



**NOTICE OF A REGULAR MEETING
THE BRENHAM CITY COUNCIL
THURSDAY, MARCH 3, 2016 AT 1:00 P.M.
SECOND FLOOR CITY HALL
COUNCIL CHAMBERS
200 W. VULCAN
BRENHAM, TEXAS**

- 1. Call Meeting to Order**
- 2. Invocation and Pledges to the US and Texas Flags – Mayor Milton Tate**
- 3. Proclamation**
 - **Geocaching Day in Brenham/Washington County** **Page 1**
- 4. Service Recognitions**
 - **Jason E. Derrick, Police Department** **20 Years**
 - **Lorenzo M. Moreno, Jr., Recycling Center** **20 Years**
- 5. Citizens Comments**

CONSENT AGENDA

6. Statutory Consent Agenda

The Statutory Consent Agenda includes non-controversial and routine items that Council may act on with one single vote. A councilmember may pull any item from the Consent Agenda in order that the Council discuss and act upon it individually as part of the Regular Agenda.

6-a. Minutes from February 4, 2016 Regular City Council Meeting **Pages 2-8**

6-b. Ordinance No. O-16-005 on Its Second Reading Authorizing the Placement of a Stop Sign on Key Street at Its Intersection with West Chauncy Street **Page 9**

6-c. Ordinance No. O-16-006 on Its Second Reading Authorizing the Placement of a Stop Sign on Key Street at Its Intersection with West Mansfield Street **Page 10**

WORK SESSION

7. **Presentation of the First Quarter Report by the Washington County Convention and Visitors Bureau** **Pages 11-12**

REGULAR SESSION

8. **Discuss and Possibly Act Upon Resolution No. R-16-009 Authorizing the Execution of a Tax Phase-In Agreement Between the City of Brenham and Valmont Coatings, Inc.** **Pages 13-63**
9. **Discuss and Possibly Act Upon the Acceptance of the Audit from Seidel Schroeder for Fiscal Year 2015** **Page 64**
10. **Discuss and Possibly Act Upon a Ground Space Lease Agreement with Alvin Miller, Jr. for Hangar Space at the Brenham Municipal Airport and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 65-74**
11. **Discuss and Possibly Act Upon RFP No. 16-004 Related to Small Commercial Waste Collection Services for the City of Brenham and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 75-78**
12. **Discuss and Possibly Act Upon a Lease Agreement with Jeff Aubihl for the Lease of Approximately 9.45 Acres on Old Independence Road and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 79-89**
13. **Discuss and Possibly Act Upon a Request for a Noise Variance from Washington County Ministerial Alliance for a Good Friday Community Worship Service on March 25, 2016 from 11:00 a.m. – 6:00 p.m. at Hattie Mae Flowers Park and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 90-91**
14. **Administrative/Elected Officials Report**

Administrative/Elected Officials Reports: Reports from City Officials or City staff regarding items of community interest, including expression of thanks, congratulations or condolences; information regarding holiday schedules; honorary or salutary recognitions of public officials, public employees or other citizens; reminders about upcoming events organized or sponsored by the City; information regarding social, ceremonial, or community events organized or sponsored by a non-City entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of people in the City that have arisen after the posting of the agenda.

Adjourn

Executive Sessions: The City Council for the City of Brenham reserves the right to convene into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by Texas Government Code, Chapter 551, including but not limited to §551.071 – Consultation with Attorney, §551.072 – Real Property, §551.073 – Prospective Gifts, §551.074 - Personnel Matters, §551.076 – Security Devices, §551.086 - Utility Competitive Matters, and §551.087 – Economic Development Negotiation

CERTIFICATION

I certify that a copy of the March 3, 2016 agenda of items to be considered by the City of Brenham City Council was posted to the City Hall bulletin board at 200 W. Vulcan, Brenham, Texas on February 29, 2016 at **12:05 PM**.

Kacey A. Weiss

Deputy City Secretary

Disability Access Statement: This meeting is wheelchair accessible. The accessible entrance is located at the Vulcan Street entrance to the City Administration Building. Accessible parking spaces are located adjoining the entrance. Auxiliary aids and services are available upon request (interpreters for the deaf must be requested twenty-four (24) hours before the meeting) by calling (979) 337-7567 for assistance.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the _____ day of _____, 2016 at _____ AM PM.

Signature

Title

PROCLAMATION

- WHEREAS,** The Brenham/Washington County Chamber-CVB believes strongly in our local businesses and strives to contribute to their prosperity through tireless effort in engaging visitors from outside our community to join us in commerce and recreation; and
- WHEREAS,** The Brenham/Washington County Chamber-CVB has created and maintained the first ever official GeoTour in Texas to invite geocachers from around the world to visit Washington County; and
- WHEREAS,** Geocaching leads people into parks and open space, fostering an appreciation of exploring the great outdoors and environmental responsibility by directly impacting the lives of hundreds of thousands of individuals worldwide; and
- WHEREAS,** The Texas Geocaching Association is an organization which promotes responsible and safe practices for Texas geocachers; and
- WHEREAS,** The Texas Geocaching Association has chosen Brenham/Washington County as the place to hold its 14th annual Texas Geocaching Association Texas Challenge and Geocaching Festival, a competition between different regions of Texas and other geocachers from around the world; and
- WHEREAS,** The citizens of Brenham welcome these geocachers with open arms in a spirit of cooperation;

NOW, THEREFORE I, Milton Y. Tate Jr., Mayor of the City of Brenham, do hereby proclaim March 10, 2016 as

Brenham/Washington County Geocaching Day

Milton Y. Tate Jr., Mayor
City of Brenham

Brenham City Council Minutes

A regular meeting of the Brenham City Council was held on February 4, 2016 beginning at 1:00 p.m. in the Brenham City Hall, City Council Chambers, at 200 W. Vulcan Street, Brenham, Texas.

Members present:

Mayor Milton Y. Tate, Jr.
Mayor Pro Tem Gloria Nix
Councilmember Andrew Ebel
Councilmember Danny Goss
Councilmember Keith Herring
Councilmember Mary E. Barnes-Tilley
Councilmember Weldon Williams, Jr.

Members absent:

None

Others present:

City Manager Terry Roberts, Assistant City Manager of General Government Rex Phelps, City Attorney Cary Bovey, City Secretary Jeana Bellinger, Deputy City Secretary Kacey Weiss, Assistant City Manager-Chief Financial Officer Carolyn Miller, Stacy Hardy, Susan Nienstedt, Cynthia Longhofer, Christi Korth, Director of Community Services Wende Ragonis, Fire Chief Ricky Boeker, Doug Maurer, Jeff Daniels, Ryan Swor, Jerred Eschete, Police Chief Craig Goodman, Public Works Director Dane Rau, Casey Redman, Assistant City Manager of Public Utilities Lowell Ogle, Development Services Manager Erik Smith, Lori Lakatos, Judson Hall and Angela Hahn

Citizens present:

Tony Hudson

Media Present:

Arthur Hahn, Brenham Banner Press; Caitlin Hahn, Brenham Banner Press; and Codi Rynn, KWHI

- 1. Call Meeting to Order**
- 2. Invocation and Pledges to the US and Texas Flags – Councilmember Barnes-Tilley**

3. Citizens Comments

Tony Hudson addressed Council with several concerns. Mayor Tate referred Mr. Hudson to several Staff members regarding those concerns.

CONSENT AGENDA

4. Statutory Consent Agenda

4-a. Minutes from the December 17, 2015 and January 7, 2016 Regular City Council Meetings

A motion was made by Mayor Pro Tem Nix and seconded by Councilmember Williams to approve the Statutory Consent Agenda Item 4-a. as presented.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Gloria Nix	Yes
Councilmember Andrew Ebel	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Mary E. Barnes-Tilley	Yes
Councilmember Weldon Williams	Yes

WORK SESSION

5. Discussion and Presentation on the Brenham Fire Department Operations and Strategic Plan for the Future

Fire Chief Ricky Boeker presented this item. Boeker explained that it is important for Staff to evaluate the best deployment of staff resources for providing effective fire services to the citizens of Brenham. Boeker stated that with recent changes at the command level, in both the paid and volunteer ranks, the evaluation has intensified. Boeker advised that there are now fewer volunteer command officers responding in 2016. Boeker explained that at the current time, the 2016 slate of officers will be two District Chiefs short from the volunteer ranks for various reasons ranging from not enough time, do not feel qualified or do not want the responsibility that comes with the position.

Boeker explained that with the retirement of the Deputy Chief/Fire Marshal and the Deputy Fire Marshal, now is a good time to evaluate those positions and their duties. Boeker stated that he would like to separate the Deputy Chief from the Fire Marshal and change the title to Assistant Chief. Boeker stated that he feels that the Department would be better served if the Fire Marshal's duties were a standalone position.

Boeker advised that he is planning for the Assistant Chief to help with the day to day operations of the department, be in charge of training duties of the department, work with Emergency Management and respond to calls during the day. Boeker noted that training responsibilities will be for both paid and volunteer staff. Boeker advised that depending on the evaluation of the Fire Marshal's work load, Staff may have to revisit what assistance he may require. Boeker explained that Staff is working through deployment of personnel scenarios to address best methods to provide fire suppression services and have undertaken a pilot program to evaluate the handling of emergency calls. Boeker advised that Staff will be evaluating this program and will have a report at the Budget Retreat that is scheduled for April this year. Boeker commented that Staff is also looking into several ideas to help with recruitment and retention of the volunteer staff and will report on that as well at the retreat.

Councilmember Barnes-Tilley questioned if there is anything more that the City can do to get more recruits. Boeker stated he would like to have a citizen's fire academy or to possibly raise the pension options. Barnes-Tilley asked if there would be any interest from the other departments to come in and do an academy. Boeker advised that possibly with the county because they need more members as well. Boeker also noted that maybe a point system that would be paid with cash could reward people for coming to fires and getting their certification. Barnes-Tilley stated that maybe the fire department could recruit high school kids. Boeker advised that Staff does attend the job fair at the high school. Barnes-Tilley also mentioned that maybe Staff could get with local businesses to request help with volunteers. Boeker explained that they had tried that before, but some people abused it and companies no longer let volunteers leave without making them use vacation time.

Citizen Tony Hudson questioned speaking with the high school co-op classes to get volunteers. Boeker explained that volunteers have to be at least eighteen years of age and have to go through nine weeks of training. Boeker noted that the Berlin Fire Department has an explorer program that gets kids interested and the program is going well. Hudson also commented that instead of paying for three new firemen maybe the City could give companies that send their volunteers a tax break as a reward for helping.

Boeker explained that in the 1980's the Fire Department would have around 200 calls and last year there were 744 calls. Boeker stated that not all calls need the same amount of firemen, but there needs to be a safe number at every call. Boeker advised that he would like a four man minimum at all times.

REGULAR SESSION

6. Discuss and Possibly Act Upon Resolution No. R-16-005 Amending the Human Resources Policy Manual Regarding Weapons

Human Resource Manager Susan Nienstedt presented this item. Nienstedt explained that during the 2015 Legislative Session, House Bill 910 was passed allowing concealed handgun license holders to “open carry” where allowed by law. Nienstedt stated that with this change, Staff needs to revise the language in the HR Policy Manual that was approved September 3, 2015. Nienstedt advised that currently the sections titled *Weapons Ban and Violence Prevention* and *Employee Conduct and Work Rules/Disciplinary Action* have wording prohibiting possession of a firearm on City property. Nienstedt stated that she is proposing adding a section titled *Open Carry and Concealed Handgun Policy* to the current HR Policy Manual to inform employees of the areas where open carry is allowed in City-owned facilities, as well as the mandated Section 411.207 of the Texas Government Code regarding the questioning of a person who is openly carrying as to whether they hold the proper license.

Councilmember Williams questioned the type of weapon that the Animal Control officers can carry. Assistant City Manager of General Government Rex Phelps stated that only rifles are used due to the distance for employee safety.

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Herring to approve Resolution No. R-16-005 amending the Human Resource Policy Manual regarding weapons.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Gloria Nix	Yes
Councilmember Andrew Ebel	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Mary E. Barnes-Tilley	Yes
Councilmember Weldon Williams	Yes

7. Discuss and Possibly Act Upon the Acceptance of a Grant from the 100 Club of Houston in the Amount of \$385,062.65 for Tactical Equipment for the Brenham Police Department and Authorize the Mayor to Execute Any Necessary Documentation

Police Chief Craig Goodman presented this item. Goodman explained that his department submitted a grant application for vests and protective gear for the Emergency Response Team. Goodman stated there is no match needed for the funds; however, the 100 Club has asked that the City display their logo on the equipment.

Councilmember Barnes-Tilley thanked the Staff for always seeking out grants and helping to save the tax payers money.

A motion was made by Mayor Pro Tem Nix and seconded by Councilmember Williams to approve the acceptance of a grant from the 100 Club of Houston in the amount of \$38,062.65 for vests and protective gear for the Emergency Response Team and authorize the Mayor to execute any necessary documentation.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Gloria Nix	Yes
Councilmember Andrew Ebel	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Mary E. Barnes-Tilley	Yes
Councilmember Weldon Williams	Yes

8. Discuss and Possibly Act Upon the Submission of a Grant Application to the Bluebonnet Community Grant Program for Cameras at the Brenham Municipal Airport and Authorize the Mayor to Execute Any Necessary Documentation

Public Information Officer Angela Hahn presented this item. Hahn explained that with the airport being located outside the City limits and not having an adequate camera system for surveillance, it makes it difficult to provide the needed security to protect it. Hahn advised that Staff believes a camera system which ties into the overall Citywide camera system would provide the ability to monitor the airport at a greater level. Hahn noted that there is a 10% match to the grant.

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Ebel to approve Resolution No. R-16-006 for the submission of a grant application to the Bluebonnet Community Grant Program for cameras at the Brenham Municipal Airport and authorize the Mayor to execute any necessary documentation.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Gloria Nix	Yes
Councilmember Andrew Ebel	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Mary E. Barnes-Tilley	Yes
Councilmember Weldon Williams	Yes

9. Discuss and Possibly Act Upon Bid No. 16-005 for the 2016 Mowing and Cleanup Services for Various City Departments and Authorize the Mayor to Execute Any Necessary Documentation

Public Works Director Dane Rau presented this item. Rau explained that on January 26th the Purchasing Department opened bids for the annual Mowing and Cleanup Services that is performed throughout the city. Rau stated there were 7 bids received. Rau noted that the bid contained 18 locations around the city that consist of open park property, medians, vacant city owned lots, municipal facilities, and code enforcement mowing options. Rau stated that in 2013 the bid consisted of 23 locations. Rau advised that the areas that have been removed include the Central Communications Building, Hike and Bike Trail, Hasskarl Tennis Courts, Prairie Lea (Vacant Lot), and two other city owned vacant lots that have since been sold. Rau explained that based on the bid recap, Gene's Services submitted the lowest bid. Rau stated that Staff feels very comfortable awarding the bid to Gene's Services since he has been the current vendor for the past three years. Rau advised that the bid amount was for \$38,140 and the code violation properties would be serviced as needed.

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Nix to award Bid No. 16-005 to Gene's Services for the 2016 mowing and cleanup services contract and authorize the Mayor to execute any necessary documentation.

Mayor Tate called for a vote. The motion passed with Council voting as follows:

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Gloria Nix	Yes
Councilmember Andrew Ebel	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Mary E. Barnes-Tilley	Yes
Councilmember Weldon Williams	Yes

10. Administrative/Elected Officials Report

➤ **Update on Brazos Valley Bombers**

Assistant City Manager of General Government Rex Phelps reported that the Brazos Valley Bombers could not work through a schedule for the 2016 season. They would like to try working on it for the 2017 season and hope to have everything completed by August.

City Manager Terry Roberts reported on the following:

- The Library and Shelter projects are relatively on schedule to open in 2016.
- The ribbon cutting for the new Senior Center will be February 18th at 10:00 a.m.
- The Simon Conference Center Grand Opening will be today at 4:00 p.m.
- The Texas Workforce Commission will be presenting a job training grant to Blue Bell and Stanpac on Monday, February 8th at Noon in the ice cream parlor at Blue Bell.
- The Spring Clean-Up will be held April 7th-9th for city residents and April 14th-16th for county residents.
- The Blue Bell Aquatic Center won Agency of the Year.
- Mayor's Tate's wife, Twila, named "Woman of the Year" by the Chamber.

The meeting was adjourned.

Milton Y. Tate, Jr.
Mayor

Kacey A. Weiss
Deputy City Secretary

ORDINANCE NO. O-16-005

AN ORDINANCE REQUIRING THE PLACING OF CERTAIN STOP SIGNS IN THE CITY OF BRENHAM, TEXAS, SETTING THE LOCATION OF SAID STOP SIGNS, REGULATING THE TRAFFIC AT SAID STOP SIGNS, AND PROVIDING FOR PENALTY FOR VIOLATION THEREOF.

WHEREAS, it is necessary to provide stop signs at certain locations in the City of Brenham to prevent accidents, collisions and damages; to promote the flow of traffic along and into such streets; and to regulate the same:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS:

Section 1. That there shall be established and installed two (2) stop signs on Key St. regulating northbound and southbound vehicular traffic, at its intersection with W. Chauncy St.

The stop signs shall be erected at the top of a standard pole, installed in the ground on the right hand side of the streets identified herein.

Section 2. That every person, firm or corporation, operating a motor vehicle or other vehicle of any kind, in, on, along and into the streets or street intersections designated in Section 1 hereof, upon reaching a stop sign at the location so designated, shall bring said vehicle to a full and complete stop in compliance with the provisions of applicable state law, before proceeding further along said street or into or on said street intersection.

Section 3. That any person, firm or corporation, violating Section 2 hereof, shall be fined a sum of not less than \$1.00 and not more than \$200.00, plus applicable court costs.

Section 4. This Ordinance shall take full force and effect from and after its passage, approval and publication as required by applicable law.

PASSED and APPROVED on its first reading this the 18th day of February, 2016.

PASSED and APPROVED on its second reading this the 3rd day of March, 2016.

Milton Y. Tate, Jr.
Mayor

ATTEST:

Jeana Bellinger, TRMC
City Secretary

ORDINANCE NO. O-16-006

AN ORDINANCE REQUIRING THE PLACING OF CERTAIN STOP SIGNS IN THE CITY OF BRENHAM, TEXAS, SETTING THE LOCATION OF SAID STOP SIGNS, REGULATING THE TRAFFIC AT SAID STOP SIGNS, AND PROVIDING FOR PENALTY FOR VIOLATION THEREOF.

WHEREAS, it is necessary to provide stop signs at certain locations in the City of Brenham to prevent accidents, collisions and damages; to promote the flow of traffic along and into such streets; and to regulate the same:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS:

Section 1. That there shall be established and installed two (2) stop signs on Key St. regulating northbound and southbound vehicular traffic, at its intersection with W. Mansfield St.

The stop signs shall be erected at the top of a standard pole, installed in the ground on the right hand side of the streets identified herein.

Section 2. That every person, firm or corporation, operating a motor vehicle or other vehicle of any kind, in, on, along and into the streets or street intersections designated in Section 1 hereof, upon reaching a stop sign at the location so designated, shall bring said vehicle to a full and complete stop in compliance with the provisions of applicable state law, before proceeding further along said street or into or on said street intersection.

Section 3. That any person, firm or corporation, violating Section 2 hereof, shall be fined a sum of not less than \$1.00 and not more than \$200.00, plus applicable court costs.

Section 4. This Ordinance shall take full force and effect from and after its passage, approval and publication as required by applicable law.

PASSED and APPROVED on its first reading this the 18th day of February, 2016.

PASSED and APPROVED on its second reading this the 3rd day of March, 2016.

Milton Y. Tate, Jr.
Mayor

ATTEST:

Jeana Bellinger, TRMC
City Secretary



AGENDA ITEM 7

DATE OF MEETING: March 3, 2016	DATE SUBMITTED: February 22, 2016
DEPT. OF ORIGIN: Convention and Visitors Bureau	SUBMITTED BY: Lu Hollander
MEETING TYPE: CLASSIFICATION: ORDINANCE: ☒ REGULAR ☐ PUBLIC HEARING ☐ 1ST READING ☐ SPECIAL ☐ CONSENT ☐ 2ND READING ☐ EXECUTIVE SESSION ☐ REGULAR ☐ RESOLUTION ☒ WORK SESSION	
AGENDA ITEM DESCRIPTION: Presentation of the First Quarter Report by the Washington County Convention and Visitors Bureau	
SUMMARY STATEMENT: In an effort to be more cost efficient, a copy of the Washington County Convention and Visitors Bureau First Quarter Report is not included in the agenda packet. However, a compact disc of this report will be distributed to Mayor and City Council Members. A complete copy of the Washington County Convention and Visitors Bureau First Quarter Report is on file for review in the City Secretary's Office. A copy can also be downloaded from the Washington County Chamber of Commerce website at www.brenhamtexas.com. If you are interested in obtaining a hard copy, please call the City Secretary at 979-337-7567	
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:	
ALTERNATIVES (In Suggested Order of Staff Preference): N/A	
ATTACHMENTS: (1) First Quarter Summary Report	
FUNDING SOURCE (Where Applicable): N/A	
RECOMMENDED ACTION: Discussion Only	
APPROVALS: Terry K. Roberts	

WCCC Convention & Visitors Bureau

First Quarter Report: Oct-Dec 2015

OCTOBER

MAJOR TOURISM EVENTS:

- Scarecrow Festival
- Texas Brew-Fest



Walk In Visitors:

2015 - 659

2014 - 750

ADVERTISING PLACEMENTS:

- *Byways* digital magazine – half page linked to website
- *Texas Highways* magazine – full page co-op



Website Visitors:

2015 - 11,755

2014 - 8,555

EDITORIAL COVERAGE:

- *Texas Farm & Home* – feature about Brenham heritage homes
- *Brazos 360* magazine – feature about day trips to Brenham



Info Requests:

2015 - 3,311

2014 - 2,579

NOVEMBER

MAJOR TOURISM EVENTS:

- Fall Festival of Roses, Antique Rose Emporium
- Christmas at the Mansion



Walk In Visitors:

2015 - 498

2014 - 295

ADVERTISING PLACEMENTS:

- *AAA Texas Journey* – 1/6 page
- *Texas Parks & Wildlife* magazine – 1/3 page
- *Texas Monthly* magazine – 1/6 page



Website Visitors:

2015 – 8,876

2014 – 7,244

EDITORIAL COVERAGE:

- *AAA Texas Journey* – feature about Antique Rose Emporium
- *Austin American-Statesman* – feature about Brenham/Washington County
- *Kid's Eye View* TV travel show on KHOU TV



Info Requests:

2015 – 2,305

2014 – 1,138

DECEMBER

MAJOR TOURISM EVENTS:

- Christmas Stroll & Lighted Parade
- "Miracle on 34th Street at Unity Theatre



Walk In Visitors:

2015 - 691

2014 - 476

ADVERTISING PLACEMENTS:

- *Dallas Drive* magazine – 1/3 page
- *Texas Monthly* magazine – 1/3 page
- *Small Market Meetings* magazine – 1/6 page



Website Visitors:

2015 – 7,822

2014 – 6,892

EDITORIAL COVERAGE:

- *Insite* magazine – feature about Christmas on the Brazos
- *aarp.com* – 10 affordable winter vacations includes Brenham/Washington County



Info Requests:

2015 - 632

2014 – 1,832



AGENDA ITEM 8

DATE OF MEETING: March 3, 2016		DATE SUBMITTED: February 23, 2016	
DEPT. OF ORIGIN: Brenham EDF		SUBMITTED BY: Clint Kolby	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	
☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING	
☐ SPECIAL	☐ CONSENT	☐ 2 ND READING	
☐ EXECUTIVE SESSION	☒ REGULAR	☒ RESOLUTION	
	☐ WORK SESSION		
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Resolution No. R-16-009 Authorizing the Execution of a Tax Phase-In Agreement Between the City of Brenham and Valmont Coatings, Inc.			
SUMMARY STATEMENT: Valmont Coatings is respectfully requesting your consideration of an application for tax phase-in. Valmont Coatings has plans to move forward with their original project from last year to locate a galvanizing plant in Brenham to serve the local Valmont Structures facility as well as secondary metal-based businesses in the region. The use of the tax phase-in incentive will help Valmont Coatings invest in the necessary equipment and human capital to help offset the initial costs of locating this expansion project here. This project would also provide a substantial positive economic impact to the local Brenham economy.			
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):			
A. PROS:			
B. CONS:			
ALTERNATIVES (In Suggested Order of Staff Preference):			
ATTACHMENTS: (1) Memo from Economic Development Foundation; (2) Tax Phase-In Application; and (3) Resolution No. R-16-009			
FUNDING SOURCE (Where Applicable):			
RECOMMENDED ACTION: Approve Resolution No. R-16-009 authorizing the execution of a Tax Phase-In Agreement between the City of Brenham and Valmont Coatings, Inc.			
APPROVALS: Terry K. Roberts			



MEMO

To: Mayor Tate and City Council
From: Brenham Economic Development Foundation
Date: February 11, 2016
Re: Valmont Coatings Tax Phase-In Application

Valmont Coatings is respectfully requesting your consideration of an application for Tax Phase-In.

Valmont Coatings has plans to move forward with their original project from last year to locate a galvanizing plant in Brenham to serve the local Valmont Structures facility as well as secondary metal-based businesses in the region. The use of the Tax Phase-In incentive will help Valmont Coatings invest in the necessary equipment and human capital to help offset the initial costs of locating this expansion project here. This project would also provide a substantial positive economic impact to the local Brenham economy.

JOB CREATION: Valmont Coatings will **create 40 new jobs** during the first year of operations. Valmont Coatings has plans to increase the number of employees to 101 after several years.

CAPITAL INVESTMENT: Valmont Coatings will be **investing \$14.8 million** in capital for this project. \$3.5 million will go towards re-constructing the existing facility. \$11.3 million will be used to purchase new machinery and equipment.

NEW TAXES PAID: Valmont Coatings will pay **a total of \$191,589 in new taxes in its first year** of operation (\$7,002 in City taxes). The company will receive an abatement of \$132,428 in year-one (\$63,017 from City taxes). At the end of its tax phase-in period, Valmont Coatings will have paid **a total of \$1,665,141 in new taxes** (\$119,033 in City taxes), and will have received a total abatement of \$926,995 (\$441,119 from City taxes). At no point in the tax phase-in process does any company receive abatements on taxes for Blinn College or Brenham ISD.

Attached you will find:

- A) Tax Phase-In Application
- B) Company Overview
- C) Environmental Overview
- D) Site Map
- E) Salary and Benefit Overview
- F) Tax Phase-In Overview
- G) Tax Phase-In Calculation

As you review the attached documents, if you have any questions, please contact the Brenham Economic Development Foundation office at (979)836-8927 or clint@brenhamtexas.com.

TAX PHASE-IN APPLICATION

This application must be filed in conformance with the City of Brenham/Washington County Guidelines and Criteria for Tax Phase-In. The application must be filed prior to the beginning of construction or installation of equipment. Approval of this application is discretionary with the City Council and/or Commissioner's Court. All applications submitted to the City of Brenham must be received 20 days before the publication deadline.

APPLICANT INFORMATION

Company Name	<u>Valmont Coatings, Inc.</u>	
Address of HQ	<u>One Valmont Plaza, Suite 400</u>	Annual Sales <u>\$72 million</u>
	<u>Omaha, NE 68154-5215</u>	Years in Business <u>Est. 1997</u>
Company President	<u>Richard S. Cornish</u>	Total Employees <u>500</u>
Authorized Signature	<u>Ronda Colling</u>	Brenham Address:
Title	<u>Division Controller</u>	<u>2551 Valmont Dr.</u>
Date	<u>2/3/16</u>	<u>Brenham, TX 77833</u>
Contact Person	<u>Ronda Colling – Division Controller</u>	Telephone <u>402-963-4201</u>

Attach a description of the Company including a brief history, corporate structure and business plan and annual statement, if available.

PROJECT INFORMATION

Type of Targeted Enterprise:

[] Agriculture/ Aquaculture Facility; [X] Manufacturing/Assembly; [] Distribution; [] Research

Products and services to be provided: Hot dip galvanizing of steel products

SITE INFORMATION

Address	<u>2551 Valmont Dr., Brenham, TX 77833</u>
Legal Description	<u>A0120 Carrington, John, Tract 1, Acres 65.2</u>
	<u>A0120 Carrington, John, Tract 80, Acres 14.888</u>

Attach map showing project location.

[] New Facilities [] Expansion of Existing Facilities [X] Modernization/Remodel

ECONOMIC INFORMATION

Construction Estimates

Start Date	<u>1st Quarter 2016</u>	Contract Amount	<u>\$3.5 million</u>
Completion Date	<u>3rd Quarter 2016</u>	# Construction Jobs	<u>N/A</u>

Estimated Appraised Values

	Land	Building/Equipment	Personal Property
Value before Tax Phase-In begins	<u>\$704,770</u>	<u>\$28,117,890</u>	<u>\$11,841,040</u>
Value after Tax Phase-In expires	<u>\$704,770</u>	<u>\$42,917,890</u>	<u>\$11,841,040</u>

PERMANENT EMPLOYMENT INFORMATION

Will this project create or retain a minimum of 10 jobs at an average base salary of \$36,000/year, or higher, including benefits throughout the tax phase-in process? (yes/no) Yes

Estimated number of jobs to be created	Total	Washington County Residents	Out of County Residents
After first year	40	--	--
End of tax phase-in	101	--	--

Estimated number of jobs to be retained	Total	Washington County Residents	Out of County Residents
After first year	N/A	--	--
End of tax phase-in	N/A	--	--

CHECK LIST FOR APPLICATION FOR TAX PHASE-IN

All applicants for tax incentives should provide the following:

	ATTACHED	NOT APPLICABLE
(a) A description of waste and by-products, including any air or water pollution generated by the business.	<u>X</u>	<u></u>
(b) A drawing showing location of the property, all roadways within 500 feet, current land uses and zoning within 500 feet and a complete metes and bounds description if the property is not platted.	<u>X</u>	<u></u>
(c) Itemized estimated cost of the real property and improvements proposed.	<u>X</u>	<u></u>
(d) A description of financing methods and projected time when costs or obligations are to be incurred.	<u>X</u>	<u></u>
(e) The amount and duration of any tax phase-in requested.	<u>X</u>	<u></u>
(f) Any other incentives requested.	<u>X</u>	<u></u>
(g) A description of reason for requesting incentives.	<u>X</u>	<u></u>
(h) Impact on the project scope and/or location of the project if incentives are not granted.	<u>X</u>	<u></u>
(i) Description of tax phase-in requested or to be requested from other applicable taxing entities.	<u>X</u>	<u></u>
(j) Details of job types and number employed in each.	<u>X</u>	<u></u>
(k) Wages and benefits per job type.	<u>X</u>	<u></u>
(l) Schedule of job creation/retention during the tax phase-in period.	<u>X</u>	<u></u>
(m) Estimated number and type of employees to be hired/retained from the local labor force.	<u>X</u>	<u></u>
(n) Estimated number and type of employees that will be relocated into the local area.	<u>X</u>	<u></u>
(o) Projected total payroll.	<u>X</u>	<u></u>
(p) Projected utility volume: electricity, natural gas and water.	<u>X</u>	<u></u>
(q) Projected Annual Sales tax.	<u></u>	<u>X</u>
(r) Projected goods and services purchased from local vendors.	<u>X</u>	<u></u>
(s) Description of utility lines and other infrastructure requirement by the City and by the Project.	<u></u>	<u>X</u>

ADDITIONAL PROJECT INFORMATION

- (a) Please see attachment.
- (b) Please see attachement.
- (c)

Land	\$0.00
Building Cost	\$3,500,000.00
Equipment cost	<u>\$11,300,000.00</u>
 Total	 <u>\$14,800,000.00</u>
- (d) The project will be internally financed.
- (e) Please see attachment. Tax phase-in is requested for eight years as presented in Table 1B and Table 2 of the tax phase-in schedules.
- (f) Valmont Coatings will evaluate workforce training programs through Blinn College.
- (g) Tax phase-in will help facilitate the expansion of Valmont Coatings into Brenham and will make the project more financially feasible.
- (h) If the tax phase-in incentive is not granted, the cost for the expansion will be substantially higher and could negatively impact future decisions by the corporate headquarters regarding where to expand Valmont's companies.
- (i) Valmont Coatings is requesting tax phase-in from the City of Brenham and Washington County.
- (j) Attached schedule.
- (k) Attached information.
- (l) Valmont Coatings has plans to initially create 40 jobs in its first year of operations and increase the number of jobs to 101 over several years.
- (m) The local labor force will take priority. However, Valmont Coatings expects to hire any skilled labor from within a 1-hour drive-time radius of Brenham.
- (n) The general manager will be relocated from Claremore, Oklahoma.
- (o) \$3 million.
- (p) Estimates: 160,000 MMBtu/year; 4,200,000 KWH/year; 4,200,000 gallons/year water.
- (q) Not applicable.
- (r) Valmont Coatings will use local vendors as much as possible during the construction phase.
- (s) Not applicable.

COMPANY OVERVIEW

From the United States to Canada, over to Australia, Malaysia and more, Valmont Coatings is a global market and technical leader in Hot Dip Galvanizing. Their 30 galvanizing facilities, strategically positioned around the world, are combined with additional locations that offer Powder Coating, Anodizing, E-Coating and Liquid Painting services, to enable Valmont Coatings to offer their customers the most comprehensive coatings solutions.

Galvanizing is one of the most effective methods of protecting steel from corrosion. Valmont Coatings offers a range of galvanizing solutions including: Hot Dip Galvanizing, Spin Galvanizing and Mechanical Galvanizing. In addition, their powder coating capabilities provide a high-performance alternative to galvanizing that forms a tough, colorful coating on metal products. Finally, their anodizing capabilities protect aluminum with a wide range of surface finishes that enhance resistance to abrasion and corrosion while reducing surface electrical conductivity.

To add to this extensive list of coating services, Valmont Coatings also offers CorroCote, De-glaring, Liquid Painting, Pretreatment Solutions, Silk Screening, Pad Printing, and more. From steel monopoles and large diameter pipes, sporting goods and computer components, and even parts used in the International Space Station, Valmont Coatings has the coating technology to prolong the life and enhance the appeal of their customer's products.

COMPANY HISTORY

As a world leader in steel and aluminum poles for lighting, power and communication, Valmont Industries Inc. recognized early on the value of leading the industry in galvanizing and coatings as well. For many years, the company's galvanizing facility in Valley, Nebraska met its need for the high quality hot-dip galvanizing that made Valmont Irrigation products the industry standard for dependability and durability.

During the 1990s, Valmont Coatings expanded to meet the growing demand for galvanizing, both internally and from other manufacturers. The Company built new galvanizing plants in West Point, NE and Tulsa, OK while acquiring existing galvanizing operations in Utah, Oregon and California. These new facilities helped fulfill the Company's internal galvanizing needs at various locations in North America and, at the same time, served the growing worldwide demand for galvanizing.

In the early 2000's Valmont Coatings branched out and acquired facilities in Minnesota and California that offered powder coating, anodizing, liquid painting and electro-deposition coating. This diversification allowed the Company to better serve their external customer with a more comprehensive list of coatings solutions.

Currently, 85 percent of their business at their 20 North American Facilities comes from thousands of external manufacturers while just 15 percent is for other Valmont products. With over 30 facilities around the globe, Valmont Coatings continues the tradition of encouraging innovation and increasing value for customers around the world.

COMPANY LEADERSHIP

Richard S. Cornish – Group President, Coatings and Tubing

Russell Sheehan – Managing Director, Industrial Galvanizers

Pete Smith – Vice President and General Manager North America Galvanizing



Valmont believes that companies that monitor and measure their practices with an eye toward the environment will become better companies and stronger competitors. We have an obligation to be good stewards of our resources. Part of being green is making products last. All Valmont Coatings systems provide superior corrosion protection; protecting products from the elements and making them last longer. Hot Dip Galvanizing, Powder Coating, and E-Coating also offer additional environmental benefits.

Hot Dip Galvanizing

Zinc is essential for life and is one of the highest recycled metals in the world. Vitamin supplements, cosmetics, sun screen and animal feed are just a few of the products benefitting from zinc's amazing properties.

Hot Dip Galvanizing, utilizing zinc, is one of the most effective corrosion solutions for protecting our nations' critical infrastructure. Our "closed loop" process allows us to return nearly all of our materials to our process or recycle our byproducts into consumable materials. The galvanizing process emits virtually zero "VOC's" (volatile organic compounds) and has a very small carbon footprint per square foot of steel coated.

The galvanizing bath contains no petroleum based solvents or materials that harm the environment, and after a durable life, Hot Dip Galvanized steel is 100% recyclable.

Valmont Coatings – New Construction

Valmont Coatings' new galvanizing plants incorporate best building practices into each part of the process.

Galvanizing uses industrial chemicals to clean the steel prior to galvanizing. The process tanks are state of the art and specifically designed for the chemicals that they contain. These tanks will sit within secondary containment that goes beyond regulatory requirements. The secondary containment will be designed to contain 100% of all liquids from all tanks, thus, even if all tanks had an issue, 100% of the liquid will be contained. This containment is also coated to prevent chemical contact with the process solutions from degrading it. The containment system prevents contact with the natural environment, leaching to soil and groundwater as well as deterioration of the infrastructure.

There are emissions to the air from the galvanizing process and natural gas combustion equipment. Air emissions from the galvanizing kettle will be captured and vented through a baghouse to filter 98%+ of these particulates. The galvanizing furnace and other natural gas equipment is state of the art and exceeds requirements benefiting from the newest burner technology.

Valmont Coatings follows lean manufacturing principles and the staff is trained to operate striving for zero waste in all aspects of the process. This is implemented through housekeeping standards across the site. Additionally, Valmont Coatings regenerates the sulfuric acid used to clean the steel on site. This produces an iron sulfate that is sold for use in other industrial processes. The acid regeneration system eliminates the need for the disposal of acid waste. This new facility and the "closed loop" process does not discharge any chemical solutions or other process wastes to the sanitary sewer.

Valmont Coatings employs a full time Environmental Manager who along with the corporate environmental department supports the sites' sustainability goals. All Valmont Sites follow operating and maintenance procedures and standard work practices for managing storm water, hazardous waste, non-hazardous waste and recycled materials that exceed regulatory requirements and strive for zero impact to the environment both at the site and through any off site vendors.

Valmont Coatings – Project Location & Site Map



Category	Title	Employee Count by Phase				Pay Range	
		Start Up	Years 1 - 4	Years 5 +		Min	Max
Shop Employees	General Labor	20	40	60	\$	9.50	\$ 11.50
	Material Handlers	8	16	24	\$	11.30	\$ 13.60
	Shipping Coord	1	2	3	\$	13.00	\$ 16.00
	Maintenance Technician	1	2	2	\$	15.50	\$ 18.65
	Maintenance Electrician	1	1	1	\$	17.50	\$ 22.00
Supervisors	Shift Supvr	1	2	3	\$	45,000.00	\$ 57,000.00
	Shipping Supvr	1	1	1	\$	45,000.00	\$ 57,000.00
	Maintenance Supervisor	1	1	1	\$	54,000.00	\$ 67,000.00
	Operations Manager	1	1	1	\$	72,000.00	\$ 85,000.00
Administrative	HR Rep	1	1	1	\$	45,000.00	\$ 57,000.00
	EHS Coord	1	1	1	\$	45,000.00	\$ 57,000.00
	Inside Sales/Scheduling	1	1	1	\$	45,000.00	\$ 57,000.00
	Sales Manager	1	1	1	\$	62,000.00	\$ 78,000.00
	Accounting Manager	1	1	1	\$	62,000.00	\$ 78,000.00
Total		40	71	101			

Benefits

In addition to the attached Benefits Summary booklet which contains the basic health and welfare benefits provided to all employees, there are other voluntary benefits that the employee can participate in at full cost to the employee.

Shop hourly employees are eligible for health benefits the first of the month following 60 days of employment; Salaried employees are eligible for benefits on their first day of employment.

In addition, time off benefits will initially include a minimum of six holidays (New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day), and vacation accrued as follows:

- 1 week for employment years 1 and 2;
- 2 weeks for employment years 3+

Finally, employees are eligible to participate in the company 401(k) plan the first of the month following 90 days of employment. The Company match is \$.75 on the first 6% of employee contribution.

Overview of the Tax Phase-In Incentive

Based on Policies in the City of Brenham and Washington County, Texas

Definition:

- Tax Phase-In means the partial, temporary exemption from property taxes, with the purpose of stimulating economic development.
- Only ad valorem property taxes are eligible, and only on certain qualifying property. Brenham Independent School District and Blinn College taxes are to be paid in full at all times.

Guidelines and Criteria:

In order to be eligible for tax phase-in, the planned improvement at a minimum must:

- Be a facility used or to be used by a primary jobs employer according to Exhibit A (except for a location in the Downtown Zone).
- The project must add new value to the tax roll of eligible property: a minimum of \$300,000 for a business new to Brenham or \$150,000 for an existing local business. For development in the Downtown Zone, the added value must be a minimum of \$50,000.
- Within the first year and throughout the phase-in period, the applicant must maintain or create a minimum of ten (10) jobs at an average salary of \$36,000/year, or higher, including any benefits (except for a location in the Downtown Zone).
- **PLEASE NOTE:** A facility is eligible for tax phase-in if it has applied for the incentive before construction begins, and it meets the complete guidelines and criteria under the Tax Phase-In Policy.
- Tax Phase-In may be granted for new or existing facilities.
- Eligible property for tax phase-in may include the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary or convenient to the operation and administration of the facility.

- Property that is not eligible for the tax phase-in incentives include:
 - *land
 - *animals
 - *inventories
 - *supplies
 - *tools
 - *furnishings and other forms of moveable personal property
 - *vehicles
 - *vessels
 - *aircraft
 - *housing or residential property (except for property owners in a Downtown Zone)
 - *hotels/motels
 - *fauna
 - *flora
 - *retail facilities (except for property owners in a Downtown Zone)
 - *deferred maintenance investments
 - *improvements by the generation or transmission of electrical energy not wholly consumer by a new facility or expansion
 - *any improvements including those to produce, store or distribute natural gas or fluids that are integral to the operation of the facility, or
 - *property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.

Application:

- Any present or potential owner of taxable property in the City of Brenham and/or Washington County may request the creation of a Reinvestment Zone and Tax Phase-In Incentive by filing a written request with the Brenham City Manager and/or Washington County Judge.
- After the receipt of the application, the county will make a decision within 90 days. The decision-making process may involve an economic impact study, plus city council and county commissioner's court meetings.
- If accepted, the business receiving tax phase-in will be required to provide a sworn statement and documents, verifying compliance each year. Failure to provide the required documents shall result in termination of the Tax Phase-In agreement.

For further details and confidential assistance, contact:

ECONOMIC DEVELOPMENT FOUNDATION OF BRENHAM
 314 SOUTH AUSTIN STREET • BRENHAM, TEXAS 77833
 PHONE: [979] 836 8927 FAX: [979] 836 3563
 EMAIL: EDF@BRENHAMTEXAS.COM

EXHIBIT A
PRIMARY JOBS EMPLOYER DEFINITION

Sec. III (a)

Be a facility used or to be used by a Primary Jobs Employer.

"Primary job" means a job that is:

- (i) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and
- (ii) included in one of the following sectors of the North American Industry Classification System (NAICS):

NAICS Sector #	Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211-213	Mining
221	Utilities
311-339	Manufacturing
42	Wholesale Trade
48-49	Transportation and Warehousing
51 (excluding 512131 and 512132)	Information (excluding motion picture theaters and drive-in motion picture theaters)
523-525	Securities, Commodity Contracts, and Other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles
5413, 5415, 5416, 5417, and 5419	Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific, and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises
56142	Telephone Call Centers
922140	Correctional Institutions

EXHIBIT B TAX PHASE-IN INCENTIVE SCHEDULES

Applicants may receive property Tax Phase-In incentive according to the schedules in Tables 1 and 2, depending on their combination of property value creation and job creation/retention.

TABLE 1 (earns 50% of incentive)

1A - Property Improvements by an Existing Local Business

Level	Amount of Valuation of Eligible Improvements as determined by the Tax Appraisal District:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	\$ 150,000	\$1,000,000	45	40	30	20	0	0	0	0
2	\$1,000,001	\$2,500,000	45	45	40	30	20	0	0	0
3	\$2,500,001	\$4,000,000	45	45	45	40	30	20	0	0
4	\$4,000,001	\$5,500,000	45	45	45	45	40	30	20	0
5	More than	\$5,500,000	45	45	45	45	45	40	30	20

1B - Property Improvements by a New Business

Level	Amount of Valuation of Eligible Improvements as determined by the Tax Appraisal District:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	\$ 300,000	\$1,000,000	45	40	30	20	0	0	0	0
2	\$1,000,001	\$2,500,000	45	45	40	30	20	0	0	0
3	\$2,500,001	\$4,000,000	45	45	45	40	30	20	0	0
4	\$4,000,001	\$5,500,000	45	45	45	45	40	30	20	0
5	More than	\$5,500,000	45	45	45	45	45	40	30	20

TABLE 2 (earns 50% of incentive)

2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

Level	The number of new and/or retained full-time employees with an average salary level of \$36,000+/year including benefits averaged during the twelve calendar months prior to the tax assessment date of January 1:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	10	19	45	40	30	20	0	0	0	0
2	20	29	45	45	40	30	20	0	0	0
3	30	39	45	45	45	40	30	20	0	0
4	40	49	45	45	45	45	40	30	20	0
5	50 and more		45	45	45	45	45	40	30	20

Valmont Coatings - Brenham Project
Tax Phase-In Calculation Estimate

Estimated property taxes to be abated										Total
Capital investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8		
Job creation	\$14.8MM 40 jobs	\$14.8MM 71 jobs	\$14.8MM 71 jobs	\$14.8MM 71 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	
	90%	90%	90%	90%	90%	80%	60%	40%		
<u>Taxing entity</u>										
City of Brenham		\$63,017	\$63,017	\$63,017	\$63,017	\$56,015	\$42,011	\$28,008		\$441,119
Washington County		\$69,411	\$69,411	\$69,411	\$69,411	\$61,698	\$46,274	\$30,849		\$485,876
		\$132,428	\$132,428	\$132,428	\$132,428	\$117,713	\$88,285	\$58,857		\$926,995

Estimated property taxes to be paid										Total
Capital investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8		
Job creation	\$14.8MM 40 jobs	\$14.8MM 71 jobs	\$14.8MM 71 jobs	\$14.8MM 71 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	\$14.8MM 101 jobs	
	10%	10%	10%	10%	10%	20%	40%	60%		
<u>Taxing entity</u>										
City of Brenham		\$7,002	\$7,002	\$7,002	\$7,002	\$14,004	\$28,008	\$42,011		\$119,033
Washington County		\$7,712	\$7,712	\$7,712	\$7,712	\$15,425	\$30,849	\$46,274		\$131,108
		\$14,714	\$14,714	\$14,714	\$14,714	\$29,429	\$58,857	\$88,285		\$250,141
	100%	100%	100%	100%	100%	100%	100%	100%		
<u>Taxing entity</u>										
Brenham ISD		\$167,980	\$167,980	\$167,980	\$167,980	\$167,980	\$167,980	\$167,980		\$1,343,840
Blinn College		\$8,895	\$8,895	\$8,895	\$8,895	\$8,895	\$8,895	\$8,895		\$71,160
		\$176,875	\$176,875	\$176,875	\$176,875	\$176,875	\$176,875	\$176,875		\$1,415,000

RESOLUTION NO. R-16-009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS ADOPTING A COMMERCIAL TAX PHASE-IN AGREEMENT WITH VALMONT COATINGS, INC.; AUTHORIZING THE MAYOR TO EXECUTE THE TAX PHASE-IN AGREEMENT; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, Chapter 312 of the Texas Tax Code authorizes the City of Brenham, Texas, to participate in tax phase-in incentives; and

WHEREAS, in accordance with Section 312.002 of the Texas Tax Code, the City of Brenham, Texas previously passed a resolution stating the City's intent to participate in tax phase-in incentives; and

WHEREAS, in accordance with Section 312.002 of the Texas Tax Code, the City of Brenham, Texas also previously adopted tax phase-in incentive guidelines and criteria; and

WHEREAS, the City Council of the City of Brenham, Texas, finds and determines that the terms of the Tax Phase-In Agreement and the subject property meet the applicable tax phase-in incentive guidelines and criteria, and entering into the Tax Phase-In Agreement will be to the benefit of the citizens of the City of Brenham; and

WHEREAS, the City Council desires to adopt the Tax Phase-In Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, by and between the City of Brenham, Texas, and Valmont Coatings, Inc., a Delaware corporation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS, AS FOLLOWS:

Section 1: That the foregoing recitals are hereby found to be true and correct legislative findings of the City of Brenham, Texas, and are fully incorporated into the body of this Resolution.

Section 2: That the City Council of the City of Brenham, Texas does hereby adopt the commercial Tax Phase-In Agreement, a copy of which is attached hereto as Exhibit "A", by and between the City of Brenham, Texas, and Valmont Coatings, Inc.

Section 3: That the Mayor is hereby authorized to execute the Tax Phase-In Agreement between the City of Brenham, Texas, and Valmont Coatings, Inc., a copy of which is attached hereto as Exhibit "A".

Section 4: This Resolution shall become effective immediately from and after its passage.

RESOLVED this _____ day of _____, 2016.

Milton Y. Tate, Jr., Mayor
City of Brenham, Texas

ATTEST:

Jeana Bellinger, City Secretary
City of Brenham, Texas

**AGREEMENT FOR DEVELOPMENT AND TAX PHASE-IN
IN REINVESTMENT ZONE NO. 33 CITY OF BRENHAM
FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS**

THE STATE OF TEXAS

COUNTY OF WASHINGTON

This Agreement is entered into by and between the CITY OF BRENHAM, TEXAS, a Texas home-rule municipal corporation, of Washington County, Texas, acting herein by and through its Mayor, hereinafter referred to as CITY, and VALMONT COATINGS, INC., a Delaware corporation, hereinafter referred to as COMPANY.

WITNESSETH:

The City Council of the City of Brenham, Texas, ("COUNCIL") on February 20, 1992, adopted by resolution a policy for the creation of tax abatement zones in the City of Brenham, ("POLICY"). Said POLICY was amended by COUNCIL on April 2, 1992, amended on June 4, 1992, and re-adopted on December 1, 1994, November 20, 1997, October 21, 1999, November 1, 2001, January 15, 2004, December 20, 2007, December 17, 2009, December 15, 2011, December 5, 2013, and February 18, 2016 (as amended) (entitled "City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises"). On October 20, 2011, the COUNCIL, by Ordinance, established Reinvestment Zone No. 33, City of Brenham, for Commercial Tax Phase-In, City of Brenham, Texas, ("ZONE") as authorized by V.T.C.A., Texas Tax Code Chapter 312. Said POLICY is attached hereto as Exhibit "B" and incorporated herein for all purposes.

WHEREAS, COMPANY has filed an application for the phase-in of ad valorem taxes, and

WHEREAS, COUNCIL finds that this application, this Agreement, and the property subject to this Agreement meet the applicable guidelines and criteria of said POLICY, and

WHEREAS, in order to provide for the proper development of such property and to aid in the conduct of the operation thereof to the best interest of the CITY in accordance with the above referenced ordinances and statutes, the parties do mutually agree as follows:

1. **Location of Tax Phase-In.** The property that is the subject matter of this Agreement is the land and improvements located at 2551 Valmont Drive, Brenham, Texas and described more particularly as those certain tracts of land containing 14.888 acres and 65.2 acres, more or less, being further described in Exhibit “A”, attached hereto and incorporated herein for all purposes, and which property is hereinafter referred to as "PREMISES."

2. **Improvements.** In consideration of COMPANY'S construction of at least Five-Million Five-Hundred Thousand and No/100 Dollars (\$5,500,000.00) of real and personal property improvements and renovations to said PREMISES, including fixed machinery, equipment and buildings, CITY agrees that, subject to the terms and conditions contained herein, eligible improvements and renovations to the above described PREMISES shall be entitled to tax phase-in incentives in accordance with the schedule as provided in “Table 1B – Property Improvements by a New Business”, and tax phase-in incentives in accordance with the schedule

as provided in “Table 2 – Jobs Created & Retained – by New Business or an Existing Local Business”, said Tables being set out in the attached Exhibit “B”, and that upon the expiration of such tax phase-in incentives this Agreement shall terminate.

"Improvements and renovations" as used herein shall be defined as including the building and all other associated improvements (personal and realty) and fixtures and equipment on the PREMISES added by the COMPANY within said zone. COMPANY will limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the ZONE during the period that property tax exemptions are in effect.

COMPANY acknowledges and agrees that the purpose of CITY in entering into this Agreement is to encourage development of the property in the ZONE and, therefore, COMPANY agrees to limit the use of the property to further said purpose.

3. **Submission of Plans.** COMPANY agrees that the site plan, interior and exterior design drawings and materials ("PLANS") for each improvement will be submitted to CITY and/or its designated representative for its approval when available. An official set of PLANS will be designated by the COMPANY and will be kept on file with the CITY.

4. **Other Applicable Regulations.** COMPANY agrees to construct all improvements in accordance with all applicable laws, ordinances, codes, rules, requirements or regulations of the City of Brenham, Washington County, the State of Texas and the United States, and any subdivision, agency or authority thereof.

5. **Liability of City in Approving Plans.** CITY, by approving the PLANS or any revised PLANS, assumes no liability or responsibility therefore for any defect in any fixed machinery or equipment installed or any structure constructed, renovated, or repaired from the PLANS or approved revised PLANS. The relationship between CITY and COMPANY at all times shall not be deemed a partnership or joint venture for purposes of this Agreement or for any other purpose.

COMPANY AGREES TO HOLD HARMLESS, INDEMNIFY AND REIMBURSE CITY, ITS OFFICERS, AGENTS, AND/OR EMPLOYEES FOR ANY DAMAGES SUFFERED BY THEM DUE TO COMPANY'S NEGLIGENCE, SUCH DUTY AND LIABILITY NOT TO EXCEED WHAT COMPANY WOULD OWE TO ANY OF THEM UNDER COMMON LAW. CITY AGREES TO USE BEST REASONABLE EFFORTS TO NOTIFY COMPANY AS SOON AS POSSIBLE AFTER IT BECOMES AWARE OF ANY LEGAL ACTION (INCLUDING PRE-LITIGATION NOTICES, DEMAND LETTERS, ETC.) WHICH REASONABLY COULD THEN BE FORESEEN AS HAVING THE PROSPECTIVE POTENTIAL OF ACTIVATING THE TERMS OF THE IMMEDIATELY PRECEDING SENTENCE.

6. **Rights of City to Inspect.** At all reasonable times during the construction and installation of improvements and renovations on the PREMISES and following completion, CITY and its respective designees may inspect PREMISES in order to verify the construction, workmanship, materials and installations involved in or incident to the project are performed in substantial compliance with the approved PLANS and compliance with the applicable building

permits and governmental regulations.

7. **Payment of Taxes by Company.** COMPANY agrees to pay all ad valorem taxes and assessments that may be owed to CITY or any other taxing entity by it prior to such taxes and/or assessments becoming delinquent; provided, that COMPANY shall have the right to contest in good faith the validity or application of any such tax or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion. If COMPANY undertakes any such contest, COMPANY shall so notify in writing CITY and keep CITY apprised of the status of such contest. Should COMPANY be unsuccessful in such contest, COMPANY shall promptly pay the taxes, penalties, and/or interest, resulting therefrom.

COMPANY certifies that at the time of execution of this Agreement, there are no delinquent ad valorem taxes on the PREMISES, or fixed machinery, equipment and buildings located on the PREMISES, owed to any taxing jurisdiction. Subject to the foregoing paragraph, COMPANY shall pay all non-phased-in taxes subject to all requirements and due dates, as it would be required to pay in the absence of this Agreement.

8. **Employment.** COMPANY anticipates hiring at least forty (40) employees upon opening and over the tax phase-in period. COMPANY acknowledges and agrees that COMPANY'S failure to create and maintain a minimum of ten (10) jobs within the first year and throughout the Tax Phase-In incentive period in accordance with this Agreement and the POLICY is a default in the performance of this Agreement, and subjects the COMPANY to the remedies for default as provided in this Agreement.

9. **Default.** In the event COMPANY (i) allows the PREMISES to become vacant, (ii) fails to pay all non-abated ad valorem taxes as required by Section 7 hereof, (iii) fails to comply with the terms of the “City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises”, or (iv) otherwise fails to comply with the terms of this Agreement, then COMPANY shall be in "default" in the performance of this Agreement. The CITY shall notify COMPANY in writing of said "default." Further, in accordance with Chapter 2264, Texas Government Code, COMPANY certifies that COMPANY, or a branch, division, or department of COMPANY does not and will not knowingly employ an undocumented worker. COMPANY further certifies that in the event that COMPANY, or a branch, division, or department of COMPANY, is convicted of a violation under 8 U.S.C. Section 1324a(f), COMPANY shall be repay all of the amounts of ad valorem taxes previously abated by the CITY pursuant to this Agreement, with interest, calculated at the rate ten percent (10%) annually. Such a conviction shall also constitute a default under this Agreement.

If COMPANY does not comply with this Agreement within thirty (30) days of written notice of such "default", CITY reserves the right to terminate this Agreement and terminate the benefits of tax phase-in provided for in this Agreement. In such event, the PREMISES and all improvements, fixed machinery and equipment installed thereon shall be deemed taxable and not entitled to tax phase-in as provided herein. If this Agreement is terminated, any taxes abated for the calendar year of the termination shall be paid within sixty (60) days of the date of such termination.

10. **Tax Phase-In Amount.** COMPANY shall receive tax phase-in incentives for eligible property improvements in accordance with the schedule as provided in “Table 1B – Property Improvements by a New Business”, and tax phase-in incentives for job creation in accordance with the schedule as provided in “Table 2 – Jobs Created & Retained – by New Business or an Existing Local Business” said Tables being set out in the attached Exhibit “B”, and that upon the expiration of such tax phase-in incentives this Agreement shall terminate. The total annual tax phase-in incentive amount received by the COMPANY, expressed on a percentage basis, shall be the sum of the respective percentages provided for in Table 1B and Table 2 for the applicable year of the tax phase-in.

COMPANY shall, on or before June 30 of each calendar year, submit a sworn statement to the Compliance Review Committee that COMPANY is in compliance with this Agreement, including such information as may be necessary to verify compliance (e.g. employment and payroll information), subject to verification by the City of Brenham and/or the Compliance Review Committee

During the term of this Agreement, the CITY, its officers and employees, and/or the Compliance Review Committee is entitled to review and verify the COMPANY’S employment records, payroll records, and such other information and documents as the CITY and/or the Compliance Review Committee deems reasonably necessary to verify compliance with this Agreement. The CITY, its officers and employees, and/or the Compliance Review Committee may conduct on-site inspections of the PREMISES and facilities located thereon during the term of this Agreement to verify compliance with this Agreement.

The estimated value of eligible property improvements for tax phase-in incentives at least Five-Million Five-Hundred Thousand and No/100 Dollars (\$5,500,000.00). Notwithstanding anything contained herein to the contrary, COMPANY and CITY agree that the amount of eligible property improvements and jobs created & retained as set forth herein are based on projected property improvement and personnel employed, and the actual amount of tax phase-in incentives shall be determined annually by Table 1B and Table 2 of the POLICY based on the actual eligible improvements and the actual number of employees. COMPANY agrees to reasonably cooperate with CITY to determine compliance with this Agreement and the applicable level of tax phase-in incentives.

11. **Certificate of Compliance.** Upon completion of the improvements and renovations to the PREMISES, COMPANY shall submit to CITY a sworn Certificate of Compliance certifying that all construction of the improvements and renovations to the PREMISES has been completed in accordance with the approved plans. After receipt of this Certificate of Compliance, CITY shall make a final inspection of PREMISES to determine whether the improvements and renovations have been constructed and installed in compliance with this Agreement. Upon so finding, CITY shall approve such a Certificate of Compliance and authorize tax phase-in to commence with the January 1 valuation date immediately following the occupancy of the property qualifying for the Tax Phase-In incentive and terminate after the property has received the tax phase-in incentives as provided by this Agreement and Exhibit "B."

12. **Eligible and Ineligible Property.** "Eligible property" is defined to include all of the following items located on the PREMISES which were not so located prior to execution of this Agreement and whether or not they are so affixed as to become "real property": buildings, structures, fixed machinery and equipment, site improvements (including landscaping), office space and related fixed improvements necessary to the operation and administration of the facility.

"Ineligible Property" shall be fully taxable and ineligible for abatement, defined as including:

- Land;
- Animals;
- Inventories;
- Supplies;
- Tools;
- Furnishings and other forms of movable personal property (except as described as "eligible property" above);
- Vehicles;
- Vessels;
- Aircraft;
- Hotels/motels;
- Housing or residential property;
- Fauna;
- Flora (excluding landscaping improvements);
- Retail facilities;
- Deferred maintenance investments;
- Improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion;
- Any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility; or
- Property owned or used by the State of Texas or its political subdivisions or by any organization owned operated or directed by a political subdivision of the State of Texas.

13. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of such deleted provision, there shall be added automatically as part of this Agreement a provision that is similar in terms and substance to such deleted provision as may be possible and yet be legal, valid and enforceable under the Texas Tax Code and related state statutes.

14. **Texas Law to Apply.** This Agreement shall be construed under the POLICY adopted by the CITY, including the Glossary of Terms, in accordance with said POLICY in force at the date of execution hereof and in accordance with the laws of the State of Texas. All obligations of the parties created hereunder are performable in Washington County, Texas. In the event of litigation, or other claim or dispute arising out of or involving this Agreement, exclusive venue shall lie in a court of competent jurisdiction in Washington County, Texas.

15. **Prior Agreements Superseded.** This Agreement constitutes the sole agreement of the parties herein and supersedes any and all prior written or oral agreements, arrangements or understandings between the parties relating to the subject matter.

16. **Amendments.** No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date of this Agreement and duly executed by the parties hereto.

17. **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its rights to use all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

18. **No Waiver.** No waiver by CITY in any event of default, or breach of any covenant, condition or stipulation herein contained by COMPANY shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation hereof.

19. **Assignment.** This Agreement may be assigned by COMPANY upon CITY'S written approval of said assignment by the adoption of a resolution by the City Council, and assignee assumes any and all rights and obligations under this Agreement. Upon such assignment, the assignor shall be fully released from any and all obligations under this Agreement.

20. **Authority to Act.** The parties to this Agreement shall provide proof of authorization to execute this document.

21. **Notice.** Whenever notice or other communication is herein required to be given to COMPANY or to CITY, such notice will be sent, respectively, to the attention of COMPANY'S President or other designated officer at the address of Company's facility in the reinvestment ZONE, or to the attention of the City Manager at the address of said City Manager's

then-current office location, via certified or registered mail, return receipt requested. Such notice will be considered effectively delivered when sent if such is properly addressed and sent and the return receipt is received by the sender, or if addressee fails to receive or accept delivery and the undelivered item is returned to sender.

22. **Definitions.** It is specifically understood by the governing body of the jurisdiction and its signatory/agent as well as COMPANY and its signatory/agent that "new jobs," as used in both, this Agreement and the underlying CITY guidelines for tax phase-in, means (and calculations therefore include) COMPANY employees as follows: The number of "new jobs" each year shall be determined by the cumulative sum of all new jobs employed by the COMPANY in the reinvestment ZONE after execution of this Agreement. This includes all employees who, subsequently to the Agreement, begin working in the reinvestment ZONE for Applicant (whether newly hired or who were previously hired by COMPANY elsewhere and whose work location is transferred to within the reinvestment ZONE), and, for purposes of the tax phase-in schedules in the guidelines and this Agreement, who work an average of at least a forty (40) hour work week. Two part-time employees working an average of twenty (20) hours each per week shall constitute one full-time employee for the calculation of "new jobs."

Any definitions of words or phrases given in the currently effective tax phase-in guidelines entitled "City of Brenham Policy Statement on Property Tax Phase-in Incentive for Selected Commercial Enterprises" shall be controlling in this document as well, except as may be specifically modified herein.

23. This Agreement has been approved by the governing body of the CITY.

24. Any aspect of this Agreement which may happen to conflict with the underlying jurisdiction's tax phase-in guidelines shall be considered as an approved modification or clarification of such guidelines as may be required to affect the intent of this Agreement.

25. For the duration of this Agreement and for additional consideration for this tax phase-in, COMPANY agrees to purchase the following utilities: water, natural gas, sewer, and electricity exclusively from the City of Brenham in its service area.

26. If any action is brought to enforce, construe or determine the validity of any term or provision of this Agreement (whether at the trial court level or any appeal therefrom), the prevailing party shall be entitled to reasonable attorney's fees and costs of the action.

The parties hereto have executed or caused to be executed by its duly authorized officials this Agreement in multiple counterparts, each of equal dignity, on this the _____ day of _____, 2016.

VALMONT COATINGS, INC.

CITY OF BRENHAM

BY: _____
Ronda Colling
Controller
One Valmont Plaza, Suite 400
Omaha, NE 68154-5215

BY: _____
Milton Y. Tate, Jr.
Mayor
P.O. Box 1059
Brenham, TX 77834-1059

ATTEST:

BY: _____
Jeana Bellinger
City Secretary
P.O. Box 1059
Brenham, TX 77834-1059

THE STATE OF TEXAS

COUNTY OF WASHINGTON

Before me, the undersigned authority, on this day personally appeared **MILTON Y. TATE, JR.**, Mayor of the City of Brenham, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the ____ day of _____, 2016.

Notary Public in and for
The State of Texas

THE STATE OF NEBRASKA

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared **RONDA COLLING**, Controller of VALMONT COATINGS, INC., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the ____ day of _____, 2016.

Notary Public in and for
The State of Nebraska

EXHIBIT A

Property Description – Reinvestment Zone 33

All that certain tract of land containing 14.888 acres out of the J. Carrington Survey, A-120 and being the property conveyed to American Lighting Standards Corporation by deed dated August 11, 1975, as recorded in Volume 338, Page 789, Deed Records of Washington County, Texas, and also including that certain tract of land containing 65.200 acres out of the J. Carrington League, A-120 and being a residue of the 95.578 acre tract described in a deed from Linda Giddings Anderson to American Lighting Standards Corporation, dated November 4, 1974 and recorded in Volume 332, Page 314, Deed Records of Washington County, Texas, said property being located at 2551 Valmont Drive, Brenham, Texas.



TRACT ONE:

14.888 acre tract

ALL THAT TRACT OR PARCEL OF LAND situate in Washington County, Texas out of the J. Carr¹gt
Survey A-120 and the Philip
Coe Survey A-31 and being a portion of the lands conveyed to Leavens Allen

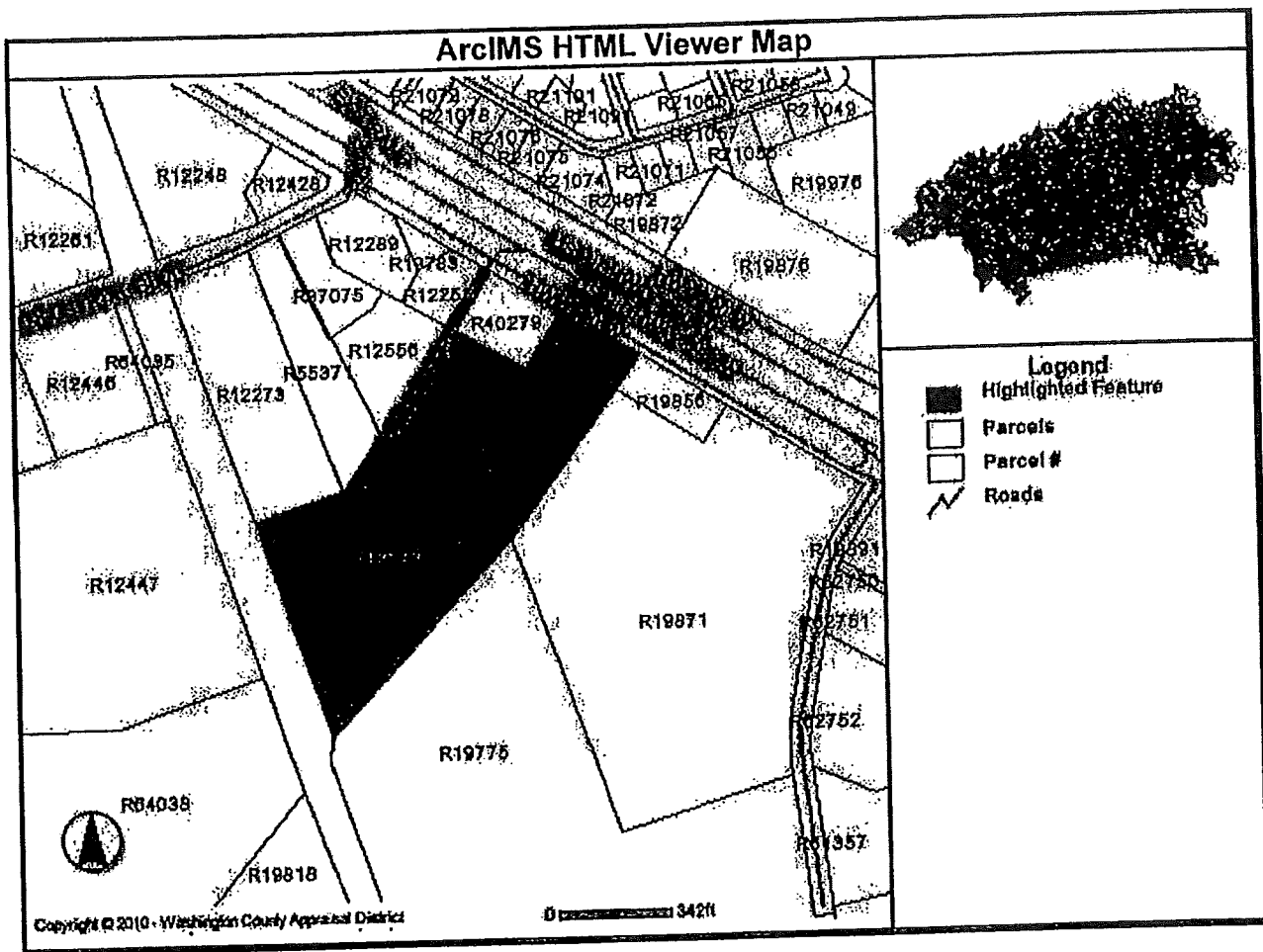
by Jack S. Blanton and also a portion of the 78.370 acre tract described in a deed
from Karl John Amelang to Jack S. Blanton, recorded in Vol. 264, Pg. 516, Washington
County Deed Records, more particularly described as follows:

BEGINNING at an iron pin in the Southwest line of the Loop #290 at the North corner
of a 1 acre tract conveyed to the Texas Department of Public Safety; THENCE S 34°
50' W, 208.71 ft. to the West corner of said tract; THENCE S 55° 10' E, 208.71 ft.
(South)
to the corner of said 1 acre tract; THENCE N 34° 50' E, 208.71 ft. to an iron pin
in the Southwest line of the Loop #290 at the East corner of said Texas Department
of Public Safety 1 acre tract; THENCE with said loop S 55° 10' E, 280.02 ft. to
an iron pin; THENCE S 35° 26' 50" W, 702.28 ft. to an iron pin at the North corner
of a tract owned by Linda P. Anderson; THENCE with the Northwest line of said tract
as fenced S 43° 23' W, 806.25 ft. to an iron pin and fence corner in the East line
of the G. C. & S. F. Railroad; THENCE with said railroad right of way N 15° 46' W,
729.48 ft. to an iron pin at the Southwest corner of a tract owned by R. Stolz;
THENCE N 74° 46' E, 275.00 ft. to the Southeast corner of said tract; THENCE N 33°
34' 45" E, 605.78 ft. to an iron pin; THENCE N 34° 36' E, 220.00 ft. to an iron
pin in the Southwest line of Loop #290; THENCE with said loop S 55° 10' E, 40.00 ft.
to the point or place of beginning containing 14.888 acres of land.

EXHIBIT

"A"

Page 1 of 4



14.888 acre tract

EXHIBIT
"A"
Page 2 of 4

95.578 acre tract

All that tract or parcel of land situated in Washington County, Texas, out of the J. Carrington League, A-120, and being a portion of the 202.00 acre tract described as Tract 8 in a deed from Mrs. Carrie B. Giddings, et al to Linda Giddings Anderson, et al, recorded in Volume 128, Page 395, Washington County Deed Records, more particularly described as follows:

BEGINNING at an iron pin in the West line of State Highway #36, at the Southeast corner of the W. J. Burnes Tract;

THENCE with said highway line S 15° 32' E, 216.22 ft. to a concrete monument;

THENCE continuing with said highway line S 8° 54' E, 501.06 ft. to a concrete monument at the intersection of the West line of State Highway #36 with the North line of a Public Road;

THENCE with said road line S 67° 39' 20" W, 1262.89 ft.; S 66° 35' W, 96.38 ft.; S 74° 37' W, 100.82 ft.; S 77° 56' W, 578.28 ft. to an iron pin and fence corner at the intersection of said road line with the East line of the G.C. & S.F. Railroad;

THENCE with said railroad right of way N 37° 24' W, 674.69 ft. to an iron pin;

THENCE continuing with said railroad on a curve to the right, having a radius of 3124.91 ft., a distance of 1191.33 ft. to a point;

THENCE continuing with said railroad right of way N 15° 48' W, 1035.40 ft. to an iron pin and fence corner in the South line of the Phillip Coe Survey;

THENCE with said survey line as fenced N 43° 23' E, 832.06 ft. to an iron pin and fence corner in the West line of the land formerly owned by Dr. F. H. Hodde;

THENCE with said line S 15° 19' E, 926.04 ft. to an iron pin and fence corner;

THENCE N 74° 58' E, 631.96 ft. to an iron pin and fence corner at an interior corner of the former Hodde Tract;

THENCE with the West line of said tract and the West line of the Burnes Tract S 5° 31' E, 1381.27 ft. to an iron pin at the Southwest corner of the former Burnes Tract;

THENCE with the South line of said tract N 79° 09' E, 1471.13 ft. to the point or place of beginning containing 95.578 acres of land.

Surveyed by Donald R. Muzzy, Registered Public Surveyor, on May 22, 1974.

EXHIBIT

"A"

Page 3 of 4

EXHIBIT B

CITY OF BRENHAM

POLICY STATEMENT ON PROPERTY TAX PHASE-IN INCENTIVE FOR SELECTED COMMERCIAL ENTERPRISES

Policy Adoption Date: February 18, 2016

I. PURPOSE

The City of Brenham, hereinafter referred to as "the City," is committed to the promotion of high quality development in all parts of the community and to improving the quality of life for its citizens. In order to help meet these goals and to stimulate economic development, the City will consider providing incentives that include, but are not limited to, the property Tax Phase-In incentive, in accordance with the procedures, criteria and guidelines set forth in this Policy and as provided by Chapter 312 of the Texas Tax Code. Nothing in this Policy shall imply or suggest that the City is under any obligation to provide any incentives to any applicant. Each application for the Tax Phase-In incentive under this Policy shall be considered on an individual basis.

II. DEFINITION OF TAX PHASE-IN INCENTIVE

Tax Phase-In incentive, as referred to in this Policy, means the partial, temporary exemption from ad valorem taxes on certain qualifying property in a Reinvestment Zone designated by the City or County for economic development purposes. Only ad valorem (property) taxes are eligible for the incentive. Brenham ISD and Blinn College taxes are required to be paid in full at all times.

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

III. GUIDELINES AND CRITERIA

In order to be eligible for property Tax Phase-In incentive, the planned improvement at a minimum must:

- (a) Be a facility used or to be used by a Primary Jobs Employer according to Exhibit A (except for a location in the Downtown Zone).
- (b) The project must add new value to the tax roll of eligible property: a minimum of \$300,000 for a business new to Brenham or \$150,000 for an existing local business. For development in the Downtown Zone, a National Register Historic District, the added value must be a minimum of \$50,000. This is to help maintain the economic viability of the central business district.
- (c) The applicant must maintain or create within the first year and throughout the Tax Phase-In incentive period a minimum of ten (10) jobs at an average salary of \$36,000/year or higher, including any benefits (except for a location in the Downtown Zone).

EXHIBIT B

In consideration of the request for the Tax Phase-In incentive, the following factors will also be considered:

- (1) Jobs The projected new jobs created including the number of jobs, the type of jobs and the average salary per job class.
- (2) Fiscal Impact The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, the amount of direct sales tax that may be generated, any infrastructure improvements by the City that will be required by the facility, the infrastructure improvements made by the facility, and the compatibility of the project with the City's master plan for development.
- (3) Valuation at Termination of Tax Phase-In Incentive Period The estimated fair market value, valued at the end of incentive period, of any equipment included in the Tax Phase-In incentive. The economic life of the added-value property must exceed the duration of the granted Tax Phase-In incentive period.

(4) Community Impact

The pollution, if any, as well as other negative environmental impacts affecting the health and safety of the community that will be created by the project;

The revitalization of a depressed area;

The business opportunities of existing local businesses;

The alternative development possibilities for proposed site;

The impact on other taxing entities;

Whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Washington County to another; and/or,

Whether the product manufactured or service provided by the business competes to a substantial degree with an existing business.

IV. TAX PHASE-IN INCENTIVE AUTHORIZED

- (a) Authorized Date A facility shall be eligible for the Tax Phase-In incentive if it has applied for the incentive prior to the commencement of construction and meets the guidelines and criteria under this Policy.
- (b) Creation of New Value Tax Phase-In incentive may only be granted for the additional value of eligible property improvements made subsequent to the filing of an application for the Tax Phase-In incentive and specified in the Tax Phase-In incentive agreement between the City and the property owner and/or lessee, subject to such limitations as the guidelines and criteria may require.

EXHIBIT B

- (c) New and Existing Facilities Tax Phase-In incentive may be granted for new facilities and improvements and for the expansion or modernization of existing facilities and improvements. If the modernization project includes facility replacement, the Tax Phase-In incentive value shall be the tax-appraised value of the new unit(s) less the value of the old unit(s).
- (d) Eligible Property Except as otherwise provided in this policy, the Tax Phase-In incentive may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary or convenient to the operation and administration of the facility.
- (e) Ineligible Property The following types of property shall be fully taxable and ineligible for property Tax Phase-In incentives:
- land,
 - animals,
 - inventories,
 - supplies,
 - tools,
 - furnishings and other forms of movable personal property,
 - vehicles,
 - vessels,
 - aircraft,
 - housing or residential property (except for property owners in the Downtown Zone),
 - hotels/motels,
 - fauna,
 - flora,
 - retail facilities (except for property owners in the Downtown Zone),
 - deferred maintenance investments,
 - property to be rented or leased except as provided in Part IV (f),
 - improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion,
 - any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility, or
 - property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- (f) Owned/Leased Facilities If a leased facility is granted the Tax Phase-In incentive, the agreement shall be executed with the lessor and the lessee and the new value investment shall be combined to calculate the total new value investment. If the lessee removes or reduces its new value investment to the detriment of the lessor, the lessor may annually elect to extend its Tax Phase-In incentive to obtain a replacement lessee. The lessor may obtain the full benefit of the remaining Tax Phase-In incentive period by resuming the Tax Phase-In incentive with the combined value of the replacement lessee by disregarding the Tax Phase-In incentive extension term. The lessor shall not receive any Tax Phase-In incentive during any year where a Tax Phase-In incentive extension has been elected. The Tax Phase-In incentive period, including any extensions, shall never exceed a total of ten years as provided by state law. The replacement lessee may apply for its own Tax Phase-In incentive based solely on its new value investment.

EXHIBIT B

- (g) Value and Term of Tax Phase-In incentive Tax Phase-In incentives shall commence with the January 1 valuation date immediately following the occupancy of the property qualifying for the Tax Phase-In incentive unless otherwise specified by the City. The value of new eligible properties shall be abated according to the approved agreement between applicant and the City. The City, in its sole discretion, shall determine the amount of any Tax Phase-In incentive. The Table 1 and Table 2 Tax Phase-In incentive Schedules - Exhibit "B", Table 3 in a Downtown Zone (map Exhibit "C"), incorporated herein by reference, shall be the maximum Tax Phase-In incentive available based on total new value investment or added employment for each year during the Tax Phase-In incentive term, whichever is greater.

The total amount of eligible property improvements and jobs created and retained are based on projected property improvements and personnel employed. However, the actual amount of tax phase-in incentives shall be determined annually by Table 1 and Table 2 in Exhibit B based on the actual eligible improvements and the actual number of employees, unless located in a Downtown Zone, in which the total amount of abatement will be derived from Table 3.

If an Existing Local Business has ten to forty-nine (10-49) employees for their base year employment, then the total abatement levels shall be determined from Levels 1-4 in Table 2 of Exhibit B. If an Existing Local Business has fifty (50) or more employees for their base year employment, then the following abatement levels shall be determined from Table 2 in Exhibit B:

- Level 5 – if base year employment is at least 90% for that calendar year
- Level 4 – if base year employment is at least 80% for that calendar year
- Level 3 – if base year employment is at least 70% for that calendar year
- Level 2 – if base year employment is at least 60% for that calendar year
- Level 1 – if base year employment is at least 50% for that calendar year

- (h) Downtown Zone A Tax Phase-In incentive zone within the designated downtown area in the attached Exhibit C, incorporated herein by reference, and any tracts or parcels contiguous to a tract in Exhibit C under common ownership. Tax Phase-In incentive in a Downtown Zone shall receive approval for building plans and specifications by the Main Street Board as a condition of receiving the Tax Phase-In incentive.

- (i) Taxability From the execution of the Tax Phase-In incentive contract to the end of the agreement period, taxes shall be payable as follows:

- (1) The value of ineligible property as provided in Part IV (e) shall be fully taxable.
- (2) The base year value of existing eligible property as determined each year shall be fully taxable.
- (3) The additional value of new eligible property shall be taxable in the manner described in Part IV (g).

EXHIBIT B

V. APPLICATION PROCESS

- (a) Any present or potential owner of taxable property in the City of Brenham may request the creation of a Reinvestment Zone and Tax Phase-In incentive by filing written request with the City Manager.
- (b) The application shall consist of a completed application form accompanied by:
 - (1) A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;
 - (2) A descriptive list of the improvements which will be a part of the facility;
 - (3) A map and property description or a site plan, including a legal description of the area proposed for designation as a Reinvestment Zone, as applicable.
 - (4) A time schedule for undertaking and completing the planned improvements;
 - (5) In the case of modernizing or replacing existing facilities, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application;
 - (6) The application form may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant;
 - (7) A schedule reflecting the proposed amount of abated taxes for which the applicant seeks, as well as the anticipated taxes to be paid by the applicant which will not be subject to the Tax Phase-In incentive; and
 - (8) A schedule of the proposed job creation or retention, including details of job type(s), wages and benefits, and the timing of creation of any job within the phase-in period.
- (c) Upon receipt of a completed application, the City Manager shall notify the Mayor and City Council. Before acting upon the application, the City may conduct an Economic Impact Study. Following this step, the City shall afford the applicant and any other interested persons the opportunity to speak and present evidence for or against the designation of the area as a Reinvestment Zone for the purpose of the Tax Phase-In incentive during a public hearing. Notice of the public hearing shall be clearly identified on an agenda of the City to be posted as required by law. At least seven (7) days before the date of the hearing, notice of the hearing must be 1) published in a newspaper having general circulation in the City; and 2) delivered in writing to the presiding officer of the governing body of each taxing entity having in its boundaries real property that is to be included in the proposed Reinvestment Zone.
- (d) The City shall approve or disapprove the application for designation of an area as a Reinvestment Zone for Tax Phase-In incentive within ninety (90) days after receipt of the application. The presiding officer of the legislative body of the City shall notify the applicant of the approval or disapproval promptly thereafter.

EXHIBIT B

- (e) A request for designation of an area as a Reinvestment Zone for the purpose of receiving the Tax Phase-In incentive shall not be granted if the jurisdiction receiving the application finds that the request for the Tax Phase-In incentive was filed after the commencement of construction or installation of improvements related to a proposed modernization expansion or new facility began.

VI. PUBLIC HEARING

- (a) Should the City be able to show cause in the public hearing why the granting of a designation of an area as a Reinvestment Zone for the Tax Phase-In incentive will have a substantial adverse effect on its bonds, service capacity or the provision of service, that showing shall be reason for the City to deny the granting of the application.
- (b) Neither a Reinvestment Zone nor a property Tax Phase-In incentive agreement shall be authorized if it is determined that:
 - (1) There would be a substantial adverse effect on the provision of a government service or tax base of the City.
 - (2) The applicant has insufficient financial capacity
 - (3) Planned or potential use of the property would constitute a hazard to public safety, health or morals.
 - (4) Planned or potential use of the property violates governmental codes or laws.

VII. AGREEMENT

- (a) After approval of the application for the designation of an area as a Reinvestment Zone for the property Tax Phase-In incentive, the City shall formally pass a resolution and execute an agreement with the owner of the facility and the lessee involved, if any, which shall include:
 - (1) Estimated value to be abated and the base year value.
 - (2) Percent of value to be abated each year as provided in Part IV (g).
 - (3) The commencement date and the termination date of Tax Phase-In incentive.
 - (4) The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description and improvements list as provided in Application, Part V.
 - (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by state law.
 - (6) Amount of investment and average number of jobs involved for the period of the Tax Phase-In incentive.
 - (7) Said contract shall meet all of the requirements of Texas Tax Code Chapter 312.

EXHIBIT B

- (b) Such agreement shall be executed within ninety (90) days after the later of 1) the date applicant has forwarded all necessary information to the City or 2) the date of the approval of the application.
- (c) The City shall make its own determination of the property Tax Phase-In incentive which shall not bind any other jurisdiction.

VIII. ADMINISTRATION

Each Tax Phase-In incentive project will be monitored annually for compliance. The agreement will require the applicant to provide a sworn statement and documents verifying compliance each year. Failure to provide the required documents in the manner outlined herein shall result in termination of the Tax Phase-In incentive agreement.

The terms of the agreement shall include the right of the City to review and verify the applicant's employment records and payroll records in each year during the term of the agreement, and to conduct an on-site inspection of the project in each year during the duration of the Tax Phase-In incentive, and to review such other items as may be reasonable to verify compliance with the terms of the agreement.

The agreement shall stipulate that employees and/or designated representatives of the City will have access to the Reinvestment Zone during the term of the Tax Phase-In incentive to inspect the facility to determine compliance with the terms and conditions of the agreement. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will be conducted in such manner as to not unreasonably interfere with the construction and/or operation the facility. All City inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

All proprietary information acquired by any affected jurisdiction for purposes of monitoring compliance with the terms and conditions of a property Tax Phase-In incentive agreement shall be considered confidential to the extent allowed by law.

Compliance will be monitored in the following manner:

- (a) A Compliance Review Committee shall collect from the applicant a sworn statement of compliance and verifying documents and conduct any inspections on or before June 30 of each calendar year. The Committee shall be comprised of 5 representatives, with 2 appointed by the Mayor, 2 appointed by the County Judge and 1 by the Chief Appraiser. They will be appointed by January 30 of even numbered years for a two year term. Any vacancy on the committee will be filled by the designated official who appointed the vacating committee person. The designated official may remove an appointee at any time. The company/individual receiving the property Tax Phase-In incentive shall furnish the Committee with such information as may be necessary to verify compliance, including the number of new or retained employees associated with the facility and their salaries.
- (b) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property in the Reinvestment Zone. This shall be done on or before October 1 of each calendar year.
- (c) The Committee shall provide a report on the status of all Tax Phase-In incentive agreements to the City Council on or before December 15 of each calendar year.

EXHIBIT B

IX. DEFAULT

Should the City determine that a company or individual is in default according to the terms and conditions of its agreement, the City shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within thirty (30) days or begun to be cured (in the case of a default that cannot reasonably be cured within 30 days) from the date of such notice ("Cure Period"), then the agreement shall be terminated.

In the event that the company or individual:

- (1) allows its ad valorem taxes owed the City to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
- (2) does not create jobs as outlined in the agreement; or
- (3) if an Existing Local Business falls below fifty percent (50%) of their base year employment number; or
- (3) violates any of the terms and conditions of the Tax Phase-In incentive agreement and fails to cure same during the Cure Period; or
- (4) if the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster, for a period of more than one (1) year during the Tax Phase-In incentive period;

then the agreement shall terminate and so shall the Tax Phase-In incentive of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the City within sixty (60) days from the date of termination.

X. ASSIGNMENT

- (a) The Tax Phase-In incentive may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the City, subject to the financial capacity of the assignee and provided that all conditions and obligations in the Tax Phase-In incentive agreement are guaranteed by the execution of a new contractual agreement with the City.
- (b) The contractual agreement with the new owner or lessee shall not exceed the termination date of the Tax Phase-In incentive agreement with the original owner and/or lessee.
- (c) No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to the City for outstanding taxes or other obligations.
- (d) Approval shall not be unreasonably withheld.

EXHIBIT B

XI. SUNSET PROVISION

- (a) This policy is effective upon the date of the adoption and will remain in force for two (2) years, at which time all Reinvestment Zones and Tax Phase-In incentive contracts created pursuant to its provisions may be reviewed by the City to determine whether the goals have been achieved. Based on that review, this policy may be modified, renewed or eliminated, providing that such actions shall not affect existing contracts.
- (b) This policy does not amend any existing Industrial District Contracts or agreements with the owners of real property in areas deserving of specific attention as agreed by the City.
- (c) Prior to the date for review, as defined above, this Policy Statement may be modified by a three fourths (3/4) vote of members each governing body, as provided for under the laws of the State of Texas.

XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph or any part of this Policy Statement shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of this Policy Statement.
- (b) Property that is owned or leased by the following is excluded from the property Tax Phase-In incentive:
 - (1) a member of the governing body of the City of Brenham or a member of a planning board or commission of the City; or
 - (2) a member of the Commissioners Court or a member of a planning board or commission of Washington County.
- (c) If this Policy Statement has omitted any mandatory requirements of the applicable Tax Phase-In incentive laws of the State of Texas, then such requirements are hereby incorporated as a part of this Policy Statement.

XIII. VARIANCE

Requests for any variances from this Policy may be made in written form to the City Manager. Such request shall include a complete description of the circumstances explaining why the applicant, company or individual should be granted a variance. Approval of a request for variance requires a three- fourths (3/4) majority vote of the governing body of the City.

EXHIBIT B

GLOSSARY

- (a) "City" means the City of Brenham, Texas that levies ad valorem taxes upon and/or provides services to property located within the City limits.
- (b) "Agreement" means a contractual agreement between a property owner and/or lessee and the City for the purpose of the Tax Phase-In incentive.
- (c) "Base year employment" means the average number of employees for each quarter at an existing local business of the year prior to the execution of the agreement.
- (d) "Base year value" means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application for the Tax Phase-In incentive.
- (e) "Committee" means the Compliance Review Committee, consisting of representatives appointed by the City, County and Chief Appraiser's office to annually review documents verifying compliance of all projects receiving the Tax Phase-In incentive.
- (f) "Deferred maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Existing Local Business" means a business that has been located in the City of Brenham and has paid property taxes for at least one full year prior to submitting any application for the property Tax Phase-In incentive.
- (h) "Expansion" means the addition of buildings, employees, structures, machinery or equipment for purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) "Job(s)" shall represent a newly created or a retained employment position on a full-time permanent basis at an average base salary of \$36,000 or higher, including any benefits, whether hired directly or leased through an employee leasing service.
- (k) "Modernization" means the upgrading and or replacement of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- (l) "New Facility" means improvements to real estate previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) "Productive Life" means the number of years a property improvement is expected to be in service in a facility.

EXHIBIT B

EXHIBIT A PRIMARY JOBS EMPLOYER DEFINITION

Sec. III (a)

Be a facility used or to be used by a Primary Jobs Employer.

"Primary job" means a job that is:

- (i) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and
- (ii) included in one of the following sectors of the North American Industry Classification System (NAICS):

NAICS Sector #	Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211-213	Mining
221	Utilities
311-339	Manufacturing
42	Wholesale Trade
48-49	Transportation and Warehousing
51 (excluding 512131 and 512132)	Information (excluding motion picture theaters and drive-in motion picture theaters)
523-525	Securities, Commodity Contracts, and Other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles
5413, 5415, 5416, 5417, and 5419	Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific, and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises
56142	Telephone Call Centers
922140	Correctional Institutions

EXHIBIT B

EXHIBIT B TAX PHASE-IN INCENTIVE SCHEDULES

Applicants may receive property Tax Phase-In incentive according to the schedules in Tables 1 and 2, depending on their combination of property value creation and job creation/retention.

TABLE 1 (earns 50% of incentive)

1A - Property Improvements by an Existing Local Business

Level	Amount of Valuation of Eligible Improvements as determined by the Tax Appraisal District:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	\$ 150,000	\$1,000,000	45	40	30	20	0	0	0	0
2	\$1,000,001	\$2,500,000	45	45	40	30	20	0	0	0
3	\$2,500,001	\$4,000,000	45	45	45	40	30	20	0	0
4	\$4,000,001	\$5,500,000	45	45	45	45	40	30	20	0
5	More than	\$5,500,000	45	45	45	45	45	40	30	20

1B - Property Improvements by a New Business

Level	Amount of Valuation of Eligible Improvements as determined by the Tax Appraisal District:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	\$ 300,000	\$1,000,000	45	40	30	20	0	0	0	0
2	\$1,000,001	\$2,500,000	45	45	40	30	20	0	0	0
3	\$2,500,001	\$4,000,000	45	45	45	40	30	20	0	0
4	\$4,000,001	\$5,500,000	45	45	45	45	40	30	20	0
5	More than	\$5,500,000	45	45	45	45	45	40	30	20

TABLE 2 (earns 50% of incentive)

2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

Level	The number of new and/or retained full-time employees with an average salary level of \$36,000+/year including benefits averaged during the twelve calendar months prior to the tax assessment date of January 1:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	10	19	45	40	30	20	0	0	0	0
2	20	29	45	45	40	30	20	0	0	0
3	30	39	45	45	45	40	30	20	0	0
4	40	49	45	45	45	45	40	30	20	0
5	50 and more		45	45	45	45	45	40	30	20

EXHIBIT B

TABLE 3 Downtown Zone

Amount of valuation of
downtown reinvestment
determined by tax appraisal:

Percent of property tax to be abated each year

Valuation	1	2	3	4	5	6	7	8
\$ 50,000 to \$150,000	90	90	90	60	40	20	0	0
\$150,001 to \$250,000	90	90	90	90	60	40	20	0
\$250,001 and beyond	90	90	90	90	90	60	40	20

EXHIBIT C
MAP OF DOWNTOWN ZONE





AGENDA ITEM 9

DATE OF MEETING: March 3, 2016	DATE SUBMITTED: February 29, 2016	
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Carolyn D. Miller	
MEETING TYPE: ☒ REGULAR ☐ SPECIAL ☐ EXECUTIVE SESSION	CLASSIFICATION: ☐ PUBLIC HEARING ☐ CONSENT ☒ REGULAR ☐ WORK SESSION	ORDINANCE: ☐ 1 ST READING ☐ 2 ND READING ☐ RESOLUTION
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon the Acceptance of the Audit from Seidel Schroeder for Fiscal Year 2015		
SUMMARY STATEMENT: State law requires that all general-purpose local governments publish, within six months of the close of the fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, and on behalf of the Finance Department, I am proud to issue the comprehensive annual financial report (CAFR) of the City of Brenham for the fiscal year ended September 30, 2015. At Thursday's council meeting, Michele Kwiatkowski, audit partner with Seidel Schroeder, will present the annual audit. A bound copy of the CAFR was distributed to Mayor and City Council Members. This report will be on file for review in the City Secretary's Office. A copy can also be downloaded from the City of Brenham's website at www.cityofbrenham.org		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:		
ALTERNATIVES (In Suggested Order of Staff Preference): N/A		
ATTACHMENTS: None		
FUNDING SOURCE (Where Applicable): N/A		
RECOMMENDED ACTION: Accept the audit from Seidel Schroeder for Fiscal Year 2015		
APPROVALS: Terry K. Roberts		



AGENDA FORM 10

DATE OF MEETING: March 3, 2016	DATE SUBMITTED: February 24, 2016															
DEPT. OF ORIGIN: Development Services	SUBMITTED BY: Kim Hodde															
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;">MEETING TYPE:</td> <td style="width: 33%; vertical-align: top;">CLASSIFICATION:</td> <td style="width: 33%; vertical-align: top;">ORDINANCE:</td> </tr> <tr> <td>☒ REGULAR</td> <td>☐ PUBLIC HEARING</td> <td>☐ 1ST READING</td> </tr> <tr> <td>☐ SPECIAL</td> <td>☐ CONSENT</td> <td>☐ 2ND READING</td> </tr> <tr> <td>☐ EXECUTIVE SESSION</td> <td>☒ REGULAR</td> <td>☐ RESOLUTION</td> </tr> <tr> <td></td> <td>☐ WORK SESSION</td> <td></td> </tr> </table>		MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING	☐ SPECIAL	☐ CONSENT	☐ 2 ND READING	☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION		☐ WORK SESSION	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:														
☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING														
☐ SPECIAL	☐ CONSENT	☐ 2 ND READING														
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION														
	☐ WORK SESSION															
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Ground Space Lease Agreement with Alvin Miller, Jr. for Hangar Space at the Brenham Municipal Airport and Authorize the Mayor to Execute Any Necessary Documentation																
SUMMARY STATEMENT: G. William Woods sold his hangar (3313 Aviation Way) to Alvin (Al) Miller, Jr.; therefore a new lease agreement needs to be executed Mr. Miller. Execution of this lease agreement with Al Miller will cancel the previous agreement with G. William Woods. This lease agreement is our standard ground space lease for .08 cents per square foot.																
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):																
A. PROS:																
B. CONS:																
ALTERNATIVES (In Suggested Order of Staff Preference):																
ATTACHMENTS: (1) Ground Space Lease Agreement with Exhibit "A"																
FUNDING SOURCE (Where Applicable):																
RECOMMENDED ACTION: Approve a ground space lease agreement with Alvin Miller, Jr. for hangar space at the Brenham Municipal Airport and authorize the Mayor to execute any necessary documentation																
APPROVALS: Terry K. Roberts																

**LEASE AGREEMENT: CITY OF BRENHAM, TEXAS TO AND WITH ALVIN MILLER, JR.
(3313 AVIATION WAY)**

THE STATE OF TEXAS
COUNTY OF WASHINGTON

This Lease Agreement made and entered into by and between CITY OF BRENHAM, a Texas Municipal Corporation, hereinafter called "Lessor" and ALVIN MILLER, JR., hereinafter called "Lessee.

WITNESSETH:

Lessor, in consideration of the premises and the covenants and agreements herein undertaken to be kept and performed by Lessee does lease unto said Lessee the following described property situated in Washington County, Texas, to have and to hold all and singular the said premises and improvements thereon, together with the rights, privileges and appurtenances thereunto belonging unto said Lessee under the following terms and provisions:

ARTICLE I – PREMISES AND PRIVILEGES

A. DESCRIPTION OF PREMISES.

For and in consideration of the terms, conditions and covenants of this Lease to be performed by Lessee, all of which Lessee accepts, City hereby leases to Lessee the premises being an area located on the City of Brenham Municipal Airport, north of the CITY OF BRENHAM, TEXAS and being a space of land located as shown on the attached "EXHIBIT A".

Lessee accepts the premises in their present condition subject to and including all defects and Lessee will, without expense to City, repair and maintain any installations thereon and remove, or cause to be removed, any debris, buildings or improvements to the extent required for Lessee's use thereof.

B. TERM.

The term of said lease is for a period of thirty (30) years commencing March 1, 2016, and terminating March 31, 2046. The rent for the first five years shall be eight (\$.08) cents per square foot per year for 8,800 square feet, payable annually on the anniversary hereof. Any rental fee not paid by the tenth of the month is subject to a late fee of five (\$5) dollars. On the fifth anniversary and each fifth anniversary thereafter, the rent shall adjust to the prevailing rate at that time, not to exceed an increase of two (\$.02) cents per square foot.

C. ACCESS.

Upon paying the rental hereunder and performing the requirements of this Lease, Lessee shall have the right of access to and from said premises over such roadway(s), as may be designed for that purpose and the right of access to and from the landing area for airplanes over taxiways and aircraft parking ramps as provided by City at its sole discretion. Said roadway(s), aircraft parking ramps and taxiways shall be used jointly with other airport tenants, but not for the conduct of business of another Lessee's premises and Lessee shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as the City Council deems necessary.

D. OBJECTS AND PURPOSES OF LEASE.

Lessee is hereby granted the right and privilege to use the leased area for aviation related activities, being those provided by a Corporate Hangar Operator. Lessee shall have the uses and rights to build a private, corporate hangar to house its own privately-owned aircraft, all of which shall be subject to the terms set forth:

Lessee shall not use the premises for any purposes other than those authorized herein, without the prior written consent of City. Specifically, Lessee will not store fuel, nor do any aircraft maintenance on aircraft other than the aircraft owned or contracted by Lessee.

It is understood and agreed that nothing herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958, [49 USCA Chapter 471 or successor statute].

E. CITY'S RESERVED RIGHTS.

1. Development. City, at its sole discretion, reserves the right to further develop or improve the aircraft operating area of the airport as it sees fit and to take action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent Lessee from erecting or permitting to be erected, any building or other structure on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.
2. Oil, Gas, Mineral Interests. It is understood and agreed that this Lease is made subject and subordinate to the terms of any oil, gas, and other mineral interest; leases; or right-of-way easements of any nature that may have been executed heretofore.

City agrees that (1) if it should, as a mineral owner under the premises, develop all or part of the Airport for oil, gas or other mineral purposes, no well will be drilled or other operations conducted on the leased premises, and (2) in the event it should hereafter execute an oil, gas or other mineral lease in favor of a third party covering the Airport area, or a portion thereof, it will cause such lease to contain a provision that the Lessee therein will not conduct any of its drilling or other operations on the land covered by this Lease, or in a manner which would unreasonably interfere with Lessee's use and enjoyment of the premises.

3. Other Contracts. This lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States, relative to the operation or maintenance of the airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to City of federal funds for the development of the Airport
4. Other Leases. Nothing herein contained shall limit City with respect to granting of leases to other aviation tenants under other terms as herein set forth or to granting of leases for non-commercial aviation or non-aviation purposes at terms different from those set forth herein.

F. PROHIBITED USES.

Lessee shall not use or permit the use of any part of the premises in any other manner than set out in Section C of this Lease. Some specific activities prohibited are as follows:

1. Auto rental service.
2. Food sales (except the sale of confections and refreshments prepared and packaged off the leased premises through either coin-operated vending machines or over-the-counter or in the waiting area, and other foods prepared and packaged off the leased premises for food trays for private or charter flights) at the leased premises.
3. Sales of alcoholic beverages at the leased premises, except with City approval.
4. Sales, advertisement or storage of non-aviation products.
5. Storage, transfer, or sale of fuel.
6. Any sublease which allows further sublease by Lessee's tenant
7. Any use prohibited by law.

G. EXPIRATION.

Upon the expiration of this Lease,

1. The City may purchase building and improvements on the lease area at a fair market value as determined by an Independent Appraiser mutually agreeable to the City and the Lessee, all fees for such appraisal services to be paid by the Lessee, or
2. The City may enter into a new lease agreement for the lease area.

H. DEFAULT.

Any of the following events constitutes default:

1. An act of the Lessee which is in variation with the site plan and is not corrected after 30 days notice by Lessor to Lessee of said default,
2. The nonperformance by Lessee of any other covenant or condition of this lease which is not cured within thirty (30) days after written notice thereof from Lessor, or
3. The subjection of any of Lessee's property to any levy, seizure, assignment, application, or sale for or by any creditor or governmental agency.

I. LESSOR'S RIGHTS UPON DEFAULT.

On the occurrence of any of the events defined as constituting "default", Lessor may without notice to or demand on Lessee, take possession of the leased property and lease the same or any portion thereof, for such period and such rental, and to such persons, as Lessor shall elect.

J. MORTGAGE OF LEASEHOLD INTEREST.

Lessee shall have the right subject to City Manager approval to place a first mortgage lien upon its leasehold. Any approved lender shall notify City of all action taken by it in the event payments on such loans shall become delinquent.

ARTICLE II – OBLIGATIONS OF LESSEE

A. NET LEASE: MAINTENANCE AND OPERATION.

The use and occupancy of the leased premises by Lessee will be without cost or expense to City. It shall be the sole responsibility of Lessee to construct, maintain, repair and operate the entirety of the leased premises and any improvements and facilities constructed thereon at Lessee's sole cost and expense except as specifically set forth in this article.

Lessee shall maintain the leased premises at all times in a safe, neat and attractive condition and shall not permit the accumulation of any trash or debris on the premises. Lessee shall repair all damages to said premises caused by its employees, patrons, or its operation thereon; shall maintain and repair all buildings, pavements, equipment and improvements; and shall repaint the buildings as necessary. Lessee shall pay all taxes against the property and indemnify City from any tax lien.

City reserves the right to make periodic inspection of leased premises and improvements and equipment therein during normal business hours.

City, in its reasonable discretion, shall be the sole judge of the quality of maintenance that shall uniformly apply to all airport tenants. Upon written notice by City to Lessee, Lessee shall be required to perform whatever reasonable maintenance City deems necessary. If said maintenance is not undertaken by Lessee within ten (10) days after receipt of written notice, City shall have the right to enter upon the leased premises and perform the necessary maintenance, the cost of which shall be borne by Lessee.

B. ALTERATIONS TO AND CONDITIONS OF PREMISES.

Any change in exterior paint colors shall be subject to the prior written approval of the City of Brenham. Lessee agrees not to construct, install, remove and/or materially modify any of the buildings or premises leased hereunder without prior written approval of the City of Brenham subject to the conditions considered by City to be necessary.

Lessee shall not remove or demolish, in whole or in part, any improvements upon the premises without the prior written consent of City which may, at its discretion, condition such consent upon the obligation of Lessee to replace the same by an improvement specified in such consent.

C. TRASH, GARBAGE, LANDSCAPING.

Lessee shall provide a complete and proper arrangement of the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage, and other refuse caused as a result of the operation of its business. Lessee shall provide and use approved receptacles for all such garbage, trash and other refuse. Piling of boxes, cartons, barrels or other similar items in an unattractive or unsafe manner, on or about the leased premises, is prohibited.

Lessee shall be responsible for maintaining suitably attractive yard-appearance, as follows: Lessee shall be responsible for groundskeeping and shall screen any outside storage or work areas by the use of an opaque fence or other suitable opaque barrier so that such storage or work areas shall be hidden from public view from the street.

Lessee is specifically responsible for mowing (and to ensure that weed or grass growth is never allowed in excess of that allowed by City weed ordinance requirements) and removal of weeds from around fences and buildings for the area within ten feet of the property shown on the attached Exhibit "A". Lessee is encouraged to provide additional landscaping beyond the minimum required by City to assist in enhancing Airport appearance.

D. SIGNS.

Lessee may not install identifying signs on the leased premises except with the written permission of City Manager.

E. UTILITIES.

Lessee shall assume and pay for all costs or charges for utility services furnished to Lessee during the term hereof; provided, however, that Lessee shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense; and Lessee shall pay for any and all service charges incurred therefor.

F. FIELD USE CHARGES.

Nothing herein shall be deemed to relieve Lessee and its tenants, sublessees, patrons, invitees, and others from field landing fees, nor its guests from fuel flowage fees, as are levied by City or the Fixed Base Operator.

G. PAYMENTS DUE.

Lessee agrees that no payments owed by Lessee of any nature whatsoever to City, including payment in advance for service charges, such as garbage collection, or any other sums of any character whatsoever, shall become delinquent or in arrears.

H. COMPLIANCE WITH RULES.

Lessee will comply with any and all federal or state laws, rules and regulations, and all regulations made by the City of Brenham and approved by the City Council.

I. NONDISCRIMINATION/FEDERALLY REQUIRED ASSURANCES.

Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby agree that "as a covenant running with the land" (1) no person on the grounds of race, color, sex, creed, national origin, or handicapped status shall be excluded from participation in, denied the benefits of , or be otherwise subjected to discrimination in the use of said facilities, or in the construction of any improvements on, or under such land, or the furnishing of services thereof, and (2) that Lessee shall use the premises in compliance with and conduct its operations in accordance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, or Section 504 of the Rehabilitation of 1973 (23 USC 794) and 49 CFR Part 27 and as said regulations may be amended, and that Lessee will comply with such enforcement procedures as the United States might demand that City take.

J. FAA AND OTHER APPROVAL OF USE.

Lessee agrees to secure approval from the Federal Aviation Administration concerning the height and location of all buildings or improvements or modifications thereof which may be constructed or installed on the leased premises and to satisfy any applicable environment or other requirements of federal, state, and local authorities as to noise, smoke, fumes emissions, storm water, or other hazards or potential hazards or other offensive nuisances, if any, which may occur as a result of Lessee's operations on the premises.

K. NON-INTERFERENCE WITH OPERATION OF AIRPORT/EASEMENTS.

1. Lessee, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the premises in any manner which might interfere with the landing and taking off of aircraft at Airport or otherwise constitute a hazard. If Lessee violates this, City reserves the right to enter upon the premises and remove the interference at the expense of the Lessee.
2. City shall maintain and keep in good repair the landing area of the Airport, and shall have the right to direct and control all activities of the Lessee in this regard.
3. City shall retain an easement over, above and on the premises in relation to aircraft noise and the utilization of the air space for the purposes of the operation of said Airport.

L. LESSEE AUTHORITY.

The officers of the Lessee which execute this lease represent and promise that they are duly authorized by corporate resolution or other appropriate authorization to execute the same on behalf of Lessee.

ARTICLE III – OTHER CONDITIONS

1. Lessee agrees to pay all public utility charges that may be assessed, including charges for gas, electric, water and any other utility charge.
2. Any holding over by Lessee or his successors, at the expiration or termination of this lease, in whatever manner its termination may be brought about, shall not operate as a renewal of this lease, but during the period of such holding over Lessee shall be a tenant at the will of Lessor.
3. Lessee shall maintain property and casualty insurance in amounts satisfactory with Lessor and shall provide for public liability insurance in the amount of ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS in order to protect Lessor against claims arising because of the operation of Lessee. Lessee shall give evidence of insurability. CITY OF BRENHAM, TEXAS shall always be shown as an addition insured. Provided, however, if CITY OF BRENHAM, TEXAS so elects, it may take out said insurance and then prorate said costs to Lessee and any Sublessees on an equitable basis, as determined by CITY OF BRENHAM, TEXAS. The CITY OF BRENHAM reserves the right to require that the amount of any and all types of insurance may be increased upon the CITY OF BRENHAM giving thirty (30) days notice to Lessee or any sublessee.
4. The CITY OF BRENHAM requires that Lessee and users of Lessee's premises shall agree to be bound by all of the regular rules and regulations as may be set out by the F.A.A. as to pilots and their conduct and that they agree to abide by any and all local rules that may be approved by the City Council of the CITY OF BRENHAM, TEXAS, for pilots at the CITY OF BRENHAM MUNICIPAL AIRPORT and as may be adopted by the AIRPORT ADVISORY COMMITTEE of the CITY OF BRENHAM, TEXAS. Lessee shall agree that in the event he is found not to have abided by the rules or does not correct a situation required to be corrected by the City of Brenham, then and in that event he may lose his privilege to occupy the Hangar that is located on property being leased by the CITY OF BRENHAM, TEXAS.
5. This Lease is governed by the laws of the State of Texas and performable in Washington County, Texas.
6. If any provision herein is held to be invalid in a court of law, the invalidity of such provision shall in no way affect the validity of any other provision.
7. Any notice required herein shall be effective upon mailing to the address described herein by depositing said notice in the mail, certified mail – return receipt requested.

APPROVED this the ____ day of _____, 2016.

LESSOR

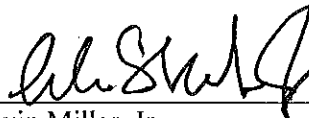
Milton Y. Tate, Jr., Mayor
City of Brenham
P. O. Box 1059
Brenham, TX 77834-1059

March 1, 2016

ATTEST:

Jeana Bellinger, City Secretary

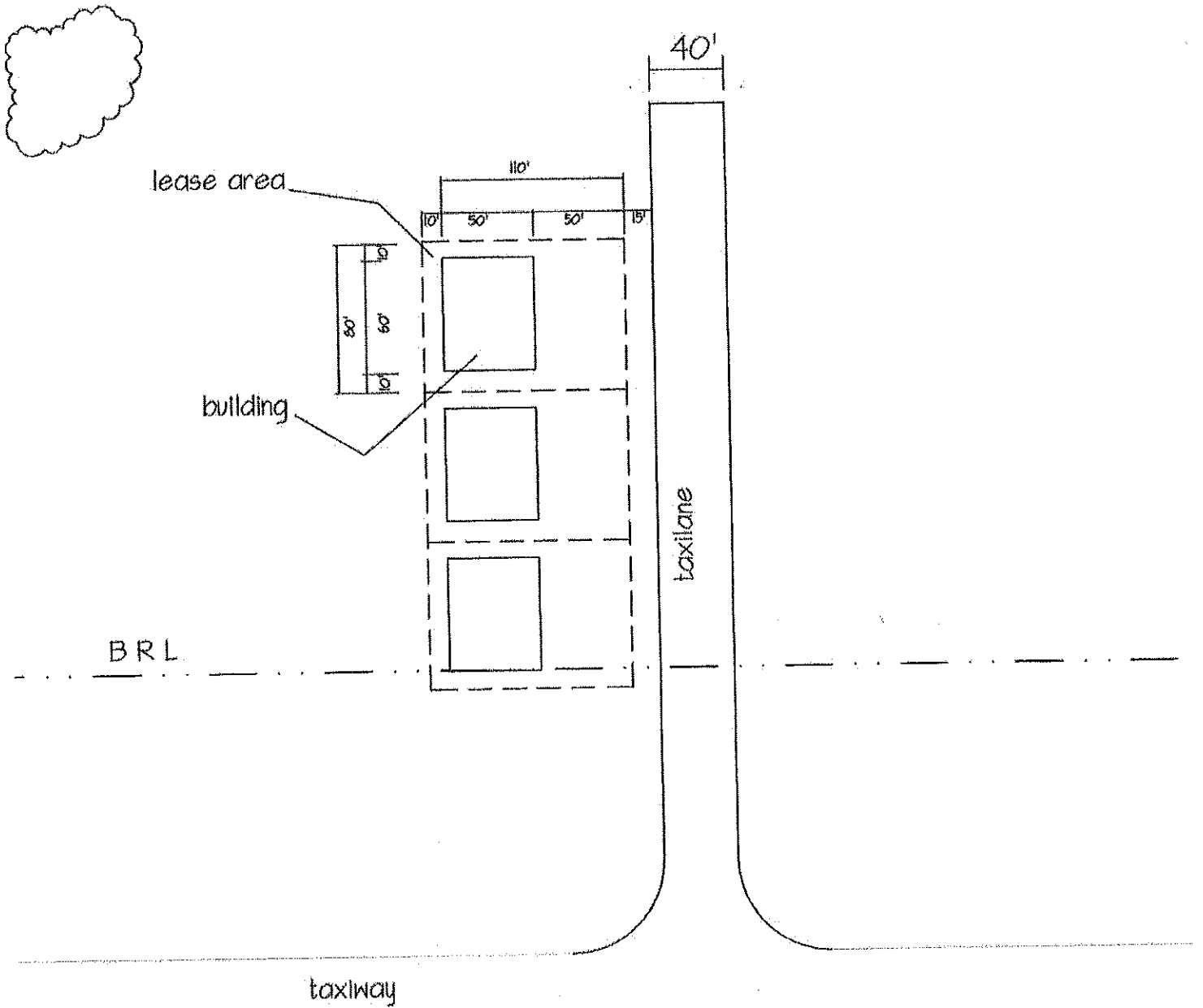
LESSEE



Alvin Miller, Jr.
2303 Century Circle
Brenham, Texas 77833
(979) 277-4896

Date signed by Lessee: 2-23-16

EXHIBIT "A"





AGENDA ITEM 11

DATE OF MEETING: March 3, 2016	DATE SUBMITTED: February 26, 2016
DEPT. OF ORIGIN: Public Works	SUBMITTED BY: Dane Rau

MEETING TYPE:	CLASSIFICATION:	ORDINANCE:
☒ REGULAR ☐ SPECIAL ☐ EXECUTIVE SESSION	☐ PUBLIC HEARING ☐ CONSENT ☒ REGULAR ☐ WORK SESSION	☐ 1ST READING ☐ 2ND READING ☐ RESOLUTION

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon RFP No. 16-004 Related to Small Commercial Waste Collection Services for the City of Brenham and Authorize the Mayor to Execute any Necessary Documentation

SUMMARY STATEMENT: As discussed with Council previously, City Staff along with Purchasing has requested proposals for the small commercial waster service related to operations within City of Brenham limits. Over the last 13 years this service has been handled by Texas Commercial Waste. TCW has done an outstanding job and has a great relationship with our community and management.

With the current contract ending in May of 2016 along with proposed rate increases from TCW both staff and the Utility Sub-Committee decided that it was time to request proposals on this service.

Proposals were sent out around January 10th and opened on February 5th. There were 5 RFP's received. The following companies submitted proposals:

Republic Waste Services Budget Disposal Texas Commercial Waste	Texas Disposal Systems Progressive Waste Solution
--	--

After evaluating the proposals based off of (1.) Qualifications and Experience (30%) (2.) Resources (30%) and (3.) Rates and Fees (40%) one company rose to the top. That company was Progressive Waste Solutions. Progressive met all the proposal requirements and supplied all requested documentation. They also rated the highest in evaluations and provided rates that were more competitive than the other proposals. (See rate tariff sheet). Staff has met with Progressive representatives to discuss the contract details and checked references from current contracts. All inquiries have met city's approval.

Based on comparisons with the rates submitted, Progressive not only provided rates that were lower than the other four proposals but the rates submitted were also under the current rates that are being charged today. Each rate class is lower throughout the schedule which will impact all 549 customers in a positive way.

With Council's approval we would like to award RFP No. 16-004 to Progressive Waste Solutions. If awarded this contract will take effect on May 24, 2016. This will be a 5 yr. contract with an option to renew for an additional 5 years. At the time of submitting this memo, both parties were working on finalizing language in the agreement mainly concerning Section 8, "Indemnity". Due to this, the contract will be provided as a hand out at the Council meeting.
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: Lower rates, experienced company, 2 new trucks and all new containers will be provided to our city B. CONS: Will have to notify all customers of change and coordinate container swap out for a short time.
ALTERNATIVES (In Suggested Order of Staff Preference):
ATTACHMENTS: (1) Proposed Rate Schedule; and (2) Additional Charges
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: Approve a 5 year contract with Progressive Waste Solutions for Small Commercial Waste Collection Services for the City of Brenham beginning on May 24, 2016, and authorize the Mayor to execute any necessary documentation
APPROVALS: Terry K. Roberts

City of Brenham
RFP No. 16-004
Response Form, cont

PROPOSED RATE SCHEDULE

COMPANY Progressive Waste Solutions

2/5/2016 **DATE**

CONTAINER SIZE	PICKUPS PER WEEK	SINGLE CONTAINER (PER MONTH)	MULTIPLE CONTAINERS (PER MONTH)
2 Yard	1	\$63.00	\$63.00
	2	\$114.00	\$114.00
	3	\$165.00	\$165.00
	4	\$217.00	\$217.00
	5	\$268.00	\$268.00
	6	\$275.00	\$275.00
4 yard	1	\$79.00	\$79.00
	2	\$146.00	\$146.00
	3	\$213.00	\$213.00
	4	\$281.00	\$281.00
	5	\$348.00	\$348.00
	6	\$416.00	\$416.00
8 Yard	1	\$103.00	\$103.00
	2	\$186.00	\$186.00
	3	\$270.00	\$270.00
	4	\$345.00	\$345.00
	5	\$428.00	\$428.00
	6	\$512.00	\$512.00
CARTS	1	\$18.00	n/a
	2	\$30.00	n/a
	3	\$42.00	n/a

Respondent may provide pricing for alternate size containers except for Carts, which are required to be 96 gallon capacity. Attach extra pages as needed.

Respondent's Name: Greg Brown- Progressive Waste Solutions

SD

City of Brenham
RFP No. 16-004
Response Form, cont.

ADDITIONAL CHARGES

\$ 15.00

Additional fee for any location where container was blocked and the collection vehicle must return to provide service.

\$ 20.00

Additional fee for extra pickup requested by customer in addition to the scheduled service on a 2 cubic yard container.

\$ 30.00

Additional fee for extra pickup requested by customer in addition to the scheduled service on a 4 cubic yard container.

\$ 40.00

Additional fee for extra pickup requested by customer in addition to the scheduled service on a 8 cubic yard container

Pricing for container locks to be supplied to customer, upon request, at a one-time cost per lock. Attach extra pages if needed.

<u>Lock Size</u>	<u>Price</u>
<u>Gravity</u>	\$ <u>45.00</u> ea
<u> </u>	\$ <u> </u> ea
<u> </u>	\$ <u> </u> ea
<u> </u>	\$ <u> </u> ea
<u> </u>	\$ <u> </u> ea
<u> </u>	\$ <u> </u> ea

Respondent's Name: Greg Brown- Progressive Waste Solutions





AGENDA ITEM 12

DATE OF MEETING: March 3, 2016		DATE SUBMITTED: February 25, 2016	
DEPT. OF ORIGIN: Public Works		SUBMITTED BY: Dane Rau	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	
☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING	
☐ SPECIAL	☐ CONSENT	☐ 2 ND READING	
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION	
	☐ WORK SESSION		
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Lease Agreement with Jeff Aubihl for the Lease of Approximately 9.45 Acres on Old Independence Road and Authorize the Mayor to Execute any Necessary Documentation			
SUMMARY STATEMENT: Staff has been approached by Jeff Aubihl who is an adjacent property owner to the Municipal Airport. His residence joins the 9.45 acre tract that was carved out of the airport property when the game fence was installed. This tract also houses the radar tower which is fully enclosed. Since Mr. Aubihl's property abuts this tract he inquired about leasing this property for livestock to allow him some extra room. Staff does not see a problem with entering into an agreement since this tract is excluded from the main airport property and separated by the game fence. Cary has reviewed the contract that we wish to offer Mr. Aubihl and has approved the language that is in it. We have verbally agreed on a rate that is identical to another 30 acre tract that the City of Brenham leases for livestock grazing to Mr. Spivey which is down the road and is also airport property that is excluded from the main airport tract. That rate is \$30.15/acre which equates this lease to \$284.91 annually. Mr. Aubihl will be responsible for maintaining and erecting all perimeter fences along with shredding the 9.45 ac tract twice per year. This will save us some time as we are currently shredding the airport property.			
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):			
A. PROS: Do not have to maintain this 9.45 ac tract and will be receiving a small amount of revenue in. B. CONS: None at this time			
ALTERNATIVES (In Suggested Order of Staff Preference):			
ATTACHMENTS: (1) Lease Agreement; and (2) Map			
FUNDING SOURCE (Where Applicable):			

RECOMMENDED ACTION: Approve a lease agreement in the amount of \$284.91 a year with Jeff Aubihl for the lease of approximately 9.45 acres on Old Independence Road and authorize the Mayor to execute any necessary documentation

APPROVALS: Terry K. Roberts

Lease Agreement

Date: _____, 2016

Landlord: The City of Brenham, a Texas Home-Rule Municipality

Landlord's Address:

City of Brenham
Attn: Accounts Payable
P.O. Box 1059
Brenham, Texas 77834-1059

Tenant: Jeff Aubihl

Tenant's Address:

P.O. BOX 53
Brenham, TX 77834

Premises: SURFACE ONLY of approximately 9.45 acres located off of Old Independence Road, on the West Side of the Brenham Municipal Airport Property, situated in Washington County, Texas, more fully described in Exhibit "A" attached hereto and incorporated herein for all purposes ("Land").

Base Rent:

\$284.91 paid annually (total annual base rent calculation based on \$30.15/acre per year), in advance, to the City of Brenham, Lease payment shall be addressed to:

The City of Brenham
Attention: Accounts Payable
P.O. Box 1059
Brenham, Texas 77834-1059

Term (months): The Lease Agreement shall remain in effect for a term of one (1) year, and shall automatically renew annually for a term of one (1) year, unless either party gives the other party ninety (90) days written notice prior to the end of the term of its intent not to renew.

Permitted Use: Solely for livestock grazing, and no other purpose, unless otherwise approved by the City Council of the City of Brenham.

Tenant's Insurance: As required by Insurance Addendum

Definitions

"Injury" means (a) harm to or impairment or loss of property or its use or (b) harm to or death of a person.

"Landlord" means Landlord, the City of Brenham, and its agents, employees, invitees, licensees, or visitors.

"Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

"Tenant" means Tenant and his agents, contractors, employees, invitees, licensees, or visitors.

Clauses and Covenants

A. Tenant agrees to -

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date. This Lease shall not affect Landlord's right of ingress and egress to the Premises.
2. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
3. Obey all laws, ordinances, orders, and rules and regulations applicable to the use, condition, and occupancy of the Premises, including the rules and regulations of the United States Department of Agriculture and the Texas Agriculture Commissioner.
4. Pay the Base Rent when it is due to Landlord at Landlord's Address.
5. Pay a late charge of five percent (5%) of any Rent not received by Landlord by the tenth day after it is due.
6. Pay for all labor, fuel, and utility services used by Tenant.
7. Pay all taxes on Tenant's personal property located on the Premises.

8. Allow Landlord to retain the right of ingress and egress to said Premises, and allow Landlord to enter the Premises to inspect the Premises and show the Premises to prospective purchasers or tenants.
9. Erect, install, maintain and repair a well-constructed fence around the perimeter of the Premises capable at all times of preventing livestock from entering or exiting the Premises; repair, replace, and maintain any part of the Premises used by Tenant.
10. Repair any damage to the Premises, Land, or Excluded Improvements caused by Tenant.
11. Maintain the insurance coverage described in the attached Insurance Addendum.
12. INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) ARISING OUT OF TENANT'S USE OF THE PREMISES. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.**
13. Vacate the Premises on the last day of the Term.
14. Pay all costs related to maintain the Premises.
15. Shred the entire Premises at least twice per year in order to keep the property maintained and prevent nuisance vegetation.
16. Keep all gates on the Premises closed and locked.
17. Enter and exit the Premises only at those places designated by Landlord.

B. Tenant agrees not to -

1. Use the Premises for any purpose other than the Permitted Use.
2. Create or allow a nuisance or permit any waste of the Premises.
3. Change Landlord's lock system.
4. Alter the Premises, including clearing new roads, moving or erecting any fences, or locating on the Premises any type of manufactured housing or mobile home, unless otherwise authorized in writing to do so by the City.
5. Transfer or assign this lease or sublease any portion of the Premises without Landlord's written consent. If such consent is requested, the Lease Agreement may be subject to cancellation by the Landlord.
6. Allow hunting of any kind, fishing, or the discharge of firearms on the Premises.
7. Litter or leave trash or debris on the Premises.
8. Allow a lien to be placed on the Premises.
9. Allow trapping of feral hogs on the Premises, unless otherwise approved in writing by the Landlord.

C. Landlord agrees to -

1. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

D. Landlord agrees not to -

1. Allow any use of the Premises inconsistent with the Permitted Use as long as Tenant is not in default.
2. Unreasonably withhold consent to a proposed assignment or sublease.

E. Landlord and Tenant agree to the following:

1. *Alterations.* The Tenant must obtain written approval from the City for the construction of any permanent and/or temporary buildings, sheds, pens, corrals, or any other improvements on the Premises. Any alteration, additions, or removal of a gate and/or fence must be approved by the Director of Public Utilities. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at termination of this lease and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.
2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.
3. *Release of Claims/Subrogation.* **TENANT RELEASES LANDLORD FROM ALL CLAIMS OR LIABILITIES FOR ANY INJURY TO TENANT OR TO TENANT'S PROPERTY LOCATED ON THE PREMISES. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.**
4. *Condemnation/Substantial or Partial Taking*
 - a. If the Premises cannot be used for the Permitted Use because of condemnation or purchase in lieu of condemnation, this lease will terminate.
 - b. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.
 - c. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.
5. *Default by Landlord/Events.* A default by Landlord is the failure to comply with any provision of this lease that is not cured within thirty (30) days after written notice.
6. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and terminate this lease.

7. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent; (b) abandoning or vacating a substantial portion of the Premises; and (c) failing to comply within thirty (30) days after written notice of the violation of any provision of this lease other than the defaults set forth in (a) and (b) above.
8. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the Rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be utilizing the Premises, until the default is cured, without being liable for damages. Termination of this Lease Agreement for default shall be deemed sufficient evidence and cause to deem the Tenant ineligible to lease the Land pursuant to a future bid process, or in accordance with any other process approved by the City.
9. *Default/Waiver/Mitigation.* It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by law. Landlord and Tenant have a duty to mitigate damages.
10. *Holdover.* If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.
11. *Attorney's Fees.* If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.
12. *Venue.* Exclusive venue is in Washington County, Texas.
13. *Entire Agreement.* This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.
14. *Amendment of Lease.* This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

15. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.
16. *Notices.* Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.
17. *Mineral Interests.* This lease is subordinate to any present or future oil, gas, or other mineral exploration agreements and leases relating to the Land. Landlord will not be liable to Tenant for any damages for actions attributable to those agreements and will receive all consideration paid therefor.

LANDLORD - City of Brenham, Texas

Milton Y. Tate, Jr., Mayor

TENANT

Jeff Aubihl

Insurance Addendum to Lease

Lease

Date: _____

Landlord: The City of Brenham, a Texas home-rule municipality

Tenant: Jeff Aubihl

This insurance addendum is part of the lease.

Tenant agrees to -

1. Maintain the liability insurance policies required below during the Term and any period before or after the Term when Tenant is present on the Premises:

Type of Insurance	Minimum Policy Limit	
General liability (occurrence basis) endorsed to cover Tenant's use of the Premises, and for injuries to persons or damages to property that may arise from or in connection with the lease agreement or the use of the property by the Tenant, his agents, representatives, volunteers, or employees.	Per occurrence:	\$500,000
	Aggregate:	\$500,000

2. Comply with the following additional insurance requirements:

a. All liability policies must be endorsed to name Landlord as an "additional insured" on a form that does not exclude coverage for the sole or contributory ordinary negligence of Landlord and must not be endorsed to exclude the sole negligence of Landlord or Lienholder from the definition of "insured contract."

b. Certificates of Insurance and copies of any additional insured and waiver of subrogation endorsements must be delivered by Tenant to Landlord before Tenant enters the Premises or commences use of the Premises, and thereafter at least ten (10) days before the expiration of the policies.

An aerial photograph of a rural property. A large, irregularly shaped area in the center is shaded in a light green color. This area contains a small, light-colored rectangular building with a dark roof. Surrounding this green area are various other features: a dirt road runs vertically along the left edge; several smaller buildings and structures are scattered in the upper and lower portions of the image; and large, open fields in shades of brown and tan occupy the right and bottom portions. The text "LEASE AREA = 9.45ac" is overlaid in the center of the green-shaded area.

LEASE AREA = 9.45ac



AGENDA ITEM 13

DATE OF MEETING: March 3, 2016		DATE SUBMITTED: February 25, 2016	
DEPT. OF ORIGIN: Administration		SUBMITTED BY: Kacey Weiss	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	
☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING	
☐ SPECIAL	☐ CONSENT	☐ 2 ND READING	
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION	
	☐ WORK SESSION		
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Request for a Noise Variance from Washington County Ministerial Alliance for a Good Friday Community Worship Service on March 25, 2016 from 11:00 a.m. – 6:00 p.m. at Hattie Mae Flowers Park and Authorize the Mayor to Execute Any Necessary Documentation			
SUMMARY STATEMENT: Rev. John Stouffer with First United Methodist Church, representing the Washington County Ministerial Alliance, has requested a noise variance to hold a Good Friday Community Worship service on March 25, 2016 at Hattie Mae Flowers Park. They will begin setting up from 11:00 a.m. – 2:00 p.m. and the event will begin at 3:00 p.m. The clean up will be from 4:00 p.m. – 6:00 p.m. They will have a live passion display, worship service and a meal. Guitars, alternate percussionists, microphones, amplifiers and speakers will be used. Both the Police Department and the Fire Department have approved the noise variance request.			
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):			
A. PROS:			
B. CONS:			
ALTERNATIVES (In Suggested Order of Staff Preference):			
ATTACHMENTS: (1) Noise Variance Request			
FUNDING SOURCE (Where Applicable): N/A			
RECOMMENDED ACTION: Approve a request for a noise variance from Washington County Ministerial Alliance for a Good Friday Community Worship Service to be held on March 25, 2016 from 11:00 a.m. – 6:00 p.m. at Hattie Mae Flowers Park and authorize the Mayor to execute any necessary documentation.			
APPROVALS: Terry K. Roberts			

Paid 02/25/16
Cash \$10.00 Kw.

NOISE VARIANCE REQUEST

Application Fee \$10.00

1. Name of sponsoring organization: Washington County Ministerial Alliance
2. Name and address of individual making application on behalf of sponsoring organization: Rev. Jon Stauffer, First United Methodist Church
408 N. Baylor Brenham, TX 77833
3. Purpose of the Event: Good Friday Community Worship
4. Location of Event: Hattie Hubert Flowers Park
5. Date of the event: March 25, 2016
6. Time of Event: 3:00 pm
7. Event Set-up: From: ~~11:00 am~~ To: 2:00 pm
Event Clean-up: From: 4:00 pm To: 6:00 pm
8. You are required to describe the following:
 - a) Types of Activities Planned and any additional information specific to this event: Live Passion Display & Worship, & meal
 - b) Bands/Musical Instruments: Guitar(s), Alternate Percussionists
 - c) Sound amplification equipment: microphones, amplifier, speakers
 - d) Cleanup provisions: yes - we will cleanup.

Jon B. Stauffer
Name of Applicant (Printed or Typed)

[Signature]
Applicant or Authorized Person's Signature

Date: 2/25/2016

Phone: 0-979-836-2008
cell-936-776-0575

Have you ever been found guilty of a criminal offense involving crimes against property, moral turpitude, and/or a felony by any Court? Yes X No. If "Yes", please identify the offense, State of conviction and penalty imposed (attach additional sheets if necessary):