



**NOTICE OF A REGULAR MEETING
THE BRENHAM CITY COUNCIL
THURSDAY, FEBRUARY 18, 2016 AT 4:00 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 – City Manager Terry Roberts**
- 3. Citizens Comments**

CONSENT AGENDA

4. 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.

4-a. Minutes from January 21, 2016 Regular City Council Meeting **Pages 1-7**

REGULAR SESSION

- 5. Discuss and Possibly Act Upon an Ordinance on its First Reading Authorizing the Placement of a Stop Sign on Key Street at Its Intersection with West Chauncy Street** **Pages 8-10**
- 6. Discuss and Possibly Act Upon an Ordinance on its First Reading Authorizing the Placement of a Stop Sign on Key Street at Its Intersection with West Mansfield Street** **Pages 11-13**
- 7. Discuss and Possibly Act Upon Resolution No. R-16-007 Authorizing the Placement of a Retired F-111 Military Aircraft in a City of Brenham Park** **Pages 14-19**

8. **Discuss and Possibly Act Upon Resolution No. R-16-008 Re-Adopting the Guidelines and Criteria for Granting Tax Phase-In in a Reinvestment Zone Created in the City of Brenham** **Pages 20-54**
9. **Discuss and Possibly Act Upon a Recommendation for an Appointment to the Main Street Board** **Pages 55-57**
10. **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 salutory 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 February 18, 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 15, 2016 at **11:00 AM**.

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

Brenham City Council Minutes

A regular meeting of the Brenham City Council was held on January 21, 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, Deputy City Secretary Kacey Weiss, Assistant City Manager-Chief Financial Officer Carolyn Miller, Cynthia Longhofer, Director of Community Services Wende Ragonis, Crystal Locke, Andria Heiges, Jennifer Eckermann, Fire Chief Ricky Boeker, Police Chief Craig Goodman, Public Works Director Dane Rau, Casey Redman, Assistant City Manager of Public Utilities Lowell Ogle, Development Services Manager Erik Smith, and Captain Lloyd Powell

Citizens present:

Ray Mildren, Georgia Sowers, Sharon Brass and Charlie Pyle

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 – City Manager Terry K. Roberts**

3. Special Recognition

- Crystal Locke – Certified Park and Recreation Professional

4. Citizens Comments

Representatives from the Camptown Cemetery Association gave a presentation on the updates and progress that have been made on the Camptown Cemetery Restoration project.

WORK SESSION

5. Discuss and Review the FY2014-15 Fourth Quarter Financial Report

Assistant City Manager-Chief Financial Officer Carolyn Miller presented this item. Miller advised the status of the General Fund and the five major utility funds in the report. Miller reported that the City experienced favorable performance in the General, Electric, Water and Sanitation Funds for FY2014-15; however, the Wastewater Fund was unfavorable due to the loss of utility revenues generated from industry surcharges when Blue Bell Creameries shutdown.

FINANCIAL PERFORMANCE SUMMARY

Fund	4 TH QTR Actual Performance			
	YTD Revenues	YTD Expenditures	Actual Net Revenues	Budgeted Net Revenues
General Fund	\$ 17,782,603	\$ 17,486,507	\$ 296,095	\$ 244,930
Electric Fund	24,725,366	25,140,765	(415,399)	(671,575)
Gas Fund	2,832,812	2,805,782	27,029	113,187
Water Fund	3,787,441	4,028,976	(241,536)	(397,491)
Wastewater Fund	3,434,545	3,514,398	(79,852)	(43,504)
Sanitation Fund	3,265,051	3,858,493	(593,441)	(621,509)

Miller explained at the end of the fiscal year, the City has 114 days of General Fund reserves to cover the financial goal of 90 days reserve and 5 days Renovations and Replacements (R&R) reserve, which leaves the City with over 19 days of undesignated reserves. Miller stated the Electric Fund working capital reserves increased from 84 days to 92 days. Miller explained the Gas Fund working capital reserves grew from 154 days to 209 days, an increase of 55 days. Miller stated the Water Fund working capital reserves grew from 198 days to 201 days. Miller noted with a net loss in the Wastewater Fund, the working capital reserves decreased from 52 day to 44 days. Miller stated the Sanitation Fund working capital reserves grew from 117 days to 149 days. Miller advised the City experienced favorable performance in the General and Gas

Funds, and maintained the 90 or 60 day operating/working capital reserves in the General Fund and all utility funds except the Wastewater Fund.

REGULAR SESSION

6. **Discuss and Possibly Act Upon the Acceptance of the 2015 Audit of the Washington County Appraisal District by Seidel Schroeder**

Assistant City Manager-Chief Financial Officer Carolyn Miller presented this item. Chief Appraiser with the Washington County Appraisal District, Willy Dilworth, stated the audit for the fiscal year 2014-2015 has been completed by Seidel Schroeder. Dilworth explained there were no discrepancies found during this time period. Dilworth advised that the appraisal district stayed \$54,633 under budget.

A motion was made by Councilmember Herring and seconded by Councilmember Barnes-Tilley to approve the acceptance of the 2015 audit of the Washington County Appraisal District by Seidel Schroeder

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	Abstain
Councilmember Keith Herring	Yes
Councilmember Mary E. Barnes-Tilley	Yes
Councilmember Weldon Williams	Yes

7. **Discuss and Possibly Act Upon a One Year Contract Extension Related to Bid No. 15-005 for the Purchase of Refuse Bags for the Sanitation Department and Authorize the Mayor to Execute Any Necessary Documentation**

Public Works Director Dane Rau presented this item. Rau stated that in 2015 Central Poly was the low bidder on the bags at \$6.70 per roll. Rau explained that Central Poly provides a durable bag that meets the City's minimum bid standards. Rau advised that in the contract the City has the option to renew for an additional year if both parties agree. Rau noted that Central Poly has indicated that they will honor the price of \$6.70 per roll for 2016. Rau stated that his department has budgeted \$91,000 in the 2015-16 budget for this item and this price will be under that amount by \$7,250.

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Herring to approve a one year contract extension with Central Poly for the purchase of refuse bags for the Sanitation Department at \$6.70 per roll 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 Resolution No. R-16-003 Authorizing the Submission of a Grant Application to the Brazos Valley Community Impact Grant Program for the Nancy Carol Roberts Memorial Library

Director of Community Services Wende Ragonis presented this item. Ragonis explained that the United Way of Brazos Valley has invited proposals for community organizations to achieve lasting changes on community issues. Ragonis stated that the grant funds range from \$20,000 to \$75,000 and no matching funds are required. Ragonis noted that the grant is program specific and has to meet a goal of education, financial stability or health. Ragonis advised that her Staff has chosen to focus on the education component for the grant.

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Nix to approve Resolution No. R-16-003 authorizing the submission of a grant application to the Brazos Valley Community Impact Grant Program for the Nancy Carol Roberts Memorial Library.

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 Resolution No. R-16-004 Authorizing the Submission of a Grant Application to the Institute of Museum and Library Services for the Nancy Carol Roberts Memorial Library

Director of Community Services Wende Ragonis presented this item. Ragonis explained that the Institute of Museum and Library Services has invited proposals to request grant funds for libraries seeking funding for programs that address problems, challenges, or needs of broad relevance to libraries.

Ragonis stated that Staff has identified the Sparks! Ignition Grant to be appropriate for the Library. Ragonis advised that Staff plans to focus on the technology related challenges and will specifically target teen programs. Ragonis explained that funding opportunities for the grant range from \$10,000 to \$25,000 and no matching funds are required.

A motion was made by Councilmember Barnes-Tilley and seconded by Councilmember Ebel to approve Resolution No. R-16-004 authorizing the submission of a grant application to the Institute of Museum and Library Services for the Nancy Carol Roberts Memorial Library.

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. Discuss and Possibly Act Upon Recommendations for Appointments to Various City Advisory Boards

City Manager Terry Roberts presented this item. Roberts discussed the re-appointment requested. Roberts stated that according to the City's policy, the Mayor and City Manager are to review the board appointments and offer a recommendation to the City Council. The recommendation to the Council is as follows:

Brenham Housing Authority:
Wanda Cooley

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Nix to approve Wanda Cooley's re-appointment to the Brenham Housing Authority Board for a two year term.

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

Council adjourned into Executive Session at 1:34 p.m.

EXECUTIVE SESSION

11. Section 551.072 – Texas Government Code – Deliberation Regarding Real Property – Discussion Regarding an Agreement with Roy Burger (dba RB Film Productions) for the Lease of Approximately 108.9 Acres of the Old Landfill Property

Executive Session adjourned at 1:42 p.m.

RE-OPEN REGULAR SESSION

12. Discuss and Possibly Act Upon an Agreement with Roy Burger (dba RB Film Productions) for the Lease of Approximately 108.9 Acres of the Old Landfill Property and Authorize the Mayor to Execute Any Necessary Documentation

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Nix to approve an agreement with Roy Burger (dba RB Film Productions) for the lease of approximately 108.9 acres of the Old Landfill Property 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

13. Administrative/Elected Officials Report

City Manager Terry Roberts reported on the following:

- There was a pre proposal meeting with companies interested in doing commercial sanitation with the city. Five companies participated in that meeting. The current contract with Texas Commercial Waste will expire in May.
- Progress is being made on one phase of the Brenham Family Park.
- Councilmember Danny Goss will be the City representative on the Budget Committee for the Washington County Appraisal District.
- The Council pre-budget retreat date will be April 25th.
- Budget workshops are scheduled for July 20-22nd.

- Since the next Council meeting will be during the week of Spring Break, Councilmembers decided to move that meeting to the following Thursday, March 24th.
- The Simon Conference Center will have its ribbon cutting on February 4th at 4:00 p.m.
- The U.S. Economic Development Administration (EDA) project to expand the Hodde Tech Center is moving forward.
- Two major projects, the Kruse Recreation Center and a 400 bed student housing building, are on the immediate horizon at Blinn College. Blinn will also be enhancing their baseball stadium.

The meeting was adjourned.

Milton Y. Tate, Jr.
Mayor

Kacey A. Weiss
Deputy City Secretary



AGENDA ITEM 5

DATE OF MEETING: February 18, 2016	DATE SUBMITTED: February 11, 2016															
DEPT. OF ORIGIN: Public Works	SUBMITTED BY: Dane Rau															
<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	
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	☐ WORK SESSION															
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon an Ordinance on Its First Reading Authorizing the Placement of a Stop Sign on Key Street at Its Intersection with West Chauncy Street																
SUMMARY STATEMENT: Currently at this intersection there are two yield signs that are placed on Key St. Staff would like to remove the yield signs and place stop signs at this location. As you can see on the attached map, the norm throughout Key St. is to have stop signs placed on Key St. at its intersection with east/west streets. Even though these yield signs have been in this area for quite some time we would like to make this roadway consistent by replacing the yield signs with stop signs.																
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):																
A. PROS: Will authorize traffic to stop rather than roll through yield signs.																
B. CONS: None																
ALTERNATIVES (In Suggested Order of Staff Preference):																
ATTACHMENTS: (1) Ordinance; and (2) Map																
FUNDING SOURCE (Where Applicable):																
RECOMMENDED ACTION: Approve an Ordinance on its first reading authorizing the placement of a stop sign on Key Street at its intersection with West Chauncy Street																
APPROVALS: Terry K. Roberts																

ORDINANCE NO. O-_____

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.

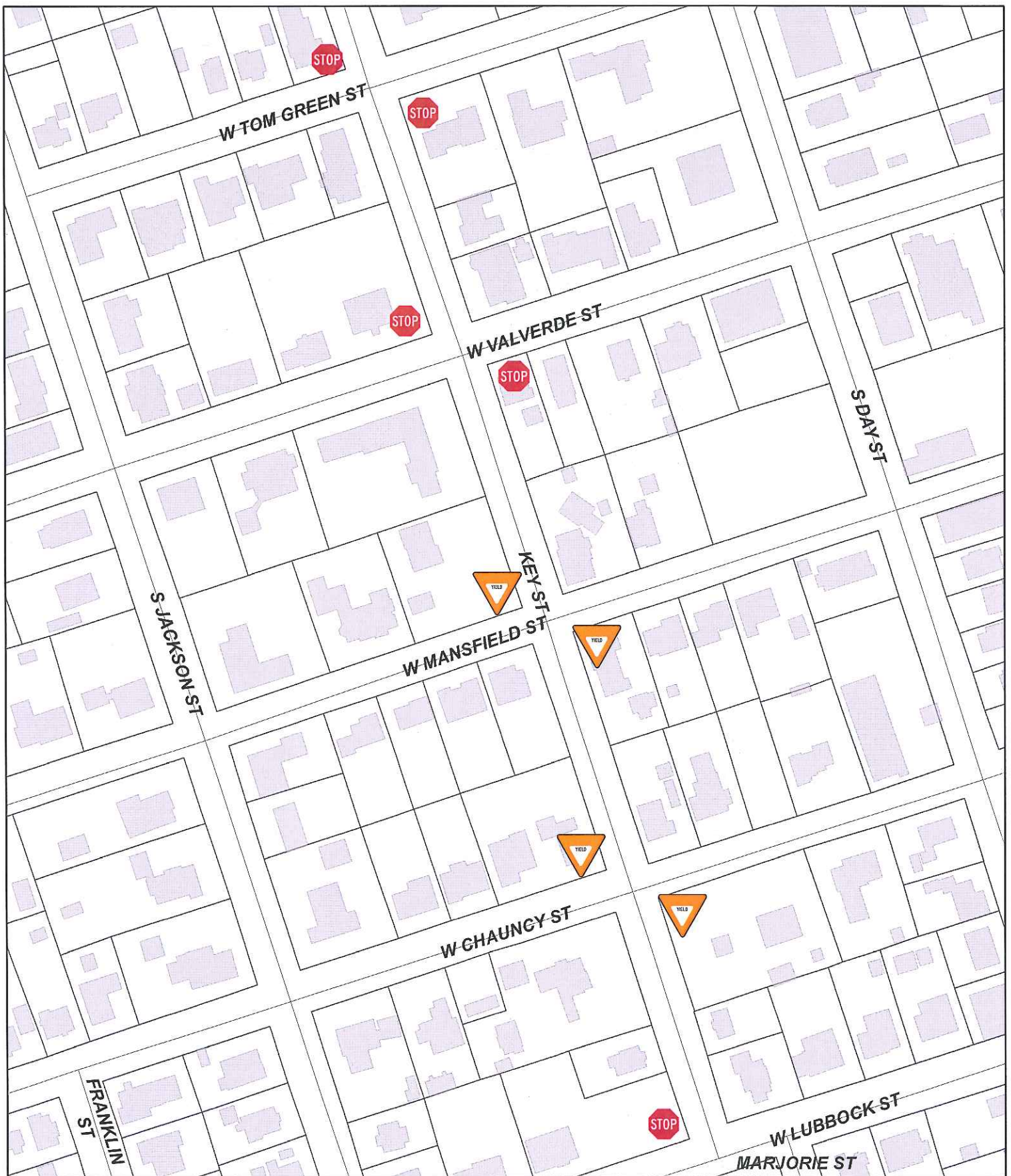
PASSED and APPROVED on its first reading this the 18th day of February, 2016.

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



1 inch = 166 feet



EXISTING



REPLACING WITH STOP SIGN





AGENDA ITEM 6

DATE OF MEETING: February 18, 2016	DATE SUBMITTED: February 11, 2016	
DEPT. OF ORIGIN: Public Works	SUBMITTED BY: Dane Rau	
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 an Ordinance on Its First Reading Authorizing the Placement of a Stop Sign on Key Street at its Intersection with West Mansfield Street		
SUMMARY STATEMENT: Currently at this intersection there are two yield signs that are placed on Key St. Staff would like to remove the yield signs and place stop signs at this location. As you can see on the attached map, the norm throughout Key St. is to have stop signs placed on Key St. at its intersection with east/west streets. Even though these yield signs have been in this area for quite some time we would like to make this roadway consistent by replacing the yield signs with stop signs. At this intersection we did receive a request to make W. Mansfield/Key St. into a 4-way stop. A study was done by the PD and even though the traffic count was high for a 14 day period (Approx. 6,000 vehicles) the survey did not indicate a speeding problem. I consulted with the City Engineer and we do not believe that a 4-way stop sign is warranted at this time.		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: Will authorize traffic to stop rather than roll through yield signs. B. CONS:		
ALTERNATIVES (In Suggested Order of Staff Preference):		
ATTACHMENTS: (1) Ordinance; and (2) Map		
FUNDING SOURCE (Where Applicable):		
RECOMMENDED ACTION: Approve an Ordinance on its first reading authorizing the placement of a stop sign on Key Street at its intersection with West Mansfield Street		
APPROVALS: Terry K. Roberts		

ORDINANCE NO. O-_____

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.

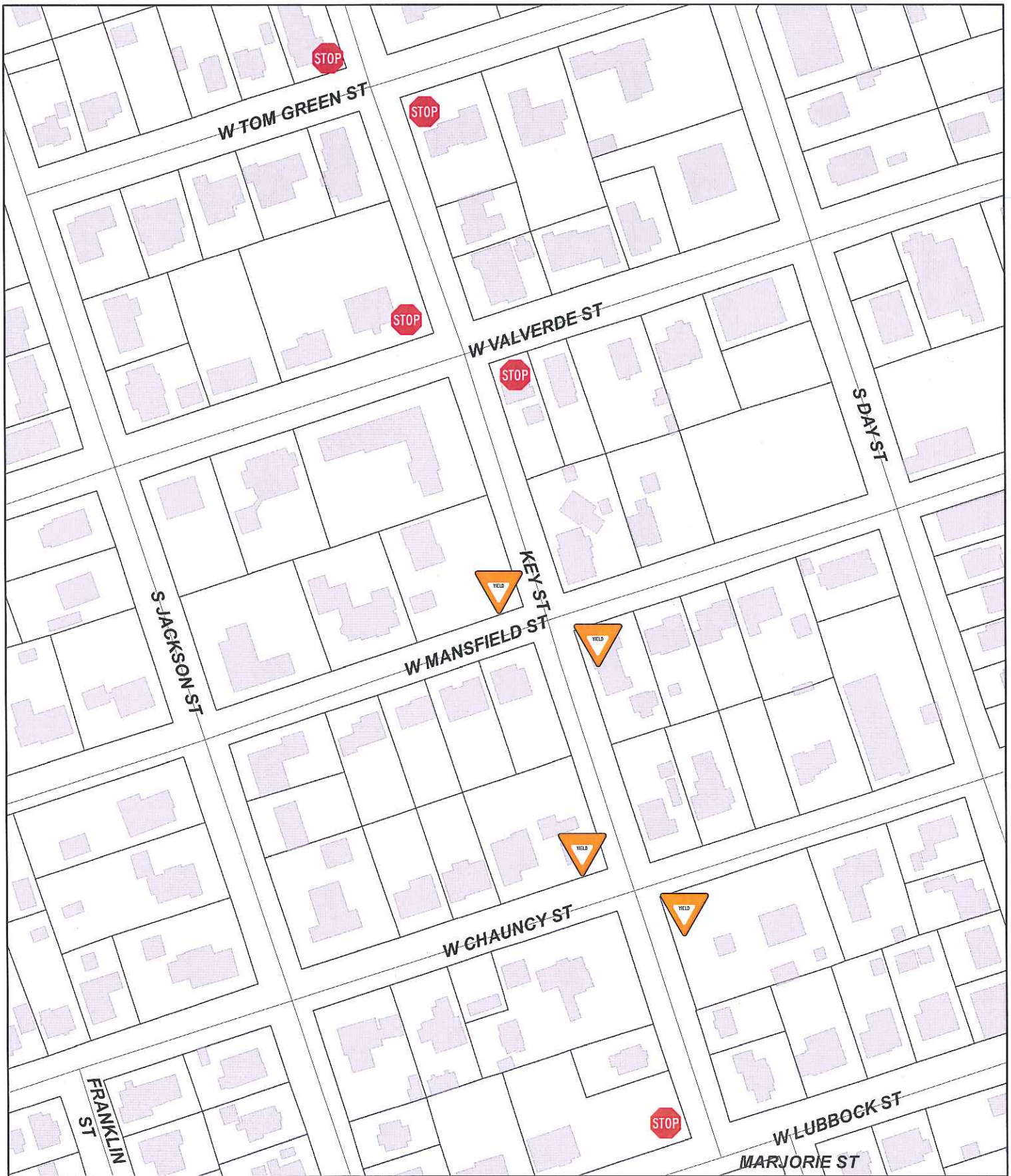
PASSED and APPROVED on its first reading this the 18th day of February, 2016.

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



1 inch = 166 feet



EXISTING



REPLACING WITH STOP SIGN





AGENDA ITEM 7

DATE OF MEETING: February 11, 2016	DATE SUBMITTED: February 18, 2016															
DEPT. OF ORIGIN: Public Works	SUBMITTED BY: Dane Rau															
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	☐ WORK SESSION															
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Resolution No. R-16-007 Authorizing the Placement of a Retired F-111 Military Aircraft in a City of Brenham Park																
SUMMARY STATEMENT: Mr. Don Holley and Mr. Ben Seeker have shown a strong interest in bringing a retired F-111 aircraft (see attached photo) which is currently owned by the Air Force to Brenham, TX. Mr. Holley along with Ben Seeker would like to organize the efforts to obtain this aircraft and place it in our city parkland for display.																
Over the past few weeks we have been working with Mr. Holley and Mr. Seeker to locate an area that would be suitable for this aircraft if it was obtained. On Wednesday February 10th this item was presented to the Parks Board with three areas to consider. During that presentation, pros and cons of all sites were discussed. Ultimately, the board recommended that site #3 was the most logical site for the aircraft as long as City Council thought the same. Staff agrees with the Parks Board that if obtained site #3 would be a desired location. This location is out of the flood plain, has adequate room and has adjacent parking that visitors can easily make their way to the display. Staff has attached an informational sheet along with a map showing the three sites that were considered. In order for Mr. Holley to move forward with his submittal to the Air Force he will need council's approval to apply for the aircraft along with a designated site. Staff and Mr. Holley understand that this aircraft will not be guaranteed but he would like to move forward with the application before all the aircrafts are assigned to other communities. If awarded to the City of Brenham, Mr. Holley plans to fundraise and receive donations for all aspects related to the relocation, refurbishing, transporting, and set-up of the aircraft.																
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):																
A. PROS: City of Brenham will receive a retired aircraft that will add to our parkland.																
B. CONS:																

ALTERNATIVES (In Suggested Order of Staff Preference):
ATTACHMENTS: (1) Resolution No. R-16-007; (2) Informational Sheet; (3) Site Options; and (4) F-111 Photo
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: Approve Resolution No. R-16-007 authorizing the placement of a Retired F-111 Military Aircraft in a City of Brenham Park
APPROVALS: Terry K. Roberts

RESOLUTION NO. R-16-007

A RESOLUTION IN SUPPORT OF THE REQUEST OF VETERANS OF FOREIGN WARS POST 7104 TO THE NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE FOR THE LOAN OF A RETIRED F-111 MILITARY AIRCRAFT TO BE DISPLAYED AT A CITY PARK

WHEREAS, for over a century the United States Air Force has served an integral role in providing defense of the United States of America and its allies around the world; and

WHEREAS, Veterans of Foreign Wars Post 7104 desires to honor the contributions, history and heritage of the United States Air Force and its service members by acquiring a retired F-111 military aircraft from the National Museum of the USAF through its loan program for display at a City of Brenham park; and

WHEREAS, the City Council of the City of Brenham desires to express its strong support of said request of V.F.W. Post 7104 for the loan of a retired F-111 military aircraft from the National Museum of the USAF for display at a City of Brenham park;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brenham, Texas that it strongly supports the request of V.F.W. Post 7104 for the loan of a retired F-111 military aircraft from the National Museum of the USAF for display at a City of Brenham park.

PASSED and APPROVED by the City Council of the City of Brenham, Texas on this the 18th day of February, 2016.

Milton Y. Tate, Jr.
Mayor

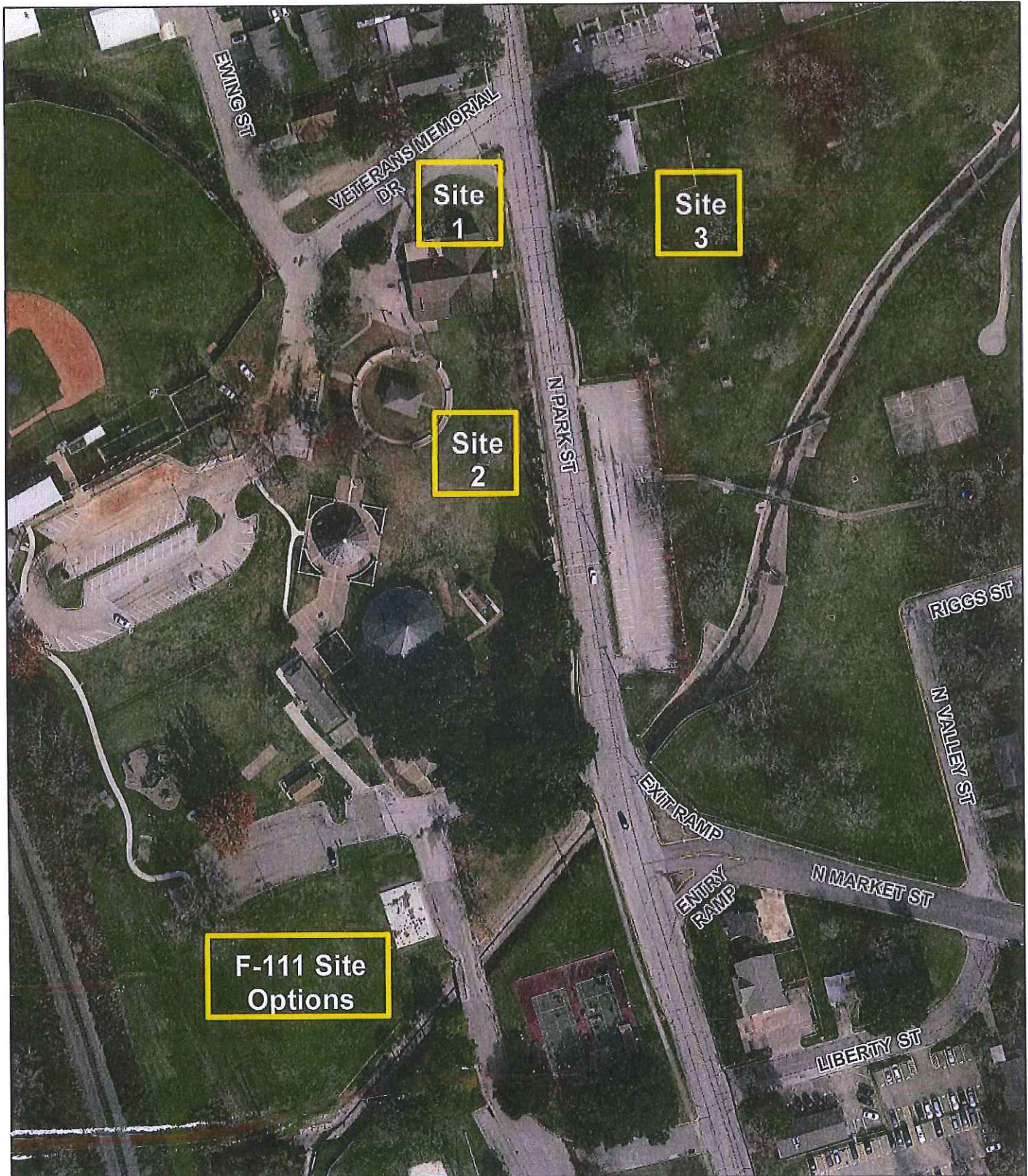
ATTEST:

Jeana Bellinger, TRMC
City Secretary

F-111 Aircraft for Veterans' Memorial Plaza

- Loan from National Museum of the USAF
- VFW Post 7104 responsible organization for aircraft loan
 - 10 USAF requirements – large package (Attachment 1)
 - Single source for contact – Don Holley
 - Museum loan agreement
 - VFW is pre-approved and will generate letter requesting aircraft
- Need support from all veteran groups and organizations. This is a very large project.
 - Washington County veterans organizations
 - All area VFW posts
 - All area American Legion posts
 - City government
 - County government
 - Chamber of Commerce
 - Other service organizations
- Limited availability (recycle post 9/11)
 - Battle Mountain, NV
 - Tucson, AZ
- Aircraft statistics
 - Length – 75'
 - Width – (@ 72 degrees windsweep) – 32'
 - Weight – 41,000 pounds
 - Height – 17'
- Pad requirements
 - Main gear pad 14' x 4.5'
 - 8" packed aggregate
 - 8" rebar and concrete
 - Overall pad 40' x 32'
 - 4" concrete with wire mesh
- Financial requirements
 - \$50,000 approximate to transport
 - Must refurbish paint (need hangar)
 - Tires
 - Some fabrication required
 - Gear support
 - Burner cans
 - Inlet covers
- Two year program (estimated)

PAT OCHS



1 inch = 135 feet





MILITARY-



AGENDA ITEM 8

DATE OF MEETING: February 18, 2016	DATE SUBMITTED: February 12, 2016	
DEPT. OF ORIGIN: Brenham EDF	SUBMITTED BY: Clint Kolby	
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 Resolution No. R-16-008 Re-Adopting the Guidelines and Criteria for Granting Tax Phase-In in a Reinvestment Zone Created in the City of Brenham.		
SUMMARY STATEMENT: The Tax Phase-In Policy (Policy) expired on January 15, 2016 and will need to be re-adopted for another two years. Tax phase-in is a valuable tool to promote economic development in the community. It is a partial, temporary exemption from ad valorem taxes with the City of Brenham and/or Washington County and is used to help offset the initial development costs for a company looking to expand or relocate their operations. Blinn College and Brenham ISD ad valorem taxes are paid in full at all times. A group of stakeholders consisting of representatives from the City of Brenham, Washington County, Washington County Appraisal District and Brenham Economic Development Foundation met several times over the past couple of months to review and discuss possible changes to the Policy. The Brenham Economic Development Foundation Board of Directors met on February 10, 2016 and approved a recommendation of the proposed changes to the Policy for 2016-17. A memo as well as a redlined and clean version of the proposed changes to the Policy are attached for your review.		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:		

ALTERNATIVES (In Suggested Order of Staff Preference):
ATTACHMENTS: (1) Memo from Brenham EDF; (2) Resoultion No. R-16-008; (3) Current Policy Statement on Property Tax Phase-In Incentive Policy showing redlined changes; and (4) Clean copy of the revised Policy Statement on Property Tax Phase-In Incentive Policy
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: Approve Resolution No. R-16-008 re-adopting the guidelines and criteria for granting tax phase-in in a reinvestment zone created in the City of Brenham
APPROVALS: Terry K. Roberts



To: Mayor Tate and Brenham City Council
From: Clint Kolby, EDF Project Manager
Subject: **Tax Phase-In Policy Re-Adoption 2016-17**
Date: February 12, 2016

The Tax Phase-In Policy (Policy) expired on January 15, 2016 and will need to be re-adopted for another two years. Tax phase-in is a valuable tool to promote economic development in the community. It is a partial, temporary exemption from ad valorem taxes with the City of Brenham and/or Washington County and is used to help offset the initial development costs for a company looking to expand or relocate their operations. Blinn College and Brenham ISD ad valorem taxes are paid in full at all times.

A group of stakeholders consisting of representatives from the City of Brenham, Washington County, Washington County Appraisal District and Brenham Economic Development Foundation met several times over the past couple of months to review and discuss possible changes to the Policy. The Brenham Economic Development Foundation Board of Directors met on February 10, 2016 and approved a recommendation of the following changes to the Policy for 2016-17. A redline and clean version of the proposed changes to the Policy are attached for your review.

A summary of the recommended changes to the Policy for 2016-17 are listed below.

Section III – GUIDELINES AND CRITERIA

- (a) Change the language regarding authorize uses to include a new Exhibit A that defines what a primary jobs employer is and the corresponding industry sectors that employ primary jobs.
- (c) Increase the minimum average salary from \$33,000 to \$36,000, which can include the value of any benefits.

Section IV – TAX PHASE-IN INCENTIVE AUTHORIZED

- (g) Add language regarding the amount of tax phase-in incentives, which shall be determined annually based on the actual eligible improvements and the actual number of employees.

Add language regarding retained jobs for an existing local business. If an existing local business has 10-49 employees for their base year employment, then the total abatement levels will be determined from Levels 1-4 in Table 2 of Exhibit B. If an existing local business has 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) Move the last sentence in (g) to (h) regarding Main Street Board approval of building plans for an applicant locating in the Downtown Zone.

Section V – APPLICATION PROCESS

Move the last paragraph after (e) regarding variances and create a new Section XIII for variances to the Policy.

Section VIII – ADMINISTRATION

- (a) Change the deadline to submit verification records for compliance review from October 15 to June 30 of each calendar year.
- (b) Change the date determining an assessment of the real and personal property by the Chief Appraiser from December 1 to October 1 of each calendar year.

Section IX – DEFAULT

Change the title of this section from “Recapture” to “Default”. Add language regarding default for an existing local business that falls below 50% of their base year employment. Remove language regarding the recapture of taxes that were previously abated by virtue of a tax phase-in agreement.

Section XIII – VARIANCES

Create a new Section XIII for variances by moving the last paragraph in Section V regarding variances to the new Section XIII.

GLOSSARY

Add language for the definition of “Base year employment”, which shall mean the average number of employees for each quarter at an existing local business of the year prior to the execution of the agreement.

Remove language regarding authorized uses from Section III (a). The new Exhibit A will replace the definitions in the Glossary for “Agriculture/Aquaculture Facility”, “Distribution Center Facility”, “Manufacturing Facility”, “Research Facility” and “Other Basic Industry”.

EXHIBIT A

Define what a primary jobs employer is and include a new table of eligible industry sectors according to the North American Industry Classification System (NAICS). Exhibit A will be used for Section III (a).

RESOLUTION NO. R-16-008

A RESOLUTION OF THE CITY OF BRENHAM, TEXAS RE-ADOPTING THE GUIDELINES AND CRITERIA FOR GRANTING TAX PHASE-IN IN A REINVESTMENT ZONE CREATED IN THE CITY OF BRENHAM

WHEREAS, the creation and retention of job opportunities that bring new wealth to the community is a high civic priority; and

WHEREAS, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services, and

WHEREAS, the communities with the City of Brenham must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

WHEREAS, any tax incentives offered in the City of Brenham would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community, and

WHEREAS, any tax incentives should not affect the competitive position of existing companies operating in the City of Brenham; and

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely re-circulating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area economy; and

WHEREAS, effective September 1, 1987, Texas law requires an eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, said guidelines and criteria to be unchanged for a two-year period unless amended by a three-fourths vote of the participating governing body; and

WHEREAS, on December 5, 2013 City Council passed Resolution No. R-13-020 re-adopting the guidelines and criteria for granting tax abatement in a reinvestment zone created in the city; and

WHEREAS, on December 3, 2015 City Council reviewed said guidelines and criteria and recommended various changes be made to the guidelines and criteria for granting tax abatement in a reinvestment zone prior to approval; and

WHEREAS, said recommended changes have been made and incorporated into the amended guidelines and criteria for granting tax abatement in a reinvestment zone attached hereto; and

WHEREAS, these guidelines and criteria shall not be construed as implying or suggesting that the City of Brenham is under any obligation to provide tax abatement or other incentive to any applicant and all applicants shall be considered on a case by case basis;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brenham does hereby re-adopt the attached guidelines and criteria for granting tax abatement in reinvestment zones in the City of Brenham styled as “Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises”, as amended and incorporated herein by reference and effective February 18, 2016.

APPROVED this the _____ day of _____, 2016.

Milton Y. Tate, Jr., Mayor

ATTEST:

Jeana Bellinger, TRMC
City Secretary

CITY OF BRENHAM

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

Policy Adoption Date: ~~February 18, 2016~~ December 5, 2013

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). Be an Authorized Facility. A facility may be eligible if it is a(n): Agriculture/Aquaculture Facility, Distribution Center Facility, Manufacturing Facility, Research Facility,~~
~~or~~
~~Other Basic Industry. [as defined in Glossary Section XII (e)]~~

- (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.

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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 ~~base~~ salary of ~~\$36,000~~~~\$33,000~~/year or higher, including any benefits (except for a location in the Downtown Zone).

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.
- (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,
 - animal,
 - 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.

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- (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.
- (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 ~~tableTable one1 and tableTable two2~~ Tax Phase-In incentive ~~schedule~~ Schedules - Exhibit "BA", or tableTable three3 in a Downtown Zone (map Exhibit "CB"), 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 abatement shall be derived from the sum of table one and table two. The total amount of eligible property improvements and jobs created and retained are based on projected property improvements and personnel employed, and however, the actual amount of tax phase-in incentives shall be determined annually by tableTable one1 and tableTable two2 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 tableTable three3.~~

~~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 tableTable two2 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 tableTable two2 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~~

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- Level 1 – if base year employment is at least 50% for that calendar year

~~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.~~

- (h) Downtown Zone A Tax Phase-In incentive zone within the designated downtown area in the attached Exhibit CB, incorporated herein by reference, and any tracts or parcels contiguous to a tract in Exhibit CB 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).

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.
 - (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.

~~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 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. The approval by the City of a Tax Phase In incentive shall conclusively be deemed as an approval of any variance from the provisions of Subsections (a) through (e) of Part V.~~

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 affect 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.
- (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~~October 15 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 ~~December~~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.

IX. ~~DEFAULT~~RECAPTURE

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 ~~or maintain~~ 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
- ~~(4)~~ violates any of the terms and conditions of the Tax Phase-In incentive agreement and fails to cure same during the Cure Period; or
- ~~(5)~~ 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, ~~and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination. The City will use all available means for recapture, including but not limited to, placing a lien on the property and pursuing all other legal and equitable remedies available to the City.~~

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.

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.

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GLOSSARY

~~(a) "Agriculture/Aquaculture Facility" means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is of food and/or fiber products in commercially marketable quantities.~~

~~(ab)~~ "City" means the City of Brenham, Texas that levies ad valorem taxes upon and/or provides services to property located within the City limits.

~~(be)~~ "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.~~

Commented [a1]: Added new glossary term

~~(de)~~ "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.

~~(ee)~~ "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.

~~(ff)~~ "Deferred maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.

~~(g) "Distribution Center Facility" means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of revenues generated by activity at the facility are derived from outside of Washington County.~~

~~(gh)~~ "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.

~~(hi)~~ "Expansion" means the addition of buildings, employees, structures, machinery or equipment for purposes of increasing production capacity.

~~(ij)~~ "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

~~(jk)~~ "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~~~~\$3,000~~ or higher, including any benefits, whether hired directly or leased through an employee leasing service.

~~(l) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.~~

(~~km~~) "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.

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(~~ln~~) "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.

~~(o) "Other Basic Industry" means buildings and structures/including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or providing of services which serve a market primarily outside the County and results in the creation of new permanent jobs and new wealth in the County.~~

(~~mp~~) "Productive Life" means the number of years a property improvement is expected to be in service in a facility.

~~(q) "Research Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.~~

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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):

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

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EXHIBIT
“BA”

**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

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TABLE 2 (earns 50% of incentive)

2 - Jobs Created & Retained - by New Business or an Existing Local Business

The number of new ~~and/or retained~~ ~~and/or retained (why wouldn't retained be included)~~ ~~22~~ full-time employees with an average salary level of ~~\$36,000~~ ~~\$33,000~~+/year including benefits averaged during the twelve calendar months prior to the tax assessment date of January 1:

Level	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

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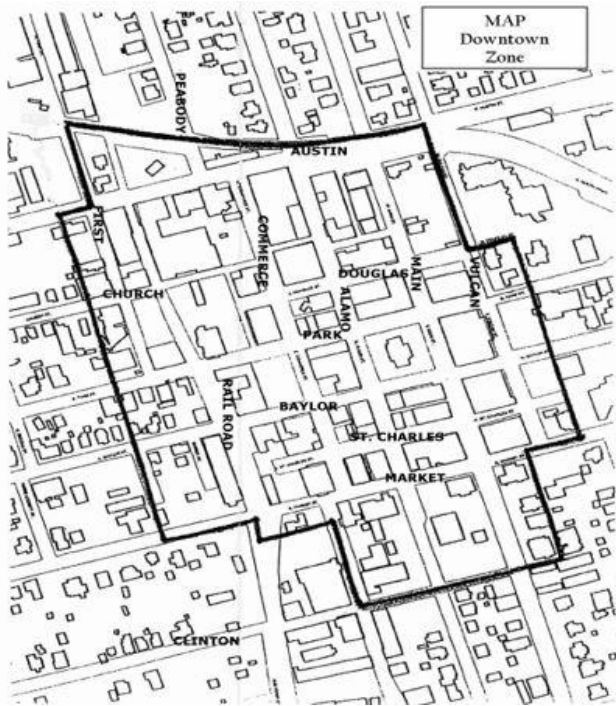
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TABLE 3 Downtown Zone

Amount of valuation
of downtown
reinvestment
determined by tax appraisal:

Valuation	Percent of property tax to be abated each year							
	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
CB
MAP OF DOWNTOWN
ZONE



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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).

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.

- (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.

- (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).

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.

- (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.

- (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.

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.

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.

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 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

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: February 18, 2016	DATE SUBMITTED: February 8, 2016															
DEPT. OF ORIGIN: Administration	SUBMITTED BY: Terry Roberts															
<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	
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☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION														
	☐ WORK SESSION															
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Recommendation for an Appointment to the Main Street Board																
SUMMARY STATEMENT: See attached memo from Terry Roberts.																
STAFF ANALYSIS (For Ordinances or Regular Agenda Items):																
A. PROS:																
B. CONS:																
ALTERNATIVES (In Suggested Order of Staff Preference):																
ATTACHMENTS: (1) Memo from Terry Roberts; and (2) Summary page for the board																
FUNDING SOURCE (Where Applicable):																
RECOMMENDED ACTION: Approve the appointment of Dr. Walter Jackson to the Main Street Board, as presented.																
APPROVALS: Milton Y. Tate, Jr.																



To: Mayor and City Council

From: Terry K. Roberts, City Manager

Subject: Advisory Board Recommendations for 2016

Date: February 8, 2016

Under the City's policy for advisory board appointments, persons interested in serving must fill out an application of appointment. This includes current board members who are willing and interested in continuing their service.

According to the City's policy, the Mayor and City Manager are to review the board appointments and offer a recommendation to the City Council. Our recommendation is shown below:

Main Street: Council has approved the two incumbents – Traci Pyle and Tommy Upchurch at the December 17, 2015 Council meeting. At the January 7, 2016 Council meeting, Jim Moser was appointed to fill the position vacated by Wendy Frazier. One vacancy still remains as a result of the Main Street Board membership increasing from nine (9) to eleven (11) members in February 2014.

There is one (1) citizen who expressed interest in serving on the Main Street Board: Dr. Walter Jackson.

- Dr. Jackson is the current Superintendent for BISD
- Dr. Jackson is involved with the Brenham Children's Chorus Board and the Brenham Game Changers Board
- Dr. Jackson is on the Washington County Chamber of Commerce Board of Directors and the Washington County Rotary Club

Dr. Jackson is being recommended for appointment to the Main Street Board for the last vacancy position.

This packet includes a recap of the board and its members for your review. If you have any questions, please contact the Mayor or me.

MAIN STREET BOARD

Term of Office: Three Years

Meeting Schedule: Monthly, 1st Monday @ 4:00 p.m.

Responsible Staff Member: Jennifer Eckermann

Position	Board Member	Term Expiration
1	Traci Pyle	December, 2018
2	Margie Young	December, 2016
3	Tiffany Morisak	December, 2017
4	Vacant	December, 2018
5	Jon Hill	December, 2016
6	John Herman	December, 2017
7	Tommy Upchurch	December, 2018
8	Mark Schneider	December, 2016
9	Jim Moser	December, 2017
10	Susan Cantey	December, 2017
11	Connie Wilder	December, 2017