

City Council
City of Hillsboro, Texas
Minutes of Special Session Meeting
February 14, 2023

Present were:

Andrew Smith, Mayor
Eric Fleming, Councilmember
Larry Lloyd, Councilmember
Dana Robinson, Councilmember
Frances Zarate, Councilmember
Lean Richmond, Councilmember
Scott Johnson, Mayor Pro-Tem

Megan Henderson, City Manager
Tony Cain, Assistant City Manager
Dale Snyder, Finance Director/HR
Art Mann, Economic Dev. Admin.
Sharon McFadden, City Secretary

Others present:

Shannon Cottongame, Reporter
David Holmes, Attorney for Hill County
Martin Lake, Hill County Precinct # 4 Commissioner
Holly Harris, Hillsboro Citizen

Mayor Smith called the Special Session Meeting to order at 6:00 p.m.

Hear Statements from Persons Wishing to Address Council.
No attendees addressed Council.

(Agenda Item #3)

Deliberate and Act on an Ordinance of the City Council of the City of Hillsboro, Texas, Designating a Contiguous Geographic Area Within the City as a Reinvestment Zone Pursuant to Chapter 311 of the Texas Tax Code, to be Known as Reinvestment Zone Number Two, City of Hillsboro; Describing Boundaries of the Zone; Creating a Board of Directors for the Zone; Establishing a Tax Increment Fund for the Zone; Containing Findings Related to the Creation of the Zone; Providing a Date for the Termination of the Zone; Providing that the Zone Take Effect Immediately Upon Passage of the Ordinance; Providing a Severability Clause; and Providing an Effective Date.

The City Manager said three (3) public hearings have taken place on the creation of the Tax Increment Reinvestment Zone. There was a process outlined to create the zone according to Chapter 311 of the Texas Tax Code. All of the procedures required have been followed. The only comments received have all been positive. The Hill County Commissioner's Court met this morning (February 14, 2023), approved participation in the TIRZ (Tax Increment Reinvestment Zone), and designated representatives to the TIRZ Board. Staff recommends approval. Mayor Smith asked if there were any questions by Council. There were no responses. On a motion by Councilmember Johnson and second by Councilmember Richmond, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: None

Mayor Smith announced a recess of the Council at 6:10 p.m.

A meeting of the Board of Directors of the Tax Increment Reinvestment Zone Number Two took place.

Mayor Smith announce reconvene of the Special Session Council meeting at 6:10 p.m.

(Agenda Item #4)

Hold a Public Hearing, First Reading of an Ordinance, of the City Council of the City of Hillsboro, Texas, approving a Project and Financing Plan for Tax Increment Reinvestment Zone Number Two, City of Hillsboro, Texas, Established pursuant to Chapter 311 of the Texas Tax Code; providing a Severability Clause; Finding and Determining the Meeting at Which This Ordinance is Adopted to be Open to the Public as Required by Law; and Providing an Effective Date.

The City Manager said that as contemplated in the action earlier in this Special Session Council meeting, put into place the TIRZ Two. It is now incumbent upon the TIRZ Board to approve a project and financing plan to replace the preliminary plan that was prepared a month ago when the project started. Obviously, in that area in time this development opportunity has coalesced so the project and financing plan having been prepared and been recommended by the TIRZ Board. There are a couple of provisions included that are consistent with the original plan but do constitute some change. There is need to highlight those which include an increase in the total projected project costs and the designation of property to be purchased by the City of Hillsboro. Accordingly, there will be a public hearing on those specifics on February 17, 2023 to solicit public input on those actions. The City Manager said what is being presented tonight the first of two required public hearings on the ordinance and must take place before the ordinance can be adopted. Having just discussed the contents of the plan, the City Council is already acquainted with the plan. The City Manager offered to answer any questions and requested the first public hearing. Mayor Smith asked if there were any questions from Council. There were no responses. Mayor Smith opened the public hearing at 6:13 p.m. and asked if anyone present would like to speak. Holly Harris said her family was part of the initiation through a realtor in bringing the Outlet Mall to Hillsboro. Ms. Harris said her family was involved with the first, second, and third phase of the mall. She had her own store in the third phase named Rocky Mountain Chocolate Factory. The mall was a prominent part of the culture and it became what Hillsboro was known for. Now Hillsboro is known for “what happened” to the mall. Ms. Harris said she hopes this development plan will again become an upcoming and growing community it once was. Ms. Harris said she is working with the Executive Director of the Cell Block Museum to get it going again. There have been a few downfalls over the years and not because of Hillsboro or the City Council. There has been a changing of the times and Ms. Harris said Hillsboro needs to change with the times. There is a strong City Council and an incredible City Manager in place. For 2024, Hillsboro is listed second for the eclipse and

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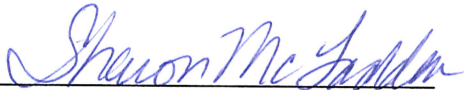
is going to be blowing out. Ms. Harris said Hillsboro needs to start pulling itself back together and the new plan is a wonderful idea. Part of the plan will be demolition, part reserve, part new restaurants, and we are growing Hillsboro and this agenda item being presented tonight, Ms. Harris is speaking strongly in favor of. She thinks it is something needed because our City Council and our City Administrators are aggressive. Ms. Harris is excited, ready to go, and believes this is something that really needs to be considered. Mayor Smith thanked Holly Harris for speaking. Mayor Smith said he is speaking on behalf of the City Council and are equally excited about the prospects of this project. Mayor Smith said they think it is only the first of only a lot of positive things to come for the City of Hillsboro and Hill County. Hill County Attorney, David Holmes, said he wanted to commend Megan Henderson and Art Mann for the job they have done to put this together. Mr. Holmes said it has been fast-moving and when he visited Megan in her office, he could see the trepidation on her face. Mr. Holmes said he appreciates Art, Megan, and City Administration and speaking on behalf of the (Hill) County, they are also excited about the plan. Mayor Smith said with no other comments, he was closing the public hearing at 6:17 p.m.

Mayor Smith said with no other agenda items to discuss, the meeting was adjourned at 6:17 p.m.



Andrew L. Smith, Mayor

ATTEST:



Sharon McFadden, City Secretary

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