings. Special meetings of the Board shall be held upon the written request of City of Schertz Staff, the Board Chairperson or of at least one-third (1/3) of the currently-serving directors. The Board shall comply with the Texas Open Meetings Act for all special meetings.

2.4 Attendance. Attendance of a director at a Board meeting shall constitute a waiver of notice of such meeting, except when a director attends the meetings for the sole purpose of objecting to the transaction of Zone business on the ground that the meeting is not lawfully convened.

2.5 Quorum and Voting. A simple majority of the currently-serving directors shall constitute a quorum for transacting business at all Board meetings. A simple majority of the quorum, voting in the affirmative, at any Board meeting shall be sufficient to conduct Zone business.

2.6 Telephone Meetings. When permitted by applicable law, one or more (but not all) physically absent director(s) may participate in a Board meeting by using telephone conference or other communications equipment that permits all persons participating in the meeting to hear each other. Participation in a Board meeting pursuant to this Section shall constitute presence in person at such meeting, except when a person participates in the meeting for the sole purpose of objecting to the transaction of Zone business on the ground that the meeting was not lawfully convened. Such meetings must comply with the Texas Open Meetings Act.

2.7 No Action Without a Meeting. Directors shall not consider or approve any Zone business without properly convening a Board meeting.

## ARTICLE III OFFICERS

### 3.1 Election, Appointment, and Term.

(a) The officers of the Board shall be elected by the Board from the members of the Board. The officers of the Board shall consist of a Chairperson, a Vice-Chairperson, a Secretary/Treasurer, and such other officers as may be determined by the Board. Each officer shall be elected from the existing Board as provided herein. The Board, at its organizational meeting and annually thereafter, shall elect officers. There is no limit on the number of terms a director may hold an office.

(b) An elected officer of the Board shall hold office until the earlier of the date a successor is elected as provided herein, the date such elected officer dies, or the effective date such elected officer is removed (with or without cause) from office by the Board.

(c) Any officer may resign at any time by giving written notice thereof to any officer of the Board and to the entity that appointed such officer to the Board. Such resignation shall not become effective until a successor has been elected or appointed as provided herein.

### 3.2 Duties. Principal duties of Board officers are as follows:

(a) Board Chairperson. The Chairperson shall preside at all Board meetings. The Chairperson shall conduct such meetings according to rules established from time to time by the Chairperson or, in the absence of such rules, in accordance with the then current edition of ROBERT'S RULES OF ORDER.

(b) Vice-Chairperson. The Vice-Chairperson, if any, shall, in the absence of the Chairperson, perform the duties of the Chairperson. The Vice-Chairperson shall also assist the Chairperson as requested by the Chairperson.

## **ARTICLE IV COMMITTEES**

4.1 No Executive Committee. The Board shall not establish an Executive Committee at any time or for any purpose.

4.2 Standing Committees. The Board may establish standing committees to assist the Board in executing its purpose. The Board shall describe the duties of each standing committee at the time the Board establishes the standing committee. The Board shall appoint directors and/or non-directors to a standing committee for terms prescribed by the Board upon making appointments to a standing committee. No such committee may bind the Board or the Zone with respect to any matter.

4.3 Special Committees. The Board may establish special committees to assist the Board in executing its purpose. The Board shall describe the duties of each special committee at the time the Board establishes the special committee. The Board shall appoint directors and/or non-directors to a special committee for terms prescribed by the Board upon making appointments to a special committee. A special committee shall limit its activities to the accomplishment of the task(s) for which it was established. No such committee may bind the Board or the Zone with respect to any matter.

## **ARTICLE V AMENDMENTS**

Subject to the last sentence of Section 2.1(b), these Bylaws may only be amended by the Board upon a two-thirds (2/3) majority vote by the Board at any duly called Board meeting, provided that the notice of such meeting includes notice of such proposed amendment.

## **ARTICLE VI NOTICES**

61 Form of Notice. In addition to the general notice requirements of the Texas Open Meetings Act, whenever notice is required to be given to any director and no specific provision is made as to how such notice shall be given, such notice shall be given in writing at least two (2) calendar days before the meeting. Such written notice shall be sent in the following manner:

(a) by mail, with postage prepaid and addressed to such director at such address as appears in the Zone's records for that director; or

(b) by messenger, with the fee prepaid and addressed to such director at such address as appears in the Zone's records for that director; or

(c) by an electronic transmission, addressed to such director at such address as appears in the Zone's records for that director.

62 Waiver. Whenever any notice is required to be given to any director, that director may waive the notice requirement. Such waiver must be in writing and signed by the director who is entitled to such notice. Such waiver may be given before or after the events specified in

the notice. A waiver shall be the equivalent of receiving the required notice prior to the deadline for receiving such notice.

## **ARTICLE VII GENERAL PROVISIONS**

7.1 Fiscal Year. The fiscal year of the Zone shall end on September 30 of each calendar year.

7.2 Books and Records. The Board shall keep correct and complete books and records of its transactions. The books and records shall be audited annually as part of the City audit. Such books and records shall be open to public inspection.

7.3 Seal. The Board may, but is not required to, adopt a Zone seal to be in such form and to be used in such manner as the Board shall direct.

7.4 Public Information Act. The Zone shall comply with the Texas Public Information Act.

Adopted: October 27, 2008

Revised: February 10, 2009 (Section 2.1(c))

Revised: January 9, 2024 (Sections 2.3, 3.2 (c), 6.1 (a))

