

**AZLE MUNICIPAL DEVELOPMENT DISTRICT
REGULAR MEETING**

**CITY COUNCIL CHAMBERS
613 S.E. PARKWAY
AZLE, TEXAS 76020**

TUESDAY, May 9, 2017

AGENDA

**President Ray Ivey
Vice President Kevin Ingle
Secretary Joe McCormick**

**Director Jack Stevens
Director Justin Berg
Council Member Paul Crabtree
Council Member David McClure**

**REGULAR SESSION
CALL TO ORDER**

6:30 p.m.

PRESENTATION

1. Presentation of the MDD's Quarterly Investment Report for Quarter ended March 31, 2017
Renita Bishop, Finance Director
2. Monthly report
Karen Dickson, Economic Development Director

ACTION ITEMS

3. Consider approving the Minutes of the March 14, 2017 Azle MDD regular meeting
Joe McCormick, Secretary

DISCUSSION ITEMS

4. Discussion regarding upcoming FY2017-18 budget process.
Tom Muir, Executive Director
5. Discussion regarding Azle Municipal Development District plans/procedures/policies.
Ray Ivey, President

ADJOURNMENT

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on May 5, 2017 at the City's official bulletin board and is readily accessible to the public at all times in accordance with V.T.C.A. Chapter 551, Texas Government Code.



Susie Hiles, Assistant to the City Manager

Date Agenda Removed from Posting

This facility is wheelchair accessible and handicapped parking spaces are available. Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in city functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight hours prior to the scheduled starting time by calling the City Secretary's Office at 817-444-7101.

Complete MDD Agenda packet and background information are available for review at the City Secretary's Office and on our website www.cityofazle.org.

Municipal Development District Communicator

Item # 1

Submitted By: Renita Bishop – Finance Director	Date: May 5, 2017
Subject: Presentation of the Quarterly Investment Report for month ended March 31, 2017.	

Action Requested: Presentation, no action required.
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Purpose (Outline – Who, What, Where, Why & How). Finance.

Checklist of Attachments			
<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo / Report From Applicant	<input type="checkbox"/> P&Z Minutes	<input type="checkbox"/> Board Minutes	<input type="checkbox"/> Other Minutes
<input type="checkbox"/> Staff	<input type="checkbox"/> Checklist	<input type="checkbox"/> Federal Law	<input type="checkbox"/> Plans / Drawings
<input checked="" type="checkbox"/> Other	<input type="checkbox"/> State Law	<input type="checkbox"/> Bid Tabulations	<input type="checkbox"/> Maps
	<input type="checkbox"/> Attachments	<input type="checkbox"/> Notices	<input type="checkbox"/> Charter

City of Azle
Municipal Development District
QUARTERLY INVESTMENT REPORT
For the Quarter Ended
March 31, 2017

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Azle Municipal Development District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.



Investment Officer



Investment Officer

Disclaimer: These reports were compiled using information provided by the City of Azle. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment adviser fees.

Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	March 31, 2017		December 31, 2016	
		Book Value	Market Value	Book Value	Market Value
Bank/Pool/MMMFs	0.60%	\$ 774,251	\$ 774,251	\$ 692,255	\$ 692,255
CDs/Securities/Term	1.00%	448,665	448,665	448,169	448,169
Totals		\$ 1,222,916	\$ 1,222,916	\$ 1,140,424	\$ 1,140,424

Current Quarter Portfolio Performance:

Average Quarterly Yield	0.75%
Rolling Three Mo. Treas. Yield	0.60%
Rolling Six Mo. Treas. Yield	0.64%

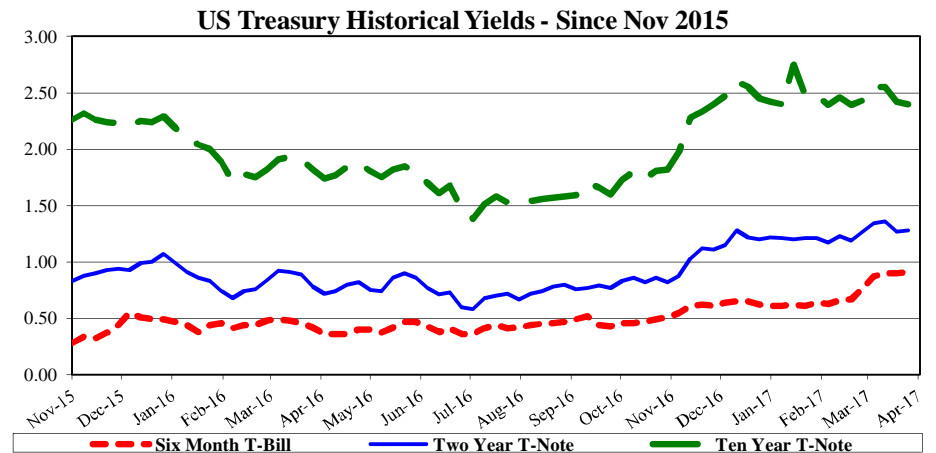
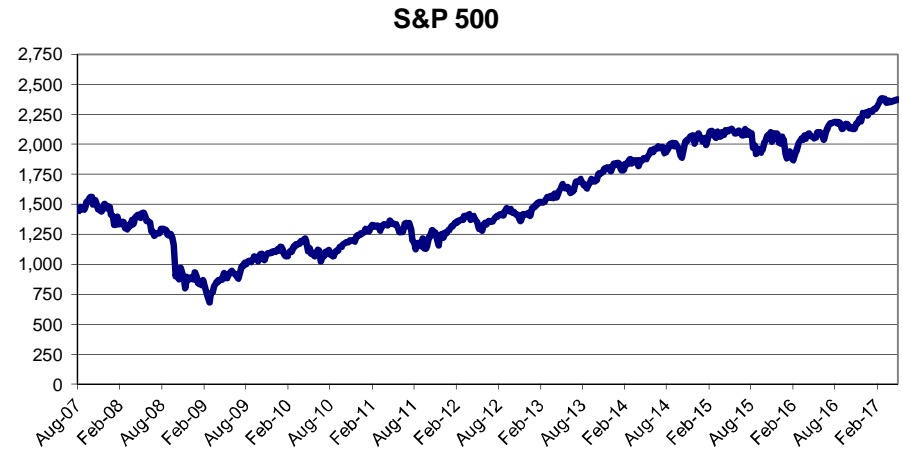
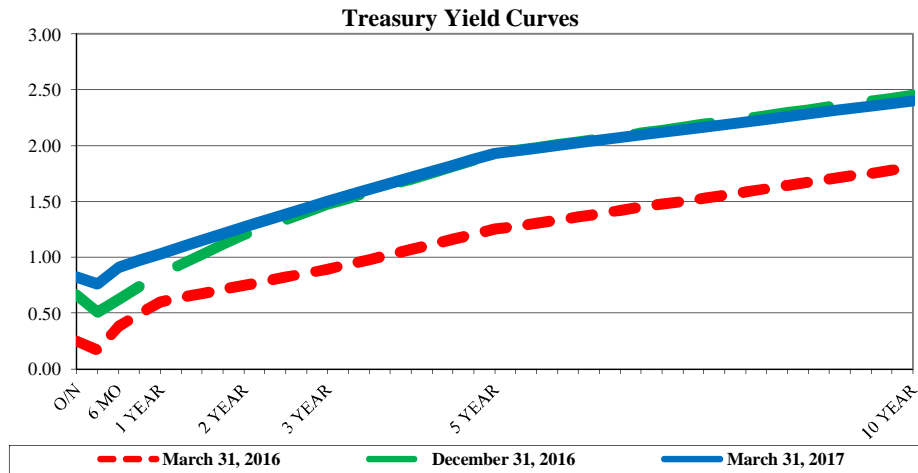
Fiscal Year-to-Date Portfolio Performance:

Average Quarter End Yield	0.72%
Rolling Three Mo. Treas. Yield	0.52%
Rolling Six Mo. Treas. Yield	0.57%
Average Quarterend TexPool Yield	0.54%

Quarterly Interest Earnings	\$ 1,529 (Unaudited)
Fiscal YTD Interest Earnings	\$ 2,793 (Unaudited)

Note: Average yields calculated using quarter end report average yield and adjusted book value, but do not include adviser fees and realized and unrealized gains or losses.

The Federal Open Market Committee (FOMC) raised the Fed Funds target range of 0.75% - 1.00% (actual Fed Funds are trading +/-90 bps). There are mixed anticipations for additional FOMC actions this year. Some look for another rise as early as the June FOMC meeting. Final revision 4th Quarter 2016 GDP increased to 2.1%. US data reflects continuing modest to moderate economic growth. The Stock Markets recorded new highs. Financial Institution deposits (MMAs and CDs) generally offer the best interest earnings opportunity.



Investment Holdings
March 31, 2017

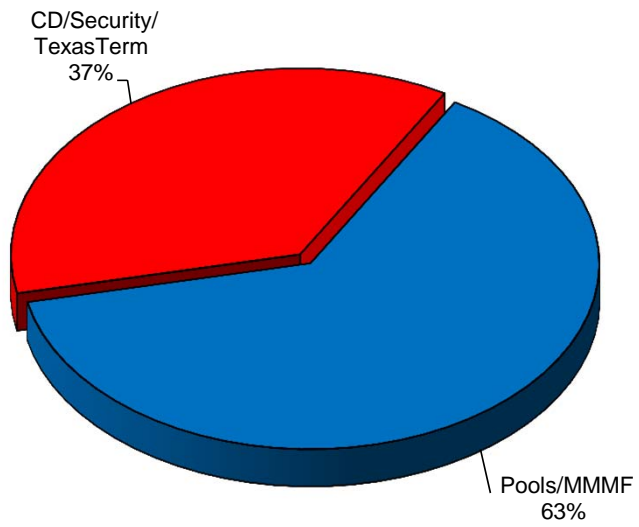
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
TexPool	AAAm	0.62%	04/01/17	03/31/17	\$ 546,574	\$ 546,574	1.00	\$ 546,574	1	0.62%
Herring Bank (3)		0.55%	04/01/17	03/31/17	227,677	227,677	1.00	227,677	1	0.55%
Origin Bank CD		1.00%	08/07/17	08/07/16	125,000	125,000	1.00	125,000	129	1.00%
Lubbock National Bank CD		1.00%	09/24/17	08/24/16	201,165	201,165	1.00	201,165	177	1.00%
Origin Bank CD		1.00%	02/12/18	02/12/17	122,500	122,500	1.00	122,500	318	1.00%
					\$ 1,222,916	\$ 1,222,916		\$ 1,222,916	75	0.75%
									(1)	(2)

(1) **Weighted average life** - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

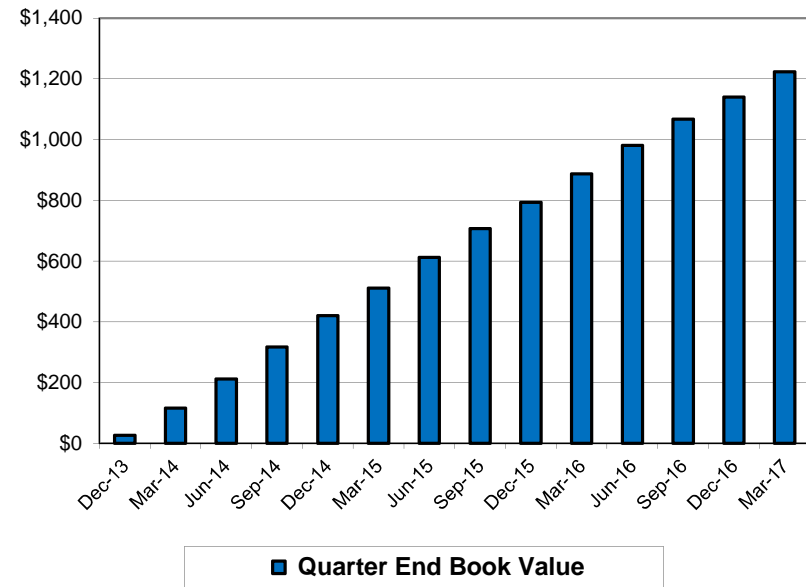
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter.

(3) **Yield Estimated.**

Portfolio Composition



Total Portfolio (000's)



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2016				March 31, 2017		
			Original Face\		Purchases at Cost	Sales\ Maturities	Original Face\		
			Par Value	Book Value			Par Value	Book Value	
TexPool	0.62%	04/01/17	\$ 464,890	\$ 464,890	\$ 81,685	\$ –	\$ 546,574	\$ 546,574	
Herring Bank (1)	0.55%	04/01/17	227,365	227,365	312		227,677	227,677	
Origin Bank CD	1.00%	02/12/17	122,500	122,500		(122,500)	–	–	
Origin Bank CD	1.00%	08/07/17	125,000	125,000			125,000	125,000	
Lubbock National Bank CD	1.00%	09/24/17	200,669	200,669	495		201,165	201,165	
Origin Bank CD	1.00%	02/12/18	–	–	122,500		122,500	122,500	
TOTAL			\$ 1,140,424	\$ 1,140,424	\$ 204,992	\$ (122,500)	\$ 1,222,916	\$ 1,222,916	

Market Value Comparison

Description	Coupon/ Discount	December 31, 2016				Qtr to Qtr Change	March 31, 2017			
		Original Face\		Market Price	Market Value		Original Face\		Market Price	Market Value
		Par Value	Market Price				Par Value	Market Price		
TexPool	0.62%	\$ 464,890	1.00	\$ 464,890	\$ 81,685	\$ 546,574	1.00	\$ 546,574		
Herring Bank (1)	0.55%	227,365	1.00	227,365	312	227,677	1.00	227,677		
Origin Bank CD	1.00%	122,500	100.00	122,500	(122,500)	–	100.00	–		
Origin Bank CD	1.00%	125,000	100.00	125,000		125,000	100.00	125,000		
Lubbock National Bank CD	1.00%	200,669	100.00	200,669		201,165	100.00	201,165		
Origin Bank CD	1.00%	–		–	122,500	122,500	100.00	122,500		
TOTAL		\$ 1,140,424		\$ 1,140,424	\$ 81,997	\$ 1,222,916		\$ 1,222,916		

(1) Yield Estimated.

Municipal Development District Communication

Item # 2

Submitted By: Karen Dickson – Economic Dev Director	Date: May 5, 2017
Subject: EDD Monthly Report	

Action Requested: Present EDD Monthly Report

Purpose (Outline – Who, What, Where, Why & How).

Checklist of Attachments			
<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo From	<input type="checkbox"/> P&Z Minutes	<input type="checkbox"/> Board Minutes	<input type="checkbox"/> Other Minutes
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<input type="checkbox"/> Other	<input type="checkbox"/> Attachments	<input type="checkbox"/> Notices	<input type="checkbox"/> Charter

Municipal Development District Communication

Item # 3

Submitted By: Susie Hiles, Assistant to the City Manager **Date:** May 7, 2017

Subject: Azle MDD Board Minutes.

Action Requested: Consider approving the Minutes of the March 14, 2017 Azle MDD regular meeting

Purpose (Outline – Who, What, Where, Why & How).

Procedural.

Checklist of Attachments

<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo From	<input type="checkbox"/> P&Z Minutes	<input checked="" type="checkbox"/> Board Minutes	<input type="checkbox"/> Other Minutes
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**MINUTES
REGULAR MEETING
AZLE MUNICIPAL DEVELOPMENT DISTRICT
March 14, 2017**

DRAFT

STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF AZLE §

The Azle Municipal Development District of the City of Azle, Texas convened in Regular Session at 6:30 p.m. in the Council Chambers of City Hall, 613 Southeast Parkway, Azle, Texas, on the 14th day of March 2017 with the following members present:

Kevin Ingle	Vice President - Place 6
Councilman Paul Crabtree	Director – Place 1
Jack Stevens	Director - Place 5
Justin Berg	Director – Place 7
Tom Muir	Executive Director/City Manager

Constituting a quorum. President Ray Ivey, Secretary Joe McCormick and Councilman David McClure were excused from tonight’s meeting. Staff present was:

Karen Dickson	Economic Development Director
Susie Hiles	Assistant to City Manager- Scribe

The following items were considered in accordance with the official agenda posted on the 10th day of March 2017.

REGULAR SESSION: 6:30 p.m.
CALL TO ORDER

Vice President Kevin Ingle called the session to order at 6:42 p.m.

PRESENTATION

1. Monthly Report on Economic Development

EDD Dickson presented a report to the Board on current/future building development in Azle totaling 1,301 housing units – 421 multi-family units and 880 single-family units.

New construction or soon to be constructed. Total \$90 million Capital investment:

- Reata West Apartments (across Azle High School) – 224 units
- Legacy Oaks Assisted Living project (Civitas) – 197 units
- Azle ISD new elementary schools – Walnut Creek Elementary and Azle Elementary
- Azle City Hall/Police Dept

Residential developments under construction – 199 lots:

- Falcon Ridge, Benchmark Homes developer – 35 lots.
- Ashwood Park Phase II, DR Horton developer – 69 lots
- Kimbrough, VLMC Developer – 29 lots
- Forest Glen, Benchmark developer – 35 lots (on Walnut Creek Dr)
- Eagle Lake Garden Village, Bellaire North developer – 31 lots

Developments under consideration:

- New development at the northern city limits - east of Jackson Trl – 180 lots
- Oak Harbor – 12 – 15 lots
- 92 Acres on Lakeview & Ash across from new Azle Elementary – 350 lots
- Bristol Farms Phase II – 52 lots
- S. Stewart across from Golden Pond Addition – 150 lots

**MINUTES
REGULAR MEETING
AZLE MUNICIPAL DEVELOPMENT DISTRICT
March 14, 2017**

DRAFT

Planned expansion of existing businesses:

- Russell Feed & Supply – 5,000 sq ft expansion
- Integrated Machinery Solutions (IMS) – 6,000 sq ft expansion
- VWMB – 2,000 sq ft expansion

ACTION ITEMS

2. Consider approving the Minutes of the February 14, 2017 Azle MDD regular meeting.

Director Jack Stevens moved to approve the Minutes as discussed, with second by Director Justin Berg. The motion was unanimously approved.

3. Consider approving revisions to the Façade and Signage Improvement Program policy.

Economic Development Director Karen Dickson presented the Board with a draft of the policy showing the proposed revisions as suggested by the Board at the February 14, 2017 MDD meeting. Staff added an additional revision under signage, proposing to include existing signage as an eligible improvement and increasing the reimbursement cap from \$1,500 to \$5,000. The Board approved all revisions. Staff advised the revised policy will be presented to City Council at the March 21, 2017 meeting for their review/approval.

Director Jack Stevens moved to approve the revised Façade and Signage Improvement Program policy, with second by Director Justin Berg. The motion was unanimously approved.

DISCUSSION ITEMS

4. Discussion regarding Azle Municipal Development District plans/procedures/policies as well as funding opportunity options.

Economic Development Director Dickson presented the Board with suggested funding opportunity options to enhance interest in economic development in Azle.

- Buy the old skating rink property, scrape it, sell to a retail developer. Estimated cost: \$1 million
- Set aside funds in the annual MDD budget as an incentive to buyer to make property across from Walmart (5.89 acres) more developable. Estimated cost: \$500,000 (not including property purchase)
- Improve Avondale corner and demolish houses.
Estimated cost: Estimated cost: \$318,000
- Set aside a percentage of the MDD annual budget income towards “quality of place” purposes. Quality of Purpose defined as physical characteristics of a community...that affect the quality of life of people living and working in it and those visiting it both now and in the future. Example of project could be funding sidewalks.

These are all ideas for consideration. Will bring back at a future meeting for discussion on how/if to proceed with implementing any of these ideas.

ADJOURNMENT

Vice President Kevin Ingle adjourned the meeting at 7:39 p.m.

PRESENTED AND APPROVED this the 09th day of May, 2017.

APPROVED:

Ray Ivey, President

ATTEST:

Joe McCormick, Secretary