

**Wilhelm, Gayle**

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**From:** James R. Carpenter [jim@carpenteraustin.com]  
**Sent:** Monday, May 24, 2010 7:32 PM  
**To:** Wilhelm, Gayle ; McDonald, Ronnie ; Dildy, Lee ; Moore, Ronnie  
**Cc:** 'Geoffrey Connor'; 'Jerry Hooper'; John Brusniak Jr.; Jerry Kyle ; Patrick W. Lindner; 'Garry Kimball'  
**Subject:** Items Requested in Advance for Thursday's Joint 381 Agmt. Meeting  
**Attachments:** Bastrop County 381 Agreement.DOC; Redline.doc; CTA 381 Term Memo 5-24-10a.pdf; CTA SITE 05-21-10 381-EXHIBIT-B (2).pdf, Bastrop County Consent Agreement-Draft.DOC

- (1) Attached are the complete list of items that were requested for our Thursday joint Bastrop County, CTA team meeting. The redlined 381 Agreement contains the changes that we are requesting and a clean draft with these changes is also provided.
- (2) Questions regarding the length of the 30-year term were raised and validity for this time frame was requested. The attached letter from Garry Kimball's firm, Specialized Public Finance Inc., demonstrates that 30-50 year agreements are standards for major projects particularly where significant infrastructure is required. The case of Central Texas Airport, is unique among the attached comparative examples. The cost for Airports are effectively paid for three times over the life of the project. These cost factors are:
  - A. the fully built-out cost of constructing all phases of the airport infrastructure improvements;
  - B. then that cost is expended again for the operational costs needed to staff and operate the airport and all associated services and facilities;
  - C. then that cost is expended a third time for the repair, maintenance, reconstruction of the base infrastructure and improvements and the upgrade and replacement of avionics, navigational equipment, lighting, communications and other technology upgrades that are required multiple times over during the life of the project.

Alliance Airport represents another airport project but it was sold to the FAA so the massive costs after initial construction are now covered with federal funding. Central Texas Airport conceded to the County's request that we not be allowed to be a Part 139 Commercial Airport so our future is severely constrained in contrast to Alliance.

- (3) The proposed Bastrop County Consent Agreement for CTA to utilize an existing (or new) financing district was requested to be pulled from the 381 Agreement as a separate document, and we have complied. The need for the District is to be able to add an additional layer of property tax on the property within the boundaries of CTA-GCC. Additional bondable municipal revenue is needed beyond the 75% Property and Sales taxes in the 381 Agreement. A district is the only way we see to accomplish this. We ask for consent to Legislative expansion of the "Developer" reimbursables beyond what existing Districts are allowed for utilities and drainage, to include private roadways, airport and energy service assets necessary to support the operations of CTA-GCC. No eminent domain powers are included just the expanded ability to utilize tax revenues for any needs to develop and operate the airport. The County's consent is subject to the consent of the City of Bastrop if required.
- (4) Exhibit B was previously provided but I thought that I might as well have all the document in one place for your convenience.

Jerry Hooper spoke with Bastrop Central Appraisal District's Chief Appraiser Mark Boehnke to discuss the Districts understanding of the property taxation process. They discussed the specifics of identification of taxable assets at CTA-GCC, the methods of notices, collections and remittances to the taxing entities. Mark completely understood the process and would be a valuable inclusion for our

meeting on Thursday. I suggest that someone from Bastrop County invite him to at least a portion of our meeting so we can get everyone comfortable with how the taxes actually work. I think this is an important knowledge base for all of us that do not manage taxation for a living.

We will see you at 1:30 on Thursday. Have a great week.

Jim Carpenter  
Managing Partner



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-----Original Message-----

From: Kyle, Jerry [mailto:JerryKyle@andrewskurth.com]  
Sent: Monday, May 24, 2010 6:30 PM  
To: Tom Pollan  
Cc: jim@carpenteraustin.com; walter@carpenteraustin.com; Garry Kimball;  
jerry@hooperconsulting.com; plindner@davidsontroulo.com; john@txtax.com;  
geoff.connor@connordemond.com; wperkins@mmuftc.com; Dillard, William  
Subject: RE: Central Texas Airport

Tom, in anticipation of our meeting with the County on Thursday, attached please find clean and marked copies of a revised version of the 381 Agreement, which reflects some of the changes requested in your May 18 e-mail. The changes that have not been incorporated reflect provisions that we have attempted to address in other ways in the attached draft and/or items that we would like to discuss at the meeting of the working group on Thursday. Please call me if you have any questions. Thanks.

-----Original Message-----

From: Tom Pollan [mailto:tpollan@bickerstaff.com]  
Sent: Tuesday, May 18, 2010 5:52 PM  
To: Kyle, Jerry  
Cc: Manuel Mendez; Gayle Wilhelm; lee.dildy@co.bastrop.tx.us; Lisa Smith; Ronnie McDonald;  
ronnie.moore@co.bastrop.tx.us; HENDERSOND@pfm.com; NEWMANB@pfm.com  
Subject: Central Texas Airport

Jerry:

Bastrop County has authorized me to send you its response to your April 28, 2010 Draft 381 Agreement. I am providing you with both a clean copy and a PDF showing the changes from your April 28 draft.

Please let me know if you have any questions.

Tom

Tom Pollan  
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