

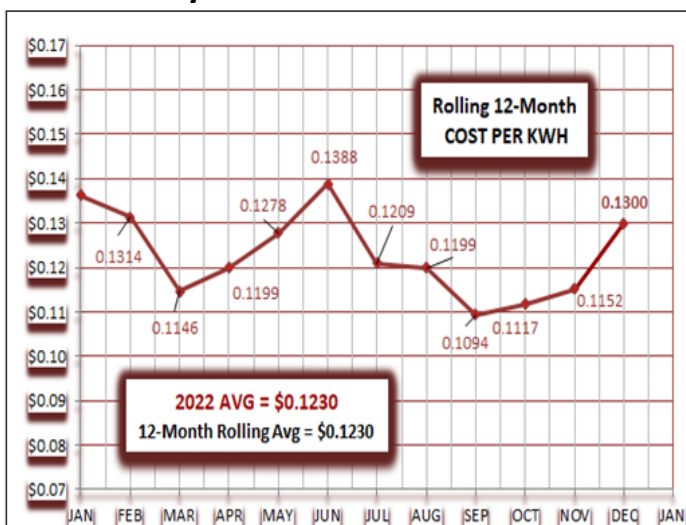
## City Manager Update – 12/9/22


TGIF! There are only sixteen (16) days left until Christmas! It's hard to believe the year has come and gone so quickly. Last Saturday's Festival of Lights was a huge success. The Christmas lights and holiday decorations in Gazebo Park, on Main Street, and NW/NE 2<sup>nd</sup> Street looked awesome. There must have been 5000+ in attendance. Thanks to all who helped make the event a happen.

Here is a list of significant accomplishments, events, and activities since my last report:

- 1) 2023 LCRA "Steps Forward Day" Project Application Submitted** – The City of Smithville submitted our 2023 "Steps Forward Day" project application(s) to the Lower Colorado River Authority (LCRA) for consideration. Volunteers from LCRA will gather on Monday, April 10, 2023, to work on community projects throughout LCRA's service territory. Examples of potential projects include cleaning parks, painting pavilions, planting trees or doing carpentry work. Last year, LCRA volunteers helped the Smithville Police Department install new landscape timbers, trim bushes, and repaint the curbs around the building. LCRA also painted the restrooms (exterior) at Riverbend Park. This year (if selected), LCRA volunteers will trim trees and clean around gravesites at Mt. Pleasant Cemetery. A second project will be to paint the interior of the restrooms at Riverbend Park. The city will provide the supplies and equipment necessary to support the project with LCRA providing the manpower (typically 20-25 volunteers). The City of Smithville is fortunate to have LCRA as a community partner. Programs like Steps Forward and the Community Development Partnership Program (CDPP) have definitely made a positive impact.
- 2) Wastewater Rates - Three Month Winter Water Average** - Wastewater rates in Smithville are set by using a three (3) month "winter" water use average between DECEMBER and FEBRUARY. You can reduce your monthly wastewater (sewer) bill by conserving water during these months. In the event that the monthly water usage for any month is less than the computed "winter water average," the lesser of the two shall be used as the basis for calculating the wastewater bill. Residential customers pay a \$15.00 sewer base rate per month and \$4.00 sewer fee per 1000 gallons of water used. Cut back on water use between December and February and let the savings begin! For a list of all utility rates in Smithville, click on the following link → <https://www.ci.smithville.tx.us/city-departments/utilities/rates/>.
- 3) Residential Cost Per Kilowatt Hour (kWh) Calculated** – An analysis of LCRA billing data was conducted to determine residential cost per kilowatt hour (kWh) in December. LCRA fuel costs vary month to month and are based upon electric utility generation, transmission, line loss, and service fees. The LCRA fuel cost per kWh for December is \$0.0800. This represents a **22.7% INCREASE** over November's fuel cost of \$0.0652. Adding the City's distribution fee of \$0.0500 and LCRA's \$0.0800 fuel cost, the cost per kWh for residential service in Smithville during DECEMBER will be \$0.1300. The Public Utilities Commission (PUC) of Texas has published energy-savings tips on their website → <https://www.puc.texas.gov/consumer/facts/Save.aspx>. On average, the cost per kWh for residential electric service in Smithville is between 12-13 cents.

### City of Smithville Residential Cost Per kWh – DECEMBER 2022



	
<b>2022 Cost / kW Hour</b>	
January	\$0.1362
February	\$0.1314
March	\$0.1146
April	\$0.1199
May	\$0.1278
June	\$0.1388
July	\$0.1209
August	\$0.1199
September	\$0.1094
October	\$0.1117
November	\$0.1152
December	\$0.1300
Avg	\$0.1230

① LCRA F&PCRF = Fuel Cost  
COS KWh Sold

② Fuel Cost + Dist. Rate  
= Electric Rate

③ Electric Rate X KWh  
Used =

**Electric Bill**

Note: LCRA Fuel & Power Cost Recovery Factor + City Distribution Fee\* (\$0.0500) = Cost / kWh

\*Residential Distribution Fee = \$0.500/kWh. Non-Resident (i.e., service outside city limit) Distribution Fee = \$0.650/kWh Effective October 1, 2019

## City Manager Update – 12/9/22 (continued)

- 4) **City Hall Renovation Contractor Bid Opening Held** - The bid opening for the City Hall renovation / construction project was held on Thursday, December 1, 2022. The city received two (2) bids for the project ranging from \$277,000 to \$297,000. The base bid covers remodeling the public restrooms for ADA compliance, adding two new offices, a workroom, and a west exterior wall. The lowest bidder was **Noble General Contractors**, (Wimberly, TX) with a base bid of \$277,000 and an estimated construction time of 84 days. NOTE: Due to supply chain issues and inflation, the base bid for this project is \$102k more than the initial cost estimate of \$175k. The project cost will be funded using American Rescue Plan Act (ARPA) funding with the \$102k difference coming from savings associated with the 2022 Series Tax Note. This will be an item for City Council discussion and action on Monday, December 12, 2022.
- 5) **City of Smithville Awarded \$100k Methodist Healthcare Ministries (MHM) Grant** - Methodist Healthcare Ministries of South Texas, Inc. is a private, faith-based nonprofit founded in 1995. MHM has awarded grant funds in the amount of \$100,000 to the City of Smithville as the lead applicant on behalf of the Smithville Whole Health Partnership (SWHP), which has been a loose consortium of City departments and local organizations concerned with various aspects of public health. The 12-month grant will be spent primarily on a consultant (\$80K), who will oversee a Strategic Plan with public input about what the future of the SWHP needs to be. Other funds will also be spent on website development (\$15K) and on meeting costs (\$5K).
- 6) **City Council to Consider Amendment to 380 Economic Development Agreement w/ Smithville Land Partners, LLC** - The City of Smithville adopted Resolution No. 2022-06-492 on June 13, 2022 to enter into a 380 Economic Development Agreement with Smithville Land Partners, LLC for construction of a 112-home subdivision called the Enclave at Riverbend. The initial terms of this 380 Agreement required Smithville Land Partners, LLC, to voluntarily annex 34.858-acre tract of land into the city limits and spend a minimum of \$4.5M on infrastructure improvements (sidewalks, curbs, gutters, streets, etc.) which will be conveyed to the city 2-years after substantial completion. Additionally, the Developer must provide varying layouts, rooflines, facades, and setbacks that offer a distinct yet complementary inventory of homes. In return, the City of Smithville will provide services (e.g., fire, police, garbage, water, and sewer) and offer approximately \$550k of performance-based incentives in the form of property tax reimbursements and reduced tap fees over the next 6-years. The cost of the incentives will be offset by increased property tax and utility services revenue (water, sewer, garbage, etc.) with the City netting \$890k. The Parties now desire to amend the economic development agreement to modify the terms regarding Discounted Tap Fees and extend the timeline for performance-based Economic Incentive Payments (EIP's) by 1-year. Initially, water and sewer tap fees were to be discounted by 50%. However, if the amendment is approved by the City Council, water tap fees shall be due and owing at 100%. The 380 economic development agreement will be further amended to provide a 100% discount for sewer tap fees if the Developer installs sewer taps as part of the infrastructure construction and/or he becomes the home builder of record. If anyone other than Smithville Land Partners, LLC becomes the builder of record (and sewer taps were not previously installed as part of the subdivision's infrastructure construction), sewer tap fees will not be discounted and will be due and owing at 100% of the cost. Having the Developer responsible for installation of 112 sewer taps will free up city resources which would require said resources to be re-assigned to accommodate this project. If the City Council approves the proposed amendments, the City will still net \$760k at the end of the 6-year term (see EIP Calculation below). This will be an item for City Council discussion and action on Monday, December 12, 2022.

### EIP Calculation for Smithville Land Partner, LLC 380 Agreement – REVISED

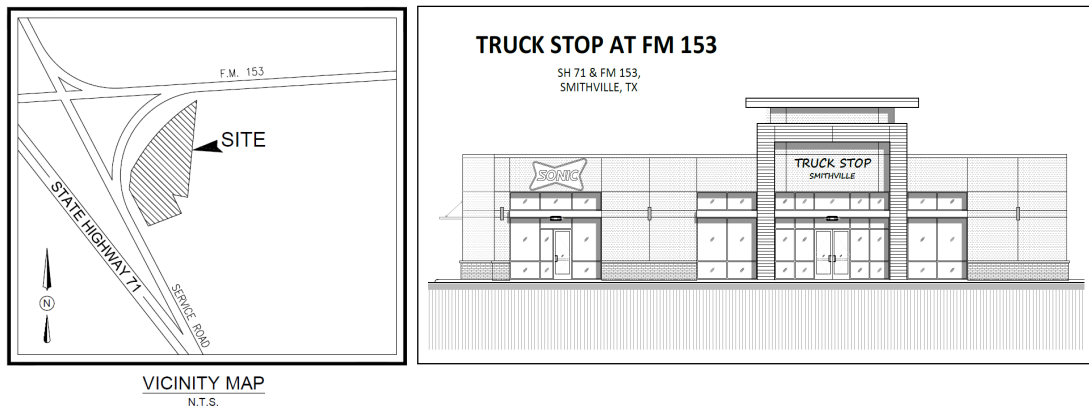
Calendar Year	Estimated Value of Enclave	Value per \$100	Tax Rate	Performance Criteria (Cumulative # of Lots Sold)	Est. Tax Liability of Remaining Land	EIP Target Rebate %	Est. Tax Value with Homes Built	Est. Rollback Tax Refund	Est. Property Tax Refund (City Only)	Credit Sewer Tap per Home	Est. Property Tax Revenue w/ Homes Built	Revenue for Water Tap per Home	Revenue From Water / Sewer Service	Misc Revenue (Garbage / Const. Permit)	Net Loss / Gain to City
2023	\$1,750,000	\$17,500	\$0.5490	Start Project	\$1,750,000	100%	N/A	\$9,608	N/A	N/A	N/A	N/A	N/A	N/A	-\$9,608
2024	\$8,960,000	\$89,600	\$0.5490	Infrastructure Comp	\$8,960,000	100%	N/A	N/A	\$49,191	\$0	\$49,191	\$0	\$0	\$38,000	\$38,000
2025	\$8,960,000	\$89,600	\$0.5490	30	\$6,560,000	100%	\$11,400,000	N/A	\$36,015	\$135,000	\$62,587	\$90,000	\$33,120	\$3,294	\$17,986
2026	\$6,560,000	\$65,600	\$0.5490	60	\$4,160,000	100%	\$22,800,000	N/A	\$22,839	\$135,000	\$125,173	\$90,000	\$66,240	\$6,588	\$130,163
2027	\$4,160,000	\$41,600	\$0.5490	90	\$1,760,000	100%	\$34,200,000	N/A	\$9,662	\$135,000	\$187,760	\$90,000	\$99,360	\$9,882	\$242,339
2028*	\$1,760,000	\$17,600	\$0.5490	112	\$860,200	100%	\$42,560,000	N/A	\$4,723	\$99,000	\$233,657	\$66,000	\$123,648	\$12,298	\$331,880
TOTALS								\$9,608	\$122,429	\$504,000	\$658,367	\$336,000	\$322,368	\$70,062	\$760,367
								\$636,037		\$1,386,797					
								DEVELOPER CREDITS		PROJECTED CITY REVENUE					
										\$760,367					
										NET LOSS / GAIN TO CITY					

## City Manager Update – 12/9/22 (continued)

### 7) City Council to Consider 380 Economic Development Agreement for Gas Station / C-Store / Quick Service Restaurant

Chapter 380 of the Texas Local Government Code authorizes municipalities to offer incentives designed to promote economic development. The terms of this 380 Agreement require Smithville Investment, LLC, to voluntarily annex 7.044-acre tract of land into the city limits, construct a gas station, c-store, and quick-service restaurant (at the corner of FM-153 and Hwy-71), and create a minimum of six (6) new jobs over a 3-year period. In return, the City of Smithville will provide services (e.g., fire, police, garbage, and sewer) and offer approximately \$55k of performance-based incentives in the form of property tax reimbursements and installation of a wastewater line (50% cost share). The cost of the incentives will be offset by increased property tax revenue, increased sales tax revenue, and utility services revenue from sewer and garbage. The City's Return on Investment (ROI) is approximately 4-years with an expected \$17k net revenue in 2026 (see EIP calculation below). This will be an item for City Council discussion and action on Monday, December 12, 2022.

### Vicinity Map & Concept Drawing for Truck Stop @ FM-153 and Hwy-71



### EIP Calculation for C-Store / Gas Station 380 Agreement

Calendar Year	Estimated Value of Property	Value per \$100	Tax Rate	EIP Performance Criteria	Est. Tax Liability	EIP Target Rebate %	Est. Tax Value with Gas Station Built	Est. Rollback Tax Refund	Est. Property Tax Refund (City Only)	50% Cost Share for Installation of Sewer	Est. Property Tax Revenue	Revenue From Sewer and Garbage	Misc. Revenue (Const. Permits)	Misc. Expenses (Plan Review, Garbage)	Estimated Revenue From Sales Tax	Net Loss / Gain to City
2022	\$327,376	\$3,274	\$0.5489	Voluntary Annex	\$1,797	100%	\$0	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$360,000	\$3,600	\$0.5489	Start Construction	\$1,976	100%	\$360,000	\$0	\$1,976	\$25,000	\$1,976	\$750	\$16,500	\$6,500	\$0	-\$14,250
2024	\$2,396,000	\$23,960	\$0.5489	End Construction	\$13,152	100%	\$2,400,000	\$0	\$13,152	\$0	\$13,152	\$804	\$0	\$399	\$0	\$405
2025	\$2,640,000	\$26,400	\$0.5489	Create 6 New Jobs	\$14,491	100%	\$2,640,000	\$0	\$14,491	\$0	\$14,491	\$804	\$0	\$399	\$0	\$405
2026	\$2,904,000	\$29,040	\$0.5489	N/A	\$15,940	N/A	\$2,904,000	\$0	N/A	\$0	\$15,940	\$804	\$0	\$399	\$14,000	\$30,345

	\$0	\$29,619	\$25,000	\$45,559	\$3,162	\$16,500	\$7,697	\$14,000	\$16,905
TOTALS		\$54,619				\$65,221			
	DEVELOPER CREDITS					PROJECTED CITY REVENUE			
						\$16,905			
						NET LOSS / GAIN TO CITY			

There are several events going on in Smithville and it is going to be a very busy couple of weeks:

The City will be holding a HOLIDAY OPEN HOUSE (all day) at City Hall on **Monday, December 12, 2022**.....nothing fancy but we will have cookies, punch, and cider during the day. The public is welcome to attend.

The next SMITHVILLE CITY COUNCIL MEETING will be held on **Monday, December 12, 2022** (6:00) pm at City Hall (317 Main). Citizens can access the meeting via YouTube → ([www.youtube.com/channel/UCN7rJz0wVks4zWV9EvKch5w](https://www.youtube.com/channel/UCN7rJz0wVks4zWV9EvKch5w)). Click → [HERE](#) for agenda.

The next CHAMBER MIXER will be held on **Thursday, December 15, 2022** from 5:00-7:00 pm at Milton's Furniture Store, 206 NW Loop 230.

## City Manager Update – 12/9/22 (continued)

Below you will find the City of Smithville Holiday schedule. This information will be communicated on our City website, Facebook Page, and inside the November / December Utility Bill in the message section. In addition, we will post notices on the doors of City Hall one week in advance of the scheduled Holiday.

### **CHRISTMAS:**

- Thursday, December 22nd – (Close at Noon)
- Friday, December 23rd – Holiday
- Monday, December 26th – Holiday

### **NEW YEARS:**

- Monday, January 2nd – Holiday

Please let me know if you have any questions or need additional information.

The Holidays are a chance to reflect upon all the important things in life that we sometimes take for granted.....family, friends, and fellowship. So, take time to rest, recharge, and reconnect during the next few weeks as 2023 will be another exciting and challenging year.

Wishing you and yours a very Merry Christmas and a Happy New Year!

-- Robert --



# MERRY CHRISTMAS!



PHOTOS – 12/9/22

First United Methodist Church Annual Thanksgiving Luncheon for City Employees



City Crews Putting Up Christmas Lights in the 300 Block of Main Street

SPD Blue Santa @ First National Bank



Smithville Volunteer Fire Department XMAS Dinner



Lighted Tree @ Gazebo Park

Festival of Lights – Main Street

Ann Powell Express @ Parade



Smithville Public Library Holiday Open House

