NOTICE OF A REGULAR MEETING
THE BRENHAM CITY COUNCIL
THURSDAY, SEPTEMBER 20, 2018 AT 1:00 P.M.
SECOND FLOOR CITY HALL
COUNCIL CHAMBERS
200 W. VULCAN ST.
BRENHAM, TEXAS

1. Call Meeting to Order

2. Invocation and Pledges to the US and Texas Flags – Councilmember Wright

3. Proclamation

- **Constitution Week** **Page 1**

4. Citizens Comments

CONSENT AGENDA

5. 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.

5-a. Minutes from the August 2, 2018 Regular City Council Meeting and August 6, 2018 Special City Council Meeting **Pages 2-12**

5-b. Ordinance No. O-18-009 on Its Second Reading for the Creation of Reinvestment Zone Number 43 Requested by Stanpac USA/Brenham Bartons, Inc. for Commercial Tax Phase-In Incentive on a Certain 3.687 Acre Tract or Parcel of Land out of the A. Harrington Survey, A-55, Lying Within Wilson's Addition and Being a Portion of Tracts 3 and 4 Called 9.152 Acres and Tract 10 Called 10,360 sq. ft., Being Located at 801 Mangrum St., Brenham, Texas, with Boundaries Further Described in Exhibit "A" of the Ordinance Creating Reinvestment Zone 43, and Designating This Property as Qualifying for Tax Phase-In **Pages 13-19**

5-c. Ordinance No. O-18-010 on Its Second Reading for the Creation of Reinvestment Zone Number 44 Requested by MIC Group, LLC for Commercial Tax Phase-In Incentive on a Certain 16.291 Acre Tract or Parcel of Land Being Comprised of Lot 1, Industrial Park of Brenham as Recorded in Plat Slide 190-A and B of the Plat Records of Washington County (P.R.W.C.) and Lot 5, Brenham Business Center, Phase I, as Shown on the Boundary Line Adjustment Plat Recorded in Plat Slide 425-A (P.R.W.C.), Being Located at 3140 S. Blue Bell Rd., Brenham, Texas, with Boundaries Further Described in Exhibit "A" of the Ordinance Creating Reinvestment Zone 44, and Designating This Property as Qualifying for Tax Phase-In **Pages 20-24**

5-d. Ordinance No. O-18-011 on its Second Reading for the Creation of Reinvestment Zone Number 45 Requested by MIC, Group, LLC for Commercial Tax Phase-In Incentive on a Certain 7.170 Acre Tract or Parcel of Land Being Situated in the City of Brenham, Washington County, Texas, part of the Phillip Coe Survey, A-31, Being Located at 1801 Industrial Blvd., Brenham, Texas, with Boundaries Further Described in Exhibit "A" of the Ordinance Creating Reinvestment Zone 45, and Designating This Property as Qualifying for Tax Phase-In **Pages 25-29**

WORK SESSION

6. Presentation and Discussion Regarding Updates to Chapter 21, Signs, of the Code of Ordinances for the City of Brenham **Pages 30-45**

PUBLIC HEARING

7. Discussion and Receipt of Input Related to a Possible Grant Application to Texas Parks and Wildlife for the Local Parks Non-Urban Outdoor Grant Program for the Proposed Brenham Family Park (Phase I(a)) as Outlined in the City of Brenham's 2015-2025 Parks, Recreation and Open Spaces Master Plan **Pages 46-48**

REGULAR SESSION

8. Discuss and Possibly Act Upon Resolution No. R-18-011 Authorizing the Submission of a Grant Application to Texas Parks and Wildlife for the Local Parks Non-Urban Outdoor Recreation Grant Program for Phase I(a) of the Brenham Family Park as Outlined in the City of Brenham's 2015-2025 Parks, Recreation and Open Spaces Master Plan and Authorize the Mayor to Execute Any Necessary Documentation **Pages 49-52**

9. Discuss and Possibly Act Upon an Ordinance on Its First Reading Providing for No Parking Zones On Certain Portions of W. Fifth Street, Old Mill Creek Rd. and Saeger St. **Pages 53-59**

10. Discuss and Possibly Act Upon Ordinance No. O-18-012 on Its Second Reading Adopting the Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019 **Pages 60-63**

11. Discuss and Possibly Act Upon Ordinance No. O-18-013 on Its Second Reading Levying Taxes for the Tax Year 2018 for the City of Brenham at $0.5170 per $100 Valuation **Pages 64-67**

12. Discuss and Possibly Act Upon Resolution No. R-18-012 Adopting a Commercial Tax Phase-In Agreement Between the City of Brenham and Stanpac USA, LLC **Pages 68-100**

13. Discuss and Possibly Act Upon Resolution No. R-18-013 Adopting a Commercial Tax Phase-In Agreement Between the City of Brenham and MIC Group, LLC (East) **Pages 101-131**

14. Discuss and Possibly Act Upon Resolution No. R-18-014 Adopting a Commercial Tax Phase-In Agreement Between the City of Brenham and MIC Group, LLC (West) **Pages 132-163**

15. Discuss and Possibly Act Upon the Selection of Candidates to be Voted for on the Texas Municipal League Intergovernmental Risk Pool Board of Trustees, Places 11-14 and Authorize the Mayor to Execute Any Necessary Documentation **Pages 164-170**

16. Discuss and Possibly Act Upon the Approval of the Routine Airport Maintenance Program (RAMP) Grant Agreement No. M1917BREN with TxDOT for FY2019 and Authorize the Mayor to Execute Any Necessary Documentation **Pages 171-183**

17. Discuss and Possibly Act Upon Renewal with Texas Municipal League Intergovernmental Risk Pool for General Liability, Law Enforcement Liability, Public Officials Liability, Mobile Equipment, Airport Liability, Property, Auto Liability and Physical Damage, Crime, Animal Mortality and Theft and Workers' Compensation Coverage for the City of Brenham for Fiscal Year 2018-19 and Authorize the Mayor to Execute Any Necessary Documentation **Pages 184-186**

18. Discuss and Possibly Act Upon a Professional Services Agreement Between the City of Brenham and Kendig Keast Collaborative for the Development of a Comprehensive Plan for the City of Brenham and Authorize the Mayor to Execute Any Necessary Documentation **Pages 187-219**

19. Discuss and Possibly Act Upon Bid No. IFB 18-010 Related to Bulk Water Treatment Chemicals and Authorize the Mayor to Execute Any Necessary Documentation **Pages 220-222**

20. Discuss and Possibly Act Upon a Request for a Noise Variance from St. Mary's Immaculate Conception Catholic Church for a Fundraiser to be Held on September 30, 2018 from 8:00 a.m. – 5:00 p.m. at 701 Church Street and Authorize the Mayor to Execute Any Necessary Documentation **Pages 223-224**

21. **Discuss and Possibly Act Upon a Request for a Noise Variance from St. Mary's Immaculate Conception Catholic Church for a Street Dance to be Held on October 6, 2018 from 7:00 p.m. – 10:00 p.m. and a Fundraiser to be Held on October 7, 2018 from 8:00 a.m. to 5:00 p.m. at 701 Church Street and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 225-227**

22. **Discuss and Possibly Act Upon a Lease Agreement Between the City of Brenham and Simon Theater Master Tenant, LLC for the Visitor's Center and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 228-245**

23. **Administrative/Elected Officials Report**

EXECUTIVE SESSION

24. **Section 551.071 – Texas Government Code – Consultation with Attorney – Consultation with the City Attorney for the Purpose of Seeking Legal Counsel Regarding a Facility/Land Development Matter and Associated Issues** **Page 246**

25. **Section 551.087 – Texas Government Code – Economic Development Negotiations – Discuss and Deliberate Project Cardinal and Project BK Regarding Commercial or Financial Information that the City Has Received from Business Prospects and the Offer of Financial or Other Incentives to Business Prospects that the City Seeks to Have Locate In or Near the City of Brenham and With Which the City is Conducting Economic Development Negotiations** **Page 247**

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

Adjourn

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

CERTIFICATION

I certify that a copy of the September 20, 2018 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 September 17, 2018 at **12:50 PM**.

Kacey A. Weiss, TRMC
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 ____________________, 2018 at __________ AM PM.

_________________________________ _________________________________
Signature Title

PROCLAMATION

WHEREAS, September 17, 2018, marks the two hundred thirty-first anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week;

NOW, THEREFORE I, Milton Y. Tate Jr., Mayor of the City of Brenham, Texas do hereby proclaim the week of September 17-23, 2018 as

CONSTITUTION WEEK

In Witness, Whereof, I have set my hand and affixed the Seal of Brenham.

Milton Y. Tate Jr., Mayor
City of Brenham

Brenham City Council Minutes

A regular meeting of the Brenham City Council was held on August 2, 2018 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 Andrew Ebel
Councilmember Susan Cantey
Councilmember Danny Goss
Councilmember Keith Herring

Members absent:

Councilmember Charlie Pyle
Councilmember Weldon Williams, Jr.

Others present:

City Manager James Fisher, City Attorney Cary Bovey, City Secretary Jeana Bellinger, Deputy City Secretary Kacey Weiss, Assistant City Manager – Chief Financial Officer Carolyn Miller, Comptroller Stacy Hardy, Human Resources Director Susan Nienstedt, Debbie Gaffey, Jennifer Eckermann, Fire Chief Ricky Boeker, Police Chief Allwin Barrow, Dant Lange, Jared Campbell, Trey Gully, Public Works Director Dane Rau, Assistant City Manager of Public Utilities Lowell Ogle, Development Services Director Lori Lakatos, Kim Hodde, Pam Ruemke, Alyson Tofel, Kevin Boggus, Mark Pierce, Kelvin Raven, Clifford Johnson, Stephen Draehn, Joseph Merkley, Curtiss Schoen, Terrence Johnson, Lloyd Powell and Jean Luera

Citizens present:

Perry Thomas, Bessie Jones, Lori Walker, Holly Johnson and La Sandra Sanders

Media Present:

Arthur Hahn, Brenham Banner Press; and Josh Blaschke, KWHI

1. Call Meeting to Order

2. Invocation and Pledges to the US and Texas Flags – City Manager James Fisher

3. Special Recognitions

3-a. Citizens on Patrol Program

3-b. Jennifer Eckermann – Graduate of Travel & Tourism College sponsored by Texas Travel Industry Association

3-c. Service Recognitions

- **Clifford Johnson, Maintenance** **5 Years**
- **Jean Luera, Police** **5 Years**
- **Brian Smith, Street** **10 Years**
- **Michael Davis, Police** **25 Years**

4. Citizens Comments

There were no citizen comments.

CONSENT AGENDA

5. Statutory Consent Agenda

5-a. Minutes from the May 31, 2018 Special City Council Meeting, May 31, 2018 Regular City Council Meeting and June 7, 2018 Regular City Council Meeting

A motion was made by Councilmember Herring and seconded by Councilmember Cantey to approve the Statutory Consent Agenda Item 5-a. as presented.

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

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

PUBLIC HEARING

6. Public Hearing to Consider Amending Appendix A - "Zoning" of the Code of Ordinances of the City of Brenham to Amend Part I, Section 5.02, Definitions to Add Definitions for "Brewery", "Brewpub", "Distillery", and "Microdistillery or Craft Distillery", Part II, Division 1, Section 16.03 to Add Parking Requirements for the Associated Uses, Part II, Division 2, Section 4.02, Section 6.02, and Section 7.02 to Add or Remove the Associated Uses (Case No. P-18-020)

Mayor Tate opened the Public Hearing.

Development Services Director Lori Lakatos presented this item. Lakatos explained that this is a City initiated request to amend the zoning ordinance to allow brewery and distillery type land uses within different zoning districts. Lakatos advised that there were no public comments made at the Planning and Zoning Commission Public Hearing on July 23, 2018. Lakatos stated that the Planning and Zoning Commission voted unanimously to recommend approval of the request.

Mayor Tate closed the Public Hearing.

REGULAR SESSION

7. Discuss and Possibly Act Upon an Ordinance on Its First Reading Amending Appendix A – "Zoning" of the Code of Ordinances, Part I, Section 5.02, Definitions to Add Definitions for "Brewery", "Brewpub", "Distillery", and "Microdistillery or Craft Distillery", Part II, Division 1, Section 16.03 to Add Parking Requirements for the Associated Uses, Part II, Division 2, Section 4.02, Section 6.02, and Section 7.02 to Add or Remove the Associated Uses (Case No. P-18-020)

A motion was made by Councilmember Cantey and seconded by Mayor Pro Tem Ebel to approve an Ordinance on its first reading amending Appendix A – "Zoning" of the Code of Ordinances, Part I, Section 5.02, Definitions to add definitions for "Brewery", "Brewpub", "Distillery", and "Microdistillery or Craft Distillery", Part II, Division 1, Section 16.03 to add parking requirements for the associated uses, Part II, Division 2, Section 4.02, Section 6.02, and Section 7.02 to add or remove the associated uses (Case No. P-18-020).

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

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

8. Discuss and Possibly Act Upon Revision of the Brenham Municipal Airport Standard T-Hangar Lease Agreement and Authorize the Mayor to Execute Any Necessary Documentation

Development Services Director Lori Lakatos presented this item. Lakatos explained that this request is to amend the existing T-Hangar lease to allow for assembly of kit-planes (hobby airplanes). Lakatos noted that the request was presented to the Airport Advisory Board at the June 25, 2018 meeting. Lakatos advised that the proposed revisions would allow someone to build an airplane at home and do the final assembly at the airport, order a quick-build kit and assemble it at the airport, or complete assembly on airplanes that may have the wings removed and "trucked" into the airport, etc. Lakatos stated the Airport Advisory Board voted unanimously to recommend approval of the request.

A motion was made by Councilmember Herring and seconded by Councilmember Cantey to approve revision of the Brenham Municipal Airport Standard T-Hangar Lease Agreement, with corrections to Article VII as recommended by the City Attorney, 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 Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

9. Discuss and Possibly Act Upon a Proposal to Adopt a Tax Rate of $0.5170 per $100 Valuation for the 2018 Tax Year, Take Record Vote and Set the Public Hearings on the Proposed Tax Rate in Accordance with State Law

Assistant City Manager – Chief Financial Officer Carolyn Miller presented this item. Miller advised Council that the City would be maintaining the current property tax rate of $0.5170 per $100 valuation. Miller stated the proposed property tax rate of $0.5170 consists of an operations and maintenance rate of $0.3200 and the debt service rate of $0.1970.

Miller explained that the Washington County Appraisal District has certified the taxable values of $1,328,029,691 for the 2018 Tax Year, which is a net increase of $52,639,531, or 4.13% above the 2017 (adjusted) taxable values. Miller advised that in accordance with the Tax Code, Council must take a Record Vote to place a proposal to adopt the proposed property tax rate on the agendas of future meetings.

A motion was made by Councilmember Cantey and seconded by Councilmember Goss that the property tax rate be increased by the adoption of a tax rate of $0.5170 per $100 valuation, which is effectively a 3.03% increase in the tax rate, to be considered by the governing body on the agendas of the September 17, 2018 and September 20, 2018 meetings and to schedule public hearings on the proposed tax rate for August 16, 2018 and September 6, 2018 in accordance with state law.

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

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

10. Discuss and Possibly Act Upon Ground Space Lease Agreements with Hat Creek Aviation, LLC (John Richardson) for Hangar Space at the Brenham Municipal Airport and Authorize the Mayor to Execute Any Necessary Documentation

Planning Technician Kim Hodde presented this item. Hodde explained that John Richardson currently has one hangar lease in the name of JR Leasing (3187 Aviation Way) and one lease in the name of J & S Water Wells (3189 Aviation Way). Hodde advised that Mr. Richardson has requested to change both of these ground space lease agreements (3187 & 3189 Aviation Way) to Hat Creek Aviation, LLC and therefore, new lease agreements need to be executed. Hodde stated that execution of these new lease agreements with Hat Creek Aviation, LLC would cancel the previous agreements with JR Leasing and J & S Water Wells. Hodde noted that the lease agreements are the standard ground space lease for .08 cents per square foot.

Councilmember Goss questioned if the fees are in line with other airports this size. Hodde stated that a survey was completed 6-7 years ago and the City was in line with the fees. Hodde noted that Staff would be doing a survey of surrounding airports soon.

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Ebel to approve Ground Space Lease Agreements with Hat Creek Aviation, LLC (John Richardson) for hangar space at the Brenham Municipal Airport and authorize the Mayor to execute any necessary documentation.

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

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

11. Discuss and Possibly Act Upon a Request for a Noise Variance from Mount Rose Missionary Baptist Church for a Christian Youth Rally at 1007 Mangrum Street to be Held on September 5, 2018 from 5:30 p.m. – 8:30 p.m. and Authorize the Mayor to Execute Any Necessary Documentation

Deputy City Secretary Kacey Weiss presented this item. Weiss explained that they would be using sound amplification equipment at the event.

A motion was made by Councilmember Herring and seconded by Councilmember Cantey to approve a request for a noise variance from Mount Rose Missionary Baptist Church for a Christian Youth Rally at 1007 Mangrum Street to be held on September 5, 2018 from 5:30 p.m. – 8:30 p.m. 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 Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

12. Discuss and Possibly Act Upon the Appointment of a New Member to the Brenham Housing Authority Board of Commissioners for an Unexpired Term Ending on December 31, 2018

City Secretary Jeana Bellinger presented this item. Bellinger explained that on July 11, 2018 she was notified by Vince Michel, Executive Director of the Brenham Housing Authority, that board member Gerald Calvert recently resigned from their Board due to health reasons. Bellinger stated that Mr. Michel advised that he would like to recommend that the Council appoint Marcus Wamble to fill Mr. Calvert's unexpired term until December 31, 2018.

A motion was made by Councilmember Cantey and seconded by Mayor Pro Tem Ebel to approve the appointment of Marcus Wamble to the Brenham Housing Authority Board of Commissioners for an unexpired term ending on December 31, 2018.

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

Mayor Milton Y. Tate, Jr.	Yes
Mayor Pro Tem Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

13. Discuss and Possibly Act Upon the Convention and Visitors Bureau Contract Between the City of Brenham and Washington County Chamber of Commerce, Including But Not Limited to Termination of Said Contract, Ratification of Termination Notice, and Associated Matters, and Authorize the Mayor to Execute Any Necessary Documentation

City Manager James Fisher presented this item. Fisher explained that the Tourism and Promotions Council Subcommittee met on May 31, 2018 to discuss options for funding tourism and promotions with the Washington County Chamber of Commerce for the upcoming FY18-19 budget cycle. Fisher advised that several options were discussed, and the Subcommittee decided to give a 90 day written notice to terminate the contract with the Chamber effective September 30, 2018. Fisher stated that on June 25, 2018, he notified the City Council of the intent to cancel the Chamber contract and let them know that the City is going in a new direction in convention and tourism services.

Joel Romo with the Chappell Hill Chamber of Commerce addressed Council. Romo stated that Chappell Hill would like to collaborate with the City's new CVB venture. Romo also advised that his organization would like Council to consider Chappell Hill when reviewing hotel occupancy tax funding allocations.

A motion was made by Councilmember Cantey and seconded by Councilmember Goss to ratify the notice letter sent to the Washington County Chamber of Commerce advising of the City's intent to terminate of the convention and visitor's bureau contract, effective September 30, 2018 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 Andrew Ebel	Yes
Councilmember Susan Cantey	Yes
Councilmember Danny Goss	Yes
Councilmember Keith Herring	Yes
Councilmember Charlie Pyle	**Absent**
Councilmember Weldon Williams	**Absent**

14. Administrative/Elected Officials Report

City Manager James Fisher reported on the following:

- School starts August 16th for BISD
- AED's and first aid kits have been installed in various City departments
- Fireman's Fiesta is August 11th at 5:30 p.m.
- TML Region 10 Meeting will be September 12th in Brenham
- Movies in the Park will be tonight at the BBAC

Mayor Milton Tate reported on the following:

- James Rothermel passed away; keep his family in prayer

Planning Technician Kim Hodde reported on the following:

- The diner at the airport re-opened last week. Right now it is only open to the pilots, but they hope to be open to the public next month.

Council adjourned into Executive Session at 1:52 p.m.

EXECUTIVE SESSION

15. Section 551.074 – Texas Government Code – Personnel Matters – Deliberation Regarding Update, Status and Options Regarding: 1) Vacancy Created by Death of Ward 2 Councilmember Weldon C. Williams, Jr.; and 2) Position 5 - At Large Councilmember Charlie Pyle

Executive Session adjourned at 2:30 p.m.

The meeting was adjourned.

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Milton Y. Tate, Jr.
Mayor

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Jeana Bellinger, TRMC, CMC
City Secretary

Brenham City Council Minutes

A special meeting of the Brenham City Council was held on August 6, 2018 beginning at 12:00 p.m. in the Brenham City Hall, Conference Room 2A, at 200 W. Vulcan Street, Brenham, Texas.

Members present:

Mayor Milton Y. Tate, Jr.
Mayor Pro Tem Andrew Ebel
Councilmember Susan Cantey
Councilmember Danny Goss
Councilmember Keith Herring

Members absent:

Councilmember Charlie Pyle
Councilmember Weldon Williams, Jr.

Others present:

City Manager James Fisher, City Attorney Cary Bovey, Assistant City Manager – Chief Financial Officer Carolyn Miller, Human Resources Director Susan Nienstedt, Police Chief Allwin Barrow and Assistant City Manager of Public Utilities Lowell Ogle

Citizens present:

None

Media Present:

None

1. Call Meeting to Order

EXECUTIVE SESSION

2. Section 551.071 – Texas Government Code – Consultation with Attorney – Consultation with the City Attorney for the Purpose of Seeking Legal Counsel Regarding Brenham Police Department Matters, Personnel, and Associated Issues, Including But Not Limited to Texas Attorney General Open Records Ruling OR2018-18501

Council adjourned into Executive Session at 12:03 p.m.

Executive Session adjourned at 1:04 p.m.

REGULAR SESSION

3. Discuss and Possibly Act Upon Authorizing Legal Counsel to Pursue All Available Remedies, Proceedings and Relief on Behalf of the City of Brenham, Texas Against the Texas Attorney General and Other Appropriate Persons/Entities Regarding Texas Attorney General Open Records Ruling OR2018-18501

No action was taken on this item.

The meeting was adjourned.

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Milton Y. Tate, Jr.
Mayor

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Jeana Bellinger, TRMC, CMC
City Secretary

ORDINANCE NO. O-18-009

AN ORDINANCE DESIGNATING ALL OF THAT CERTAIN 3.687 ACRE TRACT OR PARCEL OF LAND OUT OF THE A. HARRINGTON SURVEY, A-55, LYING WITHIN WILSON'S ADDITION AND BEING A PORTION OF TRACTS 3 AND 4 CALLED 9.152 ACRES AND TRACT 9 CALLED 10,360 SQ. FT., BEING THE SAME PROPERTY DESCRIBED IN A DEED DATED OCTOBER 22, 2009 FROM MOUNT VERNON MILLS, INC. TO BLUE BELL CREAMERIES, L. P., RECORDED IN VOLUME 1324, PAGE 838 OF THE OFFICIAL RECORDS OF WASHINGTON COUNTY, TEXAS, SAID PROPERTY BEING LOCATED AT 801 MANGRUM ST., BRENHAM, TEXAS, AND SAID PROPERTY BOUNDARIES BEING MORE FULLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES, AS REINVESTMENT ZONE NUMBER FORTY-THREE FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS AS PROVIDED IN CHAPTER 312, TEXAS TAX CODE; ESTABLISHING THE NUMBER OF YEARS FOR THE ZONE, AUTHORIZING AN AGREEMENT FOR EXEMPTION FROM TAXATION THE INCREASE IN VALUE OF CERTAIN PROPERTY IN ORDER TO ENCOURAGE DEVELOPMENT AND REDEVELOPMENT AND OTHER MATTERS RELATING THERETO; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Brenham, Texas, ("City") desires to encourage supervised improvements by property owners and lessees through tax phase-in procedures within its jurisdiction by the creation of a reinvestment zone as authorized by Chapter 312, Texas Tax Code (the "Act"); and

WHEREAS, on the 6th day of September 2018, the City Council held a public hearing to receive comments concerning the designation of proposed Reinvestment Zone Number Forty-Three. The notice of such hearing was published on August 30, 2018, such date being not later than the seventh day before the date of the public hearing; and

WHEREAS, the City called a public hearing and published notice of such public hearing as required by Section 312.201 of the Act; and has delivered written notice to the presiding officer of the governing body of each taxing unit within the jurisdiction of the proposed Reinvestment Zone Number Forty-Three for Commercial Tax Phase-In; and

WHEREAS, at said public hearing the City presented evidence that such proposed designation would be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property, that the proposed improvements are feasible and practical, that said improvements would be a benefit to the land included in the zone and that would contribute to the economic development of the City; and

WHEREAS, the designation of the proposed reinvestment zone is consistent with the City's policies adopted by Council Resolution No. R-17-024 on the 7th day of December, 2017, and will benefit the land included within the Reinvestment Zone after the expiration of the Agreement; and

WHEREAS, the City at such public hearing invited any interested person or his attorney to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is referred to as City of Brenham Reinvestment Zone Number Forty-Three for Commercial Tax Phase-In, should be included in such proposed reinvestment zone, and obtain tax phase-in; and

WHEREAS, at such hearing recommendations were given as to the number of years the reinvestment zone would be designated, the number of years in which an agreement would be available, as well as the percentage of potential tax exemption under the aforesaid tax phase-in guidelines and criteria to be applied to taxable real property which is developed;

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

Section 1. That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are incorporated herein for all purposes.

Section 2. That the City, after conducting such hearing and having further studied recommendations, as well as the evidence presented at the public hearing, has made the following findings based on the evidence and testimony presented to it:

a) That the public hearing on the adoption of the reinvestment zone under the provisions of the Act has been properly called, held and conducted and that notice of such hearing has been published as required by law and has been sent to the respective taxing units within the proposed reinvestment zone; and

b) That the City has jurisdiction to hold and conduct said public hearing on the creation of the proposed reinvestment zone pursuant to the Act; and

c) That creation of the proposed reinvestment zone with boundaries described herein will result in improvements made after the passage of this Ordinance and the execution of tax phase-in agreements, that are feasible and practical and will benefit the City, its residents and property owners in the reinvestment zone; and

d) That the proposed designation will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investments to the zone that would be a benefit to the property and contribute to economic development of the City.

Section 3. That the City hereby creates Reinvestment Zone Number Forty-Three, designated as all of a certain 3.687 acre tract or parcel of land out of the A. Harrington Survey, A-55, lying and within the Wilson's Addition and being a portion of Tracts 3 and 4 called 9.152 acres and Tract 9 called 10,360 sq. ft., being the same property described in a deed dated October 22, 2009 from Mount Vernon Mills, Inc. to Blue Bell Creameries, L. P., recorded in Volume 1324, Page 838,in the Official Records of Washington County, Texas, said property being located at 801 Mangrum St., Brenham, Texas, and said property boundaries being more fully described in Exhibit "A" attached hereto and incorporated herein for all purposes, and such reinvestment zone shall hereafter be identified as Reinvestment Zone Number Forty-Three for Commercial Tax Phase-In, City of Brenham, Texas.

Section 4. That the designation of Reinvestment Zone Number Forty-Three for Commercial Tax Phase-In, shall expire five (5) years from the date of this Ordinance, unless renewed as provided by the Act, or at an earlier time designated by subsequent ordinance.

Section 5. That written agreements as provided in the Act with owners of eligible property located within the reinvestment zone shall be for a period of up to ten (10) years, and that the eligible property that is subject to the above mentioned exemption from taxation shall be the improvements to the property in conformity with the City's criteria and guidelines, and written agreements shall provide for an exemption from taxation of the total increase in value of the eligible property over its value in the year the agreement is executed. The written agreement will require that all taxes be current at the time of execution of agreement and be kept current to all taxing entities during the term of said agreement.

Section 6. That said designation of Reinvestment Zone Number Forty-Three for Commercial Tax Phase-In and the written agreement thereof are in accordance with the City of Brenham's "Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises" and will be a benefit to the land which will be included within the Reinvestment Zone and to the City of Brenham after the expiration of the agreement.

Section 7. That if any provision of this Ordinance shall be held to be invalid or unconstitutional, the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part of it.

Section 8. That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

PASSED AND APPROVED, on its first reading this the 6th day of September, 2018.

PASSED AND APPROVED, on its second reading this the 20th day of September, 2018.

____

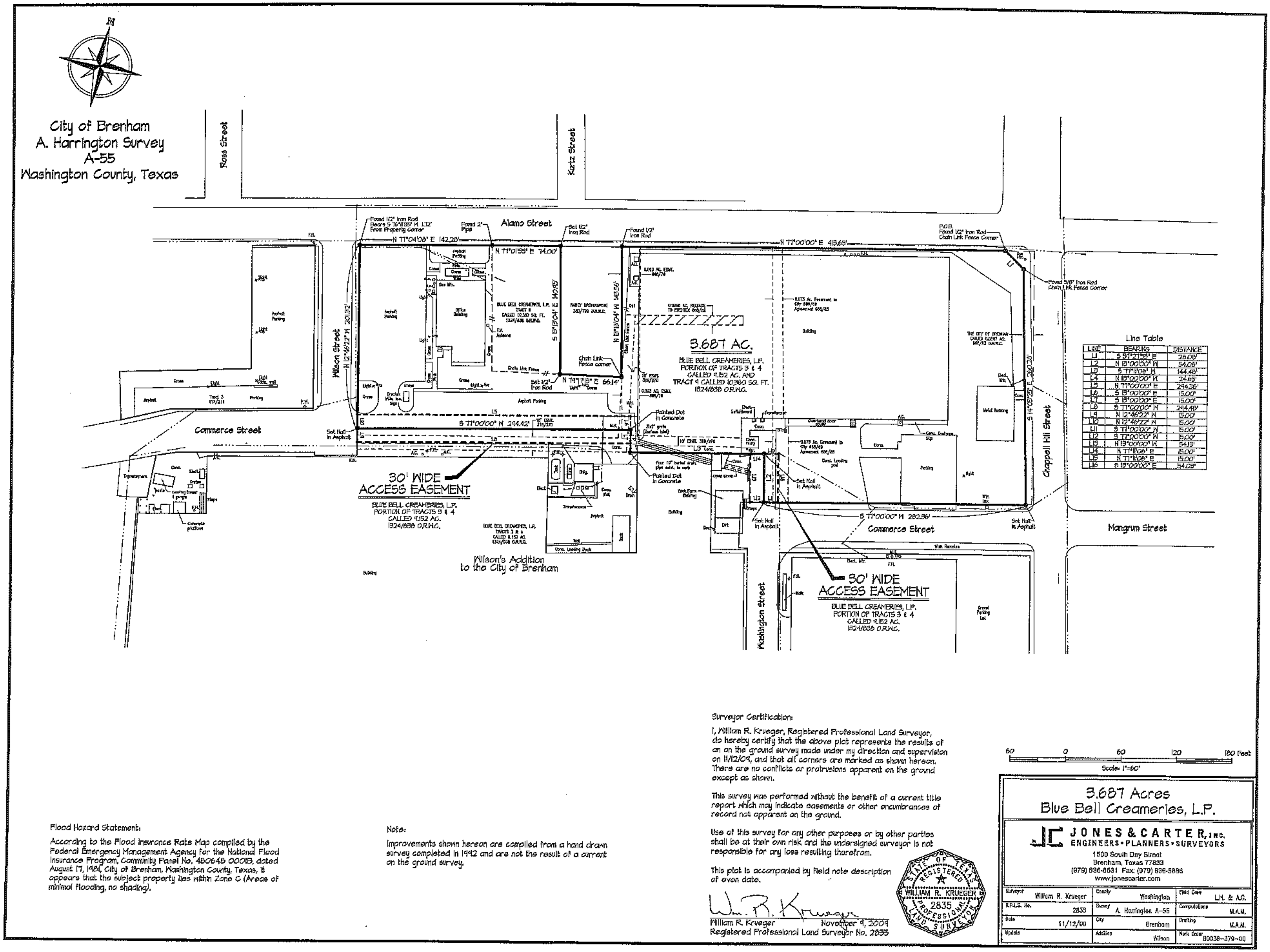
Milton Y. Tate, Jr.
Mayor

ATTEST:

____

Jeana Bellinger, TRMC, CMC
City Secretary

EXHIBIT A


City of Brenham
A. Harrington Survey
A-55
Washington County, Texas
Ross Street
Kurtz Street
Alamo Street
Wilson Street
Commerce Street
Washington Street
Chappell Hill Street
Mangrum Street
3.687 AC.
BLUE BELL CREAMERIES, L.P.
PORTION OF TRACTS 3 & 4
CALLED 4.152 AC. AND
TRACT 4 CALLED 10,360 SQ. FT.
1324/838 O.R.W.C.
30' WIDE
ACCESS EASEMENT
BLUE BELL CREAMERIES, L.P.
PORTION OF TRACTS 3 & 4
CALLED 4.152 AC.
1324/838 O.R.W.C.
Wilson's Addition
to the City of Brenham
N 71°00'00" E 413.63'
N 71°04'08" E 142.28'
N 71°01'35" E 74.00'
S 18°13'04" W 108.45'
N 18°13'04" W 148.56'
N 71°17'13" E 66.14'
S 71°00'00" W 294.42'
N 12°46'22" W 201.32'
S 14°03'22" E 280.78'
S 71°00'00" W 282.36'
P.O.B.
Found 1/2" Iron Rod
Chain Link Fence Corner
Found 5/8" Iron Rod
Chain Link Fence Corner
Line Table
LINE	BEARING	DISTANCE
L1	S 51°21'58" E	28.08'
L2	N 13°00'00" W	54.08'
L3	S 77°11'06" W	144.48'
L4	N 13°00'00" W	24.65'
L5	N 77°00'00" E	294.36'
L6	S 13°00'00" E	15.00'
L7	S 13°00'00" E	15.00'
L8	S 77°00'00" W	294.40'
L9	N 12°46'22" W	15.00'
L10	N 12°46'22" W	15.00'
L11	S 77°00'00" W	15.00'
L12	S 77°00'00" W	15.00'
L13	N 13°00'00" W	54.13'
L14	N 77°11'06" E	15.00'
L15	N 77°11'06" E	15.00'
L16	S 13°00'00" E	54.08'
Flood Hazard Statement:
According to the Flood Insurance Rate Map compiled by the Federal Emergency Management Agency for the National Flood Insurance Program, Community Panel No. 480648 0001B, dated August 17, 1981, City of Brenham, Washington County, Texas, it appears that the subject property lies within Zone C (Areas of minimal flooding, no shading).
Note:
Improvements shown hereon are compiled from a hand drawn survey completed in 1992 and are not the result of a current on the ground survey.
Surveyor Certification:
I, William R. Krueger, Registered Professional Land Surveyor, do hereby certify that the above plat represents the results of an on the ground survey made under my direction and supervision on 11/12/09, and that all corners are marked as shown hereon. There are no conflicts or protrusions apparent on the ground except as shown.
This survey was performed without the benefit of a current title report which may indicate easements or other encumbrances of record not apparent on the ground.
Use of this survey for any other purposes or by other parties shall be at their own risk and the undersigned surveyor is not responsible for any loss resulting therefrom.
This plat is accompanied by field note description of even date.
William R. Krueger November 9, 2009
Registered Professional Land Surveyor No. 2835
STATE OF TEXAS
REGISTERED
WILLIAM R. KRUEGER
2835
PROFESSIONAL
LAND SURVEYOR
60 0 60 120 180 Feet
Scale: 1"=60'
3.687 Acres
Blue Bell Creameries, L.P.
JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS
1500 South Day Street
Brenham, Texas 77833
(979) 836-6631 Fax: (979) 836-5886
www.jonescarter.com
Surveyor William R. Krueger
R.P.L.S. No. 2835
Date 11/12/09
County Washington
Survey A. Harrington A-55
City Brenham
Addition Wilson
Field Crew L.H. & A.G.
Computations M.A.M.
Drafting M.A.M.
Work Order 80038-379-00

BLUE BELL CREAMERIES, L.P.
3.687 ACRE TRACT

ALL THAT TRACT OR PARCEL OF LAND situated in the City of Brenham, Washington County, Texas out of the A. Harrington Survey A-55, lying within Wilson's Addition and being a portion of Tracts 3 and 4 called 9.152 acres and Tract 9 called 10,360 sq. ft. in a deed dated October 22, 2009 from Mount Vernon Mills, Inc. to Blue Bell Creameries, L.P. as recorded in Volume 1324, Page 838 of the Official Records of Washington County, said 3.687 acre tract being more particularly described as follows:

BEGINNING at a found 1/2" iron rod and chain link fence corner lying in the South line of Alamo Street marking the Northwest corner of The City of Brenham tract called 0.0567 acres (668/63 O.R.W.C.), the Northeast corner of the original Tracts 3 and 4 and this tract, also the present West line of Chappell Hill Street;

THENCE with the West line of The City of Brenham tract, the West line of Chappell Hill Street, the East line of the original Tracts 3 and 4 and this tract, S 57° 27' 53" E, 28.08 ft. to a found 5/8" iron rod and chain link fence corner and S 14° 03' 25" E, 260.28 ft. to a set nail in asphalt at the intersection of Chappell Hill Street and the North line of Commerce Street for Southwest corner of The City of Brenham tract, upper Southeast corner of the original Tracts 3 and 4 and Southeast corner of this tract;

THENCE with the North line of Commerce Street, the South line of the original Tracts 3 and 4 and this tract, S 77° 00' 00" W, 282.36 ft. to a set nail in asphalt in the North line of Commerce Street at its intersection with the centerline of Washington Street, marking the center and beginning of a 30 ft. wide access easement, with 15 ft. lying on either side of this line, for a lower Southwest corner of this tract;

THENCE severing the original Tracts 3 and 4 with the centerline of the 30 ft. wide access easement and a West line of this tract, N 13° 00' 00" W, 54.08 ft. to a set nail in asphalt marking the center and end of the 30 ft. wide access easement for an interior corner of this tract;

THENCE with the South line of this tract through a common wall of a building, S 77° 11' 06" W, 144.48 ft. to a painted dot in concrete for an exterior corner of this tract;

THENCE with a West line of this tract, N 13° 00' 00" W, 24.65 ft. to a painted dot in concrete marking the center and beginning of another 30 ft. wide access easement, with 15 ft. lying on either side of this line, for interior corner of this tract;

THENCE with the centerline of the 30 ft. wide access easement and South line of this tract, S 77° 00' 00" W, 294.42 ft. to a set nail in asphalt in the East line of Wilson Street at its intersection with Commerce Street, the West line of the original Tracts 3 and 4, marking the center and end of the 30 ft. wide access easement for upper Southwest corner of this tract;

THENCE with the East line of Wilson Street, the West line of the original Tracts 3 and 4 and this tract, N 12° 46' 22" W, 201.32 ft. to a point from which a found 1/2" iron rod bears S 75° 11' 35" W, 1.72 ft., in the South line of Alamo Street for Northwest corner of the original Tracts 3 and 4 and this tract;

THENCE with the South line of Alamo Street, the North line of the original Tracts 3 and 4 and this tract, N 77° 04' 08" E, 142.28 ft. to a found 2" pipe marking the Northwest corner of the original Blue Bell Creameries, L.P. Tract 9 called 10,360 sq. ft. and an exterior corner of the original Tracts 3 and 4;

THENCE continuing with the South line of Alamo Street, the North line of the original Tract 9 and this tract, N 77° 01' 35" E, 74.00 ft. to a set 1/2" iron rod for Northwest corner of the Nancy Bronikowski tract (383/799 D.R.W.C.), Northeast corner of the original Tract 9 and an exterior corner of this tract;

THENCE with the West line of the Bronikowski tract, the East line of the original Tract 9 and this tract, S 13° 13' 04" E, 140.95 ft. to a set 1/2" iron rod in the North line of the original Tracts 3 and 4 for Southwest corner of the Bronikowski tract, the Southeast corner of the original Tract 9 and an interior corner of this tract;

THENCE with the South line of the Bronikowski tract, the North line of the original Tracts 3 and 4, and this tract, N 79° 17' 13" E, 66.14 ft. to a chain link fence corner for Southeast corner of the Bronikowski tract and interior corner of the original Tracts 3 and 4 and this tract;

W.O. No. B0038-379-00
P:\PROJECTS\B0038 Blue Bell\379 Boundary\Survey\Legal Desc\B0038-379-00.fn1.doc

1500 South Day Street • Brenham, Texas 77833 • 979-836-6631 • Fax: 979-836-5686

THENCE with the East line of the Bronikowski tract, the West line of the original Tracts 3 and 4 and this tract, N 13° 13' 04" W, 143.56 ft. to a found 1/2" iron rod in the South line of Alamo Street for Northeast corner of the Bronikowski tract and an exterior corner the original Tracts 3 and 4 and this tract;

THENCE with the South line of Alamo Street and the North line of the original Tracts 3 and 4 and this tract, N 77° 00' 00" E, 413.63 ft. to the PLACE OF BEGINNING and containing 3.687 acres of land.

Surveyor Certification:

I, William R. Krueger, Registered Professional Land Surveyor, do hereby certify that the above description represents the results of an on the ground survey made under my direction and supervision on November 12, 2009 and that all corners are as shown hereon. There are no conflicts or protrusions apparent on the ground except as shown.

This survey was prepared without the benefit of a current title report which may indicate easements or other encumbrances of record not apparent on the ground.

Use of this survey for any other purposes or by other parties shall be at their own risk and the undersigned surveyor is not responsible for any loss resulting therefrom.

This field note description is accompanied by plat of even date.

Wm. R. Krueger

William R. Krueger November 12, 2009
Registered Professional Land Surveyor No. 2835

STATE OF TEXAS
REGISTERED
WILLIAM R. KRUEGER
2835
PROFESSIONAL
LAND SURVEYOR

W.O. No. B0038-379-00
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JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS

ORDINANCE NO. O-18-010

AN ORDINANCE DESIGNATING ALL OF THAT CERTAIN 16.291 ACRE TRACT OR PARCEL OF LAND BEING COMPRISED OF LOT 1, INDUSTRIAL PARK OF BRENHAM AS RECORDED IN PLAT SLIDE 190-A AND B OF THE PLAT RECORDS OF WASHINGTON COUNTY (P.R.W.C.) AND LOT 5, BRENHAM BUSINESS CENTER, PHASE I, AS SHOWN ON THE BOUNDARY LINE ADJUSTMENT PLAT RECORDED IN PLAT SLIDE 425-A (P.R.W.C.), IN WASHINGTON COUNTY, TEXAS, BEING THE SAME PROPERTY DESCRIBED IN A DEED DATED DECEMBER 17, 2010 FROM MIC GROUP, LLC TO POINDEXTER PROPERTIES, LLC, RECORDED IN VOLUME 1360, PAGE 392, OFFICIAL RECORDS OF WASHINGTON COUNTY, TEXAS, SAID PROPERTY BEING LOCATED AT 3140 S. BLUE BELL ROAD, BRENHAM, TEXAS, AND SAID PROPERTY BOUNDARIES BEING MORE FULLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES, AS REINVESTMENT ZONE NUMBER FORTY-FOUR FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS AS PROVIDED IN CHAPTER 312, TEXAS TAX CODE; ESTABLISHING THE NUMBER OF YEARS FOR THE ZONE, AUTHORIZING AN AGREEMENT FOR EXEMPTION FROM TAXATION THE INCREASE IN VALUE OF CERTAIN PROPERTY IN ORDER TO ENCOURAGE DEVELOPMENT AND REDEVELOPMENT AND OTHER MATTERS RELATING THERETO; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Brenham, Texas, ("City") desires to encourage supervised improvements by property owners and lessees through tax phase-in procedures within its jurisdiction by the creation of a reinvestment zone as authorized by Chapter 312, Texas Tax Code (the "Act"); and

WHEREAS, on the 6th day of September 2018, the City Council held a public hearing to receive comments concerning the designation of proposed Reinvestment Zone Number Forty-Four. The notice of such hearing was published on August 30, 2018, such date being not later than the seventh day before the date of the public hearing; and

WHEREAS, the City called a public hearing and published notice of such public hearing as required by Section 312.201 of the Act; and has delivered written notice to the presiding officer of the governing body of each taxing unit within the jurisdiction of the proposed Reinvestment Zone Number Forty-Four for Commercial Tax Phase-In; and

WHEREAS, at said public hearing the City presented evidence that such proposed designation would be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property, that the proposed improvements are feasible and practical, that said improvements would be a benefit to the land included in the zone and that would contribute to the economic development of the City; and

WHEREAS, the designation of the proposed reinvestment zone is consistent with the City's policies adopted by Council Resolution No. R-17-024 on the 7th day of December, 2017, and will benefit the land included within the Reinvestment Zone after the expiration of the Agreement; and

WHEREAS, the City at such public hearing invited any interested person or his attorney to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is referred to as City of Brenham Reinvestment Zone Number Forty-Four for Commercial Tax Phase-In, should be included in such proposed reinvestment zone, and obtain tax phase-in; and

WHEREAS, at such hearing recommendations were given as to the number of years the reinvestment zone would be designated, the number of years in which an agreement would be available, as well as the percentage of potential tax exemption under the aforesaid tax phase-in guidelines and criteria to be applied to taxable real property which is developed;

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

Section 1. That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are incorporated herein for all purposes.

Section 2. That the City, after conducting such hearing and having further studied recommendations, as well as the evidence presented at the public hearing, has made the following findings based on the evidence and testimony presented to it:

a) That the public hearing on the adoption of the reinvestment zone under the provisions of the Act has been properly called, held and conducted and that notice of such hearing has been published as required by law and has been sent to the respective taxing units within the proposed reinvestment zone; and

b) That the City has jurisdiction to hold and conduct said public hearing on the creation of the proposed reinvestment zone pursuant to the Act; and

c) That creation of the proposed reinvestment zone with boundaries described herein will result in improvements made after the passage of this Ordinance and the execution of tax phase-in agreements, that are feasible and practical and will benefit the City, its residents and property owners in the reinvestment zone; and

d) That the proposed designation will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investments to the zone that would be a benefit to the property and contribute to economic development of the City.

Section 3. That the City hereby creates Reinvestment Zone Number Forty-Four, designated as all of a certain 16.291 acre tract or parcel of land being comprised of Lot 1, Industrial Park of Brenham as recorded in Plat Slide 190-A and B of the Plat Records of Washington County (P.R.W.C.) and Lot 5, Brenham Business Center, Phase I, as shown on the Boundary Line Adjustment plat recorded in Plat Slide 425-A (P.R.W.C.) in Washington County, Texas, being the same property described in Deed dated December 17, 2010 from MIC Group, LLC to Poindexter Properties, LLC as recorded in Volume 1360, Page 392, Official Records of Washington County, Texas, said property being located at 3140 S. Blue Bell Rd., Brenham, Texas, and said property boundaries being more fully described in Exhibit "A" attached hereto and incorporated herein for all purposes, and such reinvestment zone shall hereafter be identified as Reinvestment Zone Number Forty-Four for Commercial Tax Phase-In, City of Brenham, Texas.

Section 4. That the designation of Reinvestment Zone Number Forty-Four for Commercial Tax Phase-In, shall expire five (5) years from the date of this Ordinance, unless renewed as provided by the Act, or at an earlier time designated by subsequent ordinance.

Section 5. That written agreements as provided in the Act with owners of eligible property located within the reinvestment zone shall be for a period of up to ten (10) years, and that the eligible property that is subject to the above mentioned exemption from taxation shall be the improvements to the property in conformity with the City's criteria and guidelines, and written agreements shall provide for an exemption from taxation of the total increase in value of the eligible property over its value in the year the agreement is executed. The written agreement will require that all taxes be current at the time of execution of agreement and be kept current to all taxing entities during the term of said agreement.

Section 6. That said designation of Reinvestment Zone Number Forty-Four for Commercial Tax Phase-In and the written agreement thereof are in accordance with the City of Brenham's "Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises" and will be a benefit to the land which will be included within the Reinvestment Zone and to the City of Brenham after the expiration of the agreement.

Section 7. That if any provision of this Ordinance shall be held to be invalid or unconstitutional, the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part of it.

Section 8. That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

PASSED AND APPROVED, on its first reading this the 6th day of September, 2018.

PASSED AND APPROVED, on its second reading this the 20th day of September, 2018.

Milton Y. Tate, Jr.
Mayor

ATTEST:

Jeana Bellinger, TRMC, CMC
City Secretary

EXHIBIT "A"

16.291 acre tract of land being comprised of Lot 1, Industrial Park of Brenham as recorded in Plat Slide 190-A and B of the Plat Records of Washington County (P.R.W.C.) and Lot 5, Brenham Business Center, Phase I, as shown on the Boundary Line Adjustment plat recorded in Plat Slide 425-A (P.R.W.C.) in Washington County, Texas, being the same property described in Deed dated December 17, 2010 from MIC Group, LLC to Poindexter Properties, LLC as recorded in Volume 1360, Page 392, Official Records of Washington County, Texas.

ORDINANCE NO. O-18-011

AN ORDINANCE DESIGNATING ALL OF THAT CERTAIN 7.170 ACRE TRACT OR PARCEL OF LAND LYING AND BEING PART OF THE PHILLIP COE SURVEY, A-31, BEING A RESURVEY OF THE SAME LAND DESCRIBED IN THE FOLLOWING DEEDS: 5.000 ACRES IN THE DEED FROM ROY W. RUETER, ET UX., TO MAGNETIC INSTRUMENTS CORP., DATED JUNE 5, 1992, AS RECORDED IN VOLUME 672, PAGE 619, IN THE OFFICIAL RECORDS OF WASHINGTON COUNTY, TEXAS, 1.0835 ACRES IN THE DEED FROM CRAIG W. GASKAMP, ET UX., TO MAGNETIC INSTRUMENTS, CORP., DATED OCTOBER 18, 1989, AS RECORDED IN VOLUME 614, PAGE 692, OFFICIAL RECORDS OF WASHINGTON COUNTY, TEXAS, AND 1.0835 ACRES IN THE DEED FROM THE BRENHAM INDUSTRIAL FOUNDATION, INC. TO MAGNETIC INSTRUMENTS CORP., DATED MAY 11, 1990, AS RECORDED IN VOLUME 628, PAGE 203, IN SAID OFFICIAL RECORDS OF WASHINGTON COUNTY, TEXAS, SAID PROPERTY BEING LOCATED AT 1801 INDUSTRIAL BLVD., BRENHAM, TEXAS, AND SAID PROPERTY BOUNDARIES BEING MORE FULLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES, AS REINVESTMENT ZONE NUMBER FORTY-FIVE FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS AS PROVIDED IN CHAPTER 312, TEXAS TAX CODE; ESTABLISHING THE NUMBER OF YEARS FOR THE ZONE, AUTHORIZING AN AGREEMENT FOR EXEMPTION FROM TAXATION THE INCREASE IN VALUE OF CERTAIN PROPERTY IN ORDER TO ENCOURAGE DEVELOPMENT AND REDEVELOPMENT AND OTHER MATTERS RELATING THERETO; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Brenham, Texas, ("City") desires to encourage supervised improvements by property owners and lessees through tax phase-in procedures within its jurisdiction by the creation of a reinvestment zone as authorized by Chapter 312, Texas Tax Code (the "Act"); and

WHEREAS, on the 6th day of September 2018, the City Council held a public hearing to receive comments concerning the designation of proposed Reinvestment Zone Number Forty-Five. The notice of such hearing was published on August 30, 2018, such date being not later than the seventh day before the date of the public hearing; and

WHEREAS, the City called a public hearing and published notice of such public hearing as required by Section 312.201 of the Act; and has delivered written notice to the presiding officer of the governing body of each taxing unit within the jurisdiction of the proposed Reinvestment Zone Number Forty-Five for Commercial Tax Phase-In; and

WHEREAS, at said public hearing the City presented evidence that such proposed designation would be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property, that the proposed improvements are feasible and practical, that said improvements would be a benefit to the land included in the zone and that would contribute to the economic development of the City; and

WHEREAS, the designation of the proposed reinvestment zone is consistent with the City's policies adopted by Council Resolution No. R-17-024 on the 7th day of December, 2017, and will benefit the land included within the Reinvestment Zone after the expiration of the Agreement; and

WHEREAS, the City at such public hearing invited any interested person or his attorney to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is referred to as City of Brenham Reinvestment Zone Number Forty-Five for Commercial Tax Phase-In, should be included in such proposed reinvestment zone, and obtain tax phase-in; and

WHEREAS, at such hearing recommendations were given as to the number of years the reinvestment zone would be designated, the number of years in which an agreement would be available, as well as the percentage of potential tax exemption under the aforesaid tax phase-in guidelines and criteria to be applied to taxable real property which is developed;

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

Section 1. That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are incorporated herein for all purposes.

Section 2. That the City, after conducting such hearing and having further studied recommendations, as well as the evidence presented at the public hearing, has made the following findings based on the evidence and testimony presented to it:

a) That the public hearing on the adoption of the reinvestment zone under the provisions of the Act has been properly called, held and conducted and that notice of such hearing has been published as required by law and has been sent to the respective taxing units within the proposed reinvestment zone; and

b) That the City has jurisdiction to hold and conduct said public hearing on the creation of the proposed reinvestment zone pursuant to the Act; and

c) That creation of the proposed reinvestment zone with boundaries described herein will result in improvements made after the passage of this Ordinance and the execution of tax phase-in agreements, that are feasible and practical and will benefit the City, its residents and property owners in the reinvestment zone; and

d) That the proposed designation will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investments to the zone that would be a benefit to the property and contribute to economic development of the City.

Section 3. That the City hereby creates Reinvestment Zone Number Forty-Five, designated as all of that certain 7.170 acre tract or parcel of land, lying and being situated in the City of Brenham, Washington County, Texas, part of the Phillip Coe Survey, A-31, being a resurvey of the same land described in the following deeds: 5.000 acres in the deed from Roy W. Rucker, et ux., to Magnetic Instruments Corp., dated June 5, 1992, as recorded in Volume 672, Page 619, in the Official Records of Washington County, Texas, 1.0835 acres in the deed from Craig W. Gaskamp, et ux., to Magnetic Instruments Corp., dated October 18, 1989, as recorded in Volume 614, Page 692, in the Official Records of Washington County, Texas, and 1.0835 acres in the deed from The Brenham Industrial Foundation, Inc. to Magnetic Instruments Corp., dated May 11, 1990, as recorded in Volume 628, Page 203, in the Official Records of Washington County, Texas, said property being located at 1801 Industrial Blvd., Brenham, Texas, and said property boundaries being more fully described in Exhibit "A" attached hereto and incorporated herein for all purposes, and such reinvestment zone shall hereafter be identified as Reinvestment Zone Number Forty-Five for Commercial Tax Phase-In, City of Brenham, Texas.

Section 4. That the designation of Reinvestment Zone Number Forty-Five for Commercial Tax Phase-In, shall expire five (5) years from the date of this Ordinance, unless renewed as provided by the Act, or at an earlier time designated by subsequent ordinance.

Section 5. That written agreements as provided in the Act with owners of eligible property located within the reinvestment zone shall be for a period of up to ten (10) years, and that the eligible property that is subject to the above mentioned exemption from taxation shall be the improvements to the property in conformity with the City's criteria and guidelines, and written agreements shall provide for an exemption from taxation of the total increase in value of the eligible property over its value in the year the agreement is executed. The written agreement will require that all taxes be current at the time of execution of agreement and be kept current to all taxing entities during the term of said agreement.

Section 6. That said designation of Reinvestment Zone Number Forty-Five for Commercial Tax Phase-In and the written agreement thereof are in accordance with the City of Brenham's "Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises" and will be a benefit to the land which will be included within the Reinvestment Zone and to the City of Brenham after the expiration of the agreement.

Section 7. That if any provision of this Ordinance shall be held to be invalid or unconstitutional, the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part of it.

Section 8. That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

PASSED AND APPROVED, on its first reading this the 6th day of September 2018.

PASSED AND APPROVED, on its second reading this the 20th day of September 2018.

____
Milton Y. Tate, Jr.
Mayor

ATTEST:

____
Jeana Bellinger, TRMC, CMC
City Secretary

EXHIBIT "A"

All of that certain 7.170 acre tract or parcel of land, lying and being situated in the City of Brenham, Washington County, Texas, part of the Phillip Coe Survey, A-31, being a resurvey of the same land described to the following deeds: 5.000 acres in the deed from Roy W. Rueter, et ux., to Magnetic Instruments Corp., dated June 5, 1992, as recorded in Volume 672, Page 619, in the Official Records of Washington County, Texas, 1.0835 acres in the deed from Craig W. Gaskamp, et ux., to Magnetic Instruments Corp., dated October 18, 1989, as recorded in Volume 614, Page 692, in the Official Records of Washington County, Texas, and 1.0835 acres in the deed from The Brenham Industrial Foundation, Inc. to Magnetic Instruments Corp., dated May 11, 1990, as recorded in Volume 628, Page 203, in said Official Records of Washington County, Texas.

AGENDA ITEM 6

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Development Services	**DATE SUBMITTED:** September 17, 2018 **SUBMITTED BY:** Lori Lakatos

MEETING TYPE:
- ☒ **REGULAR**
- ☐ **SPECIAL**
- ☐ **EXECUTIVE SESSION**

CLASSIFICATION:
- ☐ **PUBLIC HEARING**
- ☐ **CONSENT**
- ☐ **REGULAR**
- ☒ **WORK SESSION**

ORDINANCE:
- ☐ **1ST READING**
- ☐ **2ND READING**
- ☐ **RESOLUTION**

AGENDA ITEM DESCRIPTION: Presentation and Discussion Regarding Updates to Chapter 21, Signs, of the Code of Ordinances for the City of Brenham

SUMMARY STATEMENT: Presentation to discuss revisions to the sign ordinance and direction from City Council.

If Council is amenable, staff would like to discuss the signage for the B3 and B4 Zoning Districts with the Main Street Board for a recommendation. Then once the draft sign ordinance is ready present it to the Planning and Zoning Commission for a recommendation prior to bringing it to Council for consideration.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Sign Ordinance Presentation

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: None – discussion only

APPROVALS: James Fisher

City Council Sign Ordinance Workshop Presentation

September 20, 2018

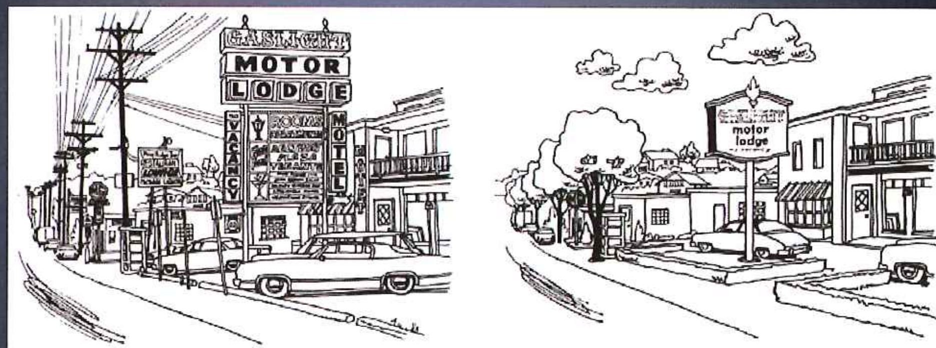
City of BRENHAM

Brenham Sign Ordinance

- Types of Signage
- History of Signage Discussion
- Council Direction to Staff

City of BRENHAM

Types of Signage



Before

After

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City of BRENHAM

On-Premise Signs › Not defined in sign ordinance.

› Potential Definition
  - A sign, the content of which relates to the premises on which it is located, referring exclusively to the name, location, product, persons, accommodations, services or activities of or on those premises, or the sale, lease or construction of those premises. The premises of a shopping center include the outparcels.
  - Any sign identifying or advertising the business, person, activity, goods, products, or services primarily sold or offered for sale on the premises where the sign is installed and maintained when such premises are used for business purposes.

City of BRENHAM

Off-Premise Signs

- Existing Definition
  - Off-premises commercial sign – a sign displaying advertising copy that pertains to a business, person, organization, activity, event, place, service, or product not principally located or primarily manufactured or sold on the premises on which the sign is located. Off-premises commercial signs are prohibited in the City of Brenham.

City of BRENHAM

Off-Premise Signs

- Potential Definitions
  - A sign of which the contents does not relate to the premises on which it is located, and that does not refer exclusively to the name, location, products, persons, accommodations, services, sale, lease, construction or activities of or on the premises where it is erected. The premises of a shopping center include the shopping center pad site.
  - A sign which directs attention to a business, commodity, service, entertainment, or attraction sold, offered, or existing elsewhere than upon the premises where such sign is displayed.
  - Shall mean a sign advertising an establishment, merchandise, service, or entertainment, which is not sold, produced, manufactured, or furnished at the property on which said sign is located.
  - Any sign advertising a business, person, activity, goods, products, or services not usually located on the premises where the sign is installed and maintained, or which directs persons to any location not on the premises.

City of BRENHAM

Ground Signs › Not defined in sign ordinance.

› Potential Definition

- A sign, which is supported by uprights or braces in or upon the ground, including portable signs as defined herein.

Freestanding Sign

Pole Sign

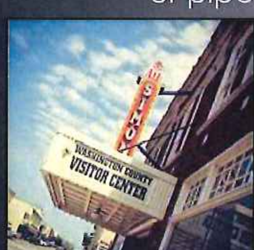
Monument Sign

City of BRENHAM

Marquee Signs › Not defined in sign ordinance.

› Potential Definitions

- A rooflike structure, often bearing a changeable copy signboard, projecting over an entrance, such as to a theater.
- A projecting sign attached to or hung from a canopy or covered structure projecting from and supported by a frame or pipe support extending beyond a building.



City of BRENHAM

Projection Signs

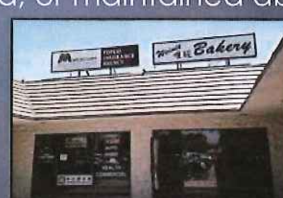
- Existing Reference
  - Outdoor advertising displays which are affixed to any building wall or structure and extend beyond the building wall or structure more than 12-inches.

- Potential Definitions
  - A sign, other than a flat wall sign, which is attached to and projects from a building wall or other structure not specifically designed to support the sign.
  - Any sign which is affixed to any building wall or structure and extends beyond the building wall or structure more than 12 inches.

City of BRENHAM

Roof Signs

- Existing Reference
  - Roof signs are outdoor advertising displays erected, constructed, or maintained above the roof of any building.
- Potential Definitions
  - A sign erected, constructed and maintained wholly upon or above the roof of a building with the principal support attached to the roof structure.
  - any sign erected, constructed, or maintained above the roof of any building.



City of BRENHAM

Wall Signs

- Existing Reference
  - Outdoor advertising displays attached or affixed to the wall of any building, when such sign shall project not more than 12-inches from the building.
- Potential Definitions
  - A sign permanently attached parallel to and extending not more than 12 inches from the wall of a building, including painted, individual letter, cabinet signs, and signs on a mansard. Banners may not be used as wall signs.
  - Any sign affixed to or painted upon the wall of any building.

City of BRENHAM

Portable Signs

- Existing Reference
  - Are not attached to the ground or to a structure and are readily movable
- Potential Definitions
  - Any sign that is designed or constructed to be easily moved from one location to another, including a sign that is designed to be or mounted on skids, trailers, wheels, legs or stakes, and that is not fixed permanently to the ground, and that is not an attached sign, political sign or a sign that refers solely to the sale or lease of the premises. A portable sign which has its wheels removed shall still be considered a portable sign hereunder.
  - Any sign designed or constructed to be easily to be easily moved from one location to another, including signs mounted upon or designed to be mounted upon a trailer, bench, wheeled carrier, or other non-motorized mobile structure; a portable sign which has its wheels removed shall still be considered a portable sign.

City of BRENHAM

Spectacular Signs

- Existing Definition
  - An outdoor advertising display with flashing or perceptible moving parts
- Potential Definitions
  - An outdoor advertising display with flashing or perceptible moving parts. Encompasses "Animated Sign" and "Flashing Sign."

City of BRENHAM

Off-Premise Directional Signage

- Existing Reference
  - Off-premise directional signage for businesses or industries may be requested for those businesses or industries that have a high volume of traffic that is generated from delivery vehicles, tourist traffic or a combination thereof. Requests for directional signage shall be made in writing to the department of public works. Final consideration to allow the directional signage at the proposed location will be addressed by the city council.
- Potential Definition
  - Wayfinding Sign - *Wayfinding Sign* means a systematic network of directional, on- or off-premise, signage installed and maintained by a public or private entity to guide vehicular or pedestrian movement to / through a residential subdivision or non-residential development.

City of BRENHAM

Billboards

› Existing Definition (no proposed change)
  – A sign advertising goods or services not available on the premises where the sign is located. Billboards are not permitted anywhere in the City.

City of BRENHAM

Sign Types Not Within the Sign Ordinance

› Previously Proposed Sign Types
  – Abandoned Sign
  – Animated Sign
  – Apartment Name Sign
  – Awning Sign
  – Bandit Sign
  – Banner Sign
  – Bench Sign
  – Canopy Sign
  – Cardboard Sign
  – Changeable Copy Sign (Digital)
  – Changeable Copy Sign (Manual)
  – Community Event Sign
  – Construction Sign
  – Development Sign
  – Dilapidated or Deteriorated Sign
  – Directional Sign
  – Directory Sign
  – Double Faced Sign
  – Electronic Message Center
  – Fence Sign

City of BRENHAM

Sign Types Not Within the Sign Ordinance continued

› Previously Proposed Sign Types

- Finance Sign
- Fuel Price Sign
- Flashing Sign
- Freestanding (Pole or Ground) Sign
- Garage or Yard Sale Sign
- Governmental Sign
- Handheld Sign
- Handmade Sign
- Historical Sign
- Home Occupation Sign
- Illegal Sign
- Illuminated Sign
- Incidental Sign
- Inflatable Device
- Institutional Sign
- Monument Sign
- Name Plat Sign
- Non-Commercial Sign
- Outdated Sign
- Painted Wall Sign
- Pole Banner

City of BRENHAM

Sign Types Not Within the Sign Ordinance continued

› Previously Proposed Sign Types

- Political Sign
- Real Estate Sign
- Renovation Sign
- Rotating Sign
- Sandwich Board Sign
- Snipe Sign
- Steamer
- Subdivision Entry Sign
- Under Canopy Sign
- Vehicular Sign
- Window Sign

City of BRENHAM

Sign Types Not Within the Sign Ordinance continued

- Based on the extensive list of sign types previously proposed staff recommends revising the sign definitions. As this will make it easier for permitting and compliance.
- Potential Sign Definitions
  - Awning Sign
  - Banner Sign
  - Changeable Electronic Variable Message Sign (CEVMS)
  - Flag Sign
  - Inflatable Sign
  - Living or Human Sign
  - Message Board Sign
  - Wayfinding Sign
  - Window Sign

City of BRENHAM

Changeable Electronic Variable Message Signs (CEVMS) – Sample Language

(a) Changeable electronic variable message signs (CEVMS) shall be prohibited within the corporate limits and the Extraterritorial Jurisdiction of the City, except that changeable electronic variable message signs shall permitted for properties adjacent to all State rights-of-ways and for public tax supported schools to provide public information. Changeable electronic variable message signs may be permitted on properties not adjacent to a State right-of-way upon application to and approval by the City Council. No new permit shall be issued for the installation, erection, or replacement of a CEVMS, including any conversion or modification of an existing sign to a CEVMS, within the corporate limits or the Extraterritorial Jurisdiction of the City, except as provided herein.

(b) Changeable Electronic Variable Message Sign (CEVMS) Regulations:

(1) Images or messages shall be static in nature and shall not blink, flash, scroll or be animated in such a manner as to constitute a distraction to passing motorists.

(2) No image or message may be displayed for less than eight (8) seconds.

(3) Message transitions shall be limited to one (1) second.

City of BRENHAM

Changeable Electronic Variable Message Signs (CEVMS) – Sample Language

(4) The brightness of any CEVMS shall not exceed 0.3 foot candle illumination from a distance of 250 feet between sunset and sunrise, and each sign shall be fitted with a qualified light sensing device to automatically adjust the brightness in accordance with these standards.

(5) All CEVM signs shall be limited to 32 square feet for a single business or use and 50 square feet for a multi-tenant business or use.

(6) All CEVMS shall require a usage permit with annual fee. The annual fee shall be established by resolution of the City Council.

(7) If a CEVMS is found to be operating incorrectly, it must be turned off until it is repaired and inspected by the City of Brenham.

(8) The images displayed on the CEVMS must be directly related to the on-premise business with the exception of messages relating to time, temperature, national news, local news, sporting events, or upcoming events for the City of Brenham.

(c) CEVMS shall only be permitted as on-premise signs.

(d) The addition of an LED clock or time counter for informational purposes to off-premise signs shall be allowed. The LED clock or time counter shall not constitute more than ten (10) percent of the total sign area.

City of BRENHAM

Prohibited Signage – Sample Language

- All signage listed in this section shall be prohibited within the City Limits. All prohibited signage shall be removed within 120 calendar days from the effective date of this Ordinance/Chapter.
  - Inflatables
  - Human or Living signs
  - Freestanding temporary signage for non-civic events, except as otherwise exempted by this chapter.
  - Attention-Getting Devices
  - Any sign not specially mentioned in this Chapter is prohibited unless approved by City Council.

City of BRENHAM

History of the Sign Ordinance

History of the Sign Ordinance

- Current sign ordinance adopted April 23, 1981 and has been amended.
- Sign permit fees have remained unchanged.
- New sign ordinance proposed in Spring 2013.
  - Prepared by consultant Perceptive Planning.
  - Considered by the Planning & Zoning Commission and City Council.
  - Revised ordinance considered September 2013.
- Sign ordinance was presented to the Board of Adjustment December 2014.

Previous Signage Discussion

- Current ordinance is vague and outdated
- Digital signage ("spectacular signage")
- Sandwich signs Downtown
- Signage in the right-of-way
- Election signage
- Grandfathering of existing signage
- Hand-painted (made) signs
- Additional citizen input needed

City of BRENHAM

Summary of Past Proposed Sign Ordinance

EXISTING (1981)	PREVIOUSLY PROPOSED
1. Digital signs prohibited	1. Digital signs allowed with restrictions
2. ~10 types of signage referenced	2. ~60 types of signage defined
3. Obsolete signs prohibited	3. Obsolete signs prohibited with process for removal
4. Unlimited number of signs	4. Number of signs limited

City of BRENHAM

Summary of Past Proposed Sign Ordinance

EXISTING (1981)

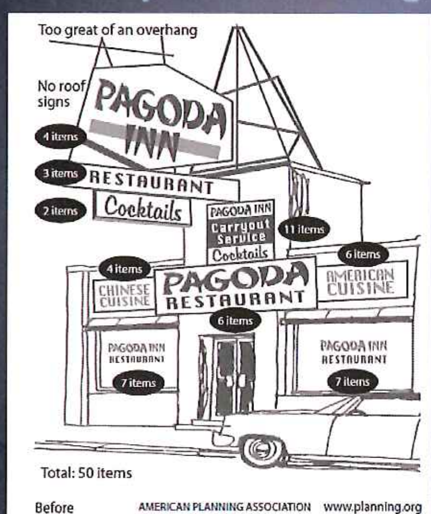
5. Signage prohibited in residential districts
6. Temporary signs allowed without restrictions
7. Permitted sign area loosely restricted
8. Off-premise signs prohibited

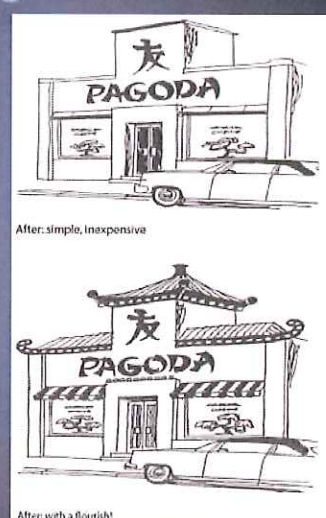
PREVIOUSLY PROPOSED

5. Signage permitted for non-residential uses in residential districts (churches & schools)
6. Temporary signs allowed with time restrictions
7. Permitted sign area more limited
8. Off-premise signs prohibited except in the B-3 Historical Central Business District

City of BRENHAM

Clearly Defined Signage Guidelines





City of BRENHAM

Signage Standards to Consider

- Defined signage types
- Modernizing the ordinance
- Size of signage
  - Allowed by type
  - Allowed by district & land use
  - Total allowed per property
- Adhering to State law
  - Political signs
  - Removal of signs

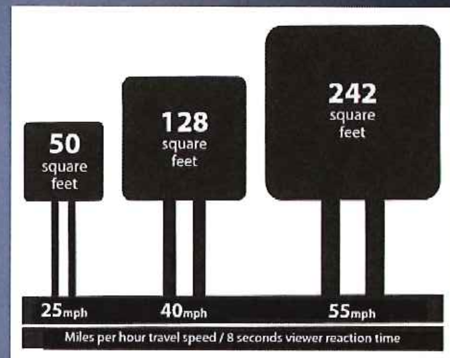


Figure 4.6. Average sign size related to speed of travel and reaction time
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City of BRENHAM

Questions and Possible Direction to Staff

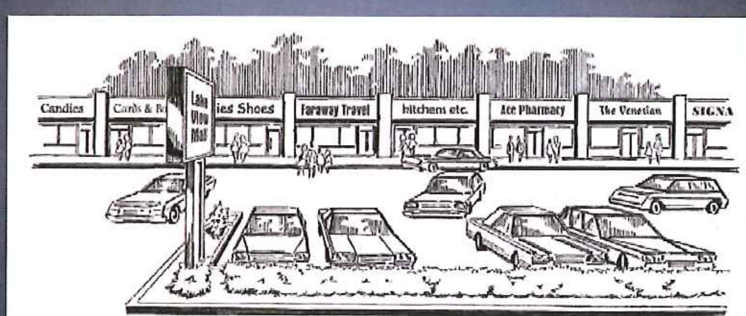

Figure 3.2. Neighborhood shopping center
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City of BRENHAM

AGENDA ITEM 7

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Public Works	**DATE SUBMITTED:** September 12, 2018 **SUBMITTED BY:** Dane Rau

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

AGENDA ITEM DESCRIPTION: Discussion and Receipt of Input Related to a Possible Grant Application to Texas Parks and Wildlife for the Local Parks Non-Urban Outdoor Grant Program for the Proposed Brenham Family Park (Phase I(a)) as Outlined in the City of Brenham's 2015-2025 Parks, Recreation and Open Spaces Master Plan

SUMMARY: Texas Parks and Wildlife Department (TPWD) offers the Local Park Grant Program that consists of five individual programs that assist local government with the acquisition and/or development of public recreation areas and facilities throughout the State of Texas. All grant assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public. This grant, if awarded, would align with the City's goals and objectives outlined in our 2015-2025 Parks, Recreation, and Open Spaces Master Plan for the construction of Phase I(a) of the Brenham Family Park.

In accordance with Executive Order 11988 (Floodplain Management) and Executive Order 11990 (Protection of Wetlands), this Public Hearing to receive citizen input regarding the possible environmental impact of building within the floodplain is required since a portion of the proposed Brenham Family Park is located within the 100-year floodplain.

The City of Brenham has hired a local engineering firm to assist with the design and construction of any infrastructure built in the floodplain.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

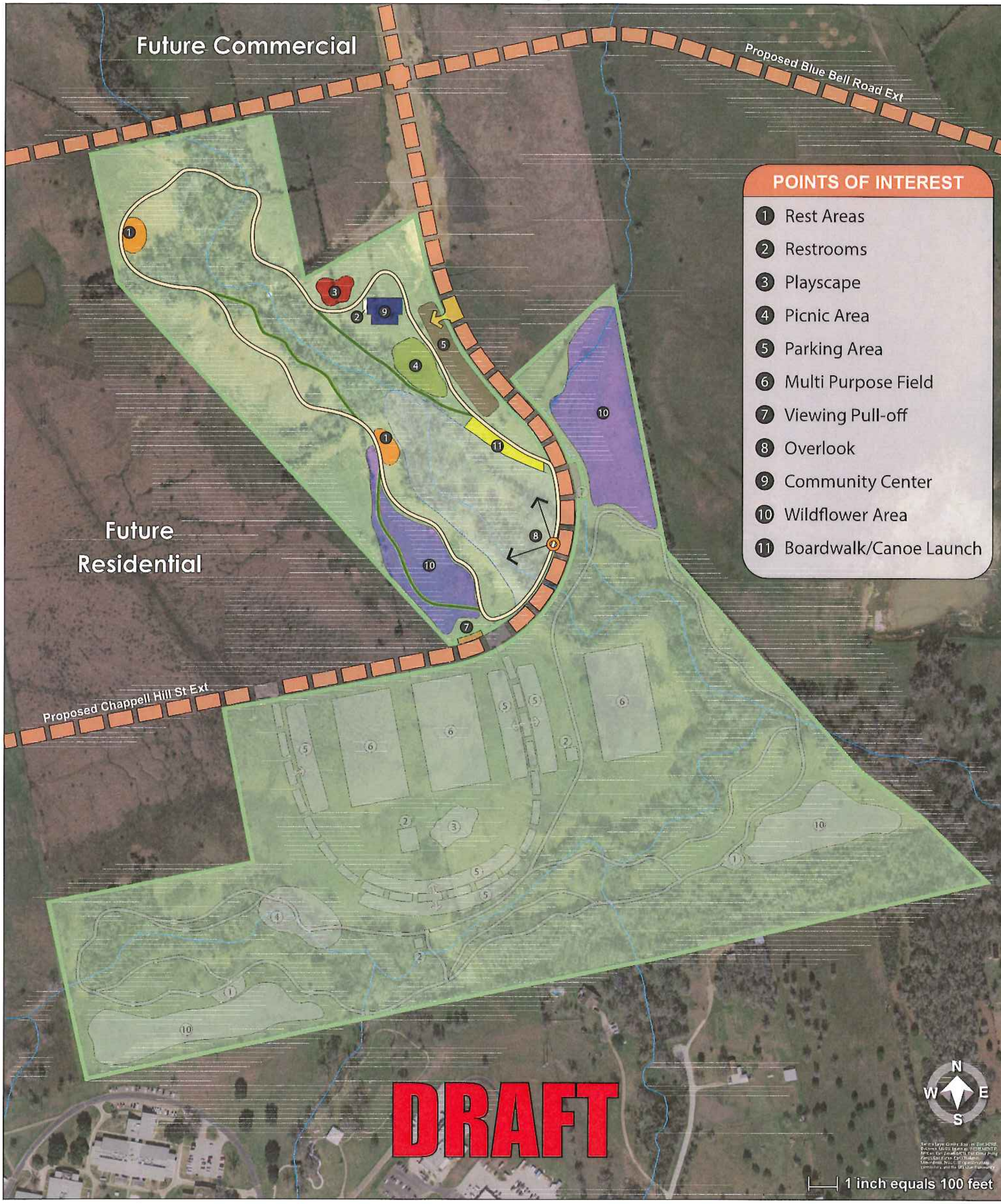
B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Map of the Brenham Family Park

FUNDING SOURCE (Where Applicable): N/A

RECOMMENDED ACTION: None – discussion only.
APPROVALS: James Fisher



BRENHAM FAMILY PARK PLAN

WASHINGTON COUNTY, TEXAS

JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439

LEGEND

- Proposed Park Sites
- Proposed Lake
- Rest Area
- Wild Flower Field
- Proposed Park Access Road
- Proposed Roads
- Picnic Area
- Boardwalk/Canoe Launch
- Trail
- Play Area
- Restroom
- Maintained Surface Trail
- Parking Areas
- Community Center
- Approx. Special Flood Hazard Area
- Multi-Purpose Field Areas
- Viewing Pull-off

VICINITY MAP

Scale: 1 inch equals 10 miles

AGENDA ITEM 8

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Public Works	**DATE SUBMITTED:** September 12, 2018 **SUBMITTED BY:** Dane Rau

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Resolution No. R-18-011 Authorizing the Submission of a Grant Application to Texas Parks and Wildlife for the Local Parks Non-Urban Outdoor Grant Program for Phase I(a) of the Brenham Family Park as Outlined in the City of Brenham's 2015-2025 Parks, Recreation and Open Spaces Master Plan and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY: Texas Parks and Wildlife Department (TPWD) offers the Local Park Grant Program that consists of five individual programs that assist local units of government with the acquisition and/or development of public recreation areas and facilities throughout the State of Texas.

Staff recommends the City apply for the Local Parks Non-Urban Outdoor Recreation Grant to begin Phase I(a) of the Brenham Family Park. This program provides fifty (50) percent matching grants on a reimbursement basis to eligible applicants. The grant ceiling is $500,000 and the annual deadline is October 1. Applicants are notified mid-March.

Council adopted the 2015-2025 Parks, Recreation and Open Spaces Master Plan in March 2015. Staff then submitted the adopted Plan to Texas Parks and Wildlife Department (TPWD) for the agency to review and the City was notified on July 21, 2015 that our Plan met all standard requirements as identified by the agency and will qualify for points in their Local Park Grant Project Priority Scoring System.

We would like to take advantage of this opportunity and ask for funding related to Phase I(a) of Brenham Family Park. This park is included in our Master Plan. This initial phase that we are hoping to get grant funding for contains several outdoor recreation amenities Brenham residents mentioned in previous community meetings including a water feature suitable for fishing and passive recreation, additional trails appropriate for walking, jogging, and biking, along with security lighting, wildflower viewing areas, restrooms, a trail bridge, road extension, parking, and signage.

Jones Carter has provided us with preliminary construction cost estimates of $1.7M for Phase I (a) in project costs and engineering services. Brenham Community Development Corporation (BCDC) allocated $500,000 to Brenham Family Park in their FY18-19 budget, which will be used for the 50/50 match. In addition, BCDC has $172,500 remaining from funds set aside in previous years for items included in Phase I (a). If we are awarded the TPWD grant, additional funding to complete Phase I (a) will be requested in the FY19-20 BCDC budget process.

We are excited about this opportunity to receive additional funds to start the Brenham Family Park. Our goal is to start with improvements that do not require significant operations and maintenance but yet accomplish what City of Brenham residents can use and be proud of.

We would like to ask council to consider approving staff to move forward with this grant.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS: Grant money that will help with amenities to the Brenham Family Park. Supply residents with a new park that will have a significant water/lake structure and a large trail system for biking, running, and jogging in Phase 1 (a.)

B. CONS: Will require additional O&M from Parks Dept. and outside vendors.

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Resolution No. R-18-011

FUNDING SOURCE (Where Applicable): BCDC Initially and General Fund long-term

RECOMMENDED ACTION: Approve Resolution No. R-18-011 authorizing the submission of a grant application to Texas Parks and Wildlife for the Local Parks Non-Urban Outdoor Grant Program for Phase 1(a) of the Brenham Family Park as outlined in the City of Brenham's 2015-2025 Parks, Recreation and Open Spaces Master Plan and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

RESOLUTION NO. R-18-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS, AUTHORIZING THE FILING OF A GRANT APPLICATION WITH THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR THE PURPOSE OF PARTICIPATING IN THE LOCAL PARKS NON-URBAN OUTDOOR RECREATION GRANT PROGRAM; AUTHORIZING CRYSTAL LOCKE, TO ACT ON BEHALF OF THE CITY OF BRENHAM IN ALL MATTERS RELATED TO THE APPLICATION; CERTIFYING THAT THE APPLICANT IS ELIGIBLE TO RECEIVE PROGRAM ASSISTANCE; CERTIFYING THAT THE APPLICANT'S MATCHING SHARE IS READILY AVAILABLE; AND DEDICATING THE PROPOSED SITE FOR PERMANENT PUBLIC PARK AND RECREATIONAL USES.

WHEREAS, the City Council of the City of Brenham, Texas ("City") desires to authorize the filing of a grant application with the Texas Parks and Wildlife Department for the purposes of participating in the Local Parks Non-Urban Outdoor Recreation Grant Program ("Grant Program"); and

WHEREAS, the City Council City of Brenham, Texas ("City") desires to authorize an official to represent and act for the City in dealing with the Texas Parks and Wildlife Department concerning the Grant Program; and

WHEREAS, the City is qualified to apply for grant funds under the Request for Applications related to the Grant Program;

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

Section 1: That the City hereby authorizes and directs Crystal Locke to act for the City in dealing with the Texas Parks and Wildlife Department for the purposes of the Grant Program and that Crystal Locke is hereby officially designated as the representative in this regard.

Section 2: That the City hereby certifies that it is eligible to receive assistance under the Grant Program and that notice of the application has been posted according to local public notice requirements.

Section 3: That the City hereby certifies that it's matching share of $500,000.00 is readily available at this time.

Section 4: That the City hereby specifically authorizes the designated official to make application to the Texas Parks and Wildlife Department concerning the site known as the Brenham Family Park in Brenham, Washington County, Texas for use as a park site and is hereby dedicated for public park and recreation purposes in perpetuity.

RESOLVED this _______ day of _______________, 2018.

____
Milton Y. Tate, Jr.
Mayor

ATTEST:

____
Jeana Bellinger, TRMC, CMC
City Secretary

AGENDA ITEM 9

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Public Works	**DATE SUBMITTED:** September 12, 2018 **SUBMITTED BY:** Dane Rau

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon an Ordinance on Its First Reading Providing for No Parking Zones On Certain Portions of W. Fifth Street, Old Mill Creek Rd. and Saeger St.

SUMMARY: With the number of students that Blinn has gained along with the new housing complex located on S. Saeger St and Old Mill Creek both Blinn and the City of Brenham will need to react by establishing an ordinance prohibiting parking along several streets around the Blinn College area. Staff would suggest establishing "No Parking" on the following streets.

Old Mill Creek Rd- (See attached map)
No parking is recommended from Blinn Blvd to S. Saeger, both north and south sides of roadway and also from S. Saeger extending 230' westward on Old Mill Creek.

S. Saeger St- (See attached map)
No parking is recommended beginning at its intersection with Old Mill Creek extending northward on both sides of the street until its intersection with Hidden Creek Ln.

W. Fifth St—(See attached map)
No parking is recommended beginning at the curve on Blinn Blvd heading eastward on the south curb line until its intersection with Prairie Lea St. (Approx. 420 ft.)

These "No Parking" areas have been an issue, which impedes emergency vehicular traffic and are in areas where designated parking is allowed by the college. This has been noticed specifically this year, which is mainly brought on by the addition of the new housing complex and on W. Fifth St related to additional students. Blinn PD, Brenham PD, Brenham FD, and Blinn Administration have approached us along with citizens to help control these areas.

I will let Brenham PD along with Blinn PD speak about their approach on issuing warnings or tickets if these ordinances pass. I have spoken to the only property owner on S. Saeger St. near Hidden Creek Ln. and they are in favor of it. I have also spoken with the Cemetery Association related to the "No Parking" on W. Fifth St and they are also in favor of it.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS: Will open up the roadway for emergency vehicles and for community traffic rather than limiting the travel lanes.

B. CONS: None other than additional work on installing signs and painting curbs along these areas. Also, will require enforcing initially.

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Ordinance; and (2) Maps

FUNDING SOURCE (Where Applicable): N/A

RECOMMENDED ACTION: Approve an Ordinance on its first reading providing for No Parking Zones on Certain Portions of W. Fifth Street, Old Mill Creek Rd. and Saeger St.

APPROVALS: James Fisher

ORDINANCE NO. ___________

AN ORDINANCE PROVIDING FOR THE PROHIBITION OF PARKING MOTOR VEHICLES, TRAILERS OR OTHER VEHICLES ON CERTAIN DESIGNATED STREETS IN THE CITY OF BRENHAM, AND ASSOCIATED MATTERS; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATION THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Texas Local Government Code section 51.001, the City of Brenham, Texas ("City") has the authority to adopt ordinances and regulations that are for the good government, peace and order of the City; and

WHEREAS, the City Council desires to provide for no-parking zones on certain streets within the City of Brenham in order to: prevent accidents, collisions and damages; promote the flow of traffic along and into such streets; and regulate the same; and

WHEREAS, the general welfare, health and safety of the citizens of the City will be promoted by the enactment of this Ordinance;

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Brenham, Texas:

SECTION I.

That every person, firm, corporation, or other entity shall be prohibited from parking any motor vehicle, trailer, or other vehicle, upon any of the following designated streets or portions thereof, when signs are erected giving notice thereof:

a. On the south side of West Fifth Street from its intersection with Blinn Boulevard to its intersection with Prairie Lea Street.

b. On both the north and south sides of Old Mill Creek Road from its intersection with Blinn Boulevard to its intersection with South Saeger Street.

c. On both the north and south sides of Old Mill Creek Road, from its intersection with South Saeger Street extending two hundred and thirty feet (230') to the west from South Saeger Street.

d. On both the east and west sides of South Saeger Street, from its intersection with Old Mill Creek Road to its intersection with Hidden Creek Lane.

SECTION II.

The terms "park" and "parking" shall mean the standing or stopping of a vehicle, whether occupied or not, otherwise than temporarily for the purpose of and while actually engaged in loading or unloading passengers or property.

SECTION III.

In any case when a person, firm, corporation or other entity shall have been charged with a violation of this Ordinance, proof that said motor vehicle, trailer, or other vehicle was, at the date of the offense alleged, owned by the person, firm, corporation or entity charged with the offense, shall constitute prima facie evidence that said motor vehicle, trailer, or other vehicle was stopped, left standing or parked at the place charged by said owner.

SECTION IV.

The provisions of this Ordinance shall not apply to any authorized emergency vehicle or City of Brenham motor vehicle, trailer, or other vehicle.

SECTION V.

All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION VI.

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, sentences, clauses and phrases remaining should any provision be declared unconstitutional or invalid.

SECTION VII.

That any person, firm, corporation or other entity violating this Ordinance shall be fined a sum of not less than $1.00 and not more than $500.00, plus applicable court costs.

SECTION VIII.

This Ordinance shall take full force and effect from and after its passage and approval.

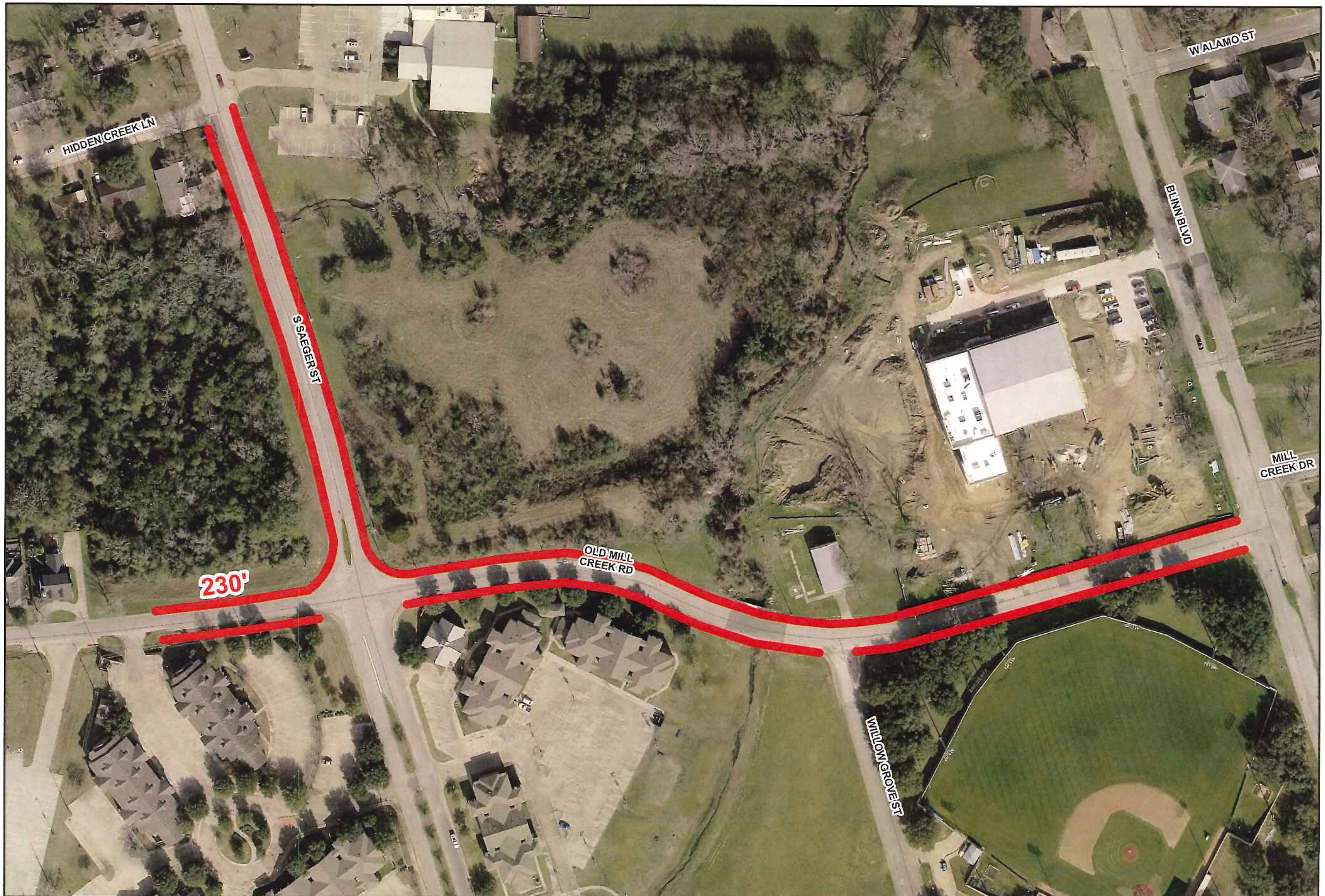
PASSED and APPROVED on its first reading this the ______ day of September, 2018.

PASSED and APPROVED on its second reading this the _____ of October, 2018.

____
Milton Y. Tate, Jr.
Mayor

ATTEST:

____
Jeana Bellinger, TRMC, CMC
City Secretary



No Parking Area

1 inch = 168 feet

City of BRENHAM

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1 inch = 59 feet

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No Parking Area

City of BRENHAM

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AGENDA ITEM 10

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** Carolyn D. Miller

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Ordinance No. O-18-012 on Its Second Reading Adopting the Budget for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019

SUMMARY STATEMENT: The Fiscal Year 2017-18 Proposed Budget has been developed in compliance with the Property Tax Code, Local Government Code and the City Charter. The proposed budget includes appropriations of operating resources for 30 separate funds and authorizes $69.9 million in expenditures. The proposed budget is on the City's website and on file with the City Secretary.

Local Government Code requires the city council's vote to adopt a budget be a record vote.

COUNCIL MUST TAKE A RECORD VOTE ON THIS ITEM

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Ordinance No. O-18-012 with Exhibit A

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: RECORD VOTE

Approve Ordinance No. O-18-012 on its second reading adopting the budget for fiscal year beginning October 1, 2018 and ending September 30, 2019.

APPROVALS: James Fisher

ORDINANCE NO. O-18-012

AN ORDINANCE ADOPTING A BUDGET FOR THE CITY OF BRENHAM, TEXAS FOR THE FISCAL YEAR 2018-19; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Brenham, Texas, has prepared a budget for the fiscal year October 1, 2018 through September 30, 2019 and has filed same with the City Secretary and has held public hearings on same, all after due notice as required by statute.

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

SECTION I.

That the City Council of the City of Brenham, Texas does hereby adopt the Budget for the City of Brenham, Texas, for the fiscal year October 1, 2018 through September 30, 2019 as shown in the attached Exhibit "A", which is incorporated herein as though copied herein verbatim.

SECTION II.

That authority is hereby given to the City Manager to approve transfers of portions of any item of appropriation within the same department and transfers from one department to another department within the same fund.

SECTION III.

This Ordinance shall become effective as provided by the Charter of the City of Brenham, Texas.

PASSED AND APPROVED on its first reading this the 17th day of September, 2018.

PASSED AND ADOPTED on its second reading this the 20th day of September, 2018.

____
Milton Y. Tate, Jr., Mayor

ATTEST:

____
Jeana Bellinger, City Secretary

____
Cary Bovey, City Attorney

CITY OF BRENHAM
COMBINED FUND SUMMARY
FY18-19 BUDGET

Exhibit A

	GENERAL FUND											COMPONENT UNIT	SPECIAL REVENUE FUNDS			
	GENERAL	POLICE DEPT GRANTS	MOTOR/ PD EQUIP	PUBLIC SAFETY	FEMA DISASTER	DONA-TIONS	FIRE DEPT GRANTS	CAPITAL/ NON-ROUTINE	TOURISM & MARKETING	DEBT	290 PASS THRU	BCDC & BCDC CAPITAL	HOTEL/ MOTEL	HOTEL/ TAX CNTY	CRIM LAW ENFORCE	COURTS TECH
BEGINNING BALANCE	$4,467,592	$0	$0	$0	($931,162)	$288,230	$0	$211,014	$212,237	$270,147	$2,787,145	$1,351,963	$221,295	$9,184	$28,892	$62,996
REVENUES																
TAXES	12,270,841	-	-	-	-	-	-	-	-	2,634,218	-	1,705,701	645,000	120,000	-	-
LICENSES AND PERMITS	152,241	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	337,176	15,000	2,600	3,600	2,341,381	-	1,800	-	-	-	-	-	-	-	-	-
CHARGES FOR SERVICES	573,308	-	-	-	-	-	-	-	41,200	-	-	-	-	-	-	53,600
FINES AND FORFEITURES	779,963	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INVESTMENT INCOME	81,000	-	-	-	-	-	-	-	-	5,000	20,000	14,000	1,000	-	100	1,000
PAYMENT FROM COMPONENT UNIT	166,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTRIBUTIONS AND DONATIONS	-	-	-	-	-	95,500	-	-	-	-	-	-	-	-	-	-
MISCELLANEOUS	217,266	-	-	-	-	-	-	-	-	-	-	959	-	-	10,000	-
TOTAL REVENUES	$14,578,295	$15,000	$2,600	$3,600	$2,341,381	$95,500	$1,800	$0	$41,200	$2,639,218	$20,000	$1,720,660	$646,000	$120,000	$10,100	$54,600
EXPENDITURES																
CURRENT																
CULTURE AND RECREATION	3,449,104	-	-	-	-	5,500	-	-	611,400	-	-	-	-	120,000	-	-
GENERAL GOVERNMENT	6,198,186	-	-	-	-	7,500	-	14,014	-	-	-	-	-	-	-	33,383
HEALTH AND WELFARE	588,089	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-
HIGHWAYS AND STREETS	1,281,645	-	-	-	1,294,158	-	-	-	-	-	-	-	-	-	-	-
PUBLIC SAFETY	6,434,073	15,000	2,600	3,600	-	16,000	1,800	-	-	-	-	-	-	-	15,000	-
ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	396,895	-	-	-	-
COST OF SALES AND SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ELECTRIC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WASTEWATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SANITATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS REVENUE TAX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERNAL SERVICE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE																
INTEREST & FISCAL CHARGES	-	-	-	-	-	-	-	-	-	633,247	-	68,941	-	-	-	-
PRINCIPAL RETIREMENT	-	-	-	-	-	-	-	-	-	3,773,325	-	154,274	-	-	-	-
ISSUANCE COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPITAL OUTLAY	202,700	-	-	-	1,629,488	-	-	222,000	-	-	-	297,000	-	-	-	-
TOTAL EXPENDITURES	$18,153,797	$15,000	$2,600	$3,600	$2,923,646	$31,000	$1,800	$236,014	$611,400	$4,406,572	$0	$917,110	$0	$120,000	$15,000	$33,383
OTHER FINANCING SOURCES (USES)																
TRANSFERS IN	3,578,079	-	-	-	-	-	-	25,000	570,200	1,750,000	-	-	-	-	-	-
TRANSFERS OUT	(57,577)	-	-	-	-	-	-	-	-	-	(1,750,000)	(25,000)	(646,000)	-	-	(20,000)
PAYMENT TO COMPONENT UNIT	-	-	-	-	-	-	-	-	-	-	-	(1,013,500)	-	-	-	-
ISSUANCE OF DEBT	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-
INSURANCE PROCEEDS	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	$3,575,502	$0	$0	$0	$1,500,000	$0	$0	$25,000	$570,200	$1,750,000	($1,750,000)	($1,038,500)	($646,000)	$0	$0	($20,000)
CHANGE IN FUND BALANCE	-	-	-	-	917,735	64,500	-	(211,014)	-	(17,354)	(1,730,000)	(234,950)	-	-	(4,900)	1,217
ENDING FUND BALANCE	$4,467,592	$0	$0	$0	($13,427)	$352,730	$0	$0	$212,237	$252,793	$1,057,145	$1,117,013	$221,295	$9,184	$23,992	$64,213

CITY OF BRENHAM
COMBINED FUND SUMMARY
FY18-19 BUDGET

Exhibit A (Cont.)

	CAPITAL PROJECT FUNDS						ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS		
	AIRPORT CAPITAL	CAPITAL LEASES	2017 CAP PROJ	2014 CAP PROJ	PARKS CAP IMPROV	STREET DRAINAGE	ELECTRIC	GAS	WATER	WASTE-WATER	SANI-TATION	CENTRAL FLEET	WORKERS' COMP	TOTAL
BEGINNING BALANCE	$6,993	$0	$1,374,831	$0	$31,531	$719,853	$7,526,622	$1,348,604	$1,552,371	$873,264	$416,370	$113,495	$143,358	$23,086,824
REVENUES														
TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	17,375,760
LICENSES AND PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-	152,241
INTERGOVERNMENTAL	581,580	-	-	-	-	-	-	-	1,207,500	1,692,207	-	-	-	6,182,844
CHARGES FOR SERVICES	-	-	-	-	-	-	23,244,610	3,230,843	4,383,323	3,712,170	3,526,813	140,000	194,156	39,100,023
FINES AND FORFEITURES	-	-	-	-	-	-	-	-	-	-	-	-	-	779,963
INVESTMENT INCOME	50	-	10,000	-	-	2,500	153,741	8,400	8,000	16,400	8,200	-	1,000	330,391
PAYMENT FROM COMPONENT UNIT	-	-	-	-	847,000	-	-	-	-	-	-	-	-	1,013,500
CONTRIBUTIONS AND DONATIONS	-	-	-	-	5,000	-	-	-	-	-	-	-	-	100,500
MISCELLANEOUS	-	-	-	-	14,000	-	29,288	7,000	6,000	8,000	2	-	-	292,515
TOTAL REVENUES	$581,630	$0	$10,000	$0	$866,000	$2,500	$23,427,639	$3,246,243	$5,604,823	$5,428,777	$3,535,015	$140,000	$195,156	$65,327,737
EXPENDITURES														
CURRENT														
CULTURE AND RECREATION	-	-	-	-	200,500	-	-	-	-	-	-	-	-	4,386,504
GENERAL GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	6,253,083
HEALTH AND WELFARE	-	-	-	-	-	-	-	-	-	-	-	-	-	590,089
HIGHWAYS AND STREETS	225,000	-	-	-	-	-	-	-	-	-	-	-	-	2,800,803
PUBLIC SAFETY	-	-	-	-	-	-	-	-	-	-	-	-	-	6,488,073
ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	396,895
COST OF SALES AND SERVICES	-	-	-	-	-	-	16,666,449	1,694,878	319,900	-	-	-	-	18,681,227
ELECTRIC	-	-	-	-	-	-	3,025,845	-	-	-	-	-	-	3,025,845
GAS	-	-	-	-	-	-	-	744,717	-	-	-	-	-	744,717
WATER	-	-	-	-	-	-	-	-	2,147,034	-	-	-	-	2,147,034
WASTEWATER	-	-	-	-	-	-	-	-	-	1,782,500	-	-	-	1,782,500
SANITATION	-	-	-	-	-	-	-	-	-	-	2,781,665	-	-	2,781,665
GROSS REVENUE TAX	-	-	-	-	-	-	1,616,023	224,926	297,966	247,952	60,764	-	-	2,447,631
INTERNAL SERVICE	-	-	-	-	-	-	-	-	-	-	-	21,060	164,142	185,202
DEBT SERVICE														
INTEREST & FISCAL CHARGES	-	-	-	-	-	-	67,328	-	266,025	149,772	12,379	3,966	-	1,201,658
PRINCIPAL RETIREMENT	-	-	-	-	-	-	72,194	-	681,754	1,281,638	82,777	26,523	-	6,072,485
ISSUANCE COSTS	-	-	-	-	-	-	-	-	14,000	-	-	-	-	14,000
CAPITAL OUTLAY	421,200	-	547,255	-	674,000	673,803	972,000	182,300	1,773,009	2,101,225	-	178,700	-	9,874,680
TOTAL EXPENDITURES	$646,200	$0	$547,255	$0	$874,500	$673,803	$22,419,839	$2,846,821	$5,499,688	$5,563,087	$2,937,585	$230,249	$164,142	$69,874,091
OTHER FINANCING SOURCES (USES)														
TRANSFERS IN	57,577	-	-	-	-	-	604,065	-	-	-	-	-	-	6,584,921
TRANSFERS OUT	-	-	-	-	-	-	(1,993,573)	(601,252)	(652,948)	(392,970)	(445,601)	-	-	(6,584,921)
PAYMENT TO COMPONENT UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,013,500)
ISSUANCE OF DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
INSURANCE PROCEEDS	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000
TOTAL OTHER FINANCING SOURCES (USES)	$57,577	$0	$0	$0	$0	$0	($1,389,508)	($601,252)	($652,948)	($392,970)	($445,601)	$0	$0	$541,500
CHANGE IN FUND BALANCE	(6,993)	-	(537,255)	-	(8,500)	(671,303)	(381,708)	(201,830)	(547,813)	(527,280)	151,829	(90,249)	31,014	(4,004,854)
ENDING FUND BALANCE	$0	$0	$837,576	$0	$23,031	$48,550	$7,144,914	$1,146,774	$1,004,558	$345,984	$568,199	$23,246	$174,372	$19,081,970

AGENDA ITEM 11

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** Carolyn D. Miller

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Ordinance No. O-18-013 on Its Second Reading Levying Taxes for the Tax Year 2018 for the City of Brenham at $0.5170 per $100 Valuation

SUMMARY STATEMENT: The FY2018-19 Proposed Budget includes a tax rate of $0.5170 per $100 valuation which has two components: maintenance and operations (M&O) and interest and sinking (I&S). The proposed tax rate of $0.5170 will allocate $0.3200 to the General Fund for M&O expenditures and the balance of $0.1970 will be allocated to the Debt Service Fund for principal and interest obligations. The proposed tax rate of $0.5170 is above the effective rate of $0.5018, but below the rollback rate of $0.5364.

The City has complied with all of the notices, publications, and public hearings as required by the Tax Code. Pursuant to the Tax Code, the vote on the ordinance setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance. The Tax Code also specifies that the **motion** to adopt the tax rate be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of $0.5170 per $100 valuation, which is effectively a 3.03% increase in the tax rate."

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Ordinance No. O-18-013

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: RECORD VOTE **"I move that the property tax rate be increased by the adoption of a tax rate of $0.5170 per $100 valuation, which is effectively a 3.06% increase in the tax rate."**
APPROVALS: James Fisher

ORDINANCE NO. O-18-013

AN ORDINANCE LEVYING TAXES FOR THE TAX YEAR 2018 FOR THE CITY OF BRENHAM, TEXAS AND PROVIDING AN EFFECTIVE DATE.

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

SECTION I.

That there be and is hereby levied an ad valorem tax of $0.3200 on each one hundred dollars worth of property owned and situated within the City Limits of the City of Brenham, Texas, both real and personal and mixed, for General Fund maintenance and operating purposes for the Tax Year 2018.

SECTION II.

That there be and is hereby levied for the use of the City of Brenham, for the Tax Year 2018, an ad valorem tax of $0.1970 on each one hundred dollars worth of real, personal and mixed property owned and situated in the City Limits of the City of Brenham, Texas, for the payment of principal and interest on all outstanding bonds and lease payments, not otherwise provided for, of the City of Brenham.

SECTION III.

Wherefore, the combined tax rate in accordance with V.T.C.A. Tax Code Section 26.05 shall be $0.5170 on each one hundred dollars worth of real, personal, and mixed property of owned and situated within the City Limits of the City of Brenham, Texas.

SECTION IV.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

SECTION V.

This Ordinance shall become effective as provided by the Charter of the City of Brenham, Texas.

PASSED AND APPROVED on its first reading this the 17th day of September, 2018.

PASSED AND ADOPTED on its second reading this the 20th day of September, 2018.

____
Milton Y. Tate, Jr., Mayor

ATTEST:

____
Jeana Bellinger, City Secretary

____
Cary Bovey, City Attorney

AGENDA ITEM 12

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration/Brenham EDF	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** Jeana Bellinger

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Resolution No. R-18-012 Adopting a Commercial Tax Phase-In Agreement Between the City of Brenham and Stanpac USA, LLC

SUMMARY STATEMENT: Stanpac USA will be adding $3.1M in additional equipment at their Brenham plant. This equipment will require the hiring of at least twenty (20) additional employees. After the approval of the tax phase-in agreement, Stanpac plans to have the equipment installed and in full operation within 12 months.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Resolution No. R-18-012

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve Resolution No. R-18-012 adopting a Commercial Tax Phase-In Agreement between the City of Brenham and Stanpac USA, LLC

APPROVALS: James Fisher

RESOLUTION NO. R-18-012

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

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

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

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

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

WHEREAS, the City Council desires to adopt the Tax Phase-In Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, by and between the City of Brenham, Texas, and Stanpac USA, LLC, a Delaware limited liability company;

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

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

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

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

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

RESOLVED this ______ day of ________________, 2018.

____

Milton Y. Tate, Jr.
Mayor

ATTEST:

____

Jeana Bellinger, TRMC, CMC
City Secretary

AGREEMENT FOR DEVELOPMENT AND TAX PHASE-IN IN REINVESTMENT ZONE NO. 43 FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS

THE STATE OF TEXAS

COUNTY OF WASHINGTON

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

WITNESSETH:

The City Council of the City of Brenham, Texas, ("COUNCIL") on February 20, 1992, adopted by resolution a policy for the creation of tax abatement zones in the City of Brenham ("POLICY"). Said POLICY was amended by COUNCIL on April 2, 1992, amended on June 4, 1992, and re-adopted on December 1, 1994, November 20, 1997, October 21, 1999, November 1, 2001, January 15, 2004, December 20, 2007, December 17, 2009, December 15, 2011, December 5, 2013, February 18, 2016 (as amended), and December 7, 2017 (entitled “City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises”). On September 20, 2018, the COUNCIL, by Ordinance, established Reinvestment Zone No. 43 for Commercial Tax Phase-In, City of Brenham, Texas ("ZONE") as authorized by V.T.C.A., Texas Tax Code Chapter 312. Said POLICY is attached hereto as Exhibit “B” and incorporated herein for all purposes.

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

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

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

1. **Location of Tax Phase-In**. The property that is the subject matter of this Agreement is the land and improvements located at 801 Mangrum Street and described more particularly as all that certain 3.687 acre tract of land containing a certain tract or parcel of land out of the A. Harrington Survey, A-55, lying within Wilson's Addition and being a portion of Tracts 3 and 4 called 9.152 acres and Tract 9 called 10,360 sq. ft. , being the same property described in a Deed dated October 22, 2009 from Mount Vernon Mills, Inc. to Blue Bell Creameries, L.P. as recorded in Volume 1324, Page 838 of the Official Records of Washington County, Texas, and being further described in Exhibit "A", attached hereto and incorporated herein for all purposes, and which property is hereinafter referred to as "PREMISES."

2. **Improvements**. In consideration of COMPANY'S construction of at least Three Million, One Hundred Thousand and No/100 Dollars ($3,100,000.00) of real and personal property improvements to said PREMISES, including fixed machinery, equipment and buildings, CITY agrees that, subject to the terms and conditions contained herein, eligible improvements

and renovations to the above described PREMISES shall be entitled to tax phase-in incentives in accordance with the schedule as provided in “Table 1A – Property Improvements by an Existing Local Business”, and tax phase-in incentives in accordance with the schedule as provided in “Table 2 – Jobs Created & Retained – by Existing Businesses or New/Relocating Businesses”, said Tables being set out in the attached Exhibit “B” incorporated herein for all purposes, and that upon the expiration of such tax phase-in incentives this Agreement shall terminate.

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

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

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

4. **Other Applicable Regulations**. COMPANY agrees to construct all improvements in accordance with all applicable laws, ordinances, codes, rules, requirements or

regulations of the City of Brenham, Washington County, the State of Texas and the United States, and any subdivision, agency or authority thereof.

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

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

6. **<u>Rights of City to Inspect</u>**. At all reasonable times during the construction and installation of improvements and renovations on the PREMISES and following completion, CITY and its respective designees may inspect PREMISES in order to verify the construction,

workmanship, materials and installations involved in or incident to the project are performed in substantial compliance with the approved PLANS and compliance with the applicable building permits and governmental regulations.

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

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

8. **<u>Tax Recapture</u>**. In the event COMPANY (i) does not construct the improvements and renovations to the PREMISES as contemplated by this Agreement, (ii) fails to use the PREMISES for the purposes that are contemplated by this Agreement, (iii) fails to comply with the terms of the "City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises", or (iv) otherwise fails to comply with the terms

of this Agreement, then the CITY shall have the right to terminate this Agreement and recapture the amount of all property taxes abated as a result of this Agreement in accordance with Texas Tax Code Sec. 312.205 and the POLICY after written notice of intended recapture by CITY to COMPANY and failure to cure by COMPANY within thirty (30) days of said notice.

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

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

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

COMPANY shall, on or before October 15 of each calendar year, submit a sworn statement to the CITY'S Compliance Review Committee that COMPANY is in compliance with this Agreement, including such information as may be necessary to verify compliance (e.g. employment and payroll information), subject to verification by the City of Brenham and/or the Compliance Review Committee

During the term of this Agreement, the CITY, its officers and employees, and/or the Compliance Review Committee is entitled to review and verify the COMPANY'S employment records, payroll records, and such other information and documents as the CITY and/or the

Compliance Review Committee deems reasonably necessary to verify compliance with this Agreement. The CITY, its officers and employees, and/or the Compliance Review Committee may conduct on-site inspections of the PREMISES and facilities located thereon during the term of this Agreement to verify compliance with this Agreement.

The estimated value of eligible property improvements for tax phase-in incentives is at least Three Million, One Hundred Thousand and No/100 Dollars ($3,100,000.00). Notwithstanding anything contained herein to the contrary, COMPANY and CITY agree that the amount of eligible property improvements and jobs created & retained as set forth herein are based on projected property improvement and personnel employed, and the actual amount of tax phase-in incentives shall be determined annually by Table 1A and Table 2 of the POLICY based on the actual eligible improvements and the actual number of employees. COMPANY agrees to reasonably cooperate with CITY to determine compliance with this Agreement and the applicable level of tax phase-in incentives.

11. **Certificate of Compliance**. Upon completion of the improvements and renovations to the PREMISES, COMPANY shall submit to CITY a sworn Certificate of Compliance certifying that all construction of the improvements and renovations to the PREMISES has been completed in accordance with the approved plans. After receipt of this Certificate of Compliance, CITY shall make a final inspection of PREMISES to determine whether the improvements and renovations have been constructed and installed in compliance with this Agreement. Upon so finding, CITY shall approve such a Certificate of Compliance and authorize tax phase-in to commence on January 1 of the year indicated in said certificate and

terminate after the property has received the tax phase-in incentives as provided by this Agreement and Exhibit "B."

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

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

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

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

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

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

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

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

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

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

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

21. **Notice**. Whenever notice or other communication is herein required to be given to COMPANY or to CITY, such notice will be sent, respectively, to the attention of COMPANY'S President or other designated officer at the address of Company's facility in the reinvestment ZONE, or to the attention of the City Manager at the address of said City Manager's then-current office location, via certified or registered mail, return receipt requested. Such notice

will be considered effectively delivered when sent if such is properly addressed and sent and the return receipt is received by the sender, or if addressee fails to receive or accept delivery and the undelivered item is returned to sender.

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

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

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

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

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

The parties hereto have executed or caused to be executed by its duly authorized officials this Agreement in multiple counterparts, each of equal dignity, on this the ______ day of ____________________, 2018.

STANPAC USA, LLC

BY: ____________________________
Brent Roszell
Vice President, Finance
801 Mangrum Street
Brenham, TX 77833

CITY OF BRENHAM

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

ATTEST:

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

THE STATE OF TEXAS

COUNTY OF WASHINGTON

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

Given under my hand and seal of office on this the ____ day of ________________, 2018.

____
Notary Public in and for
The State of Texas

THE STATE OF TEXAS

COUNTY OF WASHINGTON

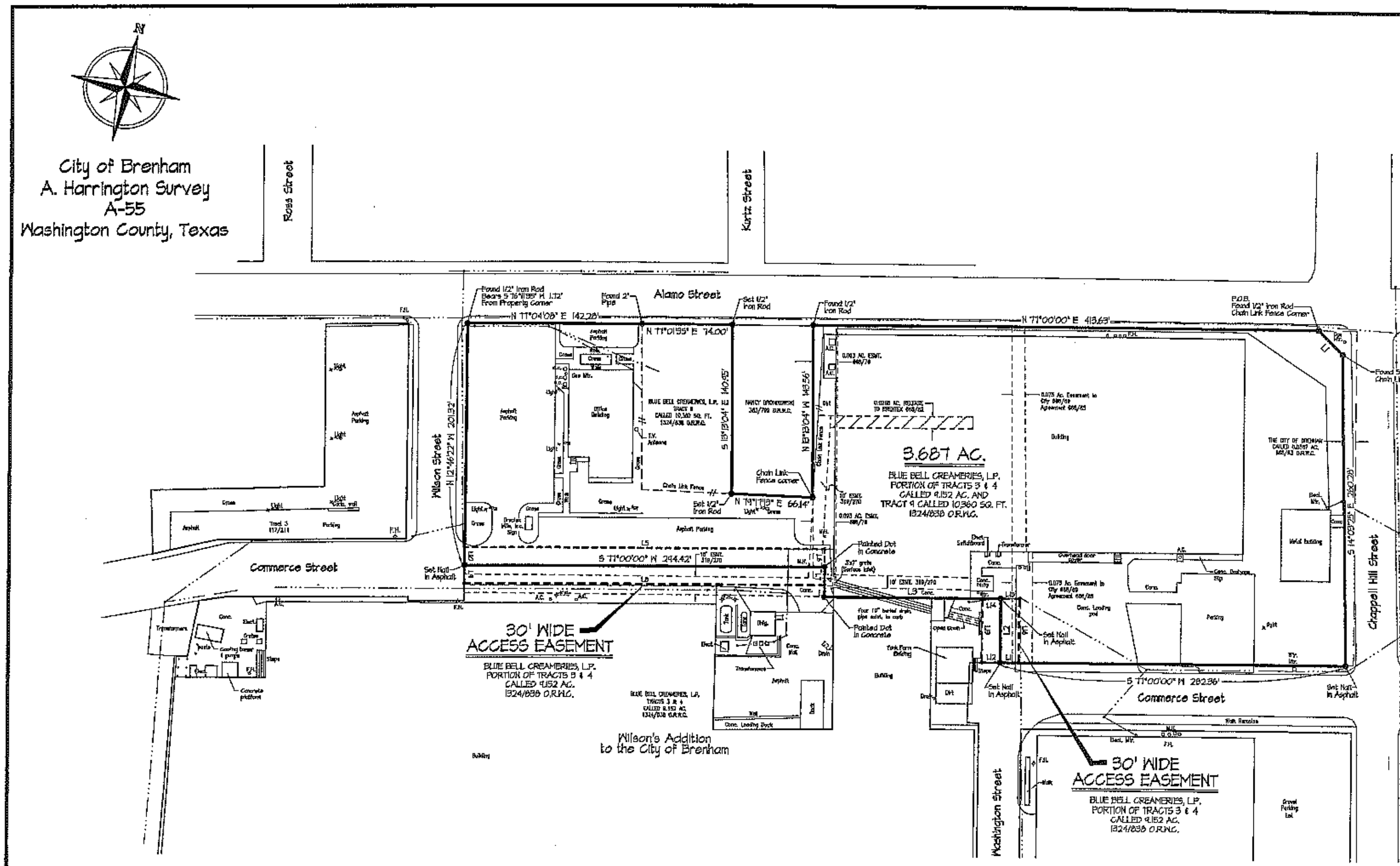
Before me, the undersigned authority, on this day personally appeared **BRENT ROSZELL,** President of STANPAC USA, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the ______ day of _____________, 2018.

____
Notary Public in and for
The State of Texas

EXHIBIT A

City of Brenham
A. Harrington Survey
A-55
Washington County, Texas



Line Table

LINE	BEARING	DISTANCE
L1	S 51°21'58" E	28.08'
L2	N 13°00'00" W	54.08'
L3	S 77°11'06" W	144.48'
L4	N 13°00'00" W	24.65'
L5	N 77°00'00" E	294.36'
L6	S 13°00'00" E	15.00'
L7	S 13°00'00" E	15.00'
L8	S 77°00'00" W	294.40'
L9	N 12°46'22" W	15.00'
L10	N 12°46'22" W	15.00'
L11	S 77°00'00" W	15.00'
L12	S 77°00'00" W	15.00'
L13	N 13°00'00" W	54.13'
L14	N 77°11'06" E	15.00'
L15	N 77°11'06" E	15.00'
L16	S 13°00'00" E	54.08'

Flood Hazard Statement:

According to the Flood Insurance Rate Map compiled by the Federal Emergency Management Agency for the National Flood Insurance Program, Community Panel No. 480648 0001B, dated August 17, 1981, City of Brenham, Washington County, Texas, it appears that the subject property lies within Zone C (Areas of minimal flooding, no shading).

Note:

Improvements shown hereon are compiled from a hand drawn survey completed in 1992 and are not the result of a current on the ground survey.

Surveyor Certification:

I, William R. Krueger, Registered Professional Land Surveyor, do hereby certify that the above plat represents the results of an on the ground survey made under my direction and supervision on 11/12/09, and that all corners are marked as shown hereon. There are no conflicts or protrusions apparent on the ground except as shown.

This survey was performed without the benefit of a current title report which may indicate easements or other encumbrances of record not apparent on the ground.

Use of this survey for any other purposes or by other parties shall be at their own risk and the undersigned surveyor is not responsible for any loss resulting therefrom.

This plat is accompanied by field note description of even date.

W. R. Krueger

William R. Krueger November 9, 2009
Registered Professional Land Surveyor No. 2835

STATE OF TEXAS REGISTERED WILLIAM R. KRUEGER 2835 PROFESSIONAL LAND SURVEYOR

60 0 60 120 180 Feet
Scale: 1"=60'

3.687 Acres
Blue Bell Creameries, L.P.

JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS
1500 South Day Street
Brenham, Texas 77833
(979) 836-6631 Fax: (979) 836-5886
www.jonescarter.com

Surveyor: William R. Krueger	County: Washington	Field Crew: L.H. & A.G.
R.P.L.S. No.: 2835	Survey: A. Harrington A-55	Computations: M.A.M.
Date: 11/12/09	City: Brenham	Drafting: M.A.M.
Update:	Addition: Wilson	Work Order: 80038-379-00

BLUE BELL CREAMERIES, L.P.
3.687 ACRE TRACT

ALL THAT TRACT OR PARCEL OF LAND situated in the City of Brenham, Washington County, Texas out of the A. Harrington Survey A-55, lying within Wilson's Addition and being a portion of Tracts 3 and 4 called 9.152 acres and Tract 9 called 10,360 sq. ft. in a deed dated October 22, 2009 from Mount Vernon Mills, Inc. to Blue Bell Creameries, L.P. as recorded in Volume 1324, Page 838 of the Official Records of Washington County, said 3.687 acre tract being more particularly described as follows:

BEGINNING at a found 1/2" iron rod and chain link fence corner lying in the South line of Alamo Street marking the Northwest corner of The City of Brenham tract called 0.0567 acres (668/63 O.R.W.C.), the Northeast corner of the original Tracts 3 and 4 and this tract, also the present West line of Chappell Hill Street;

THENCE with the West line of The City of Brenham tract, the West line of Chappell Hill Street, the East line of the original Tracts 3 and 4 and this tract, S 57° 27' 53" E, 28.08 ft. to a found 5/8" iron rod and chain link fence corner and S 14° 03' 25" E, 260.28 ft. to a set nail in asphalt at the intersection of Chappell Hill Street and the North line of Commerce Street for Southwest corner of The City of Brenham tract, upper Southeast corner of the original Tracts 3 and 4 and Southeast corner of this tract;

THENCE with the North line of Commerce Street, the South line of the original Tracts 3 and 4 and this tract, S 77° 00' 00" W, 282.36 ft. to a set nail in asphalt in the North line of Commerce Street at its intersection with the centerline of Washington Street, marking the center and beginning of a 30 ft. wide access easement, with 15 ft. lying on either side of this line, for a lower Southwest corner of this tract;

THENCE severing the original Tracts 3 and 4 with the centerline of the 30 ft. wide access easement and a West line of this tract, N 13° 00' 00" W, 54.08 ft. to a set nail in asphalt marking the center and end of the 30 ft. wide access easement for an interior corner of this tract;

THENCE with the South line of this tract through a common wall of a building, S 77° 11' 06" W, 144.48 ft. to a painted dot in concrete for an exterior corner of this tract;

THENCE with a West line of this tract, N 13° 00' 00" W, 24.65 ft. to a painted dot in concrete marking the center and beginning of another 30 ft. wide access easement, with 15 ft. lying on either side of this line, for interior corner of this tract;

THENCE with the centerline of the 30 ft. wide access easement and South line of this tract, S 77° 00' 00" W, 294.42 ft. to a set nail in asphalt in the East line of Wilson Street at its intersection with Commerce Street, the West line of the original Tracts 3 and 4, marking the center and end of the 30 ft. wide access easement for upper Southwest corner of this tract;

THENCE with the East line of Wilson Street, the West line of the original Tracts 3 and 4 and this tract, N 12° 46' 22" W, 201.32 ft. to a point from which a found 1/2" iron rod bears S 75° 11' 35" W, 1.72 ft., in the South line of Alamo Street for Northwest corner of the original Tracts 3 and 4 and this tract;

THENCE with the South line of Alamo Street, the North line of the original Tracts 3 and 4 and this tract, N 77° 04' 08" E, 142.28 ft. to a found 2" pipe marking the Northwest corner of the original Blue Bell Creameries, L.P. Tract 9 called 10,360 sq. ft. and an exterior corner of the original Tracts 3 and 4;

THENCE continuing with the South line of Alamo Street, the North line of the original Tract 9 and this tract, N 77° 01' 35" E, 74.00 ft. to a set 1/2" iron rod for Northwest corner of the Nancy Bronikowski tract (383/799 D.R.W.C.), Northeast corner of the original Tract 9 and an exterior corner of this tract;

THENCE with the West line of the Bronikowski tract, the East line of the original Tract 9 and this tract, S 13° 13' 04" E, 140.95 ft. to a set 1/2" iron rod in the North line of the original Tracts 3 and 4 for Southwest corner of the Bronikowski tract, the Southeast corner of the original Tract 9 and an interior corner of this tract;

THENCE with the South line of the Bronikowski tract, the North line of the original Tracts 3 and 4, and this tract, N 79° 17' 13" E, 66.14 ft. to a chain link fence corner for Southeast corner of the Bronikowski tract and interior corner of the original Tracts 3 and 4 and this tract;

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THENCE with the East line of the Bronikowski tract, the West line of the original Tracts 3 and 4 and this tract, N 13° 13' 04" W, 143.56 ft. to a found 1/2" iron rod in the South line of Alamo Street for Northeast corner of the Bronikowski tract and an exterior corner the original Tracts 3 and 4 and this tract;

THENCE with the South line of Alamo Street and the North line of the original Tracts 3 and 4 and this tract, N 77° 00' 00" E, 413.63 ft. to the PLACE OF BEGINNING and containing 3.687 acres of land.

Surveyor Certification:

I, William R. Krueger, Registered Professional Land Surveyor, do hereby certify that the above description represents the results of an on the ground survey made under my direction and supervision on November 12, 2009 and that all corners are as shown hereon. There are no conflicts or protrusions apparent on the ground except as shown.

This survey was prepared without the benefit of a current title report which may indicate easements or other encumbrances of record not apparent on the ground.

Use of this survey for any other purposes or by other parties shall be at their own risk and the undersigned surveyor is not responsible for any loss resulting therefrom.

This field note description is accompanied by plat of even date.

Wm. R. Krueger

William R. Krueger November 12, 2009
Registered Professional Land Surveyor No. 2835

STATE OF TEXAS
REGISTERED
WILLIAM R. KRUEGER
2835
PROFESSIONAL
LAND SURVEYOR

W.O. No. B0038-379-00
P:\PROJECTS\B0038 Blue Bell\379 Boundary\Survey\Legal Desc\B0038-379-00.fn1.doc

Exhibit B

CITY OF BRENHAM

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

Policy Adoption Date: December 7, 2017

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 1and 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: From	To	Percent of property tax to be abated each year: 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: From	To	Percent of property tax to be abated each year: 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)

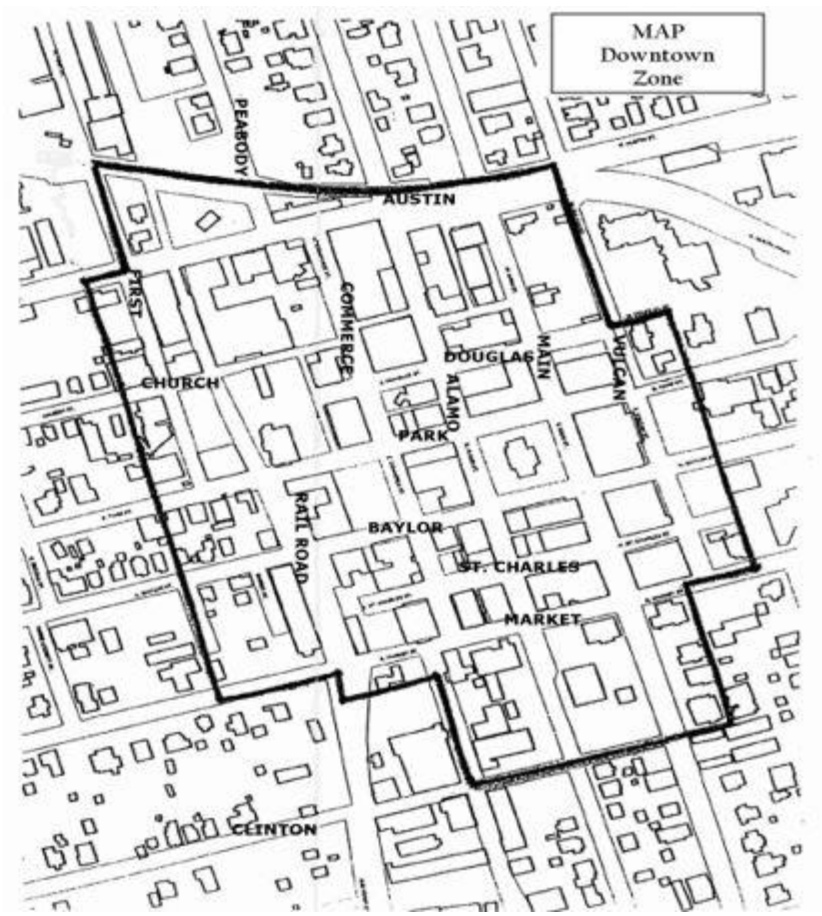
2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

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: From	To	Percent of property tax to be abated each year: 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 13

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration/Brenham EDF	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** Jeana Bellinger

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Resolution No. R-18-013 Adopting a Commercial Tax Phase-In Agreement Between the City of Brenham and MIC Group, LLC (East)

SUMMARY STATEMENT: MIC Group, LLC will be adding $1.M in additional equipment at their Brenham-East location. This equipment will require the hiring of at least ten (10) additional machinist with an average wage of $60,000 each per year. After the approval of the tax phase-in agreement, MIC plans to have the equipment installed and in full operation within 18 months.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Resolution No. R-18-013

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve Resolution No. R-18-013 adopting a Commercial Tax Phase-In Agreement between the City of Brenham and MIC Group, LLC

APPROVALS: James Fisher

RESOLUTION NO. R-18-013

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

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

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

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

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

WHEREAS, the City Council desires to adopt the Tax Phase-In Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, by and between the City of Brenham, Texas, and MIC Group, LLC, a Delaware limited liability company;

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

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

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

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

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

RESOLVED this ______ day of ________________, 2018.

____
Milton Y. Tate, Jr.
Mayor

ATTEST:

____
Jeana Bellinger, TRMC, CMC
City Secretary

AGREEMENT FOR DEVELOPMENT AND TAX PHASE-IN IN REINVESTMENT ZONE NO. 44 FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS

THE STATE OF TEXAS

COUNTY OF WASHINGTON

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

WITNESSETH:

The City Council of the City of Brenham, Texas, ("COUNCIL") on February 20, 1992, adopted by resolution a policy for the creation of tax abatement zones in the City of Brenham ("POLICY"). Said POLICY was amended by COUNCIL on April 2, 1992, amended on June 4, 1992, and re-adopted on December 1, 1994, November 20, 1997, October 21, 1999, November 1, 2001, January 15, 2004, December 20, 2007, December 17, 2009, December 15, 2011, December 5, 2013, February 18, 2016 (as amended), and December 7, 2017 (entitled "City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises"). On September 20, 2018, the COUNCIL, by Ordinance, established Reinvestment Zone No. 44 for Commercial Tax Phase-In, City of Brenham, Texas ("ZONE") as authorized by V.T.C.A., Texas Tax Code Chapter 312. Said POLICY is attached hereto as Exhibit "B" and incorporated herein for all purposes.

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

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

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

1. **Location of Tax Phase-In**. The property that is the subject matter of this Agreement is the land and improvements located at 3140 S. Blue Bell Road and described more particularly as a certain tract of land containing 16.291 acres, more or less, being comprised of Lot 1, Industrial Park of Brenham as recorded in Plat Slide 190-A and B of the Plat Records of Washington County (P.R.W.C.) and Lot 5, Brenham Business Center, Phase I, as shown on the Boundary Line Adjustment plat recorded in Plat Slide 425-A (P.R.W.C.) in Washington County, Texas, being the same property described in Deed dated December 17, 2010 from MIC Group, LLC to Poindexter Properties, LLC as recorded in Volume 1360, Page 392, Official Records of Washington County, Texas, and being further described in Exhibit "A", attached hereto and incorporated herein for all purposes, and which property is hereinafter referred to as "PREMISES."

2. **Improvements**. In consideration of COMPANY'S construction of at least One Million and No/100 Dollars ($1,000,000.00) of real personal property improvements to said

PREMISES, including fixed machinery, equipment and buildings, CITY agrees that, subject to the terms and conditions contained herein, eligible improvements and renovations to the above described PREMISES shall be entitled to tax phase-in incentives in accordance with the schedule as provided in “Table 1A – Property Improvements by an Existing Local Business”, and tax phase-in incentives in accordance with the schedule as provided in “Table 2 – Jobs Created & Retained – by Existing Businesses or New/Relocating Businesses”, said Tables being set out in the attached Exhibit “B” incorporated herein for all purposes, and that upon the expiration of such tax phase-in incentives this Agreement shall terminate.

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

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

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

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

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

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

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

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

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

8. **Tax Recapture**. In the event COMPANY (i) does not construct the improvements and renovations to the PREMISES as contemplated by this Agreement, (ii) fails to

use the PREMISES for the purposes that are contemplated by this Agreement, (iii) fails to comply with the terms of the “City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises”, or (iv) otherwise fails to comply with the terms of this Agreement, then the CITY shall have the right to terminate this Agreement and recapture the amount of all property taxes abated as a result of this Agreement in accordance with Texas Tax Code Sec. 312.205 and the POLICY after written notice of intended recapture by CITY to COMPANY and failure to cure by COMPANY within thirty (30) days of said notice.

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

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

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

COMPANY shall, on or before October 15 of each calendar year, submit a sworn statement to the CITY'S Compliance Review Committee that COMPANY is in compliance with this Agreement, including such information as may be necessary to verify compliance (e.g. employment and payroll information), subject to verification by the City of Brenham and/or the Compliance Review Committee

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

The estimated value of eligible property improvements for tax phase-in incentives is at least One Million and No/100 Dollars ($1,000,000.00). Notwithstanding anything contained herein to the contrary, COMPANY and CITY agree that the amount of eligible property improvements and jobs created & retained as set forth herein are based on projected property improvement and personnel employed, and the actual amount of tax phase-in incentives shall be determined annually by Table 1A and Table 2 of the POLICY based on the actual eligible improvements and the actual number of employees. COMPANY agrees to reasonably cooperate with CITY to determine compliance with this Agreement and the applicable level of tax phase-in incentives.

11. **Certificate of Compliance**. Upon completion of the improvements and renovations to the PREMISES, COMPANY shall submit to CITY a sworn Certificate of Compliance certifying that all construction of the improvements and renovations to the PREMISES has been completed in accordance with the approved plans. After receipt of this Certificate of Compliance, CITY shall make a final inspection of PREMISES to determine whether the improvements and renovations have been constructed and installed in compliance

with this Agreement. Upon so finding, CITY shall approve such a Certificate of Compliance and authorize tax phase-in to commence on January 1 of the year indicated in said certificate and terminate after the property has received the tax phase-in incentives as provided by this Agreement and Exhibit "B."

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

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

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

Property owned or used by the State of Texas or its political subdivisions or by any organization owned operated or directed by a political subdivision of the State of Texas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The parties hereto have executed or caused to be executed by its duly authorized officials this Agreement in multiple counterparts, each of equal dignity, on this the ______ day of ____________________, 2018.

MIC GROUP, LLC	**CITY OF BRENHAM**
BY: ____________________________ Tom Hoyer President 3140 S. Blue Bell Road Brenham, TX 77833	BY: ____________________________ Milton Y. Tate, Jr. Mayor P.O. Box 1059 Brenham, TX 77834-1059
	ATTEST:
	BY: ____________________________ Jeana Bellinger, TRMC, CMC City Secretary P.O. Box 1059 Brenham, TX 77834-1059

THE STATE OF TEXAS

COUNTY OF WASHINGTON

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

Given under my hand and seal of office on this the ____ day of _______________, 2018.

____
Notary Public in and for
The State of Texas

THE STATE OF TEXAS

COUNTY OF WASHINGTON

Before me, the undersigned authority, on this day personally appeared **TOM HOYER,** President of MIC GROUP, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the ______ day of ____________, 2018.

____
Notary Public in and for
The State of Texas

EXHIBIT "A"

16.291 acre tract of land being comprised of Lot 1, Industrial Park of Brenham as recorded in Plat Slide 190-A and B of the Plat Records of Washington County (P.R.W.C.) and Lot 5, Brenham Business Center, Phase I, as shown on the Boundary Line Adjustment plat recorded in Plat Slide 425-A (P.R.W.C.) in Washington County, Texas, being the same property described in Deed dated December 17, 2010 from MIC Group, LLC to Poindexter Properties, LLC as recorded in Volume 1360, Page 392, Official Records of Washington County, Texas.

Exhibit B

CITY OF BRENHAM

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

Policy Adoption Date: December 7, 2017

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 1and 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)

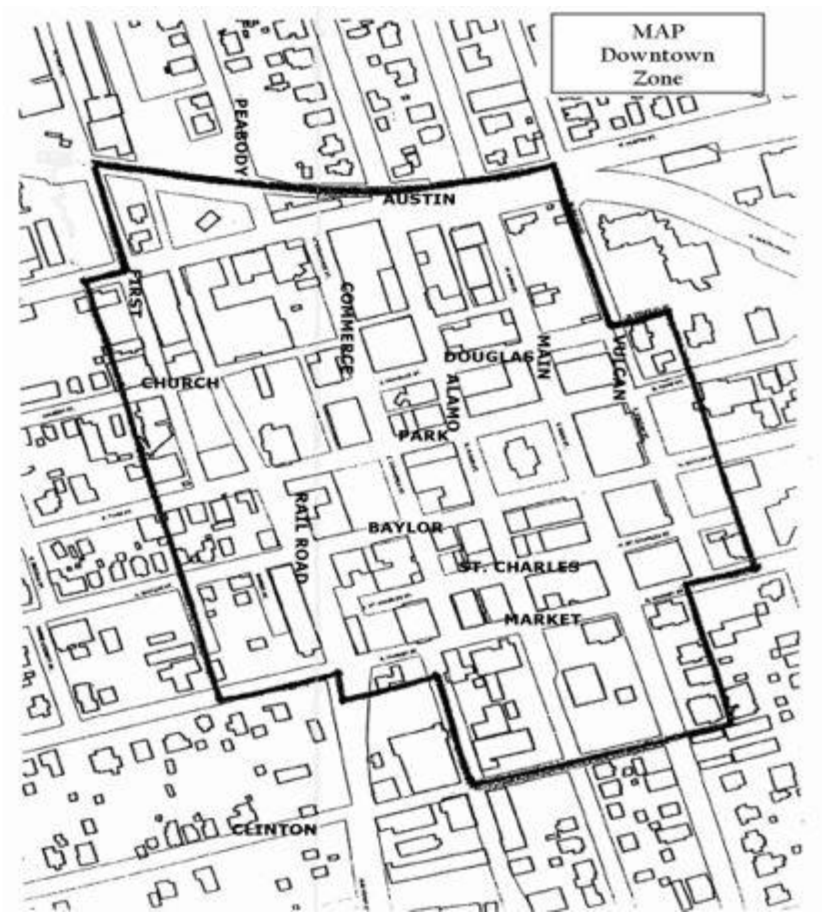
2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

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 14

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration/Brenham EDF	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** Jeana Bellinger

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Resolution No. R-18-014 Adopting a Commercial Tax Phase-In Agreement Between the City of Brenham and MIC Group, LLC (West)

SUMMARY STATEMENT: MIC Group, LLC will be adding $1.5M in additional equipment at their Brenham-West location. This equipment will require the hiring of at least ten (10) additional machinist with an average wage of $60,000 each per year. After the approval of the tax phase-in agreement, MIC plans to have the equipment installed and in full operation within 18 months.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Resolution No. R-18-014

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve Resolution No. R-18-014 adopting a Commercial Tax Phase-In Agreement between the City of Brenham and MIC Group, LLC

APPROVALS: James Fisher

RESOLUTION NO. R-18-014

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

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

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

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

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

WHEREAS, the City Council desires to adopt the Tax Phase-In Agreement, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, by and between the City of Brenham, Texas, and MIC Group, LLC, a Delaware limited liability company;

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

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

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

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

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

RESOLVED this ______ day of ________________, 2018.

____
Milton Y. Tate, Jr.
Mayor

ATTEST:

____
Jeana Bellinger, TRMC, CMC
City Secretary

AGREEMENT FOR DEVELOPMENT AND TAX PHASE-IN IN REINVESTMENT ZONE NO. 45 FOR COMMERCIAL TAX PHASE-IN, CITY OF BRENHAM, TEXAS

THE STATE OF TEXAS

COUNTY OF WASHINGTON

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

WITNESSETH:

The City Council of the City of Brenham, Texas, ("COUNCIL") on February 20, 1992, adopted by resolution a policy for the creation of tax abatement zones in the City of Brenham ("POLICY"). Said POLICY was amended by COUNCIL on April 2, 1992, amended on June 4, 1992, and re-adopted on December 1, 1994, November 20, 1997, October 21, 1999, November 1, 2001, January 15, 2004, December 20, 2007, December 17, 2009, December 15, 2011, December 5, 2013, February 18, 2016 (as amended), and December 7, 2017 (entitled "City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises"). On September 20, 2018, the COUNCIL, by Ordinance, established Reinvestment Zone No. 45 for Commercial Tax Phase-In, City of Brenham, Texas ("ZONE") as authorized by V.T.C.A., Texas Tax Code Chapter 312. Said POLICY is attached hereto as Exhibit "B" and incorporated herein for all purposes.

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

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

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

1. **Location of Tax Phase-In**. The property that is the subject matter of this Agreement is the land and improvements located at 1801 Industrial Blvd. and described more particularly as a certain tract of land containing 7.170 acres, more or less, being all that certain tract or parcel of land, lying and being situated in the City of Brenham, Washington County, Texas, part of the Phillip Coe Survey, A-31, being a resurvey of the same land described in the following deeds: 5.000 acres in the deed from Roy W. Rueter, et ux., to Magnetic Instruments Corp., dated June 5, 1992, as recorded in Volume 672, Page 619, in the Official Records of Washington County, Texas, 1.0835 acres in the deed from Craig W. Gaskamp, et ux., to Magnetic Instruments Corp., dated October 18, 1989, as recorded in Volume 614, Page 692, in the Official Records of Washington County, Texas, and 1.0835 acres in the deed from The Brenham Industrial Foundation, Inc. to Magnetic Instruments Corp, dated May 11, 1990, as recorded in Volume 628, Page 203 in said Official Records of Washington County, Texas, and being further described in Exhibit “A”, attached hereto and incorporated herein for all purposes, and which property is hereinafter referred to as "PREMISES”.

2. **Improvements**. In consideration of COMPANY'S construction of at least One Million, Five Hundred Thousand and No/100 Dollars ($1,500,000.00) of real personal property improvements to said PREMISES, including fixed machinery, equipment and buildings, CITY agrees that, subject to the terms and conditions contained herein, eligible improvements and renovations to the above described PREMISES shall be entitled to tax phase-in incentives in accordance with the schedule as provided in "Table 1A – Property Improvements by an Existing Local Business", and tax phase-in incentives in accordance with the schedule as provided in "Table 2 – Jobs Created & Retained – by Existing Businesses or New/Relocating Businesses", said Tables being set out in the attached Exhibit "B" incorporated herein for all purposes, and that upon the expiration of such tax phase-in incentives this Agreement shall terminate.

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

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

3. **Submission of Plans**. COMPANY agrees that the site plan, interior and exterior design drawings and materials ("PLANS") for each improvement will be submitted to CITY

and/or its designated representative for its approval when available. An official set of PLANS will be designated by the COMPANY and will be kept on file with the CITY.

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

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

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

THE PROSPECTIVE POTENTIAL OF ACTIVATING THE TERMS OF THE IMMEDIATELY PRECEDING SENTENCE.

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

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

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

8. **Tax Recapture**. In the event COMPANY (i) does not construct the improvements and renovations to the PREMISES as contemplated by this Agreement, (ii) fails to use the PREMISES for the purposes that are contemplated by this Agreement, (iii) fails to comply with the terms of the "City of Brenham Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises", or (iv) otherwise fails to comply with the terms of this Agreement, then the CITY shall have the right to terminate this Agreement and recapture the amount of all property taxes abated as a result of this Agreement in accordance with Texas Tax Code Sec. 312.205 and the POLICY after written notice of intended recapture by CITY to COMPANY and failure to cure by COMPANY within thirty (30) days of said notice.

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

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

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

COMPANY shall, on or before October 15 of each calendar year, submit a sworn statement to the CITY’S Compliance Review Committee that COMPANY is in compliance with this Agreement, including such information as may be necessary to verify compliance (e.g.

employment and payroll information), subject to verification by the City of Brenham and/or the Compliance Review Committee.

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

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

11. **Certificate of Compliance**. Upon completion of the improvements and renovations to the PREMISES, COMPANY shall submit to CITY a sworn Certificate of Compliance certifying that all construction of the improvements and renovations to the

PREMISES has been completed in accordance with the approved plans. After receipt of this Certificate of Compliance, CITY shall make a final inspection of PREMISES to determine whether the improvements and renovations have been constructed and installed in compliance with this Agreement. Upon so finding, CITY shall approve such a Certificate of Compliance and authorize tax phase-in to commence on January 1 of the year indicated in said certificate and terminate after the property has received the tax phase-in incentives as provided by this Agreement and Exhibit "B."

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

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

Land;
Animals;
Inventories;
Supplies;
Tools;
Furnishings and other forms of movable personal property (except as described as "eligible property" above);
Vehicles;
Vessels;
Aircraft;
Hotels/motels;
Housing or residential property;
Fauna;
Flora (excluding landscaping improvements);

Retail facilities;
Deferred maintenance investments;
Improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion;
Any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility; or
Property owned or used by the State of Texas or its political subdivisions or by any organization owned operated or directed by a political subdivision of the State of Texas.

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

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

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

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

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

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

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

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

21. **Notice**. Whenever notice or other communication is herein required to be given to COMPANY or to CITY, such notice will be sent, respectively, to the attention of COMPANY'S President or other designated officer at the address of Company's facility in the reinvestment ZONE, or to the attention of the City Manager at the address of said City Manager's then-current office location, via certified or registered mail, return receipt requested. Such notice will be considered effectively delivered when sent if such is properly addressed and sent and the return receipt is received by the sender, or if addressee fails to receive or accept delivery and the undelivered item is returned to sender.

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

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

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

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

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

The parties hereto have executed or caused to be executed by its duly authorized officials this Agreement in multiple counterparts, each of equal dignity, on this the ______ day of ____________________, 2018.

MIC GROUP, LLC

BY: ____________________________
Tom Hoyer
President
3140 S. Blue Bell Road
Brenham, TX 77833

CITY OF BRENHAM

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

ATTEST:

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

THE STATE OF TEXAS

COUNTY OF WASHINGTON

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

Given under my hand and seal of office on this the ____ day of _______________, 2018.

____
Notary Public in and for
The State of Texas

THE STATE OF TEXAS

COUNTY OF WASHINGTON

Before me, the undersigned authority, on this day personally appeared **TOM HOYER,** President of MIC GROUP, LLC., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the ______ day of ____________, 2018.

____
Notary Public in and for
The State of Texas

EXHIBIT "A"

7.165 acre tract of land, lying and being situated in the City of Brenham, Washington County, Texas, part of the Phillip Coe Survey, A-31, being a reserve of the same land described to the following deeds: 5.000 acres in the deed from Roy W. Rueter, et ux, to Magnetic Instruments Corp., dated June 5, 1992 recorded in Volume 672, Page 619, in the Official Records of Washington County, Texas, 1.0835 acres in the deed from Craig W. Gaskamp, et ux, to Magnetic Instruments Corp., dated October 18, 1989, as recorded in Volume 614, Page 692, in the Official Records of Washington County, Texas and 1.0835 acres in the deed from The Brenham Industrial Foundation, Inc. to Magnetic Instruments Corp, dated May 11, 1990 as recorded in Volume 628, Page 203 in said Official Records of Washington County, Texas.

EXHIBIT B

CITY OF BRENHAM

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

Policy Adoption Date: December 7, 2017

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 1and 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

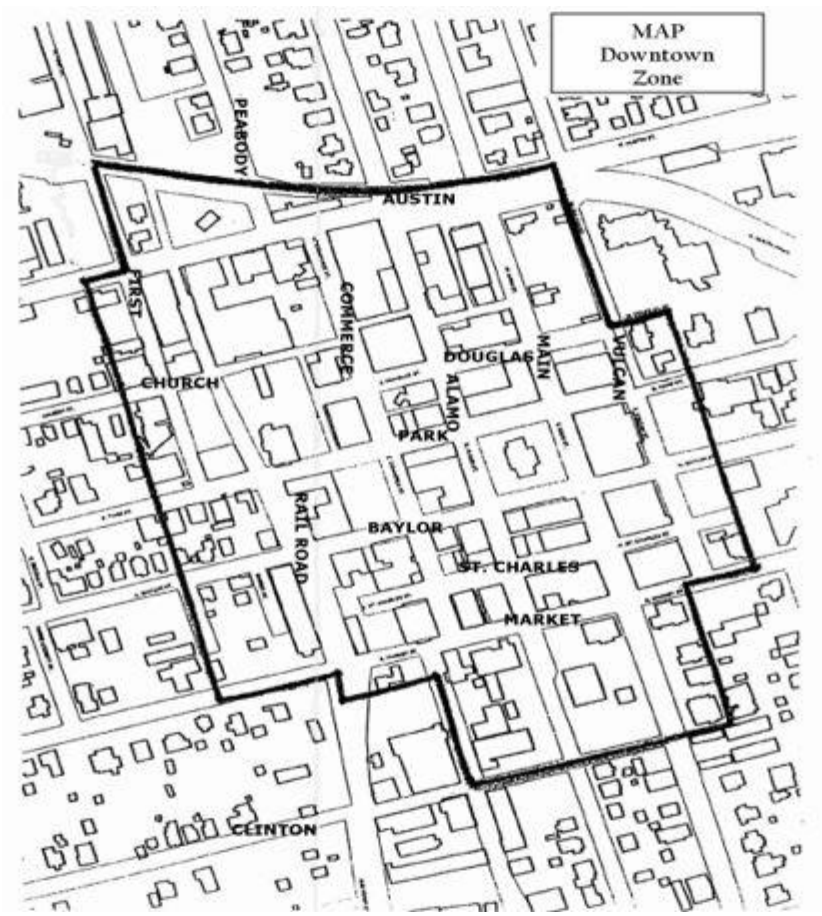
Level	The number of new and/or retained full-time employees with an average salary level of $36,000+/year including benefits averaged during the twelve calendar months prior to the tax assessment date of January 1:		Percent of property tax to be abated each year							
	From	To	1	2	3	4	5	6	7	8
1	10	19	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 15

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** James Fisher

MEETING TYPE:

- ☒ **REGULAR**
- ☐ **SPECIAL**
- ☐ **EXECUTIVE SESSION**

CLASSIFICATION:

- ☐ **PUBLIC HEARING**
- ☐ **CONSENT**
- ☒ **REGULAR**
- ☐ **WORK SESSION**

ORDINANCE:

- ☐ **1ST READING**
- ☐ **2ND READING**
- ☐ **RESOLUTION**

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon the Selection of Candidates to be Voted for on the Texas Municipal League Intergovernmental Risk Pool Board of Trustees, Places 11-14 and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: As a member of the Texas Municipal League Intergovernmental Risk Pool (TML IRP), the City of Brenham is eligible to participate in the election of members to the Board of Trustees. The votes cast on the ballot for the Trustee election must be certified as being the will of the majority of the City Council and thus, the vote must occur during the Regular session of the City Council Meeting.

It is suggested that votes be cast for six-year terms for the following nominees:

Place 11	Randy Criswell	Region 2, City of Canyon
Place 12	Jana Traxler	Region 13, City of Murphy
Place 13	Byron Black	Region 8, Johnson County Appraisal District
Place 14	David Harris	Region 7, City of Balcones Heights

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Official ballot for TML-IRP Board of Trustees Election

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve the selection of candidates for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees Places 11-14, as presented, and authorize the Mayor to execute any necessary documentation
APPROVALS: James Fisher

RECEIVED 8/20/18

OFFICIAL BALLOT

Texas Municipal League Intergovernmental Risk Pool
Board of Trustees Election

This is the official ballot for the election of Places 11 – 14 of the Board of Trustees for the Texas Municipal League Intergovernmental Risk Pool. Each Member of the Pool is entitled to vote for Board of Trustee members. Please record your organization's choices by placing an "X" in the square beside the candidate's name or writing in the name of an eligible person in the space provided. You can only vote for one candidate for each place.

The officials listed on this ballot have been nominated to serve a six-year term on the TML Intergovernmental Risk Pool (Workers' Compensation, Property and Liability) Board of Trustees. The names of the candidates for each Place on the Board of Trustees are listed in alphabetical order on this ballot.

Ballots must reach the office of David Reagan, Secretary of the Board, no later than September 30, 2018. Ballots received after September 30, 2018, cannot be counted. **The ballot must be properly signed and all pages of the ballot must be mailed to: Trustee Election, David Reagan, Secretary of the Board, P.O. Box 149194, Austin, Texas 78714-9194. If the ballot is not signed, it will not be counted.**

PLACE 11

☐ **Dietrich von Biedenfeld**. Alderman for the City of West Columbia (Region 14) since May 2012. Mr. Biedenfeld teaches at the Marilyn Davies College of Business at the University of Houston – Downtown and is a VA-accredited attorney. He serves as Chair of the Dispute Resolution Committee and past Chair of the Public Contract Law Committee for the American Bar Association Young Lawyer Division. He is also President of the Brazoria County Cities Association. Mr. Biedenfeld is a member of the International Association of Emergency Managers, Federal Bar Association, NIGP: The Institute for Public Procurement, and U.S. Green Building Council. He is also a member of the Columbia Historical and Brazoria County Heritage Museums.

☐ **Randy Criswell** (Incumbent). City Manager for the City of Canyon (Region 2) since 2008. Mr. Criswell has served on the TML Risk Pool Board of Trustees since 2015 and currently serves as Chair of the Underwriting and Claims Committee. He has been in public service for 28 years, with nearly 24 years as an employee of the City of Canyon. Mr. Criswell has a Bachelor of Science degree from Texas Tech University, is an active member of TCMA, having served multiple terms on the Board of Directors and Committees. He has served as the TCMA Affiliate Representative on the TML Board of Directors, is a member of ICMA, and is a Certified Public Manager.

☐ **Rick A. Schroder**. City Administrator for the City of Helotes (Region 7) since September 2008. Mr. Schroder also serves as the Executive Director for the Helotes Economic Development Corporation (EDC). Prior to his tenure as City Administrator, Rick was employed by the EDC as the Economic Development Specialist from 2006 to 2008. He graduated Magna Cum Laude from Trinity University in 2004 with a degree in Political Science, and he earned a Master of Public Service and Administration in 2006 from the George H.W. Bush School of Government and Public Service at Texas A&M University. During his coursework, he worked for a variety of public and private organizations, primarily focused on public service and government relations.

WRITE IN CANDIDATE:

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PLACE 12

☐ **Bert Lumbreras**. City Manager for the City of San Marcos, Texas (Region 10). Bert Lumbreras has 37 years of experience as a City Manager or an Assistant City Manager in seven Texas communities, including Austin and Waco. He currently serves as the International City/County Management Association Mountain Plains Vice President and previously served on the Board of Directors of the Texas City Management Association from 2010-2014, including President in 2012. He has a Bachelor's Degree in Political Science, with a concentration in Public Administration, and a minor in Geography and Urban Planning from Southwest Texas State University.

☐ **Kimberly Meismer**. Executive Director of General Operations for the City of Kerrville (Region 7), overseeing Human Resources, Municipal Court, Public Library, and Public Information. Ms. Meismer has over 21 years of public service, which includes serving the Cities of Kerrville and La Porte. She earned a Master's degree in Public Administration from U.T.–Arlington and a Bachelor's degree in Human Resource Management from Columbia Southern University. She is a member of the TCMA, International Public Management Association for Human Resources (IPMA-HR), Society for Human Resource Management (SHRM), San Antonio Human Resource Management Association, and is a former President of the Bay Area Human Resource Management Association. She is an IPMA-HR Senior Certified Professional and a SHRM Certified Professional.

☐ **Jana Traxler**. Human Resources Director and Risk Manager for the City of Murphy, Texas (Region 13). Jana Traxler is a municipal Human Resources Executive who is committed to being a strategic partner in municipal management, an employee advocate and a change agent. She has experience working in both local and state governments as well as experience working under a state funded contract with Hewlett Packard Enterprise Services. Prior to relocating to Murphy, Texas, she held the position of the Human Resources Labor Relations Officer for Shawnee County, Kansas. She is a graduate of the Villanova University Masters in Human Resource Development program and holds the Senior Professional in Human Resources designation.

☐ **Robert D. Wilson, Jr.** Board of Directors of the Post Oak Savannah Ground Conservation District in Milano, Texas (Region 10) for the last four years. Robert Wilson has also served on the Board of Directors for the Southwest Milam Water Supply Corporation for the past 13 years, and currently is the President. Mr. Wilson graduated from the University of Minnesota, majoring in mathematics. He was a Captain in the US Army, 1964-1968, and served in Viet Nam. He spent over 40 years in Commercial Banking, with the last 15 as Branch President of Citizens National Bank in Rockdale, Texas. Mr. Wilson has served on numerous local boards and organizations, volunteering his time to assist and improve the quality of life in Rockdale over the past 15 years. He is active in his church as a Sunday School Teacher, Deacon, and Treasurer.

WRITE IN CANDIDATE:

____

PLACE 13

☐ **Byron Black**. (Incumbent). Board Chair, Central Appraisal District of Johnson County (Region 8). He served as Mayor of Burleson from 1998-2004, previously serving as mayor pro tem and as a Councilmember. He currently serves as Chair of the Impact Fee Committee for the City of Burleson. Mr. Black is a past board member of the Area Metro Ambulance Authority Board. He was a member of the Burleson Independent School District Board for 12 years, nine as President, and served as president of TASB. Mr. Black has served as a Board member of the TML Intergovernmental Risk Pool since 2000, serving as Vice-Chair and Chair.

☐ **Mike Jones**. Chief Appraiser/Chief Administrator of the Fannin Central Appraisal District in Bonham, Texas (Region 13). His service in the property tax profession began in February, 2006 after serving a 20-year career in the United States Air Force. He holds a Bachelor of Science in Occupational Education from Wayland Baptist University. His professional credentials include the Registered Professional Appraiser and Registered Texas Assessor/Collector Designations, a Certified Tax Administrator from the Institute of Certified Tax Administrators and a Certified Chief Appraiser from the Texas Association of Appraisal Districts and the Texas Association of Assessing Officers.

WRITE IN CANDIDATE:

____

PLACE 14

☐ **Bert Echterling**. Mayor for the City of Robinson (Region 9) since 2015. Mr. Echterling has served as a council member for Robinson since 2006. He serves on the McLennan County Park Committee and on the Robinson Campus Improvement Committee. He is a past Board Member for the Robinson Economic Development Committee and the Robinson Chamber of Commerce. He was born and raised in Robinson, graduated from Robinson High School, and attended McLennan Community College. In 1996, he joined the family business, Echterling Builders, which he has owned since.

☐ **David J. Harris**. City Administrator for the City of Balcones Heights (Region 7) since 2014. Mr. Harris began his local government career in 1996 at Bexar County and has served 18 years in leadership of the cities of Hill Country Village (City Administrator), Schertz (Assistant City Manager), and Alamo Heights (Interim Director). He serves as Immediate Past President and on the Board of the Texas City Management Association, Secretary of TML Region 7, President of Alamo Heights Rotary Club. Mr. Harris received his BA in American Studies from Whitworth University and a MS in Urban Administration from Trinity University. He is an ICMA Credentialed Manager and a member of TCMA and ICMA.

☐ **David Rutledge**. Mayor of Bridge City (Region 16) since 2016, re-elected to a second term this past May, previously served as council member from 2005-2010 (term-limited), again in 2015, and is a representative on the Southeast Texas Regional Planning Commission (COG). Active in TML, he has been recognized as a Certified Municipal Official (CMO) the previous three years, is Vice President of TML Region 16, and serves on the TML Municipal Advocacy Committee and the Municipal Policy Summit. A mechanical engineer by profession from Lamar University in Beaumont, he serves on that university's Mechanical Engineering Advisory Council.

WRITE IN CANDIDATE:

____

AGENDA ITEM 16

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Airport	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** Kim Hodde

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon the Approval of the Routine Airport Maintenance Program (RAMP) Grant Agreement No. M1917BREN with TxDOT for FY2019 and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: Included on the Agenda for Thursday's Council meeting is consideration of a grant agreement with TxDOT for participation in the Routine Airport Maintenance Program (RAMP) for September 1, 2018 through August 31, 2019. As in the prior year, this agreement allows us to be reimbursed for 50% of the cost of our monthly AWOS monitoring (AviMet Data Link connection fees and continued scheduled maintenance), annual AWOS maintenance contract, as well as 50% of our replacement lamps for the airport lighting system, herbicides, general maintenance, and a contingency for emergency repairs. The maximum for the grant is $100,000 total (50/50 match) for the fiscal year. We have budgeted funds of $50,000 and with TxDOT's $50,000 match, this will enable us to do $100,000 worth of maintenance at half the cost to the City of Brenham.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS: 50% of the routine maintenance items would be reimbursed by TxDOT

B. CONS: The City of Brenham will pay for 100% of all maintenance costs

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) 2019 RAMP agreement

FUNDING SOURCE (Where Applicable): Budgeted funds

RECOMMENDED ACTION: Approve the Routine Airport Maintenance Program (RAMP) Grant Agreement No. M1917BREN with TxDOT for FY2019 and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

TEXAS DEPARTMENT OF TRANSPORTATION
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM

(State Assisted Airport Routine Maintenance)

TxDOT Project ID.: M1917BREN

Part I - Identification of the Project

TO: The City of Brenham, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Brenham, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and the Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the BRENHAM - BRENHAM MUNI Airport.

Part II - Offer of Financial Assistance

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

   State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or $50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

   Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

   Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

Work shall be accomplished by August 31, 2019, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

   It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

   The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

   Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

   The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.

5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

   The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

Part III - Sponsor Responsibilities

1. In accepting this Grant, if applicable, the Sponsor guarantees that:

   a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and

   b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and

   c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and

   d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and

   e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and

f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and

g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and

h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and

i. an Airport Fund shall be established by resolution, order or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or another revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent grant or loan, Sponsor has complied with the requirements of this subparagraph; and

j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and

k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.

l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.

2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.

3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

   If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.

5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.

6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.

7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

Part IV - Nomination of the Agent

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.

2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:

   a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;

   b. enter into contracts as necessary for execution of scope of services;

   c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;

   d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;

   e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

   f. reimburse sponsor for approved contract maintenance costs no more than once a month.

Part V - Recitals

1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.

2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.

3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.

   a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.

   b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.

4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.

5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.

6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VI - Acceptances

Sponsor

The City of Brenham, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this __________ day of September, 2018.

The City of Brenham, Texas
Sponsor

____
Sponsor Signature

Mayor
Sponsor Title

Certificate of Attorney

I, Cary Bovey, acting as attorney for the City of Brenham, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at Brenham, Texas, this __________ day of September, 2018.

____
Attorney's Signature

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS
TEXAS DEPARTMENT OF TRANSPORTATION

By:____________________________________

Date:____________________________________

Attachment A

Scope of Services
TxDOT Project ID: M1917BREN

Eligible Scope Item	Estimated Costs Amount A	State Share Amount B	Sponsor Share Amount C
GENERAL MAINTENANCE	$100,000.00	$50,000.00	$50,000.00
TOTAL	$100,000.00	$50,000.00	$50,000.00

Accepted By: The City of Brenham, Texas

____
Signature

Title: Mayor

Date:______________________________

GENERAL MAINTENANCE: As needed, Sponsor may contract for services / purchase materials for routine maintenance / improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide / application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

CERTIFICATION OF AIRPORT FUND

TxDOT Project ID: M1917BREN

The City of Brenham does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

Sponsor: The City of Brenham, Texas

By:____________________________

Carolyn D. Miller

Title: Chief Financial Officer

Date:____________________________

Certification of State Single Audit Requirements

I, Carolyn D. Miller, do certify that the City of Brenham, Texas,

(Designated Representative)

will comply with all requirements of the State of Texas Single Audit Act if the City of Brenham, Texas, spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Brenham, Texas, will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

____

Signature

Chief Financial Officer

Title

____

Date

DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE

TxDOT Project ID: M1917BREN

The City of Brenham, Texas, designates, Kim Hodde, Airport Coordinator
(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

Sponsor: The City of Brenham, Texas

By:________________________
Milton Y. Tate, Jr.

Title:________________________

Date:________________________

DESIGNATED REPRESENTATIVE

Mailing Address: P.O. Box 1059
Brenham, Texas 77834-1059

Overnight Mailing Address: 200 W. Vulcan Street
Brenham, Texas 77833

Telephone Number: (979) 337-7212

Fax Number: (979) 337-7218

Email Address: khodde@cityofbrenham.org

AGENDA ITEM 17

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Human Resources	**DATE SUBMITTED:** September 13, 2018 **SUBMITTED BY:** Susan Nienstedt

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Renewal with Texas Municipal League Intergovernmental Risk Pool for General Liability, Law Enforcement Liability, Public Officials Liability, Mobile Equipment, Airport Liability, Property, Auto Liability and Physical Damage, Crime, Animal Mortality and Theft and Workers' Compensation Coverage for the City of Brenham for Fiscal Year 2018-19 and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: See separate memo from the Human Resources Director

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS: All coverage and claims processing provided by same vendor; 2% early pay discount allowed.

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Memo from the HR Director; and (2) Schedule of Recommended Coverage

FUNDING SOURCE (Where Applicable): Sufficient funds have been budgeted in each departmental budget in the FY18-19 Budget to cover required contributions.

RECOMMENDED ACTION: Approve the renewal with Texas Municipal League Intergovernmental Risk Pool for General Liability, Law Enforcement Liability, Public Officials Liability, Mobile Equipment, Airport Liability, Property, Auto Liability and Physical Damage, Crime, Animal Mortality and Theft and Workers' Compensation coverage for the City of Brenham for Fiscal Year 2018-19 and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

MEMORANDUM

To: Mayor, Council and City Manager

From: Susan Nienstedt
Human Resources Director

Subject: Renewal of Property and Liability Coverage with TML Intergovernmental Risk Pool for FY2018-19

Date: September 13, 2018

As a member of the TML Intergovernmental Risk Pool (TMLIRP) we benefit from the mission statement of the Pool which is to provide a stable source of risk financing. The renewal rates from TMLIRP for FY2018-19 are shown on the attached spreadsheet with a comparison to the FY2017-18 coverage. The overall budget impact is an increase of $52,785 which will be divided proportionately among the departments in the FY2018-19 budget.

Based on our renewal, the City will experience the following changes per coverage:

- Liability – increase of $17,921 dollars, or 12.15%
- Property – increase of $37,329 or 36.13%
- Workers' Compensation – decrease of $2,465 or 1.52%

When looking at our liability coverage increase, the higher experience modifier was due to an open law enforcement claim for the past three years. The increase in property coverage is due to added locations to our property schedule, updated building content values, and an 8.5% increase by the Pool for overall wind and hail losses during the past three years. There were six workers' compensation category rates that increased, however a decrease in our experience modifier, which is based on a state adopted formula comparing expected losses to actual losses over the previous three years, resulted in an overall decrease in the workers' compensation category.

The City will receive a 2% reduction in contributions for early payment of the annual costs if paid by October 31st which amounts to $9,324.

Recommendation

We are recommending approval of the TMLIRP renewal rates for liability, property and workers' compensation effective October 1, 2018 at the rates shown on the accompanying schedule.

City of Brenham

Texas Municipal Intergovernmental Risk Pool Renewal
FY2018-19 Liability/Property/Workers' Compensation Contributions
Limits/Deductibles

Coverage Description	2017-18 Limits	2018-19 Limits	2017-18 Deductible	2018-19 Deductible	2017-18 Exp Modifier	2017-18 Exp Modifier	2017-18 Contribution	2018-19 Contribution	Difference	Percent Change
General Liability	$ 5,000,000	$ 5,000,000	$ 2,500	$ 2,500	0.50	0.57	$ 18,767	$ 20,417	$ 1,650	8.79%
Law Enforcement Liability	$ 5,000,000	$ 5,000,000	$ 2,500	$ 2,500	0.50	0.57	$ 17,828	$ 19,605	$ 1,777	9.97%
Errors & Omissions Liability	$ 5,000,000	$ 5,000,000	$ 2,500	$ 2,500	0.50	0.57	$ 31,205	$ 32,570	$ 1,365	4.37%
Automobile Liability	$ 5,000,000	$ 5,000,000	$ -	$ -	0.50	0.57	$ 26,227	$ 29,661	$ 3,434	13.09%
Automobile Physical Damage	ACV	ACV	$ 500	$ 500			$ 51,484	$ 61,825	$ 10,341	20.09%
Aviation Liability	$ 5,000,000	$ 5,000,000	$0/$2,500/Aircraft	$0/$2,500/Aircraft			$ 1,992	$ 1,346	$ (646)	-32.43%
Subtotal Liability							$ 147,503	$ 165,424	$ 17,921	12.15%
Real & Personal Property	$ 65,080,313	66,465,141	$ 2,500	$ 2,500	1.00		$ 76,209	$ 111,987	$ 35,778	46.95%
Flood/Earthquake			$ 25,000	$ 25,000	1.00					
Mobile Equipment	$ 5,660,317	5,855,025	$ 1,000	$ 1,000	1.00		$ 22,839	$ 23,625	$ 786	3.44%
Crime -Public Employee Dishonesty	$ 50,000	50,000	$ 1,000	$ 1,000			$ 2,282	$ 1,601	$ (681)	57.19%
Crime - Forgery & Alteration	$ 250,000	250,000	$ 1,000	$ 1,000			$ -	$ 359	$ 359	
Crime - Computer Fraud	$ 1,000,000	100,000	$ 10,000	$ 10,000			$ -	$ 1,627	$ 1,627	
Animal Mortality and Theft (Canine Unit)	$12,000/$5,000 Med		$ 0/$50	$ 0/$50			$ 1,980	$ 1,440	$ (540)	-27.27%
Subtotal Property							$ 103,310	$ 140,639	$ 37,329	36.13%
Workers' Compensation	Statutory	Statutory	None	None	0.50	0.48	$ 162,607	$ 160,142	$ (2,465)	-1.52%
Total All Coverage							$ 413,420	$ 466,205	$ 52,785	12.77%
Early Pay Discount 2%							$ (8,268)	$ (9,324)	$ (1,056)	

AGENDA ITEM 18

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Development Services	**DATE SUBMITTED:** September 17, 2018 **SUBMITTED BY:** Lori Lakatos

MEETING TYPE:

- ☒ **REGULAR**
- ☐ **SPECIAL**
- ☐ **EXECUTIVE SESSION**

CLASSIFICATION:

- ☐ **PUBLIC HEARING**
- ☐ **CONSENT**
- ☒ **REGULAR**
- ☐ **WORK SESSION**

ORDINANCE:

- ☐ **1ST READING**
- ☐ **2ND READING**
- ☐ **RESOLUTION**

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Professional Services Agreement Between the City of Brenham and Kendig Keast Collaborative for the Development of a Comprehensive Plan for the City of Brenham and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: The Comprehensive Plan will address and determine the City's priorities and develop a detailed work plan. This helps protect the community's quality of life, while developing a long-term sustainable city. The plan will examine the needs of the community holistically to ensure that land uses are supported by infrastructure and facilities. The City's comprehensive plan was last updated by the Lower Colorado River Authority in 2009.

The planning process is to have a major emphasis on community engagement and to provide a high quality of life for the community.

The Request for Qualifications was published in April and May 2018. Four responses were received and all four consulting teams were interviewed in July 2018. Upon consideration of the qualifications and interviews, staff pursued negotiating a scope of services for the Comprehensive Plan with Kendig Keast Collaborative.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Request for Qualifications Notification; (2) Request for Qualifications; and (3) Professional Services Agreement

FUNDING SOURCE (Where Applicable): 2017 Certificates of Obligation

RECOMMENDED ACTION: Approve a Professional Services Agreement between the City of Brenham and Kendig Keast Collaborative, in an amount not to exceed $259,825.00, for the Development of a Comprehensive Plan for the City of Brenham and authorize the Mayor to execute any necessary documentation
APPROVALS: James Fisher

City of Brenham

Milton Y. Tate Jr.
Mayor

James Fisher
City Manager

REQUEST FOR QUALIFICATIONS
PROJECT NO. 2018-05 – COMPREHENSIVE PLAN

The City of Brenham, Texas is seeking submittals from qualified consulting firms to prepare a Comprehensive Plan.

Sealed submittals shall be addressed to the Office of the City Secretary, City of Brenham, 200 W. Vulcan St., Suite 206, Brenham, Texas 77833, and shall be labeled **"RFQ - PROJECT NO. 2018-05, CITY OF BRENHAM COMPREHENSIVE PLAN, DO NOT OPEN**". Mailed bids, by USPS, must be addressed to P.O. Box 1059, Brenham, Texas 77834-1059. Bids shall be submitted no later than **2:00P.M., Local Time on May 30, 2018.** Bids may be submitted in person, electronically, by mail, or delivery service. Responses will NOT be accepted by fax.

Electronic submittals will be accepted at llakatos@cityofbrenham.org, with "RFQ – PROJECT NO. 2018-05, CITY OF BRENHAM COMPREHENSIVE PLAN" in the subject line.

The submittal specifications may be obtained, at no charge at the City of Brenham, Engineering Department or email Lori Lakatos, P.E., City Engineer, at llakatos@cityofbrenham.org.

The City of Brenham reserves the right to reject any or all submittals and to waive any minor technicalities. All submittals received after the closing time designated will be returned unopened.

Upon consideration of the submittals, the City of Brenham reserves the right to accept or to reject any and all submittals, to waive technicalities and to make any investigation deemed necessary concerning the proposers ability to provide the services as covered by the specifications, and to accept what in their judgment is the most advantageous submittal. The City of Brenham reserves all rights to negotiate with any or all firms submitting qualifications. Small and minority business, women's business enterprises, and labor surplus area firms are encourages to submit qualifications and firms using subcontractors must solicit such firms in the subcontracting process.

1st Publication: April 29, 2018
2nd Publication: May 6, 2018

City of Brenham
200 W. Vulcan St.
Brenham, Texas 77833
P.O. Box 1059
Brenham, Texas 77834-1059

REQUEST FOR QUALIFICATIONS
PROJECT NO. 2018-05 – COMPREHENSIVE PLAN

The City of Brenham, Texas is seeking submittals from qualified consulting firms to prepare a Comprehensive Plan.

Sealed submittals shall be submitted in an envelope marked on the outside with "City of Brenham Comprehensive Plan" to:

Physical Address
City of Brenham
City Secretary's Office
Suite 206
200 W. Vulcan Street
Brenham, Texas 77833

Mailing Address
City of Brenham
City Secretary's Office
Suite 206
P.O. Box 1059,
Brenham, Texas 77834-1059

Requests will be received at the above address until 2:00 P.M. on May 30, 2018, at which time they will be publicly opened. The CLIENT reserves the right to reject any or all submittals and to waive any minor technicalities. CLIENT reserves all rights to negotiate with any or all firms submitting qualifications. Small and minority businesses, women's business enterprises, and labor surplus area firms are encouraged to submit qualifications and firms using subcontractors must solicit such firms in the subcontracting process.

Solicitation Intent
The intent of this Request of Qualifications (RFQ) is to obtain sealed submittals from qualified and experienced consultants who are interested in assisting the City of Brenham with developing a Comprehensive Plan. The services will be to support in developing the comprehensive plan. The selected consultant must have knowledge of and provide all services in relation to comprehensive planning. Please follow the instructions in the RFQ Response Requirements Section.

Project Summary
The Comprehensive Plan will address and determine the City's priorities and develop a detailed work plan to guide and complete the plan. The Comprehensive Plan helps protect the community's quality of life, while developing a long-term sustainable city. The plan will examine the needs of the community holistically to ensure that land uses are supported by infrastructure and facilities. The City's comprehensive plan was last updated by the Lower Colorado River Authority in 2009.

Since 2009, the city has faced tremendous growth. The population of the City of Brenham is approximately 17,000 with a land area of approximately 12 square miles. The City of Brenham is located along the US Highway 290 corridor and is between Houston and Austin. Brenham is the County Seat in Washington County, which is part of the Brazos Valley Council of Governments.

The City Brenham desires in the planning process to have a major emphasis on community engagement and to provide a high quality of life for the community. The Comprehensive Plan process will have a significant level of community involvement and engage the public in the formulating and implementation of a plan that belongs to the community. A Comprehensive Plan Advisory Committee (CPAC) will need to be established as part of the process. The CPAC will work closely with the selected firm during the planning process. The City will seek suggestions for the stakeholders that should make up the membership of the CPAC from the selected firm.

The desired elements of the plan will include, but not be limited to the following:

1. Background
   a. History, preferably coordinated with local resources, including historic sites.

2. Vision
   a. Vision Process and Needs

3. Community Profile
   a. Existing and projected demographic and socio-economic profile and anticipated impacts.
   b. Evaluation of existing housing stock by type, age, size, value, etc.
   c. Profile of existing employment base, by type.
   d. Profile of existing nonresidential development by type, age, value, etc.
   e. Comparisons with other communities in the region
   f. Coordination with Brenham Independent School District
   g. Public safety – incorporation and review of hazard mitigation plans.

4. Public Utilities/Infrastructure
   a. An evaluation of existing public utilities, including privately-owned public utilities.
   b. An analysis of septic and sewer capability as it pertains to the growth of the City.
   c. Water systems planning in terms of local priorities, development patterns, and regional water supply plans.
   d. Description of municipal systems and recommendations for future infrastructure planning.

5. Land Use and Development
   a. Evaluation of existing land use plan
   b. Plan to serve as policy guide for short and long range planning, zoning, and decision making within the City and will serve as a necessary first step and guideline towards systematic revisions of the City's existing land use and development regulations.
   c. Development of a future land use plan.
   d. Review of adjoining jurisdictions land use plans.
   e. Identification of high growth areas and area specific land use recommendations.

6. Economic Opportunity
   a. Review and incorporate data to develop an economic strategy.
   b. Review and incorporate of the work of the Brenham Community Development Corporation and the Brenham Economic Development Foundation.

7. Parks and Recreation
   a. Assessment of current parks and recreation facilities and associated plans and recommendations for park and recreation facilities within the City.
   b. Assessment of greenways potential.

8. Transportation
   a. Recommendations for transportation improvements based upon existing and projected land use and development patterns.
   b. Development Major Thoroughfare Plan Update

c. Incorporation of existing City transportation plans.
d. Coordination of regional transportation plans and consideration for regional issues and impacts.

9. Capital Improvement Plan
   a. Review existing plans related to infrastructure and recommend any future improvements to meet the overall community vision.
   b. Identify projects for the Capital Improvement Plan and recommend incorporation strategy.

10. Growth Capacity
    a. Projections

11. Implementation

RFQ Response Requirements

The following are required elements of a submittal for this procurement:

1. Requesting the RFQ documents: To receive the RFQ documents, please contact the City of Brenham Development Services Department, Lori Lakatos, P.E., City Engineer/Director of Development Services, at (979) 337-7215 and llakatos@cityofbrenham.org.

2. Any questions can be e-mailed to the City of Brenham, Development Services Department, Lori Lakatos, P.E., City Engineer, at llakatos@cityofbrenham.org no later than 4:00 P.M. May 23, 2018. Any Addenda to this RFQ will be emailed to those firms that have notified the City of Brenham of their intention to submit a proposal.

3. It remains the sole responsibility of the offering firm to contact the City of Brenham prior to submitting a proposal to ascertain if any addenda have been issued, to obtain all such addenda, and acknowledge any addenda with each proposal.

4. Preparation and Format: Submittals should be prepared in a clear and concise manner to meet the requirements of the RFQ. Proposals must be signed by an authorized representative or contracting agent of the firm. The Respondent shall include pricing for additional anticipated labor categories, including other non-labor related project costs.

5. Proposal Delivery: Proposals are due no later than 2:00 P.M., May 30, 2018. The complete submittal, consisting of 1 original and 2 copies of the proposal must be delivered to the City of Brenham in a sealed package, clearly marked on the outside "City of Brenham Comprehensive Plan" and addressed to:

   Physical Address
   City of Brenham
   City Secretary's Office
   Suite 206
   200 W. Vulcan Street
   Brenham, Texas 77833

   Mailing Address
   City of Brenham
   City Secretary's Office
   Suite 206
   P.O. Box 1059,
   Brenham, Texas 77834-1059

   Hand delivered submittals shall be taken to the City of Brenham office at the above address. Digital submittals of the proposals are acceptable and must be emailed to llakatos@cityofbrenham.org, with "**RFQ – Project No. 2018-05, City of Brenham Comprehensive Plan**" in the subject line. The City of Brenham reserves the right to reject any or all proposals submitted and to waive any minor technicalities.

6. Cover letter with the name, address, phone number, fax number, and email address of the person or firm submitting the proposal. Provide the name of the project manager / primary contact person and person authorized to contract for the firm.

7. In order to demonstrate the Respondent has sufficient qualifications, resources and experience to provide the Services under this RFQ, please provide the following information:

    i. A brief history of the firm and an overview of the Proposer's experience indicating resources, understanding, qualifications, background, etc. in providing the services related to "Comprehensive Planning" experience,
    ii. Identify the key individual(s) who will be working on this project and summarize their qualifications and experience. Provide resumes of key individuals.

8. Discuss recent experience of the Respondent that demonstrates current capacity to provide the services requested in this RFQ.

9. Demonstrate experience with public involvement including experience conducting public meetings. Experience included utilizing social media, online process, public facilitation techniques, and other innovative public involvement techniques.

10. Environmental concerns: Demonstrate that the respondent can provide assistance and oversight of environmental issues, and ensure that regulatory compliance is documented.

11. Describe the benefits that the City of Brenham will realize in selecting the Respondent's firm or team for this project. Benefits may include unique or specialized processes or organization, staff qualifications, capabilities, specialized experience, best practices or other factors that distinguish the Respondent from other Respondents.

12. Discuss additional scope of work items that are not mentioned in the Project Summary that, based upon your experience, will be of assistance to the City of Brenham in its comprehensive planning effort.

13. Briefly summarize any other appropriate factors, not already provided in response to the questions and requests listed herein, about the Respondent's qualifications that are relevant to the consideration of the Respondent for this Project.

14. Provide at least three (3) references for which Respondent has performed similar services within the last five (5) years.

15. Project Approach/Plan: Explain the Respondent's understanding of the project and outline the Respondent's proposed approach to completing the anticipated scope of work.

16. Provide a copy of the firm's current Certificate(s) of Liability insurance.

17. Proposed Compensation: Submit hourly rates for services including rates by position. The City of Brenham reserves the right to negotiate terms as needed to improve elements of the proposal to best meet the needs of the City of Brenham, including cost.

TERMS OF CONTRACT: The City of Brenham reserves the right to negotiate and revise stated contract terms and conditions prior to the firm and City of Brenham executing an agreement.

EVALUATION CRITERIA:

Criteria	Scoring value
Experience / Qualifications	25%
Public Involvement Experience	5%
References	15%
Project Approach/Plan/Staffing	30%
Pricing	5%

PROFESSIONAL SERVICES AGREEMENT
FOR
CONSULTING SERVICES
RELATED TO
PROJECT NO. 2018-05
CITY OF BRENHAM COMPREHENSIVE PLAN

THE STATE OF TEXAS §
§
COUNTY OF WASHINGTON §

THIS AGREEMENT made on the _______ day of __________________, 2018 entered into, and executed by and between the City of Brenham, Texas (the "City"), a municipal corporation of the State of Texas, and *Kendig Keast Collaborative* ("Consultant").

WITNESSETH:

WHEREAS, the Consultant represents that it is capable of providing and qualified to provide professional services to the City and Consultant desires to perform the same; and

WHEREAS, the City desires to complete a new Comprehensive Plan (the "Project"); and

NOW, THEREFORE, the City and Consultant, in consideration of the mutual covenants and agreements herein contained, do mutually agree as follows:

SECTION I
SCOPE OF AGREEMENT

Consultant agrees to perform certain professional services as outlined and defined in Attachment "A" attached hereto and made a part hereof for all purposes, hereinafter sometimes referred to as "Scope of Services," and for having rendered such services, the City agrees to pay Consultant compensation as stated in Section VII.

SECTION II
CHARACTER AND EXTENT OF SERVICES

Consultant shall do all things necessary to render the services and perform the Scope of Services with professional skill and in a workmanlike manner. It is expressly understood and agreed that Consultant is an Independent Contractor in the performance of the services agreed to herein. It is further understood and agreed that Consultant shall not have the authority to obligate or bind the City, or make representations or commitments on behalf of the City or its officers or employees without the express prior written approval of the City. The City shall be under no obligation to pay for services rendered not identified in Attachment “A” without prior written authorization from the City.

SECTION III
OWNERSHIP OF WORK PRODUCT

Consultant agrees that the City shall have the right to use all exhibits, maps, reports, analyses and other documents prepared or compiled by Consultant pursuant to this Agreement. The City shall be the absolute and unqualified owner of all studies, exhibits, maps, reports, analyses, determinations, recommendations, computer files, and other documents prepared or acquired pursuant to this Agreement with the same force and effect as if the City had prepared or acquired the same.

SECTION IV
TIME FOR PERFORMANCE

The time for performance of the Scope of Services is 12 calendar months beginning from the execution date of this Agreement. Upon written request of Consultant, the City may grant time extensions to the extent of any delays caused by the City or other agencies with which the services must be coordinated and over which Consultant has no control.

SECTION V
COMPLIANCE AND STANDARDS

Consultant agrees to perform the services hereunder in accordance with generally accepted standards applicable thereto and shall use that degree of care and skill commensurate with the Consultant’s profession. Consultant shall comply with all applicable state, federal, and local laws, ordinances, rules, and regulations relating to the services to be performed hereunder and Consultant’s performance.

SECTION VI
INDEMNIFICATION

Consultant shall and does hereby agree to indemnify, release, hold harmless, and defend the City, its officers, agents, and employees from any and all damages, loss, costs, or against claim of any kind whatsoever, including but not limited to reasonable attorney’s fees, by reason of death or injury to property or persons caused by any negligent act or omission, or willful misconduct, of Consultant, its officers, agents, employees, contractors, invitees, or other persons for whom it is legally liable, with regard to the performance of this Agreement, and Consultant will, at its sole cost and expense, indemnify, release, hold harmless, defend, pay on behalf of, and protect the City and its officers, agents, and employees against any and all such claims and demands. Such indemnity shall apply where the suits, actions, legal proceedings, claims, demands, costs, expenses, and attorney's fees arise in whole or in part from any negligent act or omission, or willful misconduct, of Consultant.

SECTION VII
CONSUTLANT'S COMPENSATION

For and in consideration of the services rendered by Consultant pursuant to this Agreement, the City shall pay Consultant only for the actual services performed under the Scope of Services, on the basis set forth in Attachment "A," up to an amount not to exceed $ 259,825.00, including reimbursable expenses as identified in Attachment "A."

SECTION VIII
TERMINATION

The City may terminate this Agreement at any time by giving written notice to Consultant. Upon receipt of such notice, Consultant shall discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts insofar as such orders or contracts are chargeable to the Agreement. As soon as practicable after receipt of notice of termination, Consultant shall submit a sworn statement, showing in detail the services performed under this Agreement to the date of termination. The City shall then pay Consultant for such services performed under this Agreement as those services bear to the total services called for under this Agreement, less such payments on account of the charges as have been previously made. Copies of all completed or partially completed designs, maps, studies, documents and other work product prepared under this Agreement shall be delivered to the City when and if this Agreement is terminated.

SECTION IX
ADDRESSES, NOTICES AND COMMUNICATIONS

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, to Consultant at the following address:

Kendig Keast Collaborative
1415 Highway 6 South, Suite D-100
Sugar Land, TX 77478
Attn: Luis Núñez

All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, to the City at the following address:

City of Brenham
200 W. Vulcan St.
Brenham, TX 77833
Attn: City Engineer

SECTION X
LIMIT OF APPROPRIATION

Prior to the execution of this Agreement, Consultant has been advised by the City and Consultant clearly understands and agrees, such understanding and agreement being of the absolute essence to this Agreement, that the City shall have available only those sums as expressly provided for under this Agreement to discharge any and all liabilities which may be incurred by the City and that the total compensation that Consultant may become entitled to hereunder and the total sum that the City shall become liable to pay to Consultant hereunder shall not under any conditions, circumstances, or interpretations hereof exceed the amounts as provided for in this Agreement.

SECTION XI
SUCCESSORS AND ASSIGNS

The City and Consultant bind themselves and their successors and assigns to the other party of this Agreement and to the successors and assigns of such other party, in respect to all covenants of this Agreement. Consultant shall not assign, sublet, or transfer its interest in this Agreement without the written consent of the City. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of the City or any public body which may be a party hereto.

SECTION XII
MODIFICATIONS

This instrument, including all Attachments hereto, contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. To the extent there is a conflict between the provisions of this Agreement and the provisions of the Attachments hereto, this Agreement shall control. Any oral or written representations or modifications concerning this Agreement shall be of no force and effect excepting a subsequent modification in writing signed by both parties hereto.

SECTION XIII
ADDITIONAL SERVICES OF CONSULTANT

If authorized in writing by the City, Consultant shall furnish, or obtain from others, Additional Services that may be required because of significant changes in the scope, extent or character of the portions of the Project designed or specified by the Consultant, as defined in Attachment "A." These Additional Services, plus reimbursable expenses, will be paid for by the Owner on the basis set forth in Attachment "A," up to the amount authorized in writing by the City.

SECTION XIV
CONFLICTS OF INTEREST

Pursuant to the requirements of the Chapter 176 of the Texas Local Government Code, Consultant shall fully complete and file with the City Secretary a Conflict of Interest Questionnaire.

SECTION XV
PAYMENT TO CONSULTANT FOR SERVICES AND REIMBURSABLE EXPENSES

Invoices for Basic and Additional Services and reimbursable expenses will be prepared in accordance with Consultant's standard invoicing practices and will be submitted to the City by Consultant at least monthly. Invoices are due and payable thirty (30) days after receipt by the City.

SECTION XVI
INSURANCE

Consultant shall procure and maintain insurance in accordance with the terms and conditions set forth in Attachment "B," for protection from workers' compensation claims, claims for damages because of bodily injury, including personal injury, sickness or disease or death, claims or damages because of injury to or destruction of property including loss of use resulting therefrom, and claims of errors and omissions.

SECTION XVII
MISCELLANEOUS PROVISIONS

A. This Agreement is subject to the provisions of the Texas Prompt Payment Act, Chapter 2251 of the Texas Government Code. The approval or payment of any invoice shall not be considered to be evidence of performance by Consultant or of the receipt of or acceptance by the City of the services covered by such invoice.

B. This Agreement and any dispute arising out of or in connection with this Agreement shall be governed by and construed under the laws of the State of Texas, without regard to the principles of conflict of laws. Venue for any legal actions arising out of this Agreement shall lie exclusively in the federal and state courts of Washington County, Texas.

C. This Agreement is for sole benefit of the City and Consultant, and no provision of this Agreement shall be interpreted to grant or convey to any other person any benefits or rights.

D. Consultant further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.

E. In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The signatory executing this Agreement on behalf of Consultant verifies that the Consultant does not boycott Israel and will not boycott Israel during the term of this Agreement.

IN WITNESS WHEREOF, the City of Brenham has lawfully caused this Agreement to be executed by the City Manager of said City and attested by the City Secretary and *Kendig Keast Collaborative*, acting by and through its duly authorized officer/representative, does now sign, execute, and deliver this instrument.

EXECUTED on this ______ day of ______________________, 2018.

CONSULTANT:

Kendig Keast Collaborative
By: ________________________________
Name: Gary Mitchell
Title: President

CITY OF BRENHAM, TEXAS

____
Milton Y. Tate Jr., Mayor

ATTEST:

____
Jeana Bellinger, City Secretary

<u>ATTACHMENT "A"</u>

PART A - SCOPE OF SERVICES
PROJECT NO. 2018-05
CITY OF BRENHAM COMPREHENSIVE PLAN

Attachment "A"
Scope of Services and Basis of Compensation

Under contract to the **City of Brenham**, prime consultant Kendig Keast Collaborative (KKC) will provide professional urban planning services to prepare an updated **Comprehensive Plan** for guiding the long-range development, redevelopment and enhancement of the city. KKC will be assisted in this effort by one subconsultant on our consultant team ("Team"):

(1) **Strand Engineering**, who will provide support for the municipal infrastructure and mobility aspects of the planning effort; and

The Comprehensive Plan effort will focus on the current City limits and areas within the Brenham extraterritorial jurisdiction (ETJ) where urbanization and/or expanded municipal jurisdiction is anticipated over the plan horizon.

Our Team's project involvement and facilitation will be carried out according to this Scope of Services and contingent upon the Professional Services Agreement to make the best use of the available consultant budget. The City's staff will manage the overall process and direct the Team in performing the project services. The Team will build upon and coordinate with other recent and concurrent planning efforts and studies to complete these tasks. The Team will coordinate with other agencies and entities, as appropriate, in conjunction with the City.

As indicated below under Project / Client Coordination, KKC will coordinate with the City to establish a detailed and feasible project schedule for the execution and completion of this Scope of Services. The intent is to work toward official consideration of a final proposed Comprehensive Plan within **12 months**, from the date KKC receives Notice to Proceed from the City. KKC will coordinate with City officials and staff to meet this timeline. This will require steady progress on the tasks in this Scope of Services; timely receipt of necessary data and information and other input; and prompt review and feedback on the Team's interim and final work products. It is also noted that the extent, scheduling and completion of public hearings and final plan adoption are a client prerogative and not under our Team's control. Additionally, the final *optional* phase of this work program outlines post-adoption support activities that could continue, at a less intensive level of Team involvement, during the 12 months after plan adoption.

Additional or Continuing Services

During the course of or at the conclusion of the project, the City may deem it necessary to schedule more meetings, request further background or issues research, or otherwise engage consultant personnel in additional work efforts not anticipated at project initiation and through the Scope of Services currently outlined. Any such additional services shall be specifically authorized by the City and documented through a written amendment to the Scope of Services and approval of a corresponding increase in the compensation amount—and, if necessary, the time of performance—of the original professional services agreement.

PROJECT / CLIENT COORDINATION

KKC will complete project management activities in coordination with the City's staff to ensure schedule adherence, cost control and quality assurance. These activities will include:

- Monthly submittal of written **progress reports** in conjunction with each monthly invoice. These reports will describe the project status and document significant work accomplished and activities scheduled for the next progress report period, as well as noting any difficulties encountered and steps taken to address them.
- Preparation and maintenance throughout the project of a **detailed project schedule**, including due dates for all deliverables, anticipated meeting dates, plus specified review/comment timeframes to ensure adequate time for client review/approval of deliverables. The schedule will be set during the Project Start-Up phase below.
- Frequent **communication and coordination with the City's staff** by email, phone, online conferencing, and written correspondence, as appropriate.

PROJECT START-UP

Project Kick-Off Meeting

Following receipt of written Notice to Proceed from the City, KKC will complete a project kick-off conference call with City staff to recap the Scope of Services, flesh out a detailed schedule, coordinate on data/information needs, and cover other project logistics. Then, on each scheduled visit to the community, KKC will meet with City staff as needed for project planning discussions and/or in-depth work sessions on particular plan topics.

Compilation of Information Resources

KKC will coordinate with City staff to identify and acquire available data, mapping and other information resources for the planning effort, from local and other sources. KKC will provide City staff a checklist of typical resource items for a community planning effort, including other recent and/or concurrent plans and studies, and any other policy processes or documents that aid community decision-making. KKC will then coordinate with staff to determine which items will be available for the project. KKC will also coordinate with City staff to identify key project contacts and relevant agencies and entities.

Coordination of Community and Leadership Engagement Strategy

KKC will coordinate with City staff to plan and facilitate a sequence of outreach activities to engage the community's public and private leadership, as well as residents, business owners, property owners, local organizations and others interested in setting strategic priorities for the community's future. The intent is to avoid duplicative efforts and "meeting/input fatigue." Specific outreach activities are itemized within each phase of this Scope of Services, under the heading Engagement Activities. Necessary coordination with other external agencies and organizations will also be initiated early on and throughout the process, as appropriate. Throughout the plan development process and in coordination with City staff, KKC will help to identify project-related items to be posted on the City website by staff for public information purposes (e.g., upcoming public events, interim draft plan content, etc.).

PHASE 1 – THE EXISTING CITY

The Team will compile and assess a base of information on the existing conditions and outlook for Brenham, focusing especially on key influences that will shape the community's future. This will provide background and assumptions to support needs assessment and long-range and strategic planning decisions throughout the planning process. Through its own background study plus discussions with local officials, staff, residents and other stakeholders, the Team will:

1. Review and evaluate the City's current planning documents and other relevant materials, including the current land development regulations.

2. Itemize key opportunities, challenges, issues and needs facing the community, using indicator data from local sources, the U.S. Census Bureau and other readily available sources to provide further context.

3. Consider Brenham's historical development and relevant local and regional trends, plans and projects that will influence the community over the 20-year planning horizon.

4. Identify action items from previous local plans/studies or initiatives that were successfully accomplished, remain to be completed, or are not likely to be pursued due to changed priorities, resource limitations or other factors.

5. Complete topic-specific background study and mapping to gain a better understanding of Brenham's physical context and development history, and projects/improvements already in motion. Drawing from readily available data and other resources from the City, plus discussions with staff and other key contacts, considerations will include:

   - The area's physical characteristics and context, including locations of valued natural, historical and cultural assets.

   - Existing land use and development patterns and associated economic and real estate market factors.

   - Existing housing market conditions and housing stock status in terms of availability, variety and affordability relative to the housing needs of current and prospective residents.

   - Existing municipal utilities and/or privately-owned utilities (water, wastewater and storm drainage systems) general condition and capacity, any significant service issues or deficiencies, anticipated needs, etc. and specific improvements already planned and/or programmed. Water system planning will include not only examining Brenham's priorities and development patterns but also regional water supply plans. (*For general community planning purposes, this information will be derived from available resource documents and interactions with local staff and other pertinent contacts and will not involve any new modeling or in-depth technical analysis.*)

   - Existing transportation system, associated traffic and safety conditions, and specific improvements already planned and/or programmed. (*For general community planning purposes, this information will be derived from available resource documents and interactions with local staff and other pertinent contacts and will not involve any new modeling or in-depth technical analysis.*)

   - Existing parks, recreation and trail assets and specific improvements already planned and/or programmed.

- Existing development policies and regulations, annexation history and status, public service capacities, and other factors—both physical and fiscal—that influence community form and character and provide opportunities for or constraints to future development and redevelopment. We will also evaluate the potential effectiveness of the City's current development regulations and standards to serve as a policy guide for potential revisions of the existing land use and development regulations.

As part of completing the existing conditions assessment above, the Team will also consider the general viability and resilience of the community, from a systems and policy perspective (e.g., public health/safety, economic vibrancy and diversification, environmental quality, mobility options, "green" practices and construction, etc.).

6. Complete field reconnaissance, with City staff and independently, to:
   - Observe existing conditions and on-the-ground outcomes from previous plan implementation activities and application of the City's development regulations, including land use compatibility, development quality considerations and community aesthetics and image.
   - Develop a photographic inventory for use during the project.
   - Identify areas that may need or be conducive for a special area planning focus within the overall comprehensive planning effort (e.g., downtown, key corridors, unique neighborhoods or districts, etc.).

Engagement Activities

1. Facilitate an initial, informal **Issues and Needs Joint Workshop** involving the City Council, members of the City of Brenham Planning and Zoning Commission, Board of Adjustment, and others, as appropriate. The workshop purpose is partly orientation to the community planning process, but especially to obtain early leadership input and set "big picture" direction and priorities for the effort.
2. Coordinate with City staff to arrange and conduct a series of up to **four informal, one-hour "listening sessions."** Some sessions may be targeted to stakeholders associated with a particular plan focus (e.g., economic development, parks and recreation, etc.) or a certain demographic (e.g., high school age youth, seniors) while other sessions could involve a mix of residents, business and property owners, public officials, developers/builders/realtors, representatives of community organizations, and others as identified by local officials and staff to discuss their hopes, concerns and priorities for the community's future. A session with Brenham High School as one of the four listening sessions will be pursued. Each session should involve no more than 10-12 persons to ensure effective dialogue. KKC will coordinate with City staff to determine the best timing for these sessions within the Existing City phase, in conjunction with scheduled trips for other project meetings and activities (with some sessions possibly scheduled in the breakfast or lunch timeframe or during late afternoon, along with evening time slots, to accommodate the availability of different target attendees).
3. Coordinate with City staff to arrange and facilitate a community-wide **Town Hall Meeting on Brenham's Future**. This evening event is intended for broad public participation to obtain early input to the planning process from residents and other stakeholders, using a variety of

interactive and hands-on engagement activities. The use of the City's Facebook site to utilize "Facebook Live" during the Town Hall Meeting will be explored.

4. Conduct **one work sessions with the Comprehensive Plan Advisory Committee (CPAC)** during the Existing City phase, part of which, if feasible for the City, will involve a mobile meeting approach to take the discussion "on the road" and consider actual community conditions and examples in real time. The Team will use each extended workshop meeting with the committee (typically two hours minimum on a weekday) to present and discuss interim draft materials for the planning effort. The committee will be charged with reviewing the draft materials and entering into discussion and debate on all plan assumptions, themes and concepts, and an eventual community action agenda during the Future City phase.

   The Team will advise City staff on considerations for the structure and formation of the CPAC, but the committee generally should be comprised of no more than 12-15 individuals, including liaison representatives of the City Council and Planning and Zoning Commission. A Planning and Zoning Commission member, a Board of Adjustments member and an alternate from each board will be included. Along with geographic representation from across the community, the committee composition should reflect local interests relevant to the plan effort and topics. Rather than serving on the committee, representatives of various other agencies and organizations can be invited to attend as relevant topics are considered at particular meetings.

5. Throughout the plan development process and in coordination with City staff, the Team will make periodic use of the City website and Facebook page to post project-related items for **online public information** purposes (e.g., upcoming public events, "snap survey" questions, interim draft plan content/maps, other photos and visuals, etc.).

Deliverables

- **The Existing City Report**, which will highlight key planning considerations emerging from the Team's initial background studies and leadership and community involvement activities. The report will include up to 50 pages of final content (plus supplemental appendix detail, as appropriate), and will incorporate maps, graphics or other visual elements that help to illustrate findings while streamlining the extent of body text for a broadly accessible public document.

- **Existing Land Use Map,** which will be produced at a parcel level in coordination with City staff to build on any existing mapping or inventory data. The Team will produce an initial draft map for City staff review that reflects a target 75 percent completion level, with specific parcels highlighted where land use determinations by staff are needed as the use is not clearly discernable using remote sources (i.e., aerial imagery, Google Street View, etc.), the parcel has multiple structures and/or a potential mix of uses, or similar factors where verification and/or ground truthing by staff will enable efficient completion of the 100 percent inventory.

- **Existing/Future Thoroughfare Map,** which will be produced at a parcel level in coordination with City staff to build on any existing or known and proposed new roads. The map shall also include street sections for each classification. The Team will produce an initial draft map for City staff review that reflects a target 75 percent completion level, with specific parcels highlighted where further coordination with the Existing/Future Land Use Map will be necessary.

PHASE 2 – PLAN DIRECTION AND ASSUMPTIONS

Through this transition phase, the Team will highlight its findings about the Existing City to set the stage for the Future City phase. This will involve:

- Itemizing a core set of **assumptions** on which the Comprehensive Plan will be based, especially with regard to a consensus population projection derived from a set of alternative scenarios;
- Highlighting the **key opportunities and challenges** the community will face in the years ahead, which the plan must address; and
- Validating or refreshing a **community vision** and establishing a series of **guiding principles** for the plan that will be refined through the Future City phase.

Engagement Activities

1. Provide an overview of The Existing City Report and seek feedback on the draft Plan Direction and Outline memorandum through a **second joint workshop** involving the City Council, Planning and Zoning Commission, Board of Adjustment, and CPAC members. Based on the workshop results, the Team will then finalize the memorandum with City staff before work proceeds on the Future City phase.
2. Coordinate with City staff to arrange and facilitate a **second community-wide event**, which is designed to present and receive feedback on the Existing City and set the stage for the Future City phase of the plan. Engagement activities will be hands-on, interactive, and designed to meet the specific needs of Brenham. This evening meeting is intended for broad public participation in an open-house style format.

<u>Deliverables</u>

➢ **Plan Direction and Outline** memorandum, which summarizes the assumptions, key opportunities and challenges, and guiding principles resulting from the Existing City phase, and provides a working outline of the Comprehensive Plan document to guide work efforts during the Future City phase.

PHASE 3 – THE FUTURE CITY

The Team will prepare the Future City portion of the plan through this phase based on the outline finalized at the end of the Plan Direction and Assumptions phase plus further interaction with City officials, staff, residents and other stakeholders during this phase. The Future City portion will focus on key planning issues and considerations, further refined guiding principles and associated community goals, objectives and policies by topic area of the plan, and a series of specific action items in five categories:

(1) capital improvements;
(2) programs and initiatives;
(3) development regulations and standards;
(4) partnerships (public/public, public/ private, etc.); and

(5) more targeted plans/studies that may be necessary to ensure effective action, recruit partners, establish eligibility for grants or other external funding, and to focus on particular sub-areas of the community in follow-up to the community-wide plan.

During the Future City phase, the Team will:

1. Assess the long-range development outlook and context for Brenham, along with recommended measures for shaping and managing the community's growth and livability effectively. Drawing from results of the Existing City phase and discussions with staff and other key contacts, considerations will include:

    - Identification of **areas available, most suitable and preferred for new growth, growth management and/or targeted reinvestment**, taking into account potential constraints such as floodplains and other physical and environmental factors, existing land use and property ownership patterns, the existing and proposed transportation network, and infrastructure and public service capacities and availability.

    - **Tools available to Texas municipalities** for directing and managing growth within their City limits and ETJ, and for spurring needed redevelopment and revitalization so that a greater share of projected growth may be absorbed in areas already served by public infrastructure and services.

    - Orderly improvement of the **area transportation system**, considering not only facilities for automobiles but also pedestrian/bicycle circulation and public transit (and building on ongoing City efforts and other relevant plans developed by Washington County, Brazos Valley Council of Governments, and the Texas Department of Transportation).

    - The general capacity outlook for Brenham's **water, wastewater and storm drainage** systems and/or privately-owned public utilities (i.e., water), and planning-level improvement needs and their approximate timing based on projected growth and potential development/redevelopment activity (taking into account related utility master plans and needed updates, plus the long-range water supply outlook and the potential direction toward a regional drainage detention strategy).

    - Ways to strengthen the community's **economic and tax base** (taking into account Brenham Community Development Corporation and Brenham Economic Development Foundation plans) and refining a Visit Brenham marketing strategy that is integrated with planned enhancements to downtown, cultural facilities, and leisure and recreational assets.

    - Priorities for enhancing City **parks, trails, recreation sites and other public and cultural facilities**, in part, to promote healthy living opportunities for residents (taking into account the City's existing Parks, Recreation and Open Spaces Master Plan, 2015-2025).

    - Strategies for overcoming any identified barriers to local **housing development and affordability**, as already studied to date, as well as associated neighborhood conditions that can support or hinder residential redevelopment and reinvestment potential.

    - Candidate areas conducive for **innovative redevelopment and neighborhood revitalization and/or preservation strategies**, including potential targeting of tools and funding streams (e.g., new market tax credits) that can be integrated into a cohesive, collaborative and systematic approach to revitalization and/or preservation of one neighborhood at a time.

- Methods and metrics for expanding the integration of **sustainability principles and practices** into municipal plans, operations and other community activities.
- Ways to promote **healthy living opportunities** for residents, applying the philosophy of the American Planning Association that "community design directly affects human health" in terms of walkability and transportation options, access to services and recreation, availability of healthy foods, vulnerability to hazards, and exposure to environmental contaminants in air, land and water.
- Indicators for evaluating the community's **resiliency and ability to endure sudden hardships** induced by adverse weather events or disaster scenarios, as well as "slower-burn" trends such as national/regional economic downturns, long-term economic disruptions and transitions, or extended periods of drought (coordinating with existing City emergency/hazard plans, strategic economic plans, and relevant departments/staff).
- High-profile roadway corridors, "gateway" locations, distinctive districts and other unique "community framework" locations worthy of **special area planning** efforts to explore opportunities for enhancing both their economic and aesthetic appeal.
- Application of **community character principles and practices** for achieving quality outcomes and a positive image through private development and redevelopment, preserving valued natural amenities, floodplains and open space, and enhancing and beautifying the public realm through "context sensitive" roadway design, landscaping and screening, sign regulation and well-designed wayfinding signage and markers, public art and other urban design treatments.

2. Prepare a **new Future Land Use and Character map that integrates the existing and future thoroughfare network** and visually depicts the community's preferred growth and development pattern for the years ahead, thereby providing essential public policy support for the City's associated development regulations and other growth guidance tools and activities. Prepared with parcel-level detail, the map will correlate land use to the future thoroughfare network and reflect other community objectives that are validated through the planning process (e.g., economic development, fiscally prudent growth, floodplain and watershed protection and related prospects for regional drainage detention strategies, etc.).

Engagement Activities

1. Conduct **two work sessions with the CPAC** during Phase 3 to present and discuss interim draft Future City materials and refine the future land use and thoroughfare network map.
2. Coordinate with City staff to arrange and facilitate a **third community-wide event**, which will focus on prioritizing recommendations for the Future City portion of the Comprehensive Plan. The town hall will be designed with a variety of hands-on prioritization exercises.

<u>Deliverables</u>

- **Draft Future City portion** of the Comprehensive Plan, including the new Future Land Use and Character Map, as developed incrementally through the CPAC process and work sessions during Phase 3.

PHASE 4 – IMPLEMENTATION

The Team will compile from the draft Future City content those potential action items that are near-term and strategic in nature so they may be addressed in more detail in the Implementation portion of Future City and prioritized through the final joint workshop in this phase. In conjunction with City staff, this will include translating more general action items in the plan into specific and sequenced Capital Improvement Plan (CIP) projects – beyond just "hard" infrastructure – that will require further definition, costing, evaluation and prioritization. The Implementation portion also will:

1. Clarify the respective implementation roles of City officials, boards/commissions, and staff.
2. Highlight opportunities for the City to coordinate its implementation efforts with other key agencies and entities, with other jurisdictions as appropriate—including to build on its interaction with Washington County through the Brazos Valley Council of Governments, and with other private and non-profit partners.
3. Spell out essential procedures for monitoring implementation efforts and reporting progress on plan priorities annually, using specific action metrics and benchmarks where appropriate, and for completing future plan reviews and updates at appropriate milestones.

As part of this phase, the Team will also evaluate the potential effectiveness of the City's current development regulations and standards relative to goals and action items in the draft Comprehensive Plan that would require regulation to implement. Summary findings will be compiled in memorandum form along with recommended substantive and procedural changes to current regulations and practices to ensure consistency between plan and ordinances, and to increase the likelihood of achieving desired outcomes.

Engagement Activities

1. Conduct **one final work session with the CPAC** during Phase 4 to prioritize actions developed during the course of the Comprehensive Plan process.
2. Facilitate a **third joint workshop** involving the City Council, Planning and Zoning Commission, Board of Adjustment and CPAC members to provide an overview of the overall draft plan, build consensus on near-term action priorities and discuss related implementation tools and logistics.
3. Coordinate with City staff to arrange and host a **fourth community-wide event**. The intent of this open house style event is to provide an informal setting in which attendees may view displays, hear an overview presentation and visit with consultant personnel and local officials and staff regarding the community's emerging proposed plan. Community input and feedback will also be obtained on the potential near-term action priorities to be covered in the joint workshop.

<u>Deliverables</u>

- **Implementation** portion to add to the overall draft Comprehensive Plan package (with the entire package to be distributed by City staff to joint workshop participants ahead of the workshop).

- **Summary memorandum**, separate from the Comprehensive Plan document, outlining the findings and recommendations of the development regulations evaluation (typically 10-20 pages depending on the extent of issues to be addressed).

PHASE 5 – PLAN FINALIZATION AND ADOPTION

Following the final joint workshop in the Implementation phase, the Team will coordinate with City staff to compile revised Hearing Draft versions of the proposed Comprehensive Plan for public hearing and official consideration. Then, following plan adoption by City Council, the Team will produce the final as-adopted version of the plan document, reflecting all further adjustments made through final review and deliberation, and also design an associated plan summary pamphlet that can serve as a standalone marketing piece for Brenham.

Engagement Activities

1. In coordination with City staff, present highlights of the final proposed Comprehensive Plan at a **public hearing before the Planning and Zoning Commission**, and assist in responding to public comments and questions, as appropriate. Then proceed into a **workshop session**, immediately after the hearing, to identify any further content revisions the Commission may suggest in making a recommendation of plan adoption to City Council.
2. In coordination with City staff, present highlights of the final recommended Comprehensive Plan at a **public hearing before City Council**, and assist in responding to public comments and questions, as appropriate, before Council considers plan adoption.

<u>Deliverables</u>

- **Hearing Draft version of the final proposed Comprehensive Plan**, in PDF format, for printing, distribution and website posting by City staff prior to the public hearing phase.
- **Compilation of further potential revisions to the Hearing Draft version**, prior to the City Council public hearing, to highlight any further plan adjustments recommended to Council by the Planning and Zoning Commission as part of its recommendation of adoption.
- **Three printed full-color copies, including one master original of the final adopted plan**, including all maps and illustrations (provided in a binder for ease of reference and updating, typically with up to 120 pages of final adopted content plus supplemental appendix detail as appropriate).
- [*OPTIONAL Task Activity*] An attractive **plan summary pamphlet** for the new Comprehensive Plan (up to 12 pages in length), created in an electronic desktop publishing format for visual appeal and quality printing as these publications also often serve as valuable marketing collateral and a profile-raising piece for the community. The intent would be for a printed piece that can stand on its own, be posted online, and be inserted in the front of the overall plan. The booklet would include a highly readable summary of the plan highlights along with tables, charts, illustrations and maps. In particular, the pamphlet would highlight key action steps to be pursued in the years ahead in accordance with the plan. KKC would coordinate with City staff to integrate any specific ideas into the layout and design, leading to a digital proof for

review by staff prior to KKC submitting all final revised files for production by the City through its selected print shop.

- **Electronic files** for all elements of the final Comprehensive Plan, the Existing City Report and the plan summary pamphlet (in their native formats in Microsoft Office Suite and/or Adobe InDesign, and as Adobe PDFs, and with all GIS/map-related files in ESRI-compatible formats as specified by the City).

OPTIONAL PHASE 6 – PLAN IMPLEMENTATION SUPPORT AND LOGISTICS

Following final plan adoption, the Team would turn to coordination with City staff on the logistics of early and ongoing plan implementation activities. Depending on the resources available to retain further consultant support beyond plan adoption, such activities could include:

- Clarifying **specific task assignments and realistic timeframes** for various City departments/functions and City staff who have plan implementation responsibilities.
- In conjunction with City management and staff, offering procedural recommendations for ensuring that priority initiatives from the Comprehensive Plan are factored into the City's next **annual budgeting** process.
- Itemizing and sequencing next steps for accomplishing priority content updates and process adjustments involving the City's **development regulations**. This would be based on the results of the KKC critique of the current development regulations completed during Phase 4, Implementation, and subsequent discussions as to which recommendations the City deems most important to pursue first.
- Identifying key **partnerships** to be pursued or strengthened (with other key public agencies and entities and with other private and non-profit partners) and itemizing and sequencing necessary next steps to advance particular plan initiatives in this way.
- Itemizing and sequencing the steps involved in carrying out the **plan implementation tracking and periodic reporting** activities described in the plan, through preparation of more detailed checklists and timelines, along with a **list of criteria for re-evaluating the plan** at appropriate milestone points so that interim update needs may be identified and assigned.
- If **new or updated master plans** are needed for the City's water, wastewater and/or storm drainage systems, providing support to define the scope for such plan updates in terms of necessary tasks, data and technical analyses.
- Providing support to identify **external funding opportunities** and/or navigate the logistics of **new or expanded local public financing mechanisms** for funding priority plan implementation initiatives.

Typically, the Team would complete these post-adoption activities while working toward an initial **six-month milestone point** for reporting back to the City Council, Planning and Zoning Commission and CPAC members—in another joint workshop setting—on early implementation progress, organizational and logistical steps already taken, and priorities activities for the next six months. A certain number of **work sessions** with City staff would be completed during the first six months to coordinate on and advance these efforts.

After six months, the Team's hands-on involvement usually tapers off until, at approximately 11 months after plan adoption, Team leaders would re-engage with City staff to prepare for a **first annual plan implementation review and "report card" process**. This can lead to a concise brochure format for public distribution and use as a public relations piece to highlight community progress, achievements and ongoing efforts in Brenham (and designed for potential re-use for ongoing annual or periodic updates). This would culminate in another joint workshop—on a date to be determined approximately one year after plan adoption—to celebrate achievements to date, consider any implementation obstacles or difficulties encountered, and revisit near-term action priorities in light of any new or emerging issues or changed circumstances before proceeding with Year 2 implementation efforts.

OTHER OPTIONAL SERVICES

Downtown Master Plan Update (Supplement to Comprehensive Plan). KKC will coordinate with the City's staff to develop a 5-Year Update as a supplemental piece to the new Comprehensive Plan that:

- Includes the status of ongoing initiatives since the Downtown Master Plan, with particular emphasis on identifying those projects that still need to be completed.
- Summarizes completed projects and other items already accomplished, moving them to a summary of the plan implementation progress and successes.
- Develops a concise and visual document that can be used to help assess the existing Downtown Master Plan and chart a course for moving forward.
- Identifies new market opportunities, finance strategies and opportunities for expanding upon successful initiatives in Downtown Brenham.
- Refines concepts to depict new projects that help to catalyze further Downtown improvements.

Master Corridors Enhancement Strategy (Supplement to Comprehensive Plan). KKC will coordinate in conjunction with the analysis of Brenham's transportation facilities conducted during the preparation of the Comprehensive Plan to initiate the development of an enhancement and mobility development plan for major corridors within Brenham's municipal limits and ETJ. The plan will be prepared with the objectives of sustaining – or improving – the corridors long-term regional transportation function, promoting facility design that balances the needs of various user groups (including freight, personal motor vehicles, bicyclists, and pedestrians), promoting environmental enhancements and economic sustainability, and advancing aesthetic improvements, including the principles of "complete streets."

APPROACH TO DELIVERABLES

Draft Deliverables. The Team will provide draft deliverables through each phase of the project. These deliverables will facilitate workshop meetings, periodic releases of information to the media and public, and the orderly completion of the project. All such interim deliverables will be provided to the City in Adobe PDF format for ease of file transfer and reproduction and distribution. The PDF versions are also suitable for website posting. Graphics will be produced in color (unless they are black-and-white line sketches) in a format suitable for display during meetings and at public events/hearings.

Consolidated Review and Revision. Whenever the Team submits draft deliverables, it will be the responsibility of the City's staff to coordinate, compile and forward to the Team in a consolidated manner all review comments on and requested/suggested revisions to such deliverables. As part of each review phase, guidance from the staff should be included, as needed, on whether and how the Team should address certain comments which may be for information only (e.g., comments from outside reviewers) versus those involving specific, client-recommended revisions.

The project budget assumes original drafting of each deliverable and one consolidated revision round upon receipt of compiled comments from the City's staff. Only minor revisions will be made following plan adoption to produce the final as-adopted plan version. Extensive substantive revisions that arise at the final adoption phase may require additional services depending on their nature and the budget status at that final stage of the project.

PROJECT COST

Below are the costs for each task outlined in the above Scope of Services, inclusive of all associated labor and direct expense costs plus professional fee.

Project / Client Coordination	$12,000
Project Start-Up › Kick-off Meeting (via conference call)	$8,000
PHASE 1 – The Existing City TRIP 1 (1-2 days) › Joint Workshop 1 › Listening Sessions 1-4 TRIP 2 (1 day) › Town Hall Meeting › CPAC 1	$34,200
PHASE 2 – Plan Direction and Assumptions TRIP 3 (1 day) › Joint Workshop 2 › Open House 1	$12,500
PHASE 3 – The Future City TRIPS 4-5 (1 day each) › CPAC Meetings 2-3 › Town Hall 2	$44,200
PHASE 4 – Implementation TRIP 6 (1 day each) › CPAC Meeting 4 › Joint Workshop 3 › Open House 2	$18,300
PHASE 5 – Plan Finalization and Adoption TRIPS 7-8 (1 day each) › Planning and Zoning Commission Public Hearing › City Council Public Hearing	$10,660
TOTAL (without adds)	**$139,860**
Add 1 Master Corridors Enhancement Strategy	**$47,450**
Add 2 Comprehensive Plan Summary Pamphlet (Phase 5)	**$5,780**
Add 3 Implementation and Support Logistics (Phase 6)	**$18,375**
Add 4 Downtown Master Plan Update	**$48,360**

Comprehensive Plan Budget Allocation (without adds)

Kendig Keast Collaborative	$119,860
Strand Engineering	$20,000

PART B – BASIS OF COMPENSATION AND REIMBURSABLE EXPENSES
PROJECT NO. 2018-05
CITY OF BRENHAM COMPREHENSIVE PLAN

The following represents the estimated maximum compensation for the scope of services documented in Attachment A, Part A of this Agreement. If services beyond those specifically identified are determined necessary during the project, Consultant shall not proceed with those services until such time written approval of the scope and any additional fees are approved by the City of Brenham.

Project / Client Coordination	$12,000
Project Start-Up	$8,000
PHASE 1 – The Existing City	$34,200
PHASE 2 – Plan Direction and Assumptions	$12,500
PHASE 3 – The Future City	$44,200
PHASE 4 – Implementation	$18,300
PHASE 5 – Plan Finalization and Adoption	$10,660
TOTAL (without adds)	**$139,860**

Additional Services to be Authorized by the City prior to any work commencing.

Add 1 Master Corridors Enhancement Strategy	$47,450
Add 2 Comprehensive Plan Summary Pamphlet (Phase 5)	$5,780
Add 3 Implementation and Support Logistics (Phase 6)	$18,375
Add 4 Downtown Master Plan Update	$48,360
TOTAL (Additional Services)	**$119,965**
TOTAL (with Additional Services)	**$259,825**

Comprehensive Plan Budget Allocation (without adds)

Kendig Keast Collaborative	$119,860
Strand Engineering	$20,000

Compensation

HOURLY BILLING RATES BY POSITION

Direct Labor Rates (Average Hourly Rate for Personnel Classification)
Related to the Brenham Comprehensive Plan Project

Strand Senior Transportation Manager.............................. $ 270.00
KKC Owner and CEO... $ 200.00
Strand Project Manager.. $ 155.00
KKC Principal Associate .... $ 145.00
KKC Senior Associate.. $ 135.00
KKC Graphic Design Specialist... $ 110.00
KKC Administrative.. $ 75.00

BILLING FOR NON-LABOR COSTS

Mileage...................................... Actual mileage cost (Federal rate)
Direct Expenses ....Actual cost + 10%
(Supplies, Reproduction, Subsistence, etc.)

ATTACHMENT "B"

INSURANCE

KENDKEA-01 KFLORES

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 05/16/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Kimberly S Flores	
Texas Associates Insurors 1120 Capital of TX Hwy South Bldg 3-300 Austin, TX 78746	PHONE (A/C, No, Ext): (979) 475-1172	FAX (A/C, No):
	E-MAIL ADDRESS: kimberlyf@txassoc.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : American Casualty Company of Reading, Pennsylvania	20427
INSURED	INSURER B : Valley Forge Insurance Co.	20508
Kendig Keast Collaborative 1415 Hwy 6 South #D100 Sugar Land, TX 77478	INSURER C : Continental Casualty Co.	20443
	INSURER D : Allied World Surplus Lines Insurance Co	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR			4017981888	01/16/2018	01/16/2019	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
B	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	X ANY AUTO			4017981891	01/16/2018	01/16/2019	BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
C	X UMBRELLA LIAB X OCCUR						EACH OCCURRENCE	$ 2,000,000
	EXCESS LIAB CLAIMS-MADE			4017983253	01/16/2018	01/16/2019	AGGREGATE	$
	DED X RETENTION $ 10,000						Aggregate	$ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N / A		417979512	01/16/2018	01/16/2019	E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
D	Errors & Omissions			03052601	01/16/2018	01/16/2019	Limit	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
City of Brenham 200 W. Vulcan Street Brenham, TX 77883	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

AGENDA ITEM 19

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Public Utilities	**DATE SUBMITTED:** September 7, 2018 **SUBMITTED BY:** Lowell Ogle

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Bid No. IFB 18-010 Related to Bulk Water Treatment Chemicals and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: The City of Brenham solicited bids for a one (1) year supply of Caustic Soda for delivery to the Brenham Water Treatment Plant. The contract will be for one (1) year with firm bid pricing allowing two (2) one-year renewals. The contract would be effective beginning the date of award by Council.

On August 30, 2018 we received and opened 3 bids. Staff recommends awarding the bid to the following vendor.

Vendor	Price/ton	2014 Price
Brenntag Southwest Inc	$344/liq. ton	$274/liq ton

Estimated total amount of Caustic Soda is 300 liquid tons.

There has been a substantial price increase of caustic over the past year. This is due to a tighter supply and changes in production capacities throughout the US. Also, China produces and consumes about half of the supply and has slowly reduced exports creating a tighter demand. Experts foresee possible further increases.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Bid Information and Tabulation Sheet

FUNDING SOURCE (Where Applicable): 104-5-163-201.00

RECOMMENDED ACTION: Approve Bid No. IFB 18-010 for bulk water treatment chemicals and award an annual contract to Brenntag Southwest, Inc in the amount of $344.00 per liquid ton and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

City of BRENHAM

Bid Information Sheet

August 30, 2018

IFB No. 18-010

For: Contract for Caustic Soda

Purchase not to exceed budgeted funds.

Number of completed bids returned to Purchasing: 3

City of BRENHAM

BID TABULATION			
CONTRACT FOR CAUSTIC SODA			
IFB No. 18-010			
Vendor	Estimated Quantity (Liquid Tons)	Caustic Soda Per Liq. Ton	Estimated Total Caustic Soda
DXI	300	348.70	104,610.00
Brenntag Southwest Inc.	**300**	**334.00**	**100,200.00**
Shrieve Chemical	300	350.00	105,000.00

AGENDA ITEM 20

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** September 13, 2018 **SUBMITTED BY:** Kacey Weiss

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Request for a Noise Variance from St. Mary's Immaculate Conception Catholic Church for a Fundraiser to be Held on September 30, 2018 from 8:00 a.m. – 5:00 p.m. at 701 Church Street and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: Sr. Margarita Munoz with St. Mary's Immaculate Conception Catholic Church is requesting a noise variance for a fundraiser to be held on September 30, 2018 from 8:00 a.m. – 5:00 p.m. at 701 Church Street. They will be using a sound amplification system for the D.J. The Brenham Police Department and the Brenham Fire Department have approved the noise variance request; therefore, I ask the City Council to approve the noise variance request.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Noise Variance Request

FUNDING SOURCE (Where Applicable): N/A

RECOMMENDED ACTION: Approve a noise variance from St. Mary's Immaculate Conception Catholic Church for a fundraiser to be held on September 30, 2018 from 8:00 a.m. – 5:00 p.m. at 701 Church Street and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

NOISE VARIANCE REQUEST

Application Fee $10.00

1. Name of sponsoring organization: St. Mary Immaculate Conception Catholic Church

2. Name and address of individual making application on behalf of sponsoring organization: Sister Margarita María Muñoz

3. Purpose of the Event: To raise money for our church (st. Mary's Church)

4. Location of Event: 701 Church St, Brenham, Tx 77833

5. Date of the event: Sunday September 30, 2018

6. Time of Event: 8:00 a.m Sunday, September 30, 2018

7. Event Set-up: From: 7:00 a.m To: 8:30 a.m

   Event Clean-up: From: 5:00 p.m To: 6:00 p.m

8. You are required to describe the following:

   a) Types of Activities Planned and any additional information specific to this event: Food Sale (Mexican food) Tables games, Train tour

   b) Bands/Musical Instruments: One D.J (Mexican Music) No music Instruments

   c) Sound amplification equipment: 5 Speakers, 1 microphone

   d) Cleanup provisions: N/A

Sister Margarita María Muñoz
Name of Applicant (Printed or Typed)

Date: August 23, 2018

Margarita María Muñoz
Applicant or Authorized Person's Signature

Phone: 361 333 66 57

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

Paid 08/23/18
cash $10.00
KW

AGENDA ITEM 21

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** September 13, 2018 **SUBMITTED BY:** Kacey Weiss

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

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Request for a Noise Variance from St. Mary's Immaculate Conception Catholic Church for a Street Dance to be Held on October 6, 2018 from 7:00 p.m. – 10:00 p.m. and a Fundraiser to be Held on October 7, 2018 from 8:00 a.m. – 5:00 p.m. at 701 Church Street and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: The street dance will have the Wesley Westbrook Band performing. Activities at the fundraiser include kids games, and silent and live auctions. They will be using sound amplification equipment for the auctions. The Brenham Police Department and the Brenham Fire Department have approved the noise variance request; therefore, I ask the City Council to approve the noise variance request.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Noise Variance Requests

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve a request for a noise variance from St. Mary's Immaculate Conception Catholic Church for a street dance to be held on October 6, 2018 from 7:00 p.m. – 10:00 p.m. and a fundraiser to be held on October 7, 2018 from 8:00 a.m. – 5:00 p.m. at 701 Church Street and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

NOISE VARIANCE REQUEST

Application Fee $10.00

1. Name of sponsoring organization: St. Mary's Catholic Church

2. Name and address of individual making application on behalf of sponsoring organization: Katie Alford 2608 Daisy Drive Brenham TX 77833

3. Purpose of the Event: Street Dance / fundraiser

4. Location of Event: 701 Church Rd Brenham

5. Date of the event: Oct 6

6. Time of Event: 7 - 10pm

7. Event Set-up: From: 4 To: 7pm

   Event Clean-up: From: 10 To: 11:30 pm

8. You are required to describe the following:

   a) Types of Activities Planned and any additional information specific to this event: family friendly dancing, Meals + beverages will also be sold

   b) Bands/Musical Instruments: Wesley Westbrook Band

   c) Sound amplification equipment: yes

   d) Cleanup provisions: Basic removal of trash, Put up chairs.

Katie Alford
Name of Applicant (Printed or Typed)

Date: 8/28/2018

[signature]
Applicant or Authorized Person's Signature

Phone: 512-924-7226

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

Paid 08/31/18
check # 1362 KW

NOISE VARIANCE REQUEST

Application Fee $10.00

1. Name of sponsoring organization: St. Mary, Immaculate Conception Catholic Church

2. Name and address of individual making application on behalf of sponsoring organization:

   Michael Derkowski

   701 Church St. Brenham, Tx 77833

3. Purpose of the Event: Annual Fundraiser

4. Location of Event: Open Field across from Church

5. Date of the event: Sundy, Oct. 7, 2018

6. Time of Event: 8:00 am to 5:00 pm

7. Event Set-up: From: 8:00 am To: 10:00 am

   Event Clean-up: From: 3:30 pm To: 5:00 pm

8. You are required to describe the following:

   a) Types of Activities Planned and any additional information specific to this event: Kids games, water slides, silent auction, Live Auction, food, drink, spin games, raffle prizes.

   b) Bands/Musical Instruments: None - only Auctioneer + some Pandora Background music

   c) Sound amplification equipment: 2 stand Speakers + 1 Hand held microphone under big tent.

   d) Cleanup provisions: Parishioners stay + help haul items back to different buildings + remove trash bags.

Michael Derkowski

Name of Applicant (Printed or Typed)

Date: 9-10-18

Michael Derkowski

Applicant or Authorized Person's Signature

Phone: 979-836-4441, ext 114

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

Paid 09/10/18
cash $10.00
KW

AGENDA ITEM 22

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** James Fisher

MEETING TYPE:

- ☒ **REGULAR**
- ☐ **SPECIAL**
- ☐ **EXECUTIVE SESSION**

CLASSIFICATION:

- ☐ **PUBLIC HEARING**
- ☐ **CONSENT**
- ☒ **REGULAR**
- ☐ **WORK SESSION**

ORDINANCE:

- ☐ **1ST READING**
- ☐ **2ND READING**
- ☐ **RESOLUTION**

AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon a Lease Agreement Between the City of Brenham and Simon Theater Master Tenant, LLC for the Visitor's Center and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: The purpose of this lease is to allow the City to utilize the current space at the Barnhill Center as the Visitors Center and pay the market rate for the square footage occupied.

This Lease is for a five (5) year period and, if approved by the City Council, will commence October 1, 2018. The Lease also has a provision for recovering past due rent from January 1, 2017 through September 30, 2018.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Lease Agreement

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve a Lease Agreement between the City of Brenham and Simon Theater Master Tenant, LLC for the Visitor's Center and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

LEASE AGREEMENT

SIMON THEATER MASTER TENANT, LLC, a Texas limited liability company
LANDLORD

and

CITY OF BRENHAM, a Texas home rule municipal corporation
TENANT

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Exhibit “A” Diagram

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into this ___ day of ________________, 2018, and is by and between SIMON THEATER MASTER TENANT, LLC, a Texas limited liability company as "Landlord," and CITY OF BRENHAM, a Texas home rule municipal corporation as "Tenant."

1. **Definitions and Basic Business Terms**. When used in this Lease, the following terms shall have the indicated meanings:

(a) "Leased Premises" - the office space in the City of Brenham, Texas, as located at 111 and 115 West Main Street and shown on the attached Exhibit "A". Certain areas marked "Common Area" will be shared by Tenant with other tenants of the premises.

(b) "Commencement Date" - October 1, 2018.

(c) "Termination Date" - September 30, 2023, except, however such lease may be terminated without cause by either by providing at least one hundred eighty (180) days written notice to the other party, at which time the Lease will terminate.

(d) "Rent" -

(i) Tenant will pay for utilities to serve the Leased Premises as set out in further detail elsewhere in this Lease; and

(ii) Tenant will pay to Landlord the sum of One Thousand Two Hundred Forty-Eight and No/100 Dollars ($1,248.00) per month as rent for the Leased Premises.

(iii) **Additional amounts payable to Landlord. Upon execution of this Lease by both parties, Tenant shall pay to Landlord the additional lump sum amount of Twenty-Six Thousand Two Hundred Eight and No/100 Dollars ($26,208.00) for accrued, unpaid rent payable to Landlord by Tenant for the time period beginning January 1, 2017 through September 30, 2018.**

(e) "Permitted Use" - the use of the facilities for Visitors Center and associated tourism and economic development activities of the City of Brenham, Texas.

(f) "Lease Term" - shall mean a period which commences with the Commencement Date and terminates sixty (60) full calendar months later.

(g) "Landlord's Address for Notice" - Simon Theater Master Tenant, LLC, Attention: R. Hal Moorman and Donna Cummins, P.O. Box 2006, Brenham, Texas

77834-2006, with a copy to R. Hal Moorman, Moorman, Tate, Urquhart, Haley, Upchurch & Yates, L.L.P., P.O. Box 1808, Brenham, Texas 77834-1808. For issues regarding the building, contact the administrator for Landlord, Donna Cummins at 979.251.7871, 979.251.4028, and southernroseranch@yahoo.com.

(h) "Tenant's Address for Notice" - City of Brenham, Attention: City Manager, P.O. Box 1059, Brenham, Texas 77834-1059.

2. **Leased Premises**. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the Leased Premises from Landlord. Tenant may not construct any alterations or make any changes to the Leased Premises unless Tenant has received the prior written consent of Landlord. Tenant will have no authority to place any lien upon the Leased Premises, and any attempt to do so will be void and of no effect.

3. **Rent**. Beginning on the Commencement Date, Tenant agrees to pay to Landlord monthly the amounts set forth in Paragraph 1(d)(ii) of this Lease, without notice , demand, offset, or deduction, for every month in the term of this Lease. Tenant's payments will be made to Landlord at Landlord's address stated above, or at any other address that Landlord may specify.

4. **Delivery of Leased Premises**. **LESSEE HAS ACCEPTED THE LEASED PREMISES WITHOUT WARRANTY BY LANDLORD, EXPRESS OR IMPLIED, AS TO THE CONDITION, FITNESS, HABITABILITY, OR SUITABILITY FOR A PARTICULAR PURPOSE.**

5. **Utilities, Pest Control and Security System**.

(a) **Payments Directly to Providers**. Tenant will provide or contract for all telephone and other utilities, pest control, and custodial care used in the Leased Premises during the Lease term and pay all sums due under those contracts directly to the service providers. Tenant will provide proof of such payments to Landlord as requested by Landlord in writing.

(b) **Security System**. To protect Landlord's and Tenant's property, Tenant will use and maintain the installed fire alarm security system. Landlord will bill Tenant and Tenant will pay the monthly fee for the security and alarm system associated with the Leased Premises and keep such security and fire alarm system operational for the term of the Lease.

6. **Use**.

(a) **Permitted Use**. Tenant will use the Leased Premises solely for the Permitted Use.

(b) **Compliance with Laws**. Tenant will comply with all federal, state, municipal, and other laws, ordinances, rules, and regulations that apply to the Leased Premises and Tenant's business. Tenant will pay the cost of compliance with all such laws, ordinances, rules, and regulations.

(c) **Condition of Leased Premises**. Tenant agrees to keep the Leased Premises in a clean, sanitary, and orderly condition at all times during the Lease term, at Tenant's sole cost and expense. No hazardous, unsafe, dangerous, or unsanitary conditions shall be permitted to exist. Except for normal wear and tear, Tenant will maintain all furniture, furnishings and fixtures provided by Landlord in the same condition they are in at the inception of the lease.

7. **Signs**. All signs have been erected by Landlord and are Landlord's property. If Tenant desires additional signage, Tenant may erect a sign in conjunction with the approval of the Landlord and be responsible for all repair, maintenance, and electrical utility service provided to Tenant's sign. Upon termination of this Lease, at Landlord's request, Tenant shall remove Tenant's sign from the Leased Premises and repair any damage caused thereby.

8. **Taxes and Insurance**. Tenant shall directly pay the appropriate taxing authority for all taxes levied or assessed against Tenant's property or on its gross sales or income. If any taxes for which Tenant is liable are not separately assessed and are levied or assessed against Landlord, then Tenant shall pay to Landlord, on demand, the part of those taxes for which Tenant is liable. Tenant shall purchase liability insurance in such amounts as deemed appropriate by Tenant and shall furnish proof of insurance to Landlord.

9. **Repairs and Maintenance**.

(a) **Landlord's Obligations**. Landlord will maintain the roof; foundation; structure; structural soundness of the exterior and interior walls, doors, corridors, flooring and windows; electrical; plumbing; and hvac components. Landlord will maintain plumbing and electrical for portions outside the Leased Premises. Other than these items specifically enumerated, Landlord is not responsible for the maintenance of the Leased Premises.

(b) **Tenant's Obligations**. Tenant, at its expense, will provide or contract for all custodial services on all portions of the Leased Premises, other than those undertaken by Landlord, as necessary to maintain the Leased Premises in its present condition, normal wear and tear excepted including the common areas as provided in Paragraph 21. If Tenant fails to perform its repair and custodian obligations under this Lease within ten (10) days following Landlord's written request that Tenant do so, then Landlord shall have the right to perform such work on Tenant's behalf. Tenant will reimburse Landlord for Landlord's costs, plus an additional ten percent (10%) for overhead upon demand.

(c) **Commission of Waste**. Tenant shall not cause or permit any waste or damage, disfigurement or injury to any of the Leased Premises or any part or parts thereof.

10. **Surrender of the Leased Premises**. Upon the termination of this Lease or upon the termination of Tenant's right to possession of the Leased Premises, Tenant will surrender and deliver up to Landlord the Leased Premises and all improvements thereon broom-clean and in the same condition in which the Leased Premises existed on the Commencement Date plus any additional improvements made by Tenant, excepting only normal wear and tear and acts of God. Prior to the end of the Lease term or upon the termination of Tenant's right to possession of the Leased Premises, Tenant will remove from the Leased Premises all of Tenant's signs (other than those existing at the inception of the lease) and "Removable Trade Fixtures" as defined below (excluding, however, ducts, conduits, wiring, pipes, paneling, or other wall covering or floor covering and, at Landlord's discretion, replacements and improvements made by Tenant with Landlord's written consent). The phrase "Removable Trade Fixtures" means the following: all of Tenant's furnished and paid for signs, telephones, computers, office equipment and furnishings. The removal must be made not later than 30 days following the date this Lease is terminated and be performed without damage to the Leased Premises, other than minor damage reasonably anticipated in such removal operations (or Tenant promptly repairs all damage caused by the removal), and Tenant shall pay all costs of clearing and removing debris caused by or resulting from the removal. Landlord shall not be responsible or liable for any damage to or other loss of such trade fixtures, signs and furnishings, notwithstanding Landlord's possession of the Leased Premises at the termination of this Lease. The expiration of the Lease Term or such earlier termination shall be effective to vest title in all improvements in Landlord notwithstanding any exercise of any Renewal Option. All fixtures, equipment, and personal property not removed by Tenant within 30 days following the termination of this Lease shall, at Landlord's election either (i) without compensation to Tenant, become the property of Landlord or (ii) be removed by Landlord at Tenant's expense and Tenant agrees to reimburse Landlord for the costs of such removal plus the costs of restoring the Leased Premises.

11. **Casualty Damage**. If the Leased Premises or any part thereof shall, during the term of this Lease or previous thereto, be damaged, and if the building is otherwise habitable and the damage repairable, the Landlord shall repair the same and the rental shall be abated during such time as the Leased Premises are uninhabitable. If the premises are uninhabitable, and not repairable, Tenant shall not have the obligation to pay rent.

12. **Condemnation**.

(a) If there is any taking of the Leased Premises in condemnation proceedings or by any right of eminent domain (or "taking"), or a taking of so much of the Leased Premises that the remainder in Landlord's judgment cannot be restored to an economically viable whole, Landlord or Tenant shall have the option, to elect to terminate this Lease and, in such event, this Lease shall terminate on the date of such taking.

(b) If Landlord elects not to terminate this Lease in accordance with this Paragraph following a taking of the Leased Premises, this Lease shall terminate as to the portion of the Leased Premises so taken and Rent shall be abated proportionately. Landlord (to the extent of available condemnation proceeds) shall promptly restore, repair, replace, and rebuild the remaining portions of the Leased Premises to substantially their former condition or with such additions or alterations as Landlord deems necessary.

(c) Landlord and Tenant shall cooperate in the prosecution of any claim for damages arising by virtue of any proceeding described in this Paragraph. The entire award or awards for any such claim shall be prorated between Landlord and Tenant according to the remaining lease term left and the value of the land value of any improvements. Tenant shall have the right to participate in any condemnation proceeding to present its separate claim for moving expenses and any taking of its non-removable fixtures and equipment, and office furniture, provided the value of Landlord's award is not thereby diminished. Tenant shall in no event prosecute any claim or be entitled to any compensation with respect to its leasehold estate hereunder.

(d) If this Lease is terminated as a result of condemnation, Rent shall be payable through the date that possession is taken by the taking authority, and Landlord will refund to Tenant any prepaid unaccrued Rent, less any sums the Tenant owes the Landlord.

13. **Insurance and Indemnity**.

(a) **Casualty Insurance**. Tenant shall, at its own cost and expense, carry insurance for repair and replacement of its equipment and its other personal property located on the Leased Premises at replacement value or at such values as Tenant elects.

(b) **Liability Insurance**. Tenant will during the term hereof keep in force at its own expense commercial general and excess liability insurance, with contractual liability endorsement or its equivalent (including coverage for named peril or short term pollution events) with companies reasonably acceptable to Landlord and naming Tenant as the named insured with Landlord added as an additional insured in an amount acceptable to Tenant. Tenant will promptly notify Landlord (at or before the time that Tenant provides notice to the relevant insurance carriers) of any circumstance or event which may exceed $1,000.00 that occurs during the term of this Lease and which may lead to a claim against Tenant and/or Landlord. Said insurance is primary and any similar insurance of Landlord is excess thereof and not contributing. Such insurance policy or policies will contain a clause that the insurer will not cancel or change the insurance without first giving Landlord thirty (30) days prior written notice. Upon request, a copy of such policy or policies will be delivered to Landlord. A certificate of insurance will be delivered to the Landlord at or prior to the date of the commencement of the term of this Lease and thereafter on an annual basis.

(c) **Indemnity**. To the extent allowed by applicable law, Tenant shall defend, indemnify, and save harmless Landlord, its agents, officers, and employees, successors and assigns, from and against any and all liability, claims, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with (i) the negligence or misconduct of Tenant, its agents, servants, employees, and (ii) Tenant's use, occupancy, management, or control of the Leased Premises. To the extent allowed by applicable law, Landlord shall defend, indemnify, and save harmless Tenant, its agents, officers, and employees, successors and assigns, from and against any and all liability, claims, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with (i) the negligence or misconduct of Landlord, its agents, servants, employees, and (ii) Landlord's use, occupancy, management, or control of the Leased Premises.

14. **Assignment and Subletting**.

(a) **Prohibition**. Tenant shall not, without Landlord's prior written consent, which it may withhold in its sole discretion, sublet the Leased Premises or any part thereof, or assign, or otherwise convey the Tenant's estate or rights hereunder. Any attempted or purported assignment, subletting, or conveyance shall be void and of no force or effect. If Landlord does consent, Landlord's consent to any subletting or assignment, shall not constitute or be evidence of Landlord's consent to any other subletting or assignment by Tenant. It is understood and agreed that as a condition to any assignment, Landlord may require a guaranty from a creditworthy party or other security for performance of the assignee's obligations under this Lease.

(b) **Bankruptcy Provisions**. Notwithstanding the foregoing, if this Lease is assigned pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. § 101 *et seq*., the person or entity to whom it is assigned shall be deemed without further act or deed to have assumed all of the obligations arising hereunder on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to Landlord an instrument confirming its assumption.

If this Lease is so assigned, any and all monies or other considerations payable or otherwise to be delivered in connection with the assignment shall be paid or delivered to Landlord, shall be and remain Landlord's exclusive property and shall not constitute property of Tenant or of Tenant's estate within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Landlord's property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and be promptly paid or delivered to Landlord.

(c) **Tenant Released**. The making of any assignment or subletting, in whole or in part, shall relieve Tenant from its obligations hereunder.

(d) **Transfer of Landlord's Rights**. Landlord may assign, convey or otherwise transfer its right, title, and interest hereunder and/or in the Leased Premises, or any portion thereof, without the consent of Tenant.

15. **Default by Tenant**.

(a) **Events of Default**. The happening of any of the following events shall constitute an event of default of Tenant:

(i) If Tenant

(1) fails to pay any portion of Rent when due and the default continues for ten (10) days after written notice thereof by Landlord to Tenant (provided that Landlord shall not be obligated to give notice and opportunity to cure more than three times in any consecutive twelve (12) month period - the failure to pay Rent at any time thereafter in such consecutive twelve (12) month period shall constitute an event of default without the necessity of notice and opportunity to cure);

(2) abandons the Leased Premises;

(3) leaves the Leased Premises substantially vacant or unoccupied for seven (7) consecutive business days or fails to maintain an operation required by this Lease for seven (7) consecutive business days (except periods of reconstruction due to casualty or condemnation and periods of remodeling, and provided Tenant diligently and continuously prosecutes the same); or

(4) fails to perform or observe any provision of another Article of this Lease and complete curative measures within twenty (20) days after Landlord's written notice to Tenant.

(ii) If

(1) Any voluntary petition or similar pleading under any bankruptcy act or under any law seeking reorganization or an arrangement with creditors or adjustment of debts, is filed by or against Tenant, or if any such petition or pleading is involuntary, and it is not adjudicated favorably to Tenant within sixty (60) days after its filing;

(2) Tenant admits its inability to pay its debts, or if a receiver, trustee, or other court appointee is appointed for all or a substantial part of Tenant's property;

(3) The leasehold of Tenant is levied upon or attached by process of law and Tenant does not vigorously contest the same by appropriate proceedings and remove or vacate the same within sixty (60) days from the date of its creation, service or filing;

(4) Tenant makes an assignment for the benefit of creditors, or if any proceedings are filed by or against Tenant to declare Tenant insolvent or unable to meet its debts; or

(5) A receiver or similar type of appointment or court appointee or nominee of any name or character is made for Tenant or its property and Tenant does not vigorously contest the same by appropriate proceedings and remove or vacate same within sixty (60) days from the date of appointment.

(b) **Landlord's Remedies**. Landlord may treat the occurrence of any of the foregoing defaults as a breach of this Lease, and, at its option, may have the following-described remedy:

(i) Landlord may terminate this Lease and forthwith repossess the Leased Premises by forcible entry and unlawful detainer suit and be entitled to recover forthwith as damages a sum of money equal to the total of

(1) the cost of recovering the Leased Premises;

(2) the unpaid Rent earned at the time of termination.

(c) **No Implied Waiver**. Neither acceptance of any sum paid by Tenant, nor failure by Landlord to complain of any action, inaction or Event of Default of Tenant will constitute a waiver by Landlord of any of Landlord's rights under the Lease or under the law. Landlord's waiver of any right for any Event of Default by Tenant will not constitute a waiver any other right of Landlord for either a subsequent default of the same obligation or for any other default.

16. **Default by Landlord; Tenant's Remedies**. Defaults by Landlord are failing to comply with any provision of this Lease within ten (10) days after written notice. Tenant's remedies for Landlord's default are to sue for damages and terminate this Lease.

17 **Holdover**. If Tenant should remain in possession of the Leased Premises after the expiration or other termination of the Lease term, then Tenant will be deemed to be occupying

the Leased Premises as a month-to-month tenant. The month-to-month tenancy will be under all of the terms and conditions of this Lease, and Tenant will remain subject to all of the covenants, duties and obligations of Tenant under this Lease. The rent payable during the holdover period will be equal to one hundred percent (100%) of the rent last applicable during the Lease term.

18. **Notice**. Except as otherwise provided herein, all notices, demands, requests, and other communications required or permitted hereunder shall be given in writing and sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, or (iv) prepaid telegram, telex, or telecopy (provided that such telegram, telex or telecopy is confirmed by expedited delivery service or by United States mail in the manner previously described), addressed to the addressee at such party's address set forth herein, or to such other address as such party may specify by written notice, sent in accordance with this paragraph at least ten (10) days prior to the date of the giving of such notice. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery, or in the case of mail, as of the date of deposit in an official depository of the United States mail, or in the case of delivery service, telegram, telex, or telecopy, upon receipt. To the extent actual receipt is required, rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was received shall be deemed to be receipt of the notice, demand, request or other communication sent.

19. **Subordination**. Tenant agrees with Landlord and with any Landlord's Mortgagee, that any such Landlord's Mortgagee shall have the right at any time to elect, by notice, in writing given to Tenant, to make this Lease superior to such mortgage and/or deed of trust and, upon the giving of such notice to Tenant, this Lease shall be deemed prior and superior to such mortgage and/or deed of trust in respect of which said notice was given. Tenant shall attorn to any such Landlord's Mortgagee following a foreclosure, deed in lieu of foreclosure or other transfer of possession or title to the Leased Premises to Landlord's Mortgagee.

20. **Quiet Enjoyment**. Except as provided in Paragraphs 21, 22 and 23, the Landlord covenants that the Tenant on paying the Rent in performing the covenant hereunder may peaceably and quietly have, hold, and enjoy the Leased Premises for the term of this Lease subject to the provisions hereof.

21. **Use of Premises by Landlord**. Landlord may use the Common Areas of the Leased Premises for events such as fund raising, education, or tourism at such times as Tenant is not open for business at no charge to Landlord. Landlord will be responsible for cleaning up after any event. Landlord will give Tenant three (3) business days' notice of the desire to use the Common Areas of the Leased Premises. Tenant will cooperate with Landlord in Landlord's use of the Common Areas of the Leased Premises.

22. **Common Areas**. The Common Areas and their exterior sidewalks and windows outside of the Leased Premises shown on Exhibit "A" will be kept clean and neat by Tenant in

the manner provided in Paragraph 9. The other Tenants will be using the Common Areas with Tenant. Tenant will cooperate with other Tenants in the use of Common Areas.

23. **<u>Miscellaneous</u>**. Landlord will have the right to enter the Leased Premises at all reasonable times, in order to inspect them and in order to evaluate Tenant's performance under this Lease, without any such action constituting an eviction of Tenant or authorizing a reduction in Rent. During the sixty (60) days prior to the expiration of the Lease term, Tenant will permit Landlord to exhibit the Leased Premises to prospective tenants and purchasers, and to place notices upon the Leased Premises advertising the Leased Premises "For Lease" or "For Sale." This Lease may not be changed or terminated orally, but only in writing executed by both parties hereto. This document will bind and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties (without altering the provisions of Paragraph 14 regarding assignment and subletting).

It is understood and agreed between the Parties that the Tenant operates an independent business. Nothing herein shall be construed as reserving or granting unto the Landlord the right to exercise any control over the Tenant's business or the manner in which its conducted but the control and direction of such business and operation shall be and remain with the Tenant subject only to the Tenant's obligation to perform the terms and conditions of this Lease. The Tenant is neither a partner nor a joint venturer with the Landlord.

The laws of the State of Texas shall govern the validity, enforcement, and interpretation of this Lease. The obligations of the Parties are performable and venue for any legal action arising out of this Lease shall lie in Washington County, Texas.

THIS LEASE CONTAINS THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE LANDLORD AND THE TENANT PERTAINING TO THE SUBJECT MATTER OF THIS LEASE AND THERE ARE NO ORAL REPRESENTATIONS, STIPULATIONS, WARRANTIES, OR UNDERSTANDINGS RELATING THERETO WHICH ARE NOT FULLY SET FORTH HEREIN.

The following drawing and document is attached to this Lease and is a part of this Lease.

Exhibit "A" - Diagram of Leased Premises

EXECUTED in multiple counterparts, each having the force and effect of an original on ____________________________, 2018, to be effective as of the Commencement Date set forth herein.

LANDLORD:

SIMON THEATER MASTER TENANT, LLC, a Texas limited liability company

By: ______________________________________
Name: R. Hal Moorman
Title: President

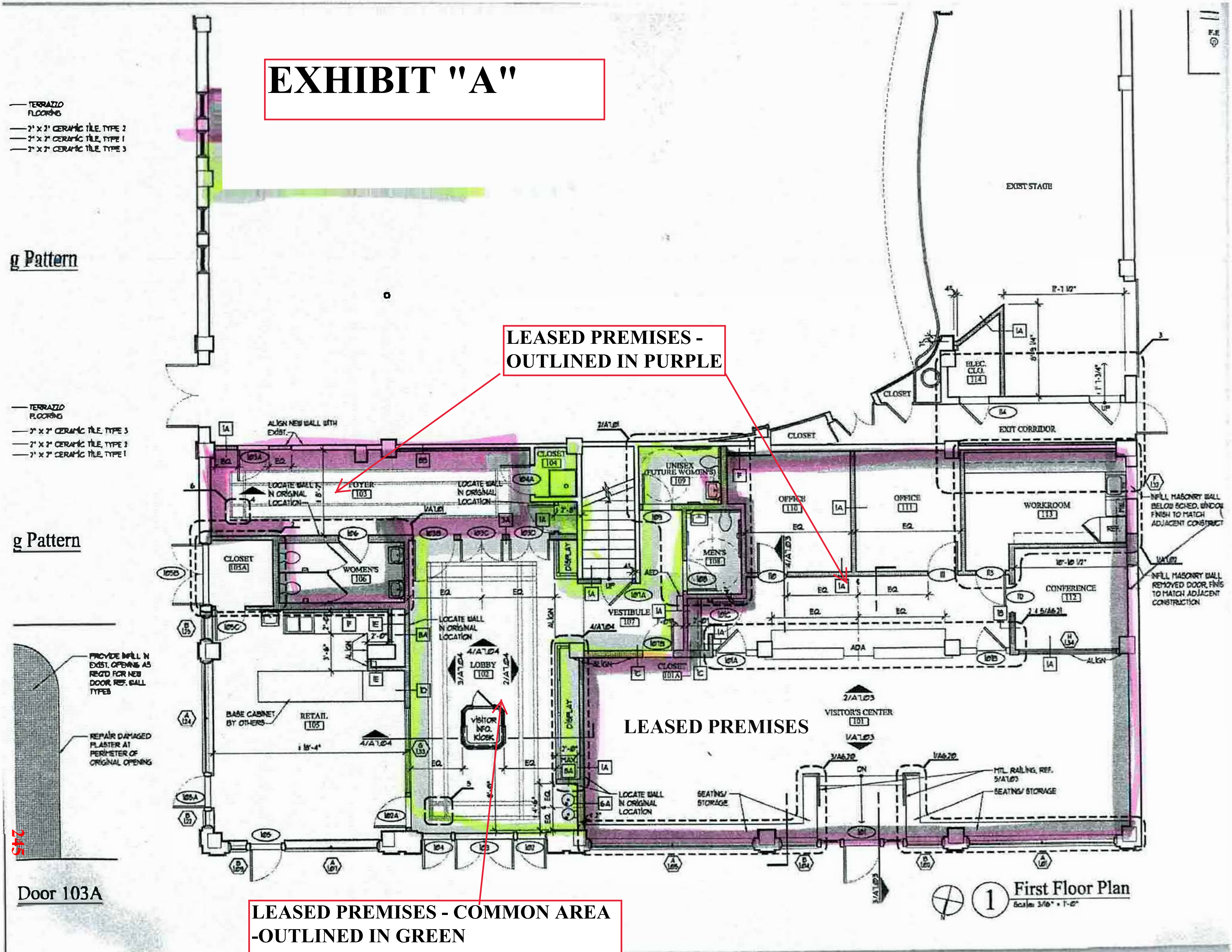
TENANT:

CITY OF BRENHAM, a Texas home rule municipal corporation

By: ______________________________________
Name: Milton Y. Tate, Jr.
Title: Mayor

EXHIBIT A

EXHIBIT "A"


LEASED PREMISES - OUTLINED IN PURPLE
LEASED PREMISES
LEASED PREMISES - COMMON AREA -OUTLINED IN GREEN
EXIST STAGE
EXIT CORRIDOR
ELEC. CLO. 114
CLOSET
WORKROOM 113
CONFERENCE 112
OFFICE 111
OFFICE 110
MEN'S 108
UNISEX (FUTURE WOMEN'S) 109
CLOSET 104
FOYER 103
VESTIBULE 107
CLOSET 101A
LOBBY 102
VISITOR INFO. KIOSK
VISITOR'S CENTER 101
WOMEN'S 106
CLOSET 103A
RETAIL 105
BASE CABINET BY OTHERS
DISPLAY
LOCATE WALL IN ORIGINAL LOCATION
ALIGN NEW WALL WITH EXIST.
INFILL MASONRY WALL BELOW SCHED. WINDOW FINISH TO MATCH ADJACENT CONSTRUCT
INFILL MASONRY WALL REMOVED DOOR. FINIS TO MATCH ADJACENT CONSTRUCTION
MTL. RAILING, REF. 5/A1.03
SEATING/ STORAGE
First Floor Plan
Scale: 3/16" = 1'-0"
— TERRAZZO FLOORING
— 2" x 2" CERAMIC TILE, TYPE 2
— 2" x 2" CERAMIC TILE, TYPE 1
— 2" x 2" CERAMIC TILE, TYPE 3
g Pattern
— TERRAZZO FLOORING
— 2" x 2" CERAMIC TILE, TYPE 3
— 2" x 2" CERAMIC TILE, TYPE 2
— 2" x 2" CERAMIC TILE, TYPE 1
g Pattern
PROVIDE INFILL IN EXIST. OPENING AS REQD FOR NEW DOOR REF. WALL TYPES
REPAIR DAMAGED PLASTER AT PERIMETER OF ORIGINAL OPENING
Door 103A

AGENDA ITEM 24

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** James Fisher

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

AGENDA ITEM DESCRIPTION: Section 551.071 – Texas Government Code – Consultation with Attorney – Consultation with the City Attorney for the Purpose of Seeking Legal Counsel Regarding a Facility/Land Development Matter and Associated Issues

SUMMARY STATEMENT: To be discussed in Executive Session.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: None

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: None

APPROVALS: Milton Y. Tate, Jr.

AGENDA ITEM 25

DATE OF MEETING: September 20, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** September 14, 2018 **SUBMITTED BY:** James Fisher

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

AGENDA ITEM DESCRIPTION: Section 551.087 – Texas Government Code – Economic Development Negotiations – Discuss and Deliberate Project Cardinal and Project BK Regarding Commercial or Financial Information that the City Has Received from Business Prospects and the Offer of Financial or Other Incentives to Business Prospects that the City Seeks to Have Locate In or Near the City of Brenham and With Which the City is Conducting Economic Development Negotiations

SUMMARY STATEMENT: To be discussed in Executive Session.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: None

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: None

APPROVALS: Milton Y. Tate, Jr.