



**NOTICE OF A REGULAR MEETING OF THE BOARD OF DIRECTORS
TAX INCREMENT REINVESTMENT ZONE NO. 1
THURSDAY, AUGUST 7, 2025 AT 12:00 P.M.
SECOND FLOOR CITY HALL
COUNCIL CHAMBERS
200 W. VULCAN ST.
BRENHAM, TEXAS**

1. CALL TO ORDER

2. PUBLIC COMMENTS

An opportunity for citizens to address the Tax Increment Reinvestment Zone No. 1 Board of Directors regarding matters which are scheduled on this agenda for consideration by the Tax Increment Reinvestment Zone No. 1 Board, but not scheduled as a public hearing.

3. ACTION ITEMS

- a) Consider Approval of the Minutes from the February 6, 2025 TIRZ Board Meeting
- b) Consider Resolution No. TIRZ-2025-03 Repealing Resolution No. R-2025-01 and Providing for a Recommendation to the City of Brenham City Council Related to the Tax Increment Reinvestment Zone No. 1 Funding Correction Due to Revised Property Valuations
- c) Consider Approval of FY2025-26 Budget Allocations from the Tax Increment Reinvestment Zone No. 1 Fund

4. ADJOURNMENT

CERTIFICATION

I do hereby certify that the above notice of a meeting of the Brenham Tax Increment Reinvestment Zone No. 1, City of Brenham, Texas Board of Directors was posted to the City Hall bulletin board at 200 W. Vulcan St., Brenham, Texas in compliance with Chapter 551, Texas Government Code on Monday, August 4, 2025 at 11:00 A. M.

Jeana Bellinger, TRMC, CMC

City Secretary

Tax Increment Reinvestment Zone Number One

A regular meeting of the Tax Increment Reinvestment Zone Number One Board of Directors was held on February 6, 2025, beginning at 11:00 a.m. in the Brenham City Hall, City Council Chambers, at 200 W. Vulcan Street, Brenham, Texas.

Members present:

Atwood C. Kenjura
Clint Kolby
Shannan Canales
Adonna Saunders
Albert Wright
Leah Cook
Gary Crocker
Tom Whitehead

Members absent:

Dr. Paul F. LaRoche, III

Others present:

City Manager Carolyn Miller, Assistant City Attorney Joseph Halbert, City Secretary Jeana Bellinger, Chief Financial Officer Julie Flagg, Finance Director Stacy Hardy, and Economic & Community Development Director Teresa Rosales.

Citizens present:

None

Media Present:

None

- 1. Call Meeting to Order**
- 2. Public Comments**

There were no comments heard from the public.

3. ACTION ITEM(S)

a) Consider Approval of the Minutes from the October 13, 2022, TIRZ Board Meeting

A motion was made by Shannan Canales and seconded by Adonna Saunders to approve the minutes from the October 13, 2022, TIRZ Board meeting.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Canales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

b) Consider Appointment of a Vice-Chairman and a Secretary for the Tax Increment Reinvestment Zone No. 1 Board of Directors, Each for a Term of One-Year

City Manager Carolyn Miller presented this item. Miller explained that this agenda item is for the appointment of a Vice-Chairman and a Secretary, each for a 1-year term, as outlined in Article 3 of the Bylaws. Miller stated that the Vice-Chairman shall exercise the powers of the Chairman during that officer's absence or inability to act. Miller stated that the Secretary shall keep the minutes of all meetings of the Board, and he/she shall have charge of such books, records, and documents of the Board.

Miller advised that currently Clint Kolby is the Vice Chairman and Adonna Saunders is the Secretary.

A motion was made by Adonna Saunders and seconded by Shannan Canales that Tom Whitehead be appointed Vice-Chairman of the Tax Increment Reinvestment Zone (TIRZ) No. 1 Board.

A motion was then made by Albert Wright and seconded by Atwood Kenjura that Adonna Saunders be appointed Secretary of the Tax Increment Reinvestment Zone (TIRZ) No. 1 Board.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Cannales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

c) Consider Resolution No. TIRZ-2025-01 Providing for a Recommendation to the City of Brenham City Council Related to the Tax Increment Reinvestment Zone No. 1 Funding Correction Due to Revised Property Valuations

Chief Financial Officer Julie Flagg presented this item. Flagg explained that during a software upgrade in 2024, Washington County Appraisal District (WCAD) discovered that previously reported TIRZ values were incorrect. Flagg explained that there were two primary issues that contributed to this: 1) business personal property was mistakenly included in the TIRZ and 2) due to previous software limitations, the incremental value was calculated in aggregate, instead of on each property separately.

Flagg explained that it took several months for WCAD to sort through this issue and to provide the City with corrected TIRZ valuation reports for each year. Flagg advised that the total funding difference over the five-year period was an overfunding of the TIRZ Fund by \$399,950.00. The City's consultant, Petty & Associates, advised that the previous five years of TIRZ funding should be trued up by adjusting this year's funding for the difference. Flagg advised that this true-up will result in a lower amount of revenue for the TIRZ fund than the budgeted amount of \$731,236.00. Flagg stated that budgeted expenditures are only \$118,605.00 and, even with the reduction in revenue, there will be a revised budgeted net increase in fund balance of \$212,681.00.

A motion was made by Adonna Saunders and seconded by Shannan Cannales to approve Resolution No. TIRZ-2025-01 providing for a recommendation to the City of Brenham City Council related to the Tax Increment Reinvestment Zone No. 1 funding correction due to revised property valuations.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Cannales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

d) Consider Resolution No. TIRZ-2025-02 Providing for a Recommendation to the City of Brenham City Council Related to a Decrease in the City Tax Increment for the Tax Increment Reinvestment Zone No. 1 Funding

Chief Financial Officer Julie Flagg presented this item. Flagg explained that the current City Tax Increment used to calculate the TIRZ funding is 50%, which means 50% of the property tax revenue generated by the incremental value of properties within the Zone is deposited in the TIRZ Fund, instead of the General Fund.

Flagg stated that the actual cumulative City tax contribution for the first five years was \$1,164,353.00, or 67% greater than anticipated. Flagg explained that the Texas legislature passed Senate Bill 2, which essentially capped increases in city property tax revenue on existing properties at 3.5% per year, versus the previous limit of 8%. Flagg explained that the cap on property tax revenue coupled with Brenham's historic population growth has put increasing pressure on the General Fund.

Flagg further explained that Fire Station No. 2 is scheduled for completion during FY2025-26, and the growing population creates a need for increased public safety personnel, including a fire inspector/assistant fire marshal and additional police officers. The estimated cost for these public safety expenditures is \$349,500.00, as detailed below.

General Fund Public Safety Cost Increases	
Fire Station #2 O&M	
> Utilities, phone, sanitation	\$85,000
> Janitorial/Grounds	8,000
> Insurance	10,000
> Miscellaneous	7,500
Fire Inspector/Asst Fire Marshal	84,000
2 New Police Officers	155,000
Total Estimated Cost	\$349,500

Flagg explained that taking into consideration the TIRZ funding is greater than projected and the anticipated increase in public safety costs, staff recommends that the City Tax Increment be reduced to 25%, beginning in FY2025-26.

A motion was made by Atwood Kenjura and seconded by Adonna Saunders to approve Resolution No. TIRZ-2025-02 providing for a recommendation to the City of Brenham City Council related to a decrease in the City Tax Increment for the Tax Increment Reinvestment Zone No. 1 funding.

Vice Chairman Kolby called for a vote. The motion passed with the Board voting as follows:

Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Cannales	Yes
Leah Cook	Yes
Gary Crocker	Yes
Atwood Kenjura	Yes
Dr. Paul F. LaRoche, III	Absent
Albert Wright	Yes
Tom Whitehead	Yes

The meeting was adjourned.

Clint Kolby
Vice Chairman

Adonna Saunders
Secretary



MEMORANDUM

To: TIRZ Board

From: Julie Flagg, Chief Financial Officer

Subject: TIRZ Funding Correction

Date: July 31, 2025

BACKGROUND INFORMATION

The Tax Increment Reinvestment Zone #1 (the Zone) was established in December 2018 to encourage new investment in the defined area. Starting in 2019, tax revenue on 50% of the incremental value of properties within the Zone is deposited in the TIRZ Fund. Expenditures from the TIRZ Fund must be a direct cost for the approved public improvement projects or for economic development programs within the Zone. A summary of all revenues and expenditures from inception of the TIRZ Fund through September 30, 2024 is below:

TIRZ Fund 301	Thru FY24
Property Tax Revenue	\$1,564,303
Interest Income	30,954
BFP-Small Area Plan	(70,000)
Market Square 380	(4,977)
NET FUND BALANCE	\$1,520,280

FUNDING CORRECTION DUE TO REVISED PROPERTY VALUATIONS

During a software upgrade in 2024, Washington County Appraisal District (WCAD) discovered that previously reported TIRZ values were incorrect. There were two primary issues that contributed to this: 1) business personal property was mistakenly included in the TIRZ and 2) due to previous software limitations, the incremental value was calculated in aggregate, instead of on each property separately.

It took several months for WCAD to sort through this issue and to provide the City with corrected TIRZ valuation reports for each year. Once we received the corrected reports, we calculated the funding difference and consulted with Petty & Associates regarding how to proceed. Petty &

Associates advised that the previous 5 years of funding should be trued up by adjusting this year's funding for the difference. We brought this correction to the TIRZ Board on February 6, 2025. Subsequent to that meeting and the adoption of resolution TIRZ -2025-01, we were notified by the Chief Appraiser that additional errors were discovered and that 23 accounts had been left out of the corrected TIRZ valuation reports. On March 10, 2025 the Chief Appraiser e-mailed updated TIRZ valuation reports for all years, and we recalculated the funding difference.

As originally presented on February 6, the TIRZ had been over funded by \$399,949.99. However, after adding the 23 properties, the over funding amount is \$199,715.87, as detailed below.

O&M	Original Tax Amount	Revised Tax Amount	Over/(Under) Funding
FY20	\$ 44,869.44	\$ 50,173.56	\$ (5,304.12)
FY21	115,807.49	89,120.43	26,687.06
FY22	223,994.42	155,414.76	68,579.66
FY23	531,298.40	452,383.63	78,914.77
FY24	438,727.96	417,859.50	20,868.46
Total O&M	\$ 1,354,697.71	\$ 1,164,951.88	\$ 189,745.83
I&S	Original Tax Amount	Revised Tax Amount	Over/(Under) Funding
FY24	\$ 209,605.04	\$ 199,635.00	\$ 9,970.04
Total I&S	\$ 209,605.04	\$ 199,635.00	\$ 9,970.04
Grand Total	\$ 1,564,302.75	\$ 1,364,586.88	\$ 199,715.87

After reviewing this information, should you have any questions prior to the August 7th meeting, do not hesitate to contact me directly at 979-337-7511.

**TAX INCREMENT REINVESTMENT ZONE NUMBER ONE
CITY OF BRENHAM**

RESOLUTION NO. TIRZ-2025-03

**A RESOLUTION OF THE TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE, CITY OF BRENHAM, TEXAS (“TIRZ”) BOARD
REPEALING RESOLUTION NO. TIRZ-2025-01; APPROVING THE
UPDATED TIRZ FUNDING CORRECTION; MAKING CERTAIN
FINDINGS; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.**

WHEREAS, the Tax Increment Reinvestment Zone Number One, City of Brenham, Texas Board (the "Board") has been duly appointed in accordance with State law; and

WHEREAS, the City of Brenham, Texas (the "City") City Council (the "City Council") previously approved the creation of the Tax Increment Reinvestment Zone Number One, City of Brenham, Texas (the "Zone" or "TIRZ") by adoption of Ordinance No. O-18-019 on December 20, 2018 (the "Creation Ordinance"); and

WHEREAS, upon a full review of property valuations prepared by the Washington County Appraisal District (WCAD), it was determined that business personal property was mistakenly included in the TIRZ and previous software limitations caused the incremental value to calculate in the aggregate, instead of on each property separately, creating a need for a funding correction due to the errors in the WCAD property valuations; and

WHEREAS, on February 6, 2025 the Board adopted Resolution No. TIRZ 2025-01 approving a funding correction and recommending that the Brenham City Council approve said funding correction; and

WHEREAS, subsequent to the adoption of Resolution No. TIRZ 2025-01 on February 6, 2025, the WCAD discovered additional property valuation errors due to 23 properties being left out of the corrected TIRZ property valuation reports; and

WHEREAS, the Board hereby finds that it is in the best interest of the City and its citizens to repeal Resolution No. TIRZ 2025-01, and adopt this Resolution to correct and update the amount of overfunding of the TIRZ fund; and

WHEREAS, all constitutional, statutory and legal prerequisites for the passage of this Resolution have been met, including but not limited to the Open Meetings Act.

NOW THEREFORE, BE IT RESOLVED BY THE TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF BRENHAM, TEXAS BOARD, THAT:

SECTION 1. The recitals set forth in the WHEREAS clauses of this Resolution are true and correct and are incorporated as part of this Resolution.

SECTION 2. Resolution No. TIRZ 2025-01 is hereby repealed.

SECTION 3. The Board approves the updated TIRZ funding correction for fiscal years 2020 through 2024, attached hereto as **Exhibit A**.

SECTION 4. The Board recommends that the City Council approve the updated TIRZ funding correction.

SECTION 5. This Resolution shall become effective immediately from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF BRENHAM, TEXAS BOARD, ON THIS THE 7th DAY OF AUGUST, 2025.

Board Chairman

ATTEST:

Board Secretary

APPROVED AS TO FORM AND LEGALITY:

Cary Bovey, City Attorney

Exhibit A

**Tax Increment Reinvestment Zone Number One, City of Brenham
FY20-FY24 Funding Correction**

O&M	Original Tax Amount	Revised Tax Amount	Over/ (Under) Funding
FY20	44,869.44	50,173.56	(5,304.12)
FY21	115,807.49	89,120.43	26,687.06
FY22	223,994.42	155,414.76	68,579.66
FY23	531,298.40	452,383.63	78,914.77
FY24	438,727.96	417,859.50	20,868.46
Total O&M	1,354,697.71	1,164,951.88	189,745.83
I&S	Original Tax Amount	Revised Tax Amount	Over/ (Under) Funding
FY24	209,605.04	199,635.00	9,970.04
GRAND TOTAL	1,564,302.75	1,364,586.88	199,715.87



MEMORANDUM

To: TIRZ Board

From: Julie Flagg, Chief Financial Officer

Subject: Proposed TIRZ Budget for FY2025-26

Date: July 31, 2025

Attached is the Proposed Budget summary (Attachment A) for Fund 301 TIRZ No. 1.

Total revenue, including interest income, is budgeted at \$933,378. Revenue from ad valorem tax is based on the TIRZ valuations received from Washington County Appraisal District of \$396,654,555 using the proposed tax rate of \$0.4676/\$100 valuation and the existing City Tax Increment of 50%. While we were originally planning to amend the City Tax Increment to 25% for the FY2025-26 budget year, the timeline for this project has been extended. We will continue to work with the consultant to determine the best path forward for the next budget cycle.

Proposed expenditures are listed below:

- \$7,500 consultant fees related to TIRZ amendment.
- \$5,000 engineering fees for Toubin Park wall.
- \$47,500 economic incentive payment for the Market Square 380 agreement.
- \$120,000 for downtown safety grants related to fire suppression/fire safety improvements.

Proposed transfers include:

- \$200,000 for construction of a communications tower near Fire Station No. 2.
- \$500,000 to purchase furniture, fixtures, and equipment for Fire Station No.2.
- \$1,000,000 to support construction of Phase 1 of Brenham Family Park.

All proposed expenditures and transfers are in alignment with the TIRZ project and finance plan.

After reviewing this information, should you have any questions prior to the August 7th board meeting, you may contact me at 979-337-7511. Thank you.

Attachment A

CITY OF BRENHAM FUND 301-TIRZ #1 FUND FY2025-26 BUDGET

GL#	GL DESCRIPTION	Actual 2023-2024	Adopted 2024-2025	Amended 2024-2025	Projected 2024-2025	Budget 2025-2026	% Change From PY Adopted
BEGINNING FUND BALANCE		878,775	1,520,280	1,520,280	1,520,280	2,095,031	

REVENUES							
4-102.00	TAX RECEIPTS-TIRZ NO. 1	648,333	716,236	716,236	618,268	927,378	29.5%
4-513.00	INTEREST EARNED	5,411	15,000	15,000	5,500	6,000	-60.0%
TOTAL OPERATING AND NON-OPERATING REVENUES		653,744	731,236	731,236	623,768	933,378	27.6%

EXPENDITURES							
5-100-402.0	AUDITS/CONSULTANT FEES	7,262	7,500	7,500	7,500	12,500	66.7%
5-100-815.0	OTHER CAPITAL	-	59,850	59,850	-	-	-100.0%
5-100-920.4	FIRE SUPPRESSION GRANTS	-	-	-	-	120,000	
5-100-953.4	ECONOMIC DEVELOPMT INCENTIVES	4,977	51,255	51,255	41,517	47,500	-7.3%
TOTAL EXPENDITURES		12,239	118,605	118,605	49,017	180,000	51.8%

TRANSFERS IN/(OUT)							
6-000-602.5	INTERFUND TRNSF-BCDC CAP PROJ	-	-	-	-	(1,000,000)	
6-000-602.7	INTERFUND TRNSF-GEN GOVT CAP PROJ	-	-	-	-	(700,000)	
TOTAL TRANSFERS IN/(OUT)		-	-	-	-	(1,700,000)	

CHANGE IN FUND BALANCE	641,505	612,631	612,631	574,751	(946,622)	-254.5%
ENDING FUND BALANCE	1,520,280	2,132,911	2,132,911	2,095,031	1,148,409	-46.2%



Memorandum of Proposed Grant Project

To: Tax Increment Reinvestment Zone Board

CC: Carolyn Miller, City Manager
Megan Mainer, Assistant City Manager
Julie Flagg, Chief Financial Officer

From: Stephanie Doland, Director of Development Services

Date: July 29, 2025

Re: Proposed Life Safety Grant for Downtown Brenham

On September 19, 2019 the City of Brenham Adopted the Comprehensive Plan, *Historic Past Bold Future: Plan 2040* which was written by planning consultant Kendig Keast Collaborative (KKC). Plan 2040 includes a Comprehensive look at the current state of the community and a 20-year outlook on the future direction, needs, and priorities of the community.

During the process of adopting Plan 2040, one of the primary pieces of citizen feedback received was the desire for additional investment and enhancement of Historic Downtown Brenham (Economic Activity - Strategic Action Priority - 10). During the creation of the Tax Increment Improvement Zone #1, an eligible project for use of TIRZ funds includes Downtown Health and Safety Improvements.

Staff proposes utilizing \$120,000 of available TIRZ funds to encourage additional investment in Downtown Brenham through the formation of a Life Safety Grant Program. The proposed Grant would provide financial assistance for construction improvements to Downtown property necessitated by and in compliance with the Texas Accessibility Standards, International Fire Code and International Building Code. As an example, life safety improvements such as the installation of a fire sprinkler system, are often cost prohibitive expenses for building owners who desire to improve and occupy currently vacant second story buildings. Similarly, downtown property owners who wish to change the uses of their structure (ie. from retail use to assembly occupancy) are required to follow Texas Accessibility Standards and provide ADA accessible entrances and restrooms. A Grant program will enable the repair of non-conforming buildings and encourage private investment in commercial uses and multi-family housing in Downtown Brenham.

The proposed Grant, if funded would allow eligible projects to be reimbursed at up to 50% of the total estimated life safety cost, up to \$60,000 per property on a reimbursable basis. Matching grant monies would be disbursed at the completion of improvements and following the inspection of work by the City of Brenham. Staff proposes that \$120,000 be allocated for the Grant program to allow the maximum grant amount to be allocated to two properties.

City Staff, including Fire Marshal Steven Loving met with Fire Safety contractors who have recently completed work in the City of Brenham. It was discussed that the construction of fire safety improvements such as sprinkler systems, fire alarms, means of ingress and egress, and fire rated partitions are often among the most expensive improvements to Downtown structures. Fire safety improvements are a benefit not only to the structure they are in, but also to adjacent buildings and were the benchmark improvements considered to set the proposed maximum grant allocation amount. It is estimated that fire alarm and sprinkler systems valued at upwards of \$120,000 would be required for existing multiple-story buildings downtown depending on the occupancy type proposed. Therefore, to encourage property owners to apply for the program, staff is requesting to set the maximum grant allocated per property to \$60,000 to encourage property owners to complete substantial life safety improvement projects downtown.

The Brenham Downtown Life Safety Grant Program as proposed, would support the safety, compliance, and economic development of Downtown Brenham. By providing financial assistance for necessary improvements, the program aims to help property owners enhance the safety and usability of their buildings, contributing to the overall vitality and growth of the downtown area. Funding of this Grant will allow City Staff to proceed with a more detailed Downtown Life Safety Grant program. If approved, Staff will work with the Main Street Board and necessary departments to propose a formal application, review committee and overall grant policy.

Should there be any questions, comments, or concerns, please contact me by phone at 979-337-7269 or by email at sdoland@cityofbrenham.org.