

## MINUTES

### BRENHAM COMMUNITY DEVELOPMENT CORPORATION

**April 24, 2019**

A regular meeting of the Brenham Community Development Corporation was held on April 24, 2019, at City Hall, 2<sup>nd</sup> Floor Conference Room, 200 W. Vulcan, Brenham, Texas beginning at 7:30 a.m.

Board members present were Charles Moser, Atwood Kenjura, Darrell Blum, John Hasskarl and Bill Betts.

Board members not present were David Cone and Gary Crocker

City of Brenham staff members present were James Fisher, Carolyn Miller, Lowell Ogle, Jeana Bellinger, Stacy Hardy, Lori Sanguedolce, Dane Rau, Casey Redman, Jennifer Eckermann, Susan Cates and Jessica Barnes.

Others in attendance were Mayor Milton Tate.

- 1. Chairman Charles Moser called the meeting to order.**
- 2. Invocation and Pledges to the U.S. and Texas Flags followed.**
- 3. Citizen and Visitor Comments**

There were no citizens or visitor comments.

The Board adjourned into Executive Session at 7:33 a.m.

#### **EXECUTIVE SESSION**

- 5. Texas Government Code Section 551.087 Economic Development Negotiations - Deliberation Regarding Possible Land Acquisition and/or Exchange for Economic Development Purposes and the Possible Offer of a Financial or Other Incentive to a Business Prospect Seeking to Locate, Stay or Expand into the City of Brenham**

Executive Session adjourned at 7:56 a.m.

## RE-OPEN REGULAR SESSION

### 6. Discuss and Possibly Act Upon a Performance Agreement Between Brenham Community Development Corporation (BCDC) and Project Hi-Speed and Authorize the President to Execute Any Necessary Documentation

A motion was made by John Hasskarl and seconded by Atwood Kenjura to approve a Performance Agreement between the BCDC and Project Hi-Speed subject to the real estate contract and other provisions, as discussed in Executive Session, being approved by the President and City Attorney.

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

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
<b>Board Member Gary Crocker</b>	<b>Absent</b>
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
<b>Board Member David Cone</b>	<b>Absent</b>

### 7. Discuss and Possibly Act Upon the Approval of the Minutes from the January 15, 2019 Regular Meeting

A motion was made by Darrell Blum and seconded by Atwood Kenjura to approve the minutes from January 15, 2019 Regular Meeting as presented.

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

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
<b>Board Member Gary Crocker</b>	<b>Absent</b>
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
<b>Board Member David Cone</b>	<b>Absent</b>

### 8. Discuss and Possibly Act Upon Amending the Bylaws of the Brenham Community Development Corporation

BCDC President James Fisher explained to the Board that during the board appointment process, it was discovered that the bylaws of the BCDC require members of the Board to reside within the city limits of Brenham. Fisher explained that staff would like to ask the Board to consider amending Article III of the bylaws to allow non-city residents serve on the BCDC Board.

Fisher explained that in years past it has been difficult to find people living within the city limits that are willing to serve. Many times the application for appointment has to be denied because of the applicant's residency. The Board has also lost Board members due to the member relocating outside of the city limits.

Fisher stated that if the Board is agreeable to making this change, it would also have to be approved by the City Council.

A motion was made by John Hasskarl and seconded by Darrel Blum a recommendation be made to the City Council that the BCDC bylaws be amended to allow non-city residents to serve on the BCDC Board but that there be no more than two (2) non-City residents shall serve on the Board at one time.

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

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
<b>Board Member Gary Crocker</b>	<b>Absent</b>
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
<b>Board Member David Cone</b>	<b>Absent</b>

## 9. Discuss and Possibly Act Upon FY2018-19 Second Quarter Financials

Assistant City Manager and Chief Financial Officer Carolyn Miller presented this item. Miller advised the Board of the following:

### Sales Tax Revenue

FY18 sales tax revenue budget was increased by 4% over the prior year's revised annual estimate. Miller explained that with five months of collections, FY19 sales tax revenue is \$13,500 ahead of budget.

### Financial Statements

Miller stated that the *Economic Development and Brenham Business Center* operations report shows a surplus of \$149,877 through the second quarter of FY19 and all expenditures are within budget levels.

On the *Recreation* side, Miller explained that eleven (11) of the 25 approved FY19 projects have been completed as of the second quarter. The recreation side ended the quarter with an operating surplus of \$256,699.

## BCDC Capital Projects Fund

Miller explained that no activity has occurred in this fund for FY19. Approximately \$400,000 of the original \$657,000 allocated for new park infrastructure costs is available for future project expenditures. In FY19, \$500,000 will be transferred from BCDC into this fund and designated as matching funds for a Texas Parks and Wildlife Grant for the Southside Family Park.

A motion was made by Atwood Kenjura and seconded by Bill Betts to approve the FY2018-19 second quarter financial statements as presented.

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

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
<b>Board Member Gary Crocker</b>	<b>Absent</b>
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
<b>Board Member David Cone</b>	<b>Absent</b>

## **10. Discuss and Possibly Act Upon the City of Brenham’s Economic Development Initiatives and Expenditures**

Assistant City Manager and Chief Financial Officer updated the Board of the following economic development initiatives that the City has been working on.

### Strategic Plan for Economic Development

Last fall, the City began working with Petty and Associates to facilitate the development of a Strategic Plan for Economic Development. Members of the BCDC, EDF Board, Commissioner’s Court, City Council and City staff have participated in these workshops where productive interaction and discussions have occurred. In addition to facilitating several workshops, Petty and Associates designed several surveys for our community to elicit feedback from stakeholders.

### Tax Increment Reinvestment Zone

The City Council created a Tax Increment Reinvestment Zone (TIRZ) in December 2018 which contains approximately 2,201 acres of land. Cities can create special districts to encourage new investment in areas that otherwise might not attract development. A TIRZ is an economic development tool that captures the projected increase in tax revenue that is created by development within a defined area and reinvests those funds into public improvements and development projects that benefit the TIRZ.

## Baker-Katz Retail Project

The City and the County approved Chapter 380 and 381 Economic Development Agreements with Baker-Katz, a quality developer, to provide new commercial retail shopping for our community. The Baker-Katz project will address most of the issues related to retail leakage as outlined in the Retail Trade Area Gap/Opportunity Analysis performed by *The Retail Coach*. The project will include development of a minimum 125,000 square foot retail shopping center and will produce new taxable property value targeting \$20 million and annual sales tax to the City estimated to exceed \$400,000. By January 1, 2021, the developer shall complete construction of the building to be occupied by the first tenant and will obtain a Certificate of Occupancy from the City.

The combined financial incentives for this project are capped at \$6 million or 12 years, whichever occurs first. The City's and County's estimated grant payments (financial incentives) include rebating a portion of sales tax generated from this development. The City pledged our 1% sales tax going to the General Fund, and not the 4B Sales Tax. The County pledged their 0.5% sales tax.

Miller advised that Board that the has incurred \$49,659 in consultant and legal expenses for these new economic development tasks. Miller asked that the Board consider reimbursing the City for these expenditures by allocating a portion of the Recreation contingency funds (\$144,306) and a portion of the Economic Development funds that were set aside for the Main Street Master Plan update which is being done in-house by the Main Street Board (\$50,000).

After further discussion by the Board, the consensus was to get direction from the City Attorney about the reimbursement of consultant and legal expenditures for economic initiatives. Chairman Moser asked that this item be brought back to the Board at their next meeting after the City Attorney has had a chance to review the request.

There was no action taken on this item.

## **11. Discuss and Possibly Act Upon the Reallocation of FY2018-19 Budgeted Funds for a Main Street Brenham Incentive Grant Fund Request**

Director of Tourism and Marketing Jennifer Eckermann presented this item. Eckermann requested that that Board approve \$50,000 for an update of the Brenham Downtown Master Plan.

Eckermann explained that the Main Street Board decided to take on the Master Plan Project instead of hiring a consultant; therefore, there will be a \$50,000 savings in the Main Street budget. Eckermann requested that the Board reallocate \$25,000 to help fund the Downtown Brenham Incentive Grant Fund due to there being more grant requests than in year's past.

A motion was made by Darrell Blum and seconded by Jon Hasskarl to approve the reallocation of \$25,000.00 of FY2018-19 budgeted funds for the Main Street Incentive Grant Fund.

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

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
<b>Board Member Gary Crocker</b>	<b>Absent</b>
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
<b>Board Member David Cone</b>	<b>Absent</b>

#### **4. Introduction of New Staff Members**

- **Melinda Gordon—Communications and Public Relations Manager**
- **Cassie “Caz” Muske—Main Street Manager**

City Manager James Fisher introduced the City’s Communications and Public Relations Manager Melinda Gordon and the City’s Main Street Manager Caz Muske to the Board.

### **WORK SESSION**

#### **12. Presentation and Discussion on the Brenham Community Development Corporation’s Annual Budget for Fiscal Year 2019-20:**

##### **A. Economic Development Budget Summary**

- 1) ED Operations and Marketing**
- 2) Main Street**
- 3) Detention Ponds in the Brenham Business Center and the Southwest Industrial Park, Section III**

##### **B. Recreation Budget Summary**

- 1) Parks**
- 2) Recreation**
- 3) Blue Bell Aquatic Center**

City Manager James Fisher requested the Board to look over the documents provided in their packet for FY20. Fisher explained that staff will be presenting specific budget requests at the upcoming Special Meeting on Thursday, May 9, 2019. Fisher advised the Board to contact staff directly if they have any questions about any of the items in their packet related to the upcoming FY20 budget.

### **13. Discussion on Holding a Special Budget Meeting on May 8, 2019 and Other Upcoming Meetings in 2019**

City Manager James Fisher advised the Board of the Special Meeting to be held on Thursday, May 8th to prepare the FY20 BCDC budget. Fisher asked that everyone check their calendars for availability and let him know if this day will not work with their schedules.

Fisher also advised that after the May 8, 2019 Special Meeting, the next regularly scheduled meetings will be on:

- Thursday, August 8, 2019 at 7:30 a.m.
- Thursday, November 14, 2019 at 7:30 a.m.

### **14. Presentation and Discussion on the 2019 Houston Economic Development Sales Tax Workshop Being Held on October 25, 2019 in Houston**

Economic Development Director Susan Cates advised the Board of the upcoming 2019 Houston Economic Development Workshop being held in Houston on October 25, 2019. Cates advised the Board that if any of them would like to attend, please let her know.

### **15. Presentation and Discussion on Upcoming Economic Development Projects and Activities**

This item was deferred until a later meeting. No action was taken.

### **Adjourn**

The meeting was adjourned.

*Charles Moser*

Chairman

**ATTEST:**

*Jeana Bellinger, TRMC, CMC*

BCDC Secretary