



# City of Rowlett

## Special Work Session Minutes

### City Council

4000 Main Street  
P.O. Box 99  
Rowlett, TX 75030-0099  
www.rowlett.com

*City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6109 or write PO Box 99, Rowlett, Texas, 75030-0099, at least 48 hours in advance of the meeting.*

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Tuesday, June 15, 2011

6:00 P.M.

Municipal Building – 4000 Main Street

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As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

**Present:** Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Jackson (arrived during Executive Session), Councilmember Phillips, Councilmember Davis, and Councilmember Gallops

**Absent:** Councilmember Kilgore

**1. CALL TO ORDER**

Mayor Pro Tem Gottel called the meeting to order at 6:03 p.m.

**2. EXECUTIVE SESSION (6:00 P.M.)**

Convened into Executive Session at 6.03 p.m.

- 2A.** The City Council shall convene into Executive Session pursuant to the TEXAS GOVERNMENT CODE, §551.071 (Legal Consultation) and §551.087 (Economic Development) to seek legal advice and to deliberate on economic development incentives and financial prospects for property located at or around Pecan Grove Park. (60 minutes)

Reconvened into open session at 7:20 p.m.

**3. WORK SESSION ITEM (7:00 P.M.)**

- 3A.** Provide an overview of the purpose of Municipal Management Districts, the status of the three Municipal Management Districts submitted to the 82<sup>nd</sup> Texas Legislature, and how these districts may impact future development in Rowlett.

Boyd London and Jim Sabonis were introduced. Both men work for Southwest Financial. Boyd London, Managing Director is the City of Rowlett's Financial Advisor. Jim Sabonis, Vice President is also a Financial Advisor and is extremely knowledgeable about creating management districts.

Senate Bill 233 (companion bill House Bill 426) was pending to be signed by Governor Perry relating to the creation of the Rowlett Pecan Grove Management District.

Senate Bill 234 (companion bill House Bill 425) was pending to be signed by Governor Perry relating to the creation of the Rowlett Downtown Management District.

Senate Bill 235 (companion bill House Bill 427) was pending to be signed by Governor Perry relating to the creation of the Rowlett Waterfront Entertainment Management District.

Three Municipal Management Districts (MMD) are to be established to generate tax income to diversify the tax base.

Mr. Sabonis presented a PowerPoint presentation that was divided into three sections:

Section A – What is a Municipal Management District?

Section B – Overview of Rowlett's proposed MMD's

Section C – Implementation process

Council asked questions during the presentation. Municipal Management Districts (MMD) are a win-win for the developers, the citizens and the City. The Management Districts are not a liability to the City. The debt issuance does not burden the citizens of the City. The City maintains approval for appointing MMD board members but does not have the responsibility of MMD Board's actions. Skill sets of MMD board members are very important and will be considered by the Council very carefully before appointments are made.

Each Management District will be created over time and not all at once. The Rowlett Pecan Grove Management District will be established first. It will consist of five (5) voting members and three (3) ex-officio (non-voting) members (City Manager, Finance Director and Planning Director). Terms are for four years and are to be staggered, so positions 1 and 2 will expire June 1, 2013; and positions 3 through 5 will expire June 1, 2015. Three of the board members must reside in Rowlett. It is recommended that all Board members reside in Rowlett. Board members have governmental immunity, are subject to the conflict of interest statutes, must take the oaths of office, be bonded and are not entitled to compensation.

No eminent domain is allowed in MMD's. Debt can only be issued by a vote for a tax or by assessment. The MMD Board is subject to the rules and regulations of all of the City's other boards and commissions with the exception that they are not an advisory Board to the Council. Open meeting rules apply, agendas are created and must be posted 72 hours prior to a meeting. Attorneys specialize in MMD's and will be necessary to be hired as well as CPA's who also specialize in MMD's. The City Attorney will still review in addition to the City's Bond Attorneys different issues especially in relation to funding.

The collateral remains regardless of the stability of the developers. The Attorney General, the Texas Commission on Environmental Quality (TCEQ) are very involved with MMD's. The bonds are structured to owe money to the developer for completed development.

The City will need to invest some funding into the start-up but the money will be reimbursed. The process is a lengthy one and it might be viewed as a hurry-up and wait. The first meeting of the Board is to get ready for business by organizing and becoming educated in their duties and responsibility. Capital and service improvements are determined along with the costs. A financial plan and the land use plan is determined.

**4. ADJOURNMENT**

Mayor Pro Tem Gottel adjourned the meeting at 8:53 p.m.

  
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Todd Gottel, Mayor Pro Tem

  
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Susie Quinn, City Secretary

Date Approved: July 5, 2011