



OVERVIEW & INFORMATION

**Regarding Proposed Eanes ISD Agreements on
River Hills Road and Baldwin Properties**

OVERVIEW

The Eanes ISD Board of Trustees has reached initial agreements with Tires Made Easy, Inc. (a River Hills Road landowner), Western Hills Little League, and the 12 Fields Foundation (a 501(c)(3) nonprofit, formed by Western Hills Little League, Westlake Pop Warner, and Westlake Youth Soccer Association) that will bring youth athletics fields to Eanes ISD students and the Eanes community at large, create additional revenue streams to the District's Maintenance and Operations (M&O) budget, as well as end a three-year controversy over the District's River Hills Road property and the existing WHLL lease on a portion of the River Hills Road property. The agreements include the proposed sale of the River Hills Road property, as well as the proposed lease of a portion of the Baldwin property.

The Board and Eanes ISD Administration continually evaluate district-owned properties and examine how best to use those assets. The District had previously reserved 35 acres of the 86.7-acre River Hills Road property for the construction of an elementary school, but has since decided that the location is not ideal for a school site. In addition, the 95-acres of Baldwin property off of Bee Cave Road has been evaluated extensively for future use or sale. As a part of the evaluation of properties, the District conducted independent appraisals and analyzed market rates to provide more information on Fair Market Value.

Extracurricular activities are an important part of the lives of many children in the United States. Regular physical activity benefits children in many ways, including helping to build and maintain healthy lifestyles, improve academic achievement, and positively affect aspects of personal development. The Eanes ISD Mission Statement acknowledges the importance of not only academic experiences, but also enriching opportunities such as co-curricular and extracurricular opportunities.

Youth sports and recreation facilities are severely limited in the western part of Travis County, particularly in the Eanes community, where demand greatly outweighs supply. In an attempt to help increase the opportunities for youth sports, Eanes ISD entered into a lease with Western Hills Little League to build sports fields on River Hills Road. Since approval of the lease in 2011, Western Hills Little League, members of the 12 Fields Foundation, and the District have been collaborating with residents of the River Hills area to address concerns regarding the development. For years, the involved groups have worked to explore a multiple site solution in an effort to lessen the impact of the development on any one neighborhood, and Eanes ISD acknowledges and appreciates the efforts of members of the River Hills community and WHLL to find a solution that benefits all groups.

The Board of Trustees is confident that the resolution presented by the Agreements currently under consideration are in the best interest of Eanes students, the River Hills community, the area youth sports providers, and the District.

The following pages include specifics on these agreements, as well as Frequently Asked Questions.

RIVER HILLS ROAD PROPERTY

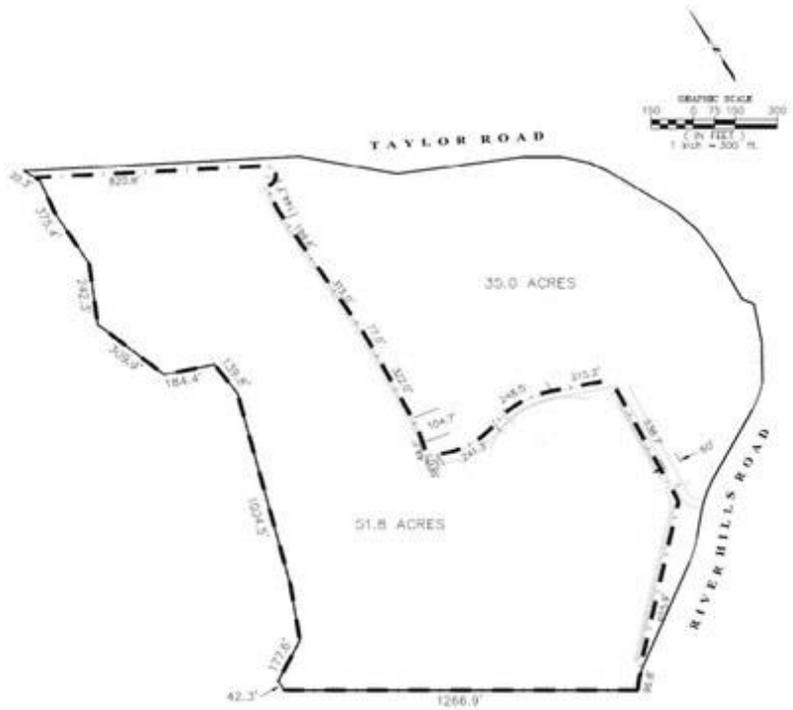
In 1985, Eanes ISD purchased 105 acres of property on River Hills Road as a possible future school site. In 2006, approximately 18 acres of the land was declared excess and sold to a neighboring landowner, leaving 86.7 acres as an asset of the District.

In February 2010, Eanes ISD issued a Request for Proposals (RFP) to lease a 51.8-acre tract on the property. At that time, the District reserved the remaining 35 acres of the property as a possible school site. Western Hills Little League (WHLL) was the only respondent to the RFP and was selected as the winning bidder, proposing to develop the property into 12 youth sports fields, an indoor sports facility and tennis courts. In March

2011, the Eanes ISD Board of Trustees approved entering into a 50-year lease with WHLL for \$10,000/year rent for the first four years, and \$50,000 plus escalation every five years thereafter. The lease also contained provisions for revenue sharing for activities on the site.

Recently, the Board decided that the River Hills Road site was not ideal for an elementary school, and instead instructed Administration to pursue selling the property. In September 2014, Eanes ISD issued a Request for Offers (RFO) for the entire 86.7-acres on River Hills Road. The Property was offered for sale subject to the existing WHLL lease, and any potential purchaser was required to accommodate the lease or negotiate with WHLL for a different arrangement. The RFO was posted on the District's website as well as published twice in the *Austin American-Statesman*. After notice and publication, three offers were received by the District.

On March 3, 2015, the Eanes Board determined that the offer submitted by a neighboring River Hills Road landowner, Tires Made Easy, Inc., represents the best offer to the District, at a sales price of \$4 million for the property. The sale agreement has not been finalized. Tires Made Easy, Inc., WHLL, and other River Hills Road landowners are engaged in negotiations about the future use of a smaller portion of the River Hills property for sports fields. Initial discussions include Tires Made Easy, Inc. deeding approximately 15 acres to WHLL for the development of four sports fields. Tires Made Easy, Inc. will also donate \$250,000 to the 12 Fields Foundation for use in developing sports fields in the Eanes community.

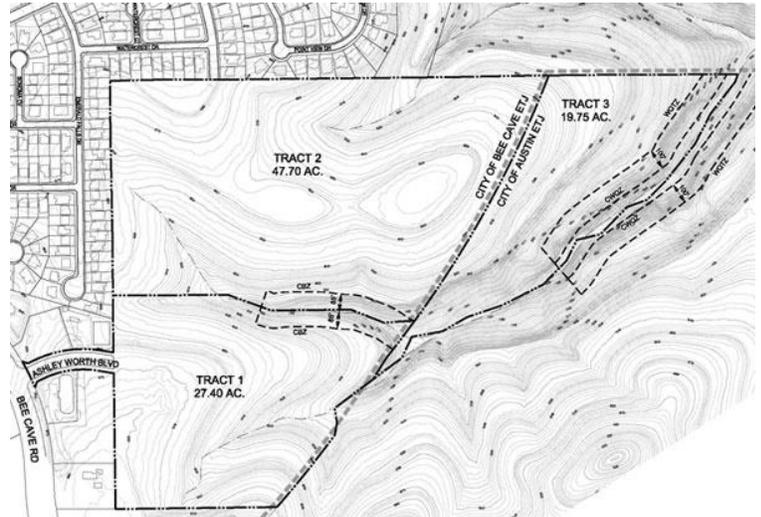


In its offer, Tires Made Easy, Inc. proposed to leave the property undeveloped for five years. After that time, the site may be developed into a larger lot residential subdivision.

Tires Made Easy, Inc. will also donate \$2 million to Eanes ISD, allowing the District the opportunity to upgrade existing fields within the District, potentially with turf and lights (at this time, the sites to possibly upgrade have not been determined). In addition, if the 12 Fields Foundation raises additional funds for Eanes ISD, the District has committed to upgrade up to three existing fields. Eanes ISD has also been in conversations with multiple providers of youth sports in the Eanes community in order to more efficiently schedule usage of Eanes ISD sports fields.

BALDWIN PROPERTY

In August 1997, Eanes ISD purchased approximately 95 acres of land located near the intersection of Bee Cave Road and Ashley Worth Boulevard, known as the Baldwin property. At the time, the Board of Trustees retained the land for the purpose of a possible school site. After analysis in recent years, a decision was made by the Board that the entire Baldwin property was not necessary for District purposes, based on its location at the western edge of the District.



In February 2014, the District issued a Request for Offers (RFO) for the sale of Tract 2 (47.70 acres) of the Baldwin property. The RFO was posted on the District's website as well as published twice in the *Austin American-Statesman*. After notice and publication, two offers were received by the District. The Board of Trustees voted Regal LLC as the best offeror, with a sale price of \$4.6 million, based on Fair Market Value.

In July 2014, the District issued an RFO for the sale of Tract 3 (19.75 acres), a largely unbuildable tract on the property. In September, the Board of Trustees voted Regal LLC as the best offeror for Tract 3, with a sale price of \$250,000. This action effectively combined Tracts 2 and 3 into one parcel of property with a common owner. Regal LLC plans to build approximately 130 homes on the sites, the first of which may be occupied in Fall 2016.

In August 2014, Eanes ISD issued a Request for Offers (RFO) to lease the remaining tract on the property, Tract 1 (27.4 acres). The RFO was posted on the District's website as well as published twice in the *Austin American-Statesman*. After notice and publication, two offers were received by the District.

On March 3, 2015, the Eanes Board determined that the offer submitted by Western Hills Little League (WHLL) represents the best offer to the District, with WHLL proposing to build youth sports fields on the site. The final lease is still in negotiation, but it is anticipated that the lease will be for 50 years, with \$5,000 annual rent for the first three years (with a possible one-year extension) or until the project is operational. After the initial period, the annual rent will be \$35,000 with a five percent escalation every five years. The District will have the right to use the fields during school days, at no cost to the District. The District retains the right to use the land for a future school. Regal LLC sees a proposed development of fields on Tract 1 by WHLL as a benefit to the newly-built community on Tracts 2 and 3.

SUMMARY

Proposed Sale of River Hills Road property to Tires Made Easy, Inc. (TME):

- \$4 million sale price (based on independent appraisals)
- Approximately 86.7 acres
- Existing Western Hills Little League (WHLL) lease runs with the land; TME and WHLL will negotiate future of lease
- Separately, TME donates \$2 million to Eanes ISD for the upgrade of Eanes ISD sports fields, and \$250,000 to the 12 Fields Foundation for the development of sports fields in the Eanes community
- TME will not build on site for five years; afterwards will possibly be home construction

Proposed Lease of Baldwin Tract 1 to WHLL:

- \$35,000 annual rent (with 5% escalation every five years), after initial construction period (based on an analysis of Central Texas sports field rentals)
- Approximately 27.4 acres
- 50-year lease, no revenue sharing
- For construction of youth sports fields

Sale of Baldwin Tracts 2 and 3 to Regal LLC:

- \$4.85 million
- Approximately 67.45 acres
- For residential construction

FREQUENTLY ASKED QUESTIONS

GENERAL

Where are the District's properties located?

The site on River Hills Road is an 86.7-acre parcel of land located near the intersection of Bee Cave Road and River Hills Road. [SEE MAP](#). The Baldwin property is located near the intersection of Bee Cave Road and Ashley Worth Boulevard. [SEE MAP](#).

Does the District lease properties with other organizations?

Eanes ISD currently has 50-year lease agreements with the Westbank Library and Westlake Fire Department, with annual rents of \$1 a year.

Are any school district personnel or board members personally profiting from these agreements?

No. Under these agreements, no current school district personnel or board members will personally profit. State law requires that certain school district personnel and board members must disclose any potential or existing conflicts of interest involving District agreements or contracts. For board members, state law also requires that members recuse themselves from any vote when there is a potential or existing conflict.

Why does the District rent sports fields and facilities?

Eanes ISD generates nearly \$600,000 annually in field and facility rentals, of which none is subject to recapture, or Robin Hood. Currently the demand for field rentals far outweighs the supply, which has led the District to investigate installing turf and lights to additional existing grass fields. This allows the District to increase unrecaptured revenue to support the Maintenance and Operations (M&O) budget, as well as provide additional locally accessible fields to the Eanes community, and offer more conducive practice times for students to get home at reasonable hours.

RIVER HILLS ROAD PROPERTY

Why did the District issue a Request for Offers (RFO) to sell the property on River Hills Road?

The acquisition and selling of land is a common tool that school districts use to plan for growth, as well as use as an investment for future revenue. The Board and Administration continually evaluate district-owned properties and examine how best to use those assets. Recently, the Board decided that the River Hills Road site was not ideal for an elementary school, and instead instructed Administration to sell the property. The property was offered for sale subject to the existing Western Hills Little League (WHLL) lease, and any potential purchaser was required to accommodate the lease or negotiate with WHLL for a different arrangement.

What are the terms of the Sale Agreement?

While the sale has not been finalized, the initial offer from Tires Made Easy Inc., a neighboring River Hills Road landowner, is for a sale price of \$4 million for the entire 86.7 acres of land. Separately, Tires Made Easy will donate \$2 million to Eanes ISD for the upgrade of existing sports fields within the District. Donated funds are not recaptured, and help support the District's Maintenance and Operations (M&O) budget. Additionally, Tires Made Easy will donate \$250,000 to the 12 Fields Foundation for the furtherance of youth sports fields in the Eanes community.

If the sale of the River Hills Road property is completed, how will the \$4 million sale price be used?

Proceeds from the sale of real estate are put into the District's General Fund, but are designated for specific uses, namely other capital expenditures.

How will the District use the donation from Tires Made Easy, Inc.?

The proposed \$2 million donation from Tires Made Easy, Inc. will be designated for the upgrade of existing fields within the district, potentially with turf and lights. At this time, the sites to possibly upgrade have not been determined. Eanes ISD generates nearly \$600,000 annually in field and facility rentals, of which none is subject to recapture, or Robin Hood. Currently the demand for field rentals far outweighs the supply, which has led the District to investigate installing turf and lights to additional existing grass fields. This allows the District to increase unrecaptured revenue to support the M&O budget, as well as provide additional locally accessible fields to the Eanes community, and offer more conducive practice times for students to get home at reasonable hours.

If the 12 Fields Foundation raises additional funds for Eanes ISD, the District has committed to upgrade up to three existing fields. Eanes ISD has also been in conversations with multiple youth sports groups in the Eanes community in order to more efficiently schedule usage of Eanes ISD sports fields.

What is the 12 Fields Foundation?

The 12 Fields Foundation is a 501(c)(3) nonprofit organization founded by Western Hills Little League, Westlake Pop Warner and Westlake Youth Soccer Association. The 12 Fields Foundation's mission is to provide increased opportunities for the youth in the Eanes community to participate in sporting activities. The first task for the foundation is to address the critical field space shortage in our community, which ultimately limits the number of participants in youth sports programs. For more information on the 12 Fields Foundation, please visit www.12FieldsFoundation.org.

How would this proposed sale affect the existing lease with Western Hills Little League (WHLL)?

As part of the sale, Tires Made Easy, Inc., WHLL, and other River Hills landowners are engaged in negotiations about the future use of a smaller portion of the River Hills property for sports fields. Initial discussions include deeding approximately 15 acres to WHLL in exchange for WHLL's termination of the

existing lease. The approximately 15 acres would then be limited to the development of four sports fields, only two of which could be lighted.

How did the WHLL lease on River Hills Road begin?

In February 2010, Eanes ISD issued a Request for Proposals (RFP) to lease a 51.8-acre parcel of land on River Hills Road. At that time, the District reserved the remaining 35 acres of the property for a possible school site. WHLL was the only respondent to the RFP and was selected as the winning bidder, proposing to develop the property into 12 youth sports fields, an indoor sports facility and tennis courts. In March 2011, the Eanes ISD Board of Trustees approved entering into a 50-year lease with WHLL for \$10,000/year rent for the first four years, and \$50,000 plus escalation every five years thereafter. The lease also contained provisions for revenue sharing for activities on the site.

Will any sports fields be developed on River Hills Road?

The project scope for the 2011 WHLL lease included 8 baseball fields, 4 football/soccer/lacrosse-sized fields, concessions and restroom facilities, an indoor sports facility and tennis courts. While Tires Made Easy, Inc., other River Hills Road landowners, and WHLL will continue their negotiations, initial discussions for future development of the River Hills property include WHLL retaining approximately 15 acres of the property to build four fields, only two of which could be lighted.

BALDWIN PROPERTY

Why did the District issue Request for Offers (RFO) to sell/lease the Baldwin property?

The acquisition and selling of land is a common tool that school districts use to plan for growth, as well as use as an investment for future revenue. The Board and Eanes ISD Administration continually evaluate district-owned properties and examine how best to use those assets. After analysis in recent years, a decision was made by the Board that the entire Baldwin property was not necessary for District purposes, based on its location at the western edge of the District.

What are the terms of the proposed lease of a portion of the Baldwin property with WHLL?

The final lease is still in negotiation, but it is anticipated that the lease will be for 50 years, with \$5,000 rent for the first three years (with a possible one-year extension) or until the project is operational. After the initial period, the annual rent will be \$35,000 with a five percent escalation every five years. The District will have the right to use the fields during school days, at no cost to the District. The District retains the right to use the land for a future school.

What is the agreement with Regal LLC?

The Board has approved the sale of approximately 67.45 acres (Tracts 2 and 3) of the Baldwin property to Regal LLC for \$4.85 million. Regal LLC plans to build approximately 130 homes on the sites, the first of which may be occupied in Fall 2016. Regal LLC sees a proposed development of fields on Tract 1 by WHLL as a benefit to the newly-built community on Tracts 2 and 3.