

Tax Increment Reinvestment Zone Number One

A regular meeting of the Tax Increment Reinvestment Zone Number One Board of Directors was held on Thursday, October 13, 2022 beginning at 11:30 a.m. in the Brenham City Hall, City Council Chambers, at 200 W. Vulcan Street, Brenham, Texas.

Members present:

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

Members absent:

None

Others present:

City Manager Carolyn Miller, City Attorney Cary Bovey, City Secretary Jeana Bellinger, Economic Development Director Susan Cates, and Finance Director Stacy Hardy

Citizens present:

Kyle Merten.

Media Present:

None.

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

There were no comments heard from the public.

3. DISCUSSION ITEMS

a) Update and Discussion on the Tax Increment Reinvestment Zone Number 1 Boundary

City Manager Carolyn Miller presented this item. Miller explained that the State Tax Code outlines criteria for local governments related to economic development and one of the tools the City of Brenham is utilizing is the Tax Increment Reinvestment Zone (TIRZ), as allowed in Chapter 311 of the Tax Code. Miller stated that the TIRZ can:

- Promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment
- Establish a Base Value for property located in the TIRZ
- As property within the TIRZ develops, property values increase and 50% of the incremental value can be deposited into the TIRZ fund to help with cost of future infrastructure projects within the TIRZ.

Miller stated that staff has discussed expansion of the TIRZ boundary to include the two (2) business parks and the undeveloped property off Highway 36 and Woodbridge. Miller also stated that while the incremental growth of the TIRZ fund (\$200 million in FY23) has been phenomenal, it has also had a negative impact on general government revenues. Miller explained that since the TIRZ was established, there has been \$900,000 in revenue which has not been available for general government services and operations because it had to be deposited into the TIRZ fund.

After further discussion with the Board, the decision was made to not expand the TIRZ boundaries at this time. The consensus of the Board was to wait until the Highway 36 and Woodbridge small area plan is completed and then discuss possibly expanding the TIRZ to include that area.

4. ACTION ITEM(S)

a) Consider Approval of the Minutes from the July 7, 2022 TIRZ Board Meeting

A motion was made by Shannan Canales and seconded by Clint Kolby to approve the minutes from the July 7, 2022 TIRZ Board meeting.

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
Atwood Kenjura	Yes
Albert Wright	Yes
Gary Crocker	Yes
Tom Whitehead	Yes

b) Consider a Recommendation to the City of Brenham City Council Related to a Chapter 380 Agreement with Brenham Market Square, LP.

Economic Development Director Susan Cates presented this item. Cates stated that at the TIRZ Board meeting on March 17, 2022 the Board approved a Memorandum of Understanding (MOU) between the City of Brenham and Brenham Market Square, LP for reimbursement of qualified public infrastructure costs in accordance with the Policy for Reimbursement of Qualified Infrastructure Costs for Private Development of Public Infrastructure within the Tax Increment Reinvestment Zone Number One, City of Brenham. Cates explained that the necessity of the MOU was timing to allow Brenham Market Square to meet certain business goals regarding sale of property to certain prospective buyers and to secure financing for the infrastructure while the Chapter 380 was being drafted by the City.

Cates advised that the terms of the Chapter 380 Agreement are the same as stipulated in the MOU and in accordance with the Policy with one exception. Cates explained that due to the economic constraints of post-pandemic supply chain issues that have impacted the Market Square Development, the developers have requested a revision of the date stipulated in the MOU (Section III.5) to make Year One 2024 instead of 2023. The revision of the date may benefit the City with funding of TIRZ projects to allow an additional year of funds to flow into the TIRZ before disbursements commence for this Chapter 380 Agreement.

A motion was made by Shannan Canales and seconded by Albert Wright to recommend to the City of Brenham City Council the approval of the Chapter 380 Agreement with Brenham Market Square, LP with the change to Section III.5. to make Year One 2024 instead of 2023.

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
Atwood Kenjura	Yes
Albert Wright	Yes
Gary Crocker	Yes
Tom Whitehead	Yes

The meeting was adjourned.

Atwood C. Kenjura

Chairman

Adonna Saunders

Secretary