

## **Tax Increment Reinvestment Zone Number One**

A regular meeting of the Tax Increment Reinvestment Zone Number One Board of Directors was held on March 17, 2022 beginning at 10:30 a.m. in the Brenham City Hall, City Council Chambers, at 200 W. Vulcan Street, Brenham, Texas.

### Members present:

Milton Y. Tate Jr.  
Shannan Canales  
Leah Cook  
Clint Kolby  
Adonna Saunders  
Albert Wright  
Gary Crocker  
Tom Whitehead

### Members absent:

Atwood Kenjura

### Others present:

City Manager Carolyn Miller, City Attorney Cary Bovey, City Secretary Jeana Bellinger, Economic Development Director Susan Cates, Comptroller Stacy Hardy, Erica Warren.

### Citizens present:

None.

### Media Present:

None.

### **1. Call Meeting to Order**

### **2. Public Comments**

There were no comments heard from the public.

### 3. DISCUSSION ITEMS

#### a) Presentation and Discussion on the Tax Increment Reinvestment Zone Number 1 and the Board of Directors

City Manager Carolyn Miller presented this item. Miller updated the board on the following economic development tools being utilized by the City:

- **Chapter 312 – Property Tax Abatement (Tax Phase-In)**
  - Create or retain primary jobs, adds new real and/or personal property value to tax rolls, time period of 10 years, percentage of property tax is abated each year. At the end of FY2021, the City had eight (8) agreements in place.
- **Chapter 380 – Economic Development Programs and Grants**
  - For purpose of promoting economic development and stimulating business and commercial activity. Baker Katz 380 Agreement approved January 2019.
- **Chapter 311- Tax Increment Reinvestment Zone (TIRZ)**
  - Promotes development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIRZ No. 1 established in 2018; base value for property over \$336 billion. As property within the TIRZ develops, property values increase and 50% of the incremental value is deposited into TIRZ fund.

Miller advised the board that since the TIRZ is a relatively new economic development tool, staff will be presenting a policy for the reimbursement of qualified infrastructure costs from TIRZ and the approval of an MOU from a private developer related to reimbursement of qualified infrastructure costs.

### 4. ACTION ITEM(S)

#### a) Consider Approval of the Minutes from the December 5, 2019 TIRZ Board Meeting

A motion was made by Shannan Canales and seconded by Gary Crocker to approve the minutes from the December 5, 2019 TIRZ Board meeting with the corrections as presented.

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

Chairman Milton Y. Tate, Jr.	Yes
Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Canales	Yes
Leah Cook	Yes
<b>Atwood Kenjura</b>	<b>Absent</b>
Albert Wright	Yes
Gary Crocker	Yes
Tom Whitehead	Yes

**b) Consider the Adoption of a “Policy for the Reimbursement of Qualified Infrastructure Costs for Private Development of the Public Infrastructure within Tax Increment Reinvestment Zone Number One, City of Brenham, Texas”**

Economic Development Director Susan Cates presented this item. Cates explained that the City Council established the Tax Increment Reinvestments Zone Number One (TIRZ) on December 20, 2018, to help fund public improvements within the boundaries of the TIRZ.

Cates stated that since private development of public infrastructure benefiting the TIRZ may facilitate development, the City wants to establish some guidelines for reimbursement to private developers from the TIRZ. Cates explained that some of the guidelines being recommended include:

- Reimbursement would only apply to projects located within and/or benefitting the TIRZ.
- The TIRZ Board must review a proposed project and approve it as eligible for reimbursement, prior to the commencement of any work on the project.
- A licensed professional engineer must submit an “Opinion of Probable Cost” for the project.
- Only projects built to City standards are eligible for reimbursement.
- Qualified infrastructure costs will be calculated and reimbursed as follows:

WCAD Appraised Value of Property After Developments	Infrastructure Reimbursement as an Actual Percent of WCAD Appraised Value of Property	Maximum Infrastructure Reimbursement Cap
\$25,000,000-\$50,000,000	4%	\$2,000,000
\$50,000,000 - \$100,000,000	6%	\$6,000,000
>\$100,000,000	8%	\$10,000,000

A motion was made by Clint Kolby and seconded by Adonna Saunders to adopt the “Policy for the Reimbursement of Qualified Infrastructure Costs for Private Development of the Public Infrastructure within Tax Increment Reinvestment Zone Number One, City of Brenham, Texas” as presented.

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

Chairman Milton Y. Tate, Jr.	Yes
Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Canales	Yes
Leah Cook	Yes
<b>Atwood Kenjura</b>	<b>Absent</b>
Albert Wright	Yes
Gary Crocker	Yes
Tom Whitehead	Yes

c) **Consider a Memorandum of Understanding Between the City of Brenham and Brenham Market Square, LP Related to the Funding of Qualified Costs for Public Infrastructure Improvements at the Brenham Market Square Development, Located at 2410 S. Market Street, Brenham, Texas, from the Tax Increment Reinvestment Zone No. 1 Fund**

Economic Development Director Susan Cates presented this item. Cates stated that Section 15 of the final project and finance plan of the TIRZ establishes Economic Development Programs as a valid use of funds in the Zone to incentivize the development of public improvements.

Cates explained that Brenham Market Square is a proposed 51 acre mixed use development that will include multifamily residential, commercial, retail, hospitality, and restaurant properties which will positively impact the ad valorem tax revenue, hotel occupancy tax revenue, and sales tax revenue for the City. Cates stated that the Memorandum of Understanding (MOU) is intended to establish the basis for the Chapter 380 Agreement between the City and Market Square for reimbursement of qualified infrastructure costs to the Developer. Cates stated that any reimbursements would be as outlined in the TIRZ Policy. Cates advised the Board that the approval of this MOU will allow the Developer to proceed with infrastructure construction while a formal Chapter 380 Agreement is prepared.

A motion was made by Shannan Canales and seconded by Gary Crocker to approve a Memorandum of Understanding Between the City of Brenham and Brenham Market Square, LP Related to the Funding of Qualified Costs for Public Infrastructure Improvements at the Brenham Market Square Development, Located at 2410 S. Market Street, Brenham, Texas, from the Tax Increment Reinvestment Zone No. 1 Fund.

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

Chairman Milton Y. Tate, Jr.	Yes
Vice Chairman Clint Kolby	Yes
Secretary Adonna Saunders	Yes
Shannan Canales	Yes
Leah Cook	Yes
<b>Atwood Kenjura</b>	<b>Absent</b>
Albert Wright	Yes
Gary Crocker	Yes
Tom Whitehead	Yes

The meeting was adjourned.

*Clint Kolby*

Vice Chairman

*Adonna Saunders*

Secretary