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**AGENDA ITEM REQUEST FORM**

**Hays County Commissioners Court**

Tuesdays at 9:00 AM

Request forms are due in Microsoft Word Format via email by 2:00 p.m. on Wednesday.

**AGENDA ITEM**

Discussion and possible action to provide additional funding in the amount of \$1,800,000.00 for improvements to Dripping Spring Ranch Park in Precinct 4.

ITEM TYPE	MEETING DATE	AMOUNT REQUIRED
ACTION-MISCELLANEOUS	April 23, 2013	1,800,000.00

**LINE ITEM NUMBER**

**AUDITOR USE ONLY**

**AUDITOR COMMENTS:**

PURCHASING GUIDELINES FOLLOWED: N/A

AUDITOR REVIEW: N/A

REQUESTED BY	SPONSOR	CO-SPONSOR
WHISENANT	WHISENANT	N/A

**SUMMARY**

This item is a follow-up to the Commissioner Court's agenda discussions on April 16, 2013. A motion made by Commissioner Whisenant and seconded by Commissioner Ingalsbe was tabled and may be considered during this item.

ORDER AMENDING THE COUNTY OF HAYS BUDGET  
FOR FY ENDING SEPTEMBER 30, 2013

THE STATE OF TEXAS  
COUNTY OF HAYS

WHEREAS, on the 23<sup>rd</sup> day of April, A.D., 2013, the Commissioners' Court of Hays County, Texas has determined that a need exists for the reallocation of certain appropriations included in the FY 2013 Budget in accordance with the attached list which is hereby made a part hereof. It was also determined and agreed that the need was of such a nature as to justify and require amendment of the Budget, as provided in Section 111.010(D), Local Government Code.

NOW, THEREFORE, the COMMISSIONERS' COURT OF HAYS COUNTY, TEXAS, pursuant to the authority granted to it under Section 111.010(D), Local Government Code, ORDERS that the pertinent parts of the County of Hays Budget for the Fiscal Year ending September 30, 2013 be and they are hereby amended as indicated on the attached list.

It is the further order of the COMMISSIONERS' COURT that a copy of the amendment provided herein be filed with the Clerk of the County Court of Hays County, with instructions that it be attached to the Budget originally adopted and now on file in the office of the County Clerk.

Passed by the COMMISSIONERS' COURT OF HAYS COUNTY, TEXAS, this 23<sup>rd</sup> day of April, 2013.

FOR  Bert Cobb  
AGAINST  BERT COBB, M.D.  
ABSTAIN  COUNTY JUDGE, HAYS COUNTY, TEXAS

FOR  Absent  
AGAINST  DEBBIE GONZALES - INGALSBE  
ABSTAIN  COMMISSIONER, PRECINCT 1

FOR  Mark Jones  
AGAINST  MARK JONES  
ABSTAIN  COMMISSIONER, PRECINCT 2

FOR  Will Conley  
AGAINST  WILL CONLEY  
ABSTAIN  COMMISSIONER, PRECINCT 3

FOR  Ray Whisenant Jr.  
AGAINST  RAY WHISENANT, JR.  
ABSTAIN  COMMISSIONER, PRECINCT 4

ATTEST: Liz Gonzalez  
LIZ G. GONZALEZ  
COUNTY CLERK, HAYS COUNTY, TEXAS



AMENDMENT  
NO.FY2013-022 CC  
FY2013 BUDGET  
04/23/2013

Dept G/L Account Number	Account Description	Appropriation Before Amendment	Increase	Decrease	Appropriation After Amendment
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**GENERAL FUND (001):**

**Agenda Item #4:**

**District Clerk:**

001-609-00.5212	DC-Postage	7,800	7,000		14,800
001-645-00.5399	Co-Wide Contingencies	666,553		(7,000)	659,553

\*Move funds to District Clerk for increase in postage expenses.

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**Agenda Item #5:**

**Constable Pct. 2:**

001-636-00.5021	Staff Salaries	179,105	6,573		185,678
001-636-00.5101_100	FICA	14,843	408		15,251
001-636-00.5101_200	Medicare	3,472	96		3,568
001-645-00.5399	Co-Wide Contingencies	659,553		(7,077)	652,476

\*Move funds to Constable Pct. 2 for temp Deputy Constable.

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**PARK BOND FUND (150):**

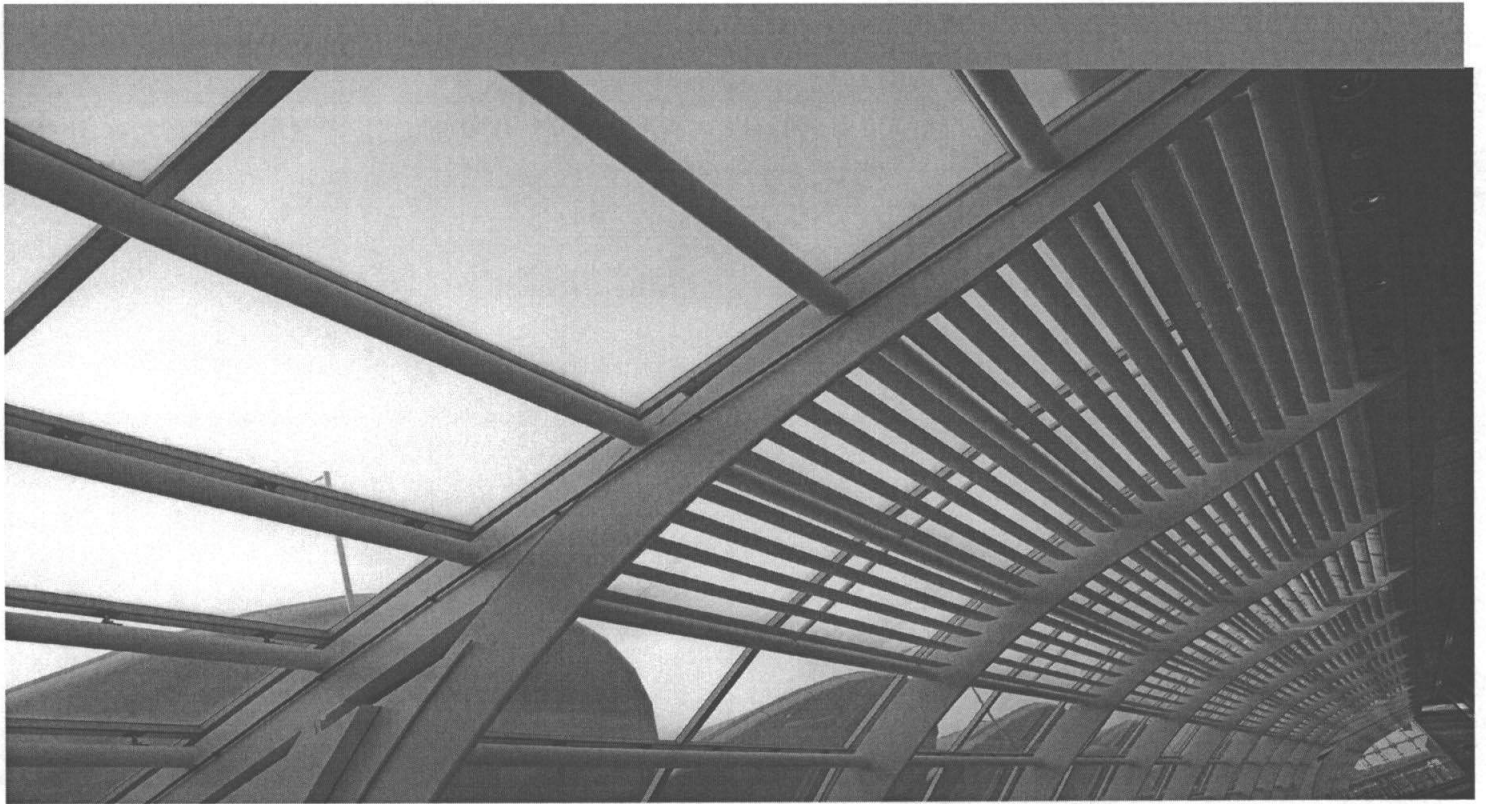
**Agenda Item #13:**

**Dripping Springs Ranch Park:**

150-814-97-401.5600	Dripping Springs Park	1,200,000	1,800,000		3,000,000
150-800-97.5448	Park Bond 11	4,972,444		(1,800,000)	3,172,444

\*Move unallocated funds to Dripping Springs Ranch Park contributions.

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# ECONOMIC IMPACT OF EVENTS CENTER AT DRIPPING SPRINGS RANCH PARK ON THE CITY AND SURROUNDING COMMUNITY

Larry Secrest, Ph.D.  
Phase One Final Report

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Austin, Texas 78758  
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**FINANCIAL IMPACT OF  
DRIPPING SPRINGS  
RANCH PARK & EVENTS CENTER  
ON THE CITY AND  
SURROUNDING AREAS**

**Presented to the Mayor and City Council by**

Larry Secrest, PH.D.

MAY 28, 2012

***FINAL REPORT – PHASE I***

## EXECUTIVE SUMMARY

- The Dripping Springs area has experienced rapid growth during the past decade (~50%). Known as the “Gateway to the Texas Hill Country” the Dripping Springs area should experience continued fast growth for the foreseeable future. Estimated population of the city and ETJ in 2012 is expected to be 37,595 people. Significantly, most of the population lies in the ETJ. The city currently has a population of less than 2000 people.
- Much of this growth has come from affluent retirees, entrepreneurs and business owners, and Austin commuters. The average household income exceeds \$100,000 making the region one of the wealthier rural areas in the state
- Dripping Springs (the “city”) has long been known as a leading equestrian center.
- The city is in an enviable location. Other than Austin (which has a much larger but poorly located events center), the proposed Dripping Springs Events Center will be the only roofed events center within an hour’s drive.
- Although the Dripping Springs area currently lacks adequate motels and other amenities to allow it to be a major tourist destination center, completion of the Dripping Springs Ranch Park (DSRP) events center should accelerate development of a proper infrastructure and increase the growth and attractiveness of the city.
- Dripping Springs is well situated to become the principal gateway to the Texas Hill Country. The addition of the DSRP events center, properly built-out, with good management and promotion, can accelerate growth in the region and have considerable impact on the city and region.

Construction of the DSRP events center is a major undertaking for the city. While the project may increase economic activity in the area and add significantly to the quality of life in the region, the principal impact of the events center will come as additional features are added.

It is critical that the events center be operated as a separate entity with experienced management and promotion to insure its success. It is also important that the events center be organized so that the city of Dripping Springs is not liable for possible losses or financial problems related to the events center.

Currently, the city has raised over \$2.2 million principally from Texas Parks and Wildlife and Hays County. Because of the city’s small tax base additional required funds will have to come from private foundations, individuals and other entities that recognize the value of the events center. The Mayor and City Council of Dripping Springs are committed to achieving sufficient funding to complete the project. Area leadership also appears enthusiastic about the events center and its impact on the city and region. As planned, the completion of the



events center will be a major accomplishment for the city and region and with proper management can enhance the economic development of the city and region.

## DISCLAIMER AND QUALIFICATIONS

In reading this report please note that while every reasonable effort has been made to insure that the information contained in this report is accurate as of the date of the study (December, 2011) and the conclusions drawn from the data are reasonable, the design and scope of the project has changed that will impact the study results. Although the study results have been recast to reflect these changes, the economic impact of the events center on the city and region during the first two years of operation is more difficult to estimate. Future events may also significantly affect the conclusions and data summarized in this report. The scope of the study was limited by time and budget. This report relied in part upon assumptions made by the city and makes no claim to have validated those assumptions.

This study was conducted without data collection from potential users in the Dripping Springs area and other areas that are likely to be attracted to DSRP events center. As stated in the contract between consultant and the city, research was conducted largely by review of the reported performance and activities of similar events centers principally in the Texas region. Conclusions herein are, therefore, by comparison and analogy to these events centers. In almost all cases reviewed by the consultant, the financial performance of reviewed centers was negative or break-even, and the centers required external operating funds on an annual basis. While we believe that with good management and promotion, the DSRP events center may be profitable, consultant does not have sufficient information to be able to reach this conclusion. Most of the data reviewed has not been audited and, therefore, may contain errors and omissions.

Dripping Springs Ranch Park is an unusually small site for the multiple purposes that it will encompass. Its size and absence of sewer connections creates significant uncertainty regarding its ability to grow and adapt as new shows and meetings seek to use the venue. The events center is a major investment considering the tax base of the city, and therefore, extreme care must be taken to insure that event center operations do not negatively impact the city's other activities and responsibilities.

Consultant makes no warranty or representation that any of the forecast performance or results will actually be achieved. Consultant has served only in the capacity of consultant and advisor regarding the project. Possession of the study does not carry with the right to use it for grants or public or private offering of debt or equity securities.

This study is qualified in its entirety by these limitations, conditions, considerations and short form nature of the study. The city is solely responsible for any decision that it makes with respect to the subject matter of this study.

## **DRIPPING SPRINGS ECONOMIC IMPACT & FINANCIAL PROJECTION – EVENTS CENTER**

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### **FORECAST ECONOMIC IMPACT OF DSRP EVENTS CENTER**

<b>2012-13</b>	<b>2014</b>	<b>2115</b>	<b>2016</b>
<b>\$2,650,000</b>	<b>\$290,000</b>	<b>\$\$380,000</b>	<b>\$\$435,000</b>

**FIVE YEAR ECONOMIC IMPACT ON DRIPPING  
SPRINGS AREA = \$3,755,000**

**(ASSUMES CONSTRUCTION BEGINS IN 2012 AND PROJECT IS  
COMPLETED FIRST QUARTER OF 2013)**

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#### **KEY ASSUMPTIONS**

- 1. Over thirty events centers were reviewed as models for estimating financial performance and impact of the events center. For the most part, the assumptions used in this model are similar to the financial results experienced by the events center in Gonzales, TX rescaled.**



2. The forecast of booked event days assumed in the model are optimistic. Booked event days are approximately 20% higher than typically experienced by similar event centers. A typical equestrian events center is booked for around 130 – 150 days per year.
3. Facility rental prices are assumed to be \$425 per weekend day (Friday, Saturday, Sunday) and \$325 during the week. This analysis assumes that equestrian events will on average attract around 75 participants and attendees. Larger shows will attract significantly greater attendance and will be attracted to Dripping Springs as the facility becomes well known. Concerts, fairs and rodeos are assumed to attract at least 300 people. Although concerts have the potential to generate considerable revenues and impact on the area, the central Texas region has an abundance of concert venues closer to the population center. For that reason we have assumed a limited number of concerts during the early years of operation. Good marketing could significantly increase the number of concerts and other high attendance activities.
4. Equestrian events are assumed to occur on 2/3 of weekends. This would include rodeos as well as specialized equestrian events. Family show. and community activities such as WestFest will occupy approximately 1/3 of performance days annually including weekends and weekdays..
5. Staff to operate the event center will be hired as needed although the general manager and marketing director will be hired six months before the facility is completed.
6. RV hookups have been calculated for purposes of this projection at 40 units per weekend night at \$20 per night. Stall charges are \$15 per day. It is assumed that 75 stalls will be used daily during each equestrian event.
7. Wall advertising and sponsorships are typical in arenas and events centers. Financial projections assume modest revenues for these categories.

In general, events centers are either run directly by the city or county or are licensed to private event management companies, not-for-profit organizations, or economic development corporations. **We strongly urge the city to contract with a separate legal entity.** This will protect the city from a variety of possible adverse events – insurance claims, security issues, and operating losses that might impact other city functions. Generally, event management professionals think that third party management achieves better outcomes for customers, the city and event sponsors.

Significantly, none of the events centers that were examined consistently breaks even. While we are cautiously optimistic that the DSRP events center will make money, this will require good management and marketing and very good cost controls. Given the limited tax base of the city, an

unprofitable events center could adversely affect the city budget if directly controlled by the city.

The principal pitch to potential donors to the project is that the events center will have a strong positive impact on the city; the will significantly enhance the city's reputation and make Dripping Springs an interesting destination city. It will significantly improve the quality of life in the city.

The addition of a major new activity such as the events center can change the entire character of the region. The growth and prosperity of Glen Rose, Gonzales, Dallas, Fort Worth and other cites can be traced back to the development of major events and attractions that at their inception were considered very risky.

## ASSUMED EVENT DAYS BY CATEGORY

	2013	2014	2015	2016
<b>EQUESTRIAN</b>				
WEEKEND	25	70	80	90
WEEKDAY	10	25	35	40
RODEOS, FAIRS	5	10	14	16
CONCERTS	-	12	20	30
PRIVATE	2	6	8	20
WEEKEND	32	98	122	129
WEEKDAY	5	25	35	67
<b>TOTAL DAYS</b>				
BOOKED	37	123	157	196

**PRO FORMA FINANCIAL STATEMENT  
(FULL YEARS ONLY) (\$000)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>REVENUES</b>			
<b>FACILITIES</b>	<b>\$65</b>	<b>\$90</b>	<b>\$102</b>
<b>RV HOOKUPS</b>	<b>56</b>	<b>64</b>	<b>72</b>
<b>FOOD/BEV</b>	<b>30</b>	<b>45</b>	<b>50</b>
<b>BILLBOARDS</b>	<b>25</b>	<b>40</b>	<b>50</b>
<b>STALLS/MISC</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>TOTAL REVENUE</b>	<b>\$206</b>	<b>\$269</b>	<b>\$304</b>
<b>EXPENSES</b>			
<b>PERSONNEL</b>	<b>\$262</b>	<b>\$286</b>	<b>\$301</b>
<b>OVERHEAD</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>TOTAL EXPENSES</b>	<b>\$337</b>	<b>\$361</b>	<b>\$376</b>
<b>NET CASH FLOW</b>	<b>(\$131)</b>	<b>(\$92)</b>	<b>(\$72)</b>

# Budget Worksheet Report

Account Number	Description	2009 Actual Amount	2010 Actual Amount	2011 Actual Amount	2012 Actual Amount
<b>Fund</b>	<b>001</b>	<b>General Fund</b>			
Revenue					
<b>Department</b>	<b>646</b>	<b>Civic Center</b>			
<b>Division</b>	<b>00</b>	<b>Operating</b>			
Other Revenues					
4610	Contributions	\$0.00	\$0.00	\$0.00	\$0.00
4627	Building Rental Income	\$40,500.95	\$56,365.50	\$28,989.47	\$30,272.07
	<u>Total: Other Revenues</u>	\$40,500.95	\$56,365.50	\$28,989.47	\$30,272.07
	<b>Division Total: Operating</b>	<b>\$40,500.95</b>	<b>\$56,365.50</b>	<b>\$28,989.47</b>	<b>\$30,272.07</b>
	<b>Department Total: Civic Center</b>	<b>\$40,500.95</b>	<b>\$56,365.50</b>	<b>\$28,989.47</b>	<b>\$30,272.07</b>
Revenue Totals		\$40,500.95	\$56,365.50	\$28,989.47	\$30,272.07
Expenses					
<b>Department</b>	<b>646</b>	<b>Civic Center</b>			
<b>Division</b>	<b>00</b>	<b>Operating</b>			
Salaries and Benefits					
<u>Salaries</u>					
5011	Department Head Salary	\$46,411.20	\$46,875.31	\$46,798.00	\$46,875.36
5021	Staff Salaries	\$22,492.25	\$21,100.00	\$19,577.52	\$18,360.00
	<u>Total: Salaries</u>	\$68,903.45	\$67,975.31	\$66,375.52	\$65,235.36
<u>All Benefits</u>					
5061	Longevity	\$0.00	\$0.00	\$0.00	\$0.00
5101	FICA and Retirement	\$11,189.81	\$0.00	\$0.00	\$0.00
5101_100	FICA and Retirement FICA	\$0.00	\$3,857.96	\$3,752.16	\$3,682.86
5101_200	FICA and Retirement Medicare	\$0.00	\$902.27	\$877.51	\$861.32
5101_300	FICA and Retirement Retirement	\$0.00	\$6,755.17	\$6,871.17	\$7,026.93
5160	Insurance Benefits	\$8,052.00	\$0.00	\$0.00	\$0.00

# Budget Worksheet Report

Account Number	Description	2009 Actual Amount	2010 Actual Amount	2011 Actual Amount	2012 Actual Amount
<b>Fund</b>	<b>001</b>	<b>General Fund</b>			
<b>Department</b>	<b>646</b>	<b>Civic Center</b>			
<b>Division</b>	<b>00</b>	<b>Operating</b>			
5160_400	Insurance Benefits Medical	\$0.00	\$8,349.60	\$9,037.68	\$9,888.00
5160_500	Insurance Benefits Dental	\$0.00	\$294.06	\$332.22	\$367.74
5160_600	Insurance Benefits Life	\$0.00	\$54.00	\$45.54	\$42.63
	<u>Total: All Benefits</u>	\$19,241.81	\$20,213.06	\$20,916.28	\$21,869.48
	<u>Total: Salaries and Benefits</u>	\$88,145.26	\$88,188.37	\$87,291.80	\$87,104.84
	<b>Operating</b>				
5201	General Supplies	\$27,126.41	\$19,130.59	\$15,712.38	\$17,807.91
5271	Fuel	\$2,495.50	\$3,903.12	\$4,678.60	\$4,488.91
5413	Vehicle Maintenance and Repair	\$7,370.93	\$6,940.78	\$4,992.54	\$2,471.06
5451	Building Maintenance and Repair	\$3,003.57	\$2,044.60	\$2,753.72	\$525.42
5452	Trash Hauling	\$1,971.00	\$1,608.00	\$1,948.60	\$1,593.00
5462	Public Notice	\$0.00	\$0.00	\$0.00	\$0.00
5473	Equipment Lease	\$1,122.31	\$217.44	\$1,230.59	\$2,213.12
5480	Utilities	\$0.00	\$0.00	\$0.00	\$0.00
5480_040	Utilities Civic Center	\$42,006.28	\$52,026.44	\$50,202.06	\$49,460.63
5489	Telephone and Data Lines	\$1,274.63	\$1,280.53	\$1,668.37	\$1,895.30
	<u>Total: Operating</u>	\$86,370.63	\$87,151.50	\$83,186.86	\$80,455.35
	<b>Continuing Education</b>				
5551	Continuing Education	\$0.00	\$0.00	\$0.00	\$0.00
	<u>Total: Continuing Education</u>	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Capital Outlay</b>				
5741	Misc Capital Improvements	\$1,392.00	\$2,210.00	\$9,920.00	\$0.00
	<u>Total: Capital Outlay</u>	\$1,392.00	\$2,210.00	\$9,920.00	\$0.00



# Budget Worksheet Report

Account Number	Description	2009 Actual Amount	2010 Actual Amount	2011 Actual Amount	2012 Actual Amount
<b>Fund</b>	<b>001</b>	<b>General Fund</b>			
<b>Department</b>	<b>646</b>	<b>Civic Center</b>			
<b>Division</b>	<b>00</b>	<b>Operating</b>			
<u>Capital Assets</u>					
5719	Miscellaneous Equipment	\$21,015.97	\$4,180.34	\$0.00	\$0.00
<b>Total Capital Assets</b>		\$21,015.97	\$4,180.34	\$0.00	\$0.00
<u>Capital Assets - Operating</u>					
5719_400	Miscellaneous Equipment Operating Expense	\$0.00	\$0.00	\$4,029.32	\$0.00
<b>Total Capital Assets - Operating</b>		\$0.00	\$0.00	\$4,029.32	\$0.00
<b>Division Total: Operating</b>		<b>\$196,923.86</b>	<b>\$181,730.21</b>	<b>\$184,427.98</b>	<b>\$167,560.19</b>
<b>Department Total: Civic Center</b>		<b>\$196,923.86</b>	<b>\$181,730.21</b>	<b>\$184,427.98</b>	<b>\$167,560.19</b>
Revenue Totals:		\$40,500.95	\$56,365.50	\$28,989.47	\$30,272.07
Expense Totals		\$196,923.86	\$181,730.21	\$184,427.98	\$167,560.19
<b>Fund Total: General Fund</b>		<b>(\$156,422.91)</b>	<b>(\$125,364.71)</b>	<b>(\$155,438.51)</b>	<b>(\$137,288.12)</b>
<b>Revenue Grand Totals:</b>		<b>\$40,500.95</b>	<b>\$56,365.50</b>	<b>\$28,989.47</b>	<b>\$30,272.07</b>
<b>Expense Grand Totals:</b>		<b>\$196,923.86</b>	<b>\$181,730.21</b>	<b>\$184,427.98</b>	<b>\$167,560.19</b>
<b>Net Grand Totals:</b>		<b>(\$156,422.91)</b>	<b>(\$125,364.71)</b>	<b>(\$155,438.51)</b>	<b>(\$137,288.12)</b>