NOTICE OF A REGULAR MEETING
THE BRENHAM CITY COUNCIL
THURSDAY, SEPTEMBER 6, 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 – City Attorney Cary Bovey**

3. **Administer Oath of Office to Ward 2 Councilman Albert Wright**

4. **Service Recognitions**
   - **Christopher McCain, Fire** **5 Years**

5. **Proclamations**
   - **Childhood Cancer Awareness Month**
   - **Washington County READ** **Pages 1-2**

6. **Citizens Comments**

CONSENT AGENDA

7. **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.

7-a. Minutes from the June 21, 2018 Regular City Council Meeting, July 18, 2018 Special City Council Meeting, July 19, 2018 Special City Council Meeting and July 20, 2018 Special City Council Meeting **Pages 3-20**

7-b. Resolution No. R-18-010 Authorizing the Acceptance of TxDOT's Selective Traffic Enforcement Program (STEP) Comprehensive Grant for Traffic Enforcement October 1, 2018 through September 30, 2019 **Page 21**

WORK SESSION

8. Presentation of the 2017 Municipal Court Statistics **Pages 22-24**

PUBLIC HEARING

9. Proposed Tax Rate of $0.5170 per $100 Valuation for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019 **Pages 25-26**

10. Public Hearing, Discussion and Receipt of Input Related to the Proposed 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 27-38**

11. Public Hearing, Discussion and Receipt of Input Related to the Proposed 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 39-45**

12. Public Hearing, Discussion and Receipt of Input Related to the Proposed 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 46-52**

REGULAR SESSION

13. **Discuss and Possibly Act Upon an Ordinance on its First 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 53-75**

14. **Discuss and Possibly Act Upon an Ordinance on its First 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 76-96**

15. **Disucss and Possibly Act Upon an Ordinance on its First 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 97-117**

16. **Discuss and Possibly Act Upon an Order Calling a Special Election to be Held on December 8, 2018 for the Purpose of Electing One (1) Council Member to fill the Unexpired Term for the Place 5 – At Large Position** **Pages 118-125**

    Considerar y Posiblemente Actuar Sobre una Orden para una Elección Especial que se efectuara el 8 de Diciembre, 2018 Con el Propósito de Elegir Un (1) miembro del Concejal para llenar el resto del termino de Lugar 5-Distrito Abierto.

17. **Discuss and Possibly Act Upon an Election Services Contract Between the City of Brenham and Washington County Related to Election Responsibilities for the December 8, 2018 Special Election and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 126-132**

18. **Discuss and Possibly Act Upon Revisions to the City of Brenham's Policies and Procedures for Boards and Commissions and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 133-140**

19. **Discuss and Possibly Act Upon Final Payment to Site Work Contractors L.L.C. for the Emergency Road Repairs and Storm Damage Repairs, Package 2A, for Burleson Street at Higgins Branch and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 141-159**

20. **Discuss and Possibly Act Upon the Final One Year Contract Extension, in Accordance with Bid No. IFB 16-009, for Bulk Water and Wastewater Treatment Chemicals and Authorize the Mayor to Execute Any Necessary Documentation** **Pages 160-161**

21. **Administrative/Elected Officials Report**

EXECUTIVE SESSION

22. **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 162**

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 6, 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 August 31, 2018 at **1:50 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, In the U.S., 15,780 children under the age of 19 are diagnosed with cancer every year; approximately 1/4 of them will not survive the disease; and

WHEREAS, The causes of pediatric cancer are still largely unknown, and though new discoveries are resulting in new treatments, this heartbreaking disease continues to scar families and communities in ways that may never fully heal; and

WHEREAS, September is National Childhood Cancer Awareness Month and represents an annual opportunity for supporters nationwide to focus on and raise awareness of the challenges of childhood cancer; and

WHEREAS, In Brenham, Texas, Adam's Angels Ministry, a local charitable organization, supports families who face childhood cancer and encourages everyone to join in their efforts to help defeat this terrible disease; and

WHEREAS, It is right and just for the City Council and the residents of Brenham to join together with Adam's Angels and all children and families touched by childhood cancer to raise awareness and encourage funding;

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

CHILDHOOD CANCER AWARENESS MONTH

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

Milton Y. Tate Jr., Mayor
City of Brenham

PROCLAMATION

WHEREAS, A community read program encourages reading by having all involved read the same book; and

WHEREAS, Lifetime Learning, a group of volunteers who have been bringing outstanding speakers and classes to the Washington County area since 2002, has proposed a tenth annual Washington County READ; and

WHEREAS, On October 18, 2018, at 5:30 p.m. Lifetime Learning and Unity Theatre will hold a free reception with refreshments catered by Design II, a presentation by award-winning author Jan Jarboe Russell, and an interpretive reading; and

WHEREAS, This endeavor has the support of Unity Theatre, *Brenham Banner-Press*, KTEX/KWHI Radio, The Book Nook, Blinn College, Nancy Carol Roberts Memorial Library, Washington County Chamber of Commerce, and many individuals and businesses in the community; and

WHEREAS, During the Washington County READ, which begins September 4, 2018 and concludes October 18, 2018, all residents of Washington County are encouraged to read *THE TRAIN TO CRYSTAL CITY* by Jan Jarboe Russell, which is a true story of a family internment camp in Crystal City, Texas during World War II; and

WHEREAS, It is right and just for the City Council and the residents of Brenham to join together to applaud the volunteers with Lifetime Learning for their dedication to service and their commitment to encourage reading;

NOW THEREFORE I, Milton Y. Tate Jr., Mayor of the City of Brenham, Texas, do hereby proclaim September 4, 2018 through October 18, 2018 as the official period for

The Washington County READ

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 June 21, 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, Sara Parker, Debbie Gaffey, Kaci Konieczny, Cynthia Longhofer, Assistant Fire Chief Brian Scheffer, Police Chief Allwin Barrow, Jared Campbell, Public Works Director Dane Rau, Assistant City Manager of Public Utilities Lowell Ogle, and Development Services Director Lori Lakatos

Citizens present:

Bob Schmidt and Ben Seeker

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 – Councilmember Herring

3. Special Recognition

- **GFOA Distinguished Budget Presentation Award**
  - *Eighth Consecutive Year*

4. Citizens Comments

There were no citizen comments.

CONSENT AGENDA

5. Statutory Consent Agenda

5-a. Minutes from the May 11, 2018 Special 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**

WORK SESSION

6. Discuss and Review the FY2017-18 Second Quarter Financial Report

Assistant City Manager – Chief Financial Officer Carolyn Miller presented this item. Miller advised the status of the General Fund and the five major utility funds in the report. Miller reported the actual to budget variance was favorable in all funds. Miller explained that the City of Brenham's financial performance continues to be positive and no unusual or unanticipated trends are noted.

REGULAR SESSION

7. Discuss and Possibly Act Upon an Audit Engagement Letter from Seidel Schroeder to Perform an Audit for the Fiscal Year Ending September 30, 2018 and Authorize the Mayor to Execute Any Necessary Documentation

Assistant City Manager – Chief Financial Officer Carolyn Miller presented this item. Miller stated that the audit fee range is $43,900 to $45,900. Miller explained that this is a $900 increase over the prior 3 years and is a result of additional testing that will be required due to the adoption of the new GASB 75 accounting standard on Other Post Employment Benefits (OPEB). Miller advised the fee is based on the assumption that a Single Audit will not be required. Miller noted that at this point staff is unsure if the city will meet the federal expenditure threshold requirements that trigger a Single Audit. Miller explained that a Single Audit is required when state and federal grant expenditures exceed $750,000 in a fiscal year. Miller stated that if a Single Audit is required, the engagement letter would be revised and a small fee adjustment would be possible. Miller advised that with the continued growth and complexity of the City's financial activities, the current fee structure is reasonable.

A motion was made by Councilmember Cantey and seconded by Mayor Pro Tem Ebel to approve the audit engagement letter from Seidel Schroeder to perform an audit for the fiscal year ending 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**

8. Discuss and Possibly Act Upon the Renewal of City of Brenham Group Health Plan with TML Multistate Intergovernmental Employee Benefits Pool and Establishment of Funding Rates for the Plan Year beginning October 1, 2018 through September 30, 2019 and Authorize the Mayor to Execute Any Necessary Documentation

Assistant City Manager – Chief Financial Officer Carolyn Miller presented this item. Miller explained that to better align the rerate process with the budget cycle, the City changed the plan year from calendar year to fiscal year and therefore the renewal that Council is approving is for 12 months beginning October 1, 2018 through September 30, 2019.

Miller advised that in May, staff attended the TML IEBP annual meeting to review the underwriting assumptions and the 2018-19 Pool rerate. Miller stated that overall, a 4% increase in contributions was needed from Pool members. Miller explained that the City of Brenham's renewal rate for FY18-19 is 7%, which is slightly above the average rate increase of 4% for the Pool. Miller advised that in developing the FY18-19 personnel budget, the City would be absorbing the full 7% increase, meaning employee premium contributions are not changing.

A motion was made by Councilmember Cantey and seconded by Councilmember Herring to approve renewal of City of Brenham Group Health Plan with TML Multistate Intergovernmental Employee Benefits Pool, establish funding rates for plan year beginning October 1, 2018 through September 30, 2019 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 Bid No. 18-008 for Gasoline and Diesel Fuel for the City of Brenham's Vehicle and Equipment Fleet and Authorize the Mayor to Execute Any Necessary Documentation

Purchasing Manager Sara Parker presented this item. Parker explained that on June 7, 2018 the City of Brenham opened bids for bulk fuel and fleet fueling services. Parker stated that one bid was received from Alexander Oil of Brenham. Parker noted that Alexander Oil provides a location for fleet fill-up, with a back-up location when needed. Parker advised that they also deliver bulk fuel to City locations. Parker explained that Alexander Oil has held the contract for a number of years and has provided more than satisfactory service to the City.

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Ebel to award Bid No. 18-008 for gasoline and diesel fuel for the City of Brenham's vehicle and equipment fleet to Alexander Oil 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**

10. Discuss and Possibly Act Upon a Memorandum of Agreement (MOA) Between the Brazos Valley Council on Alcohol and Substance Abuse (BVCASA) and the City of Brenham and Authorize the Mayor to Execute Any Necessary Documentation

Assistant Fire Chief Brian Scheffer presented this item. Scheffer explained that the City of Brenham and the Brenham Fire Department are collaborating with the Brazos Valley Council on Alcohol and Substance Abuse (BVCASA) in helping to keep prescription medicine away from children and out of the water supply. Scheffer stated that staff is doing this by having a prescription drop box located at the fire station lobby. Scheffer advised that citizens can stop by and drop off unwanted prescription meds and staff will dispose of them.

A motion was made by Councilmember Cantey and seconded by Councilmember Herring to approve a Memorandum of Agreement (MOA) between the Brazos Valley Council on Alcohol and Substance Abuse (BVCASA) and the City of Brenham 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 Authorizing the Submission of a Grant Application to the Lower Colorado River Authority (LCRA) Through Their Community Development Partnership Program (CDPP) for the Purchase and Installation of a Removable Bollard Traffic System in Downtown Brenham and Authorize the Mayor to Execute Any Necessary Documentation

Public Works Director Dane Rau presented this item. Rau explained that Downtown Brenham hosts a number of parades and special events annually involving street closures. Rau stated that staff is wanting to upgrade the common event areas with a removable bollard system, allowing city personnel to implement protective bollards for street closures to protect pedestrians from accidental or intentional vehicle entry into high-casualty pedestrian areas during special events. Rau advised that these temporary bollard sleeves would be installed on all city streets that adjoin both Main St. and Alamo St. such as St. Charles St., Baylor St., Park St. and Douglas St., as well as an alley off Alamo St.

A motion was made by Councilmember Cantey and seconded by Councilmember Herring to approve authorizing the submission of a grant application to the Lower Colorado River Authority (LCRA) through their Community Development Partnership Program (CDPP) for the purchase and installation of a Removable Bollard Traffic System in Downtown Brenham 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 a Professional Services Agreement with Strand Associates, Inc. for Henderson Park Improvements, Phase I, and Authorize the Mayor to Execute Any Necessary Documentation

Public Works Director Dane Rau presented this item. Rau explained that during the 2017-18 BCDC funding meeting, $294,500 was allocated to begin Phase I Improvements to this park. Rau stated the improvements that will be designed, constructed and bid out first will be a covered barbeque pit area with a sidewalk leading to kitchen, an ADA accessible route along with handicapped parking leading from the parking lot to the kitchen and playscapes, ADA improvements to the kitchen/restrooms and concession areas, along with bleacher pads and sidewalk connectivity to the baseball field. Rau advised that the total construction costs, if all improvements are chosen in Phase I, are estimated at $252,000.

A motion was made by Councilmember Herring and seconded by Mayor Pro Tem Ebel to approve a Professional Services Agreement with Strand Associates, Inc. for Henderson Park Improvements, Phase 1, 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**

13. Discuss and Possibly Act Upon a Memorandum of Agreement (MOA) Between the City of Brenham and Blinn College for the Use of Soccer Fields at Hohlt Park and Jackson Street Park and Authorize the Mayor to Execute Any Necessary Documentation

Public Works Director Dane Rau presented this item. Rau explained that Blinn College would be having a Men's and Women's Soccer Program beginning in August of this year. Rau stated that Blinn has approached the City about the usage of Rankin Field and practice fields at Jackson Street Park. Rau advised that this agreement would be for 5 years with incremental rates beginning with $12,500 for the first year, increasing $2,000 each additional year, and capping at $20,500 in 2022 when the contract ends.

A motion was made by Councilmember Cantey and seconded by Councilmember Herring to approve a Memorandum of Agreement (MOA) between the City of Brenham and Blinn College for the use of soccer fields at Hohlt Park and Jackson Street Park 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. Discuss and Possibly Act Upon a License Agreement Between the City of Brenham and Veterans of Foreign Wars Post 7104 for Use and Occupancy of Henderson Park for the Display of a Retired F-111 Military Aircraft and Authorize the Mayor to Execute Any Necessary Documentation

Public Works Director Dane Rau presented this item. Rau explained that as discussed and approved last year, the Brenham VFW Post 7104 has obtained a retired F-111 Aircraft and would like to display the aircraft permanently in Henderson Park. Rau stated that this license agreement would allow the VFW Post 7104 to utilize the land at Henderson Park for the display of both the F-111 Military Aircraft and display signage. Rau noted that it also covers that the Aircraft and the signage display is the responsibility of the VFW Post 7104, in which they have a loan agreement with the United States of America. Rau advised that the agreement outlines responsibilities of both parties related to improvements, expenses, maintenance and terms.

A motion was made by Councilmember Cantey and seconded by Councilmember Herring to approve a License Agreement between the City of Brenham and Veterans of Foreign Wars Post 7104 for use and occupancy of Henderson Park for the display of a retired F-111 military aircraft 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**

15. Discuss and Possibly Act Upon the Henderson Park Improvements and Dedication Agreement Between the City of Brenham and Veterans of Foreign Wars Post 7104 for Improvements Related to the Display of a Retired F-111 Military Aircraft in Henderson Park and Authorize the Mayor to Execute Any Necessary Documentation

Public Works Director Dane Rau presented this item. Rau explained that this agreement between the City of Brenham and VFW Post 7104 outlines the responsibilities of both parties related to the planned improvements, construction responsibilities, insurance requirements, and formal acceptance of the entire F-111 display site. Rau advised that the agreement calls for the project to be completed within 120 days from the date the City notifies the donor in writing to proceed with the project. The agreement also outlines that the donor is responsible for all costs associated with the project.

A motion was made by Councilmember Herring and seconded by Councilmember Cantey to approve the Henderson Park Improvements and Dedication Agreement between the City of Brenham and Veterans of Foreign Wars Post 7104 for the display of a Retired F-111 Military Aircraft 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**

16. Discuss and Possibly Act Upon a Request for a Noise Variance from Faith Mission and Help Center for a SMART Camp Closing Ceremony at the Dr. Bobbie M. Dietrich Memorial Amphitheatre at Hohlt Park to be Held on July 9, 2018 from 5:00 p.m. – 7:00 p.m. and Authorize the Mayor to Execute Any Necessary Documentation

Deputy City Secretary Kacey Weiss presented this item. Weiss stated that they will be using sound amplification equipment and therefore, they are requesting a noise variance.

A motion was made by Councilmember Herring and seconded by Councilmember Cantey to approve a request for a noise variance from Faith Mission and Help Center for a SMART Camp Closing Ceremony at the Dr. Bobbie M. Dietrich Memorial Amphitheatre at Hohlt Park to be held on July 9, 2018 from 5:00 p.m. – 7:00 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**

17. Discuss and Possibly Act Upon a Request for a Noise Variance from Don and Margarett Davis for a Birthday Party at 800 Pleasantview to be Held on June 23, 2018 from 6:00 p.m. – 11:00 p.m. and Authorize the Mayor to Execute Any Necessary Documentation

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

A motion was made by Councilmember Cantey and seconded by Mayor Pro Tem Ebel to approve a request for a noise variance from Don and Margarett Davis for a birthday party at 800 Pleasantview to be held on June 23, 2018 from 6:00 p.m. – 11:00 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**

18. Administrative/Elected Officials Report

City Manager James Fisher reported on the following:

- All City offices will be closed for the July 4th holiday
- Council FY19 budget meetings will be held July 18th-20th
- The Council meeting on July 5th is canceled.

The meeting was adjourned.

____
Milton Y. Tate, Jr.
Mayor

____
Jeana Bellinger, TRMC, CMC
City Secretary

Brenham City Council Minutes

A special budget workshop meeting of the Brenham City Council was held on July 18, 2018 beginning at 1:00 p.m. in the Brenham City Hall, Conference Room 2-A, 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, ACM-Chief Financial Officer Carolyn Miller, ACM - Public Utilities Lowell Ogle, City Secretary Jeana Bellinger, Fire Chief Ricky Boeker, Police Chief Allwin Barrow, Director of Public Utilities Dane Rau, Director of Development Services/City Engineer Lori Lakatos, Director of Human Resources Susan Nienstedt, IT Manager Kevin Schmidt, Debbie Gaffey and Kaci Konieczny.

Citizens present:

None.

Media Present:

None.

1. Call Meeting to Order

2. FY 2018-19 Proposed Budget Discussions

City Manager James Fisher welcomed Council and advised that the FY19 proposed budget maintains the status quo in terms of public safety, transportation, recreation and government services. Many items, particularly infrastructure projects identified in the capital plan remain unfunded. Mr. Fisher reminded Council that as discussed with Council in May's "*Drive to 2025*" plans, the alignment of the budget with the updated strategic plan would begin at the City Council Retreat in October and in the early stages of the FY20 Annual Budget.

Fisher advised Council that when putting together the proposed FY19 Budget, staff focused on personnel changes, major sources of General Fund revenue, capital items, FEMA disaster relief, tourism and marketing, and debt projects.

Assistant City Manager – Director of Public Utilities Lowell Ogles advised Council that the FY19 budget assumes no utility rate increases. Ogle explained that his team focused on the following utility budget priorities:

1. Several one-time studies and plans to look at infrastructure, impact fees, water plant capacity, water rates, UV disinfection
2. Wastewater plan permit renewal.
3. Maintaining a reliable and efficient solid waste operation and keeping customer rates affordable.
4. Completion of three storm projects.
5. Planning for $1.5 Million in debt issuance for the replacement of AC and CI water pipes.
6. Funding a study to review whether a drainage fee is a viable option for making sure the City has fund to address over $3 Million in future drainage projects.

The following utility departmental budgets were then presented to the Council:

- Electric Fund
    - Dept. 132 – Utility Billing
    - Dept. 160 – Public Utilities
    - Dept. 161 - Electric
- Gas Fund
    - Dept. 162 – Gas
- Water Fund
    - Dept. 163 – Water Treatment
    - Dept. 164 – Water Construction
- Wastewater Fund
    - Dept. 165 – Wastewater Construction
    - Dept. 166 – Wastewater Treatment
- Sanitation Fund
    - Dept. 042 – Transfer Station
    - Dept. 043 – Collection Station
    - Dept. 140 – Recycling Center
    - Dept. 142 – Residential Collection

The meeting was adjourned.

____

Milton Y. Tate, Jr.
Mayor

____

Jeana Bellinger, TRMC, CMC
City Secretary

Brenham City Council Minutes

A special budget workshop meeting of the Brenham City Council was held on July 19, 2018 beginning at 9:00 a.m. in the Brenham City Hall, Conference Room 2-A, 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, ACM-Chief Financial Officer Carolyn Miller, ACM - Public Utilities Lowell Ogle, City Secretary Jeana Bellinger, Fire Chief Ricky Boeker, Police Chief Allwin Barrow, Director of Public Utilities Dane Rau, Director of Development Services/City Engineer Lori Lakatos, Director of Human Resources Susan Nienstedt, IT Manager Kevin Schmidt, Debbie Gaffey and Kaci Konieczny.

Citizens present:

None.

Media Present:

None.

1. Call Meeting to Order

2. FY 2018-19 Proposed Budget Discussions

City Manager James Fisher welcomed Council to the second day of the FY19 budget workshop.

The following departmental budgets were then presented to the Council by staff:

- Dept. 151 – Police
  - Fund 222 – Police Department Grants
  - Fund 225 – Motorcycle/Police Equipment
  - Fund 229 – Criminal Law Enforcement
- Dept. 154 – Animal Control/Shelter
- Dept. 152 – Fire/EOC
  - Fund 235 – Fire Department Grants
- Dept. 172 – Information Technology
- Dept. 050 – City Communications
- Dept. 131 – Maintenance
- Dept. 141 – Streets
- Dept. 144 – Parks
  - Fund 234 – Parks Capital Improvements
- Dept. 149 – Aquatic Center
- Dept. 167 – General Government Services
- Dept. 122 – Development Services & Code Enforcement
- Dept. 128 – Engineering Services
- Dept. 148 – Airport
  - Fund 203 – Airport Capital Improvements

The following special funds were then presented to the Council by ACM-Chief Financial Officer Carolyn Miller:

- Fund 109 – Hotel Occupancy Tax
- Fund 110 – Hotel Occupancy Tax (County)
- Fund 214 – Capital Leases
- Fund 217 – 2017 Capital Projects
- Fund 218 – 2014 Capital Projects
- Fund 226 – Public Safety Training
- Fund 232 – Donations Fund
- Fund 236 – Equipment Fund
- Fund 237 – Streets/Drainage Improvements
- Fund 250/252 – BCDC/Capital
- Fund 290 – Highway 290 Fund
- Fund 500 – Workers' Compensation Fund

The meeting was adjourned.

____
Milton Y. Tate, Jr.
Mayor

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Jeana Bellinger, TRMC, CMC
City Secretary

Brenham City Council Minutes

A special budget workshop meeting of the Brenham City Council was held on July 20, 2018 beginning at 8:30 a.m. in the Brenham City Hall, Conference Room 2-A, 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, ACM-Chief Financial Officer Carolyn Miller, ACM - Public Utilities Lowell Ogle, Deputy City Secretary Kacey Weiss, Fire Chief Ricky Boeker, Police Chief Allwin Barrow, Director of Public Utilities Dane Rau, Director of Development Services/City Engineer Lori Lakatos, Director of Human Resources Susan Nienstedt, IT Manager Kevin Schmidt, Debbie Gaffey and Kaci Konieczny.

Citizens present:

None.

Media Present:

None.

1. Call Meeting to Order

2. FY 2017-18 Proposed Budget Discussions

City Manager James Fisher welcomed Council to the third and final day of FY19 budget workshop discussions. Fisher advised Council that staff would be discussing the last of the general fund departments, the FEMA disaster fund and debt service/capital projects.

The following departmental budgets were then presented to the Council by staff:

- Dept. 100 – Community Services Agencies
- Dept. 121 - Administration
- Dept. 123 – Human Resources
- Dept. 133 – Finance/Risk Management
- Dept. 135 – Purchasing/Warehouse
    - Fund 220 – Central Fleet
- Dept. 155 – Municipal Court
    - Fund 233 – Court Security/Technology

The following departments and special funds were then presented to the Council by ACM-Chief Financial Officer Carolyn Miller:

- Dept. 049 – Community Programs & Marketing
- Dept. 125 – Main Street
- Dept. 146 - Library
- Fund 249 – Tourism & Marketing
- Fund 227 – FEMA Disaster Relief

The meeting was adjourned.

____

Milton Y. Tate, Jr.
Mayor

____

Kacey Weiss, TRMC
City Secretary

RESOLUTION NO. R-18-010

A RESOLUTION OF THE CITY OF BRENHAM, TEXAS AUTHORIZING THE ACCEPTANCE OF TXDOT'S SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) COMPREHENSIVE GRANT FOR TRAFFIC ENFORCEMENT ACTIVITIES FROM OCTOBER 1, 2018 TO SEPTEMBER 30, 2019 FOR THE POLICE DEPARTMENT AND AUTHORIZING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTATION.

WHEREAS, the Texas Department of Transportation (TxDOT) works together with local law enforcement agencies to decrease automobile accidents and the resulting fatalities and injuries; and

WHEREAS, Selective Traffic Enforcement Program (STEP) grants are provided by TxDOT to law enforcement agencies to provide enhanced enforcement for multiple offenses; and

WHEREAS, TxDOT is providing $16,981.74 in funding with a 20.14% match provided by the Brenham Police Department through fringe benefits and administrative salaries for officers participating in the Selective Traffic Enforcement Program (STEP).

BE IT RESOLVED BY THE CITY OF BRENHAM, TEXAS that the Mayor is authorized to execute all documents necessary for the acceptance of the grant funding provided through the STEP program.

PASSED and **APPROVED** this the 6th day of September, 2018.

____
Milton Y. Tate, Jr.
Mayor

ATTEST:

____
Jeana Bellinger, TRMC, CMC
City Secretary

AGENDA ITEM 8

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Municipal Court	**DATE SUBMITTED:** August 28, 2018 **SUBMITTED BY:** Rhonda Kuehn

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

AGENDA ITEM DESCRIPTION: Presentation of the 2017 Municipal Court Statistics

SUMMARY STATEMENT: The Municipal Court statistics will be discussed and presented by Municipal Court Administrator Rhonda Kuehn.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Memo from Municipal Court Administrator; and (2) Municipal Court Statistics

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: None - discussion only.

APPROVALS: Carolyn D. Miller

Brenham Municipal Court

Memo

To: Mayor & Council Members

From: Rhonda Kuehn

Date: 8-31-18

Re: Municipal Court Statistical Report

Please find enclosed with this memo a copy of the 2017 Annual Municipal Court Statistics Report. The report is a comparison of statistics for the previous four (4) fiscal years as well as nine (9) months of the current fiscal year. It includes information such as new cases filed, dispositions prior to and at trial, the number of cases dismissed, the number of warrants issued and the amount of revenue collected.

I have also included the following information pertaining to the breakdown of the State versus City share of court costs for both Traffic and Non Traffic Violations as this is typically a frequently asked question by Council. In addition to the fine set by the Judge, the City is allowed to keep a portion of the court costs. Court costs vary by type of violation and disposition of the case. Below is a breakdown of the portion the City is authorized to retain per violation.

Traffic	**Non Traffic**
* State Share - $82.49	* State Share - $52.40
City Share - $21.61	City Share - $18.60
Total Costs Collected $104.10	**Total Costs Collected $71.00**

Another frequently asked question by Council pertains to the number of cases dismissed per year. The number listed on the report includes cases dismissed by the prosecutor, compliance dismissals (fail to display driver's license, expired driver's license and expired registration), insurance dismissals, and driving safety course as well as deferred disposition completion dismissals. Please feel free to contact me should you have any further questions.

MUNICIPAL COURT STATISTICS

	FY14	FY15	FY16	FY17	FY 18 (Oct-Jun)
Total Cases Filed	4401	6746	6689	5733	3077
Traffic Misdemeanors					
Non-Parking	2,544	4,527	4,434	3,726	1,837
Parking	105	159	41	21	10
Dispositions Prior to Court Appearance or Trial	1,838	2,357	2,579	1,984	1,340
Dispositions at Court Appearance or Trial	123	110	91	99	83
Cases Dismissed	781	1,583	1,937	1,244	1,096
Non-Traffic Misdemeanors					
Penal Code	219	240	262	215	156
State Law	1,376	1,687	1,785	1,594	1,043
City Ordinance	157	133	167	177	31
Dispositions Prior to Court Appearance or Trial	1,307	1,152	1,280	1,316	848
Dispositions at Court Appearance or Trial	372	218	204	219	125
Cases Dismissed	580	467	638	563	413
Juvenile Activity	101	127	102	108	62
Warrants Issued	1,428	1,624	2,197	1,875	725
Total Revenue Collected	$ 873,606	$ 1,176,006	$ 1,312,736	$ 1,116,622	$ 773,661
Total Remitted to State	$ 260,631	$ 392,958	$ 416,196	$ 355,875	$ 220,182
General Gov't Revenues	$ 612,969	$ 783,048	$ 896,540	$ 760,740	$ 553,476

AGENDA ITEM 9

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Finance	**DATE SUBMITTED:** August 30, 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: Proposed Tax Rate of $0.5170 per $100 Valuation for Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019

SUMMARY STATEMENT: See separate memo from Assistant City Manager-Chief Financial Officer on this item.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Memo from Chief Financial Officer

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Receive citizen comments regarding proposed property tax rate.

APPROVALS: James Fisher

MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager - Chief Financial Officer

Subject: Second Public Hearing on Proposed 2018 Tax Rate

Date: August 30, 2018

A governing body must hold two public hearings to receive citizen comments on a proposed tax rate. The first public hearing on the proposed tax rate was held during the Council meeting on August 16, 2018 and citizen comments were received.

A property tax rate of $0.5170 per $100 valuation is proposed to fund the FY2018-19 Budget. Of this rate, $0.3200 will be for maintenance and operations (M&O). The balance of $0.1970 is for debt service (interest and sinking or I&S). Based on the certified taxable values of $1,328,029,691 the effective tax rate is $0.5018 and the rollback rate is $0.5364 per $100 valuation for the 2018 Tax Year.

Although the proposed budget maintains the current property tax rate of $0.5170, due to increased property values, this rate is above the effective rate and will produce higher tax revenues. The increase in property taxes will cover the addition of several full-time public safety positions.

In compliance with the Property Tax Code, a governing body must hold two public hearings to receive citizen comments on a proposed property tax rate. The governing body may not adopt the tax rate at either of these hearings. At each hearing, the governing body must announce the date, time, and place of the meeting at which it will vote on the tax rate. After receiving citizen comments, the following announcement should be made:

> **The first reading of the Ordinance to adopt the tax rate will be during a Special Council meeting on Monday, September 17, 2018 at 8:30 a.m. at City Hall, located at 200 W. Vulcan Street. The second reading of the Ordinance and adoption of the tax rate is scheduled for a Regular Council meeting on Thursday, September 20, 2018 at 1:00 p.m. at City Hall, located at 200 W. Vulcan Street.**

AGENDA ITEM 10

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Economic Development	**DATE SUBMITTED:** August 28, 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: Public Hearing, Discussion and Receipt of Input Related to the Proposed 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 Number 43, and Designating This Property as Qualifying for Tax Phase-In

SUMMARY STATEMENT: Prior to considering the creation of a Reinvestment Zone for implementing a Tax Phase-In incentive for Stanpac USA/Brenham Bartons, Inc., the City Council is required to hold a Public Hearing to receive input regarding the proposal.

Stanpac is considering a modernization project at their Brenham location which includes the purchase of new equipment and the addition of new jobs.

Capital Investment*:* Stanpac is considering the purchase of new forming equipment valued at $3.1 million.

Jobs Created/Retained: The additional forming equipment would require Stanpac to hire 20 additional employees.

Tax Phase-In Calculation: If Stanpac USA/Brenham Bartons, Inc. is granted tax phase-in, based on projected values, they will receive a total tax abatement of $129,831.26, with the City portion being $64,909.35. At no point in the tax phase-in process does any company receive abatements on taxes for Blinn College or BISD.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):
A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Tax Phase-In Application from Stanpac USA/Brenham Bartons, Inc. with corresponding documents
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: Discussion only
APPROVALS: James Fisher

APPLICATION FOR TAX PHASE-IN
BRENHAM, TEXAS – WASHINGTON COUNTY

This application must be filed in conformance with the City of Brenham/Washington County Guidelines and Criteria for Tax Phase-In. The application must be filed prior to the beginning of construction or installation of equipment. All applications must be accompanied by the required information listed in the attached checklist. Approval of this application is discretionary with the City Council and/or Commissioner's Court. All applications must be received 20 days before the publication deadline. Submit completed applications to: Brenham Economic Development Foundation, 314 S Austin St, Brenham, Texas 77833, edf@brenhamtexas.com

PART 1 - APPLICANT INFORMATION

Application Date: 06 / 19 / 2018

Company Name: STANPAC USA / BRENHAM BARTONS INC. Website: www.stanpacnet.com

Headquarters Address: 2790 THOMPSON ROAD City: SMITHVILLE State: ON Zip: L0R 2A0

Company President: MATT WITT / ANDREW WITT Email Address: ______

Local Address (if applicable): 801 MANGRUM ST City: BRENHAM State: TX Zip: 77833

Local Contact: JESSIE SMALLWOOD Phone: (979) 251-9851 Email: ______

Annual Sales: 55,000,000 Year Established: 2010 Total Employees: 700 [Worldwide] 230 [Texas] 230 [Brenham]

PART II - PROJECT INFORMATION

Project Description: ☐ New Facility ☑ Expansion ☑ Modernization

Location Address: 801 MANGRUM ST, BRENHAM, TX 77833

Legal Description: S1588 - Brenham Bartons Inc S/D, BLOCK 1, Lot 1, ACRES 8.65

Property ID(s): R26897, P65685

Type of Facility: ☑ Manufacturing ☐ Distribution ☐ Research & Development Primary NAICS: ______

☐ Agriculture/Aquaculture ☐ Other (Please Explain) ______

Products or services to be provided: PACKAGING

PART III - ECONOMIC INFORMATION

Construction/Fixed Equipment Estimates:

The project must add new value to the tax roll of eligible property: a minimum of $300,000 for a business new to Washington County 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.

Estimated Start Date: 08/01/2018 Estimated Completion Date: 04/01/~~2018~~ 2019

Total Value: $3,100,000 Number of Construction Jobs: UNKNOWN

Employment Estimates:

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).

Will this project create and/or retain a minimum of 10 jobs at an average base salary of at least $36,000/year (including benefits)? ☑ Yes ☐ No

Current # Employees: 230 After first year: 250 After Tax Phase-In Completion: 250+

Estimated percentage of workforce that are/will be Washington County residents: ______

AUTHORIZATION

Company Representative Authorized for Contact

Name: BRENT ROSZELL

Title: VP FINANCE

Phone Number: (905) 741-7830

E-mail: BrentR@Stanpacnet.com

Authorized Company Official

Authorized Signature:

Name: BRENT ROSZELL

Title: VP FINANCE

Phone Number: (905) 741-7830

E-mail: BrentR@Stanpacnet.com

CHECKLIST
REQUIRED INFORMATION

☐ **Introduction of the Company**

- Describe the Company's business activities, locations, primary markets, history (when and where incorporated), parent or subsidiary companies, names of chief officers
- Provide copy of annual report or financial statements

☐ **Describe the project**

- Plat Survey and Metes & Bounds description
- Site layout plan
- A descriptive list of the improvements which will be a part of the facility with estimated values, including construction budget and fixed equipment/machinery
- Description of utility (power, water, gas) infrastructure needs and projected usage for each.
- Project timeline (if different or more complex than dates on application) V(b)(4)

☐ **Jobs**

- 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.

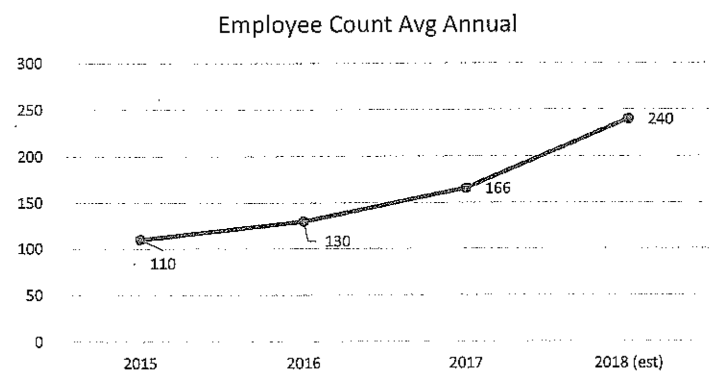
☐ **Purchase Contract or Lease Agreement**

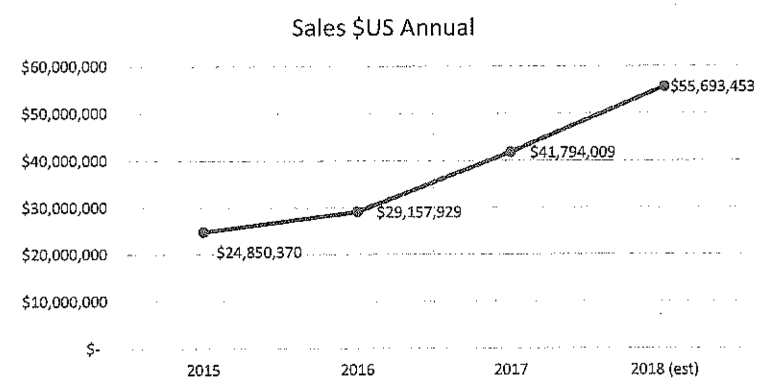
- If leasing property, please attach copy of lease
- If company owns or is purchasing land, please attach copy of deed or executed contract-option to purchase

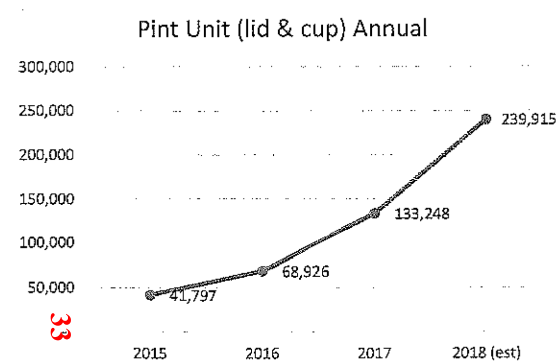
Stanpac USA Investments

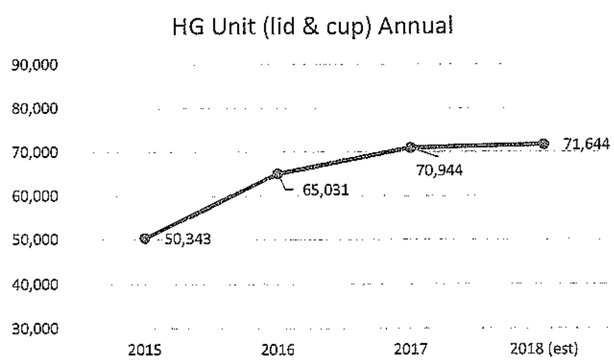
New Forming Equipment	$	3,950,000	Cup formers/lid formers/blankign equipment in 2018/2019
Plant Renovations	$	500,000	Employee Lunch room, locker room and new offices for quality staff.
Misc equipment and moving costs	$	500,000	
Total Investment in TX Plant 2018/2019	$	4,950,000	

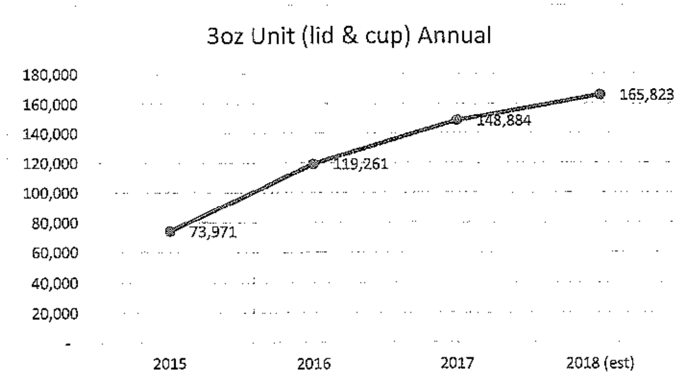
STANPAC USA LLC - KEY INDICATORS (AS OF JUNE 2018)



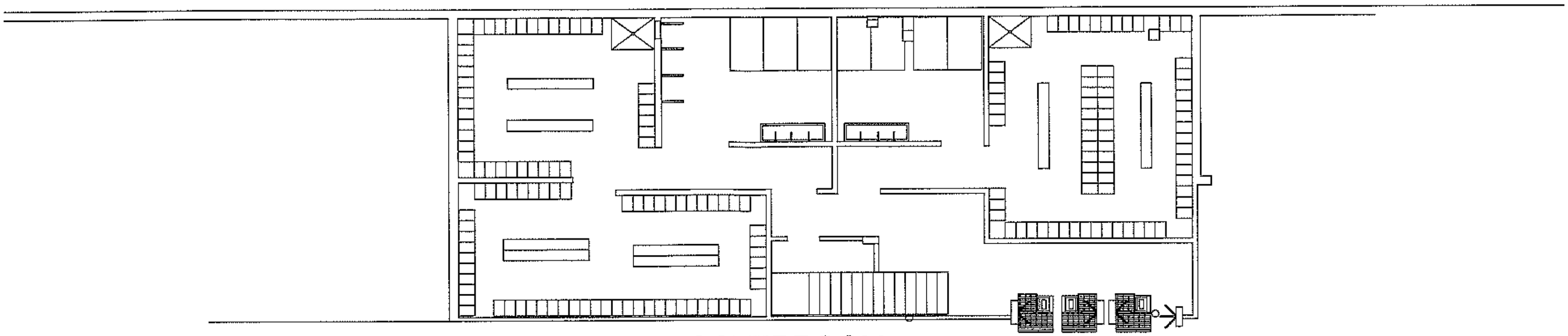




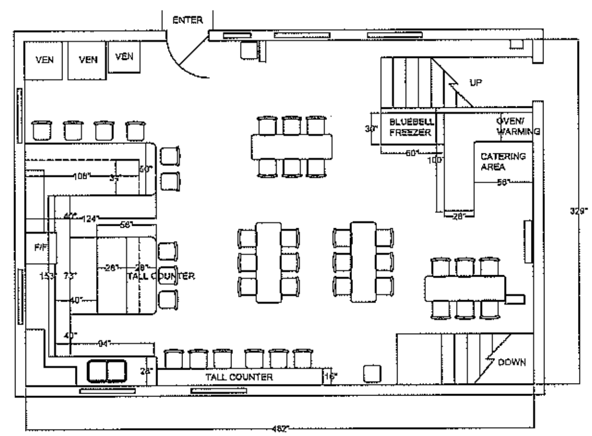




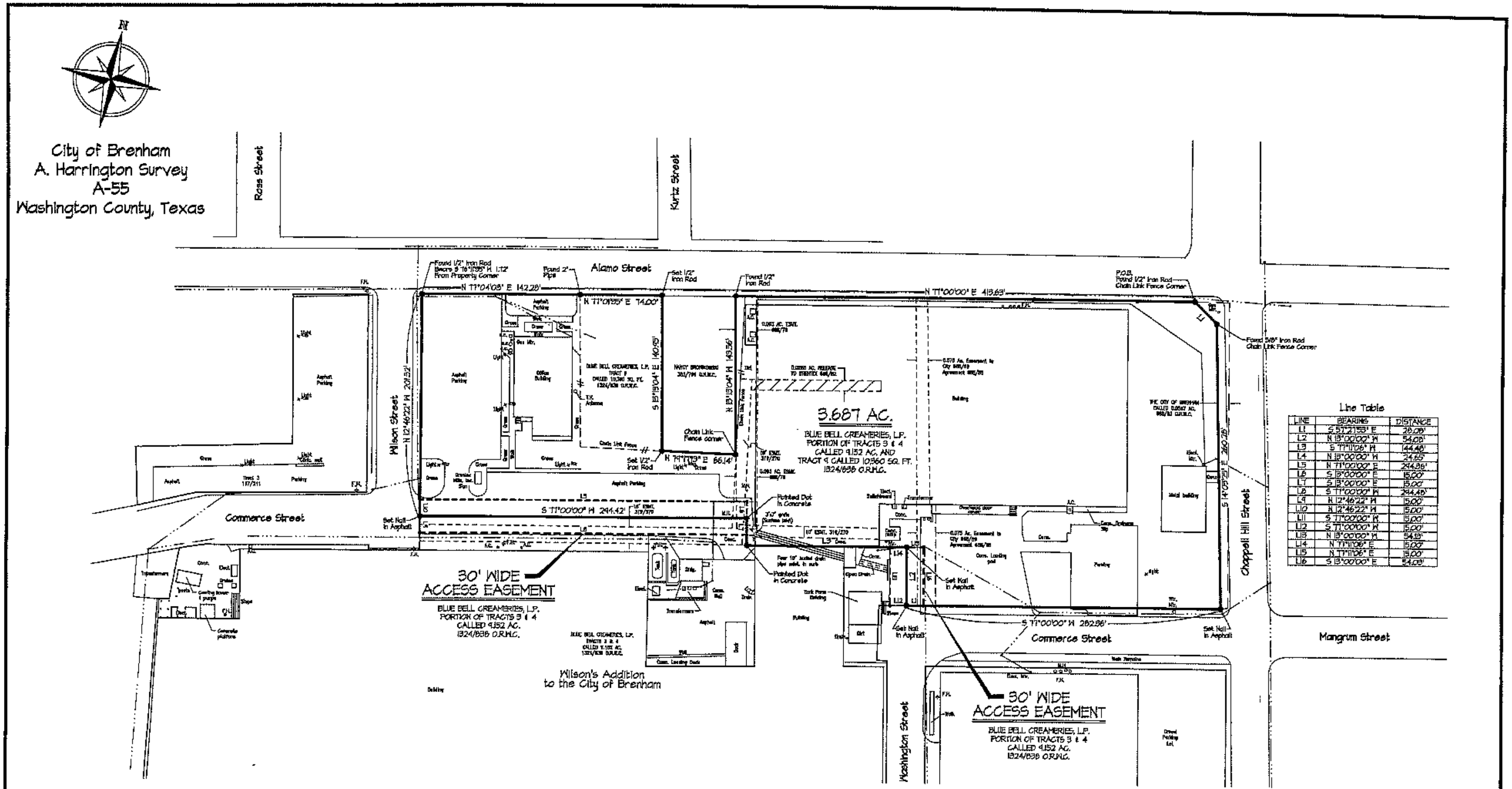
Note: Approx 170MM Units is Halo Top



BRENHAM LOCKERROOM



BRENHAM LUNCHROOM



Line Table

LINE	BEARING	DISTANCE
L1	S 57°21'53" E	20.08'
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	294.46'
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) 836-5688
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	B0038-379-00

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;

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.

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

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

JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS

TAX PHASE-IN CALCULATION

PROJECT INFORMATION

Project: **STANPAC MODERNIZATION**
Business Name: **Stanpac USA**
Prepared for: **Brent Roszell, VP Finance**
Date Prepared: **8/25/2018**

Jurisdiction	Tax Rate		Tax Value
City of Brenham*	0.5170	$	16,027.00
Washington County*	0.5171	$	16,030.10
Blinn College	*0.0601*	*$*	*1,863.10*
Brenham ISD	*1.1250*	*$*	*34,875.00*
Total Annual Tax	2.2192	$	68,795.20

**Only City and County tax are available for possible abatement*

ESTIMATED ABATEMENT TOTAL	
City	$ 64,909.35
County	$ 64,921.91
Total	$ 129,831.26

TAX ABATEMENT SUMMARY		VALUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
TABLE 1A	Rate		45%	45%	45%	40%	30%	20%	
Property Improvements by an Existing Local Business	City	0.5170	$7,212.15	$7,212.15	$7,212.15	$6,410.80	$4,808.10	$3,205.40	$36,060.75
	County	0.5171	$7,213.55	$7,213.55	$7,213.55	$6,412.04	$4,809.03	$3,206.02	$36,067.73
	Table 1A Totals:	**$3,100,000.00**	**$14,425.70**	**$14,425.70**	**$14,425.70**	**$12,822.84**	**$9,617.13**	**$6,411.42**	**$72,128.48**
TABLE 2	Rate		45%	45%	40%	30%	20%		
Jobs Created and/or Retained	City	0.5170	$7,212.15	$7,212.15	$6,410.80	$4,808.10	$3,205.40	$ -	$28,848.60
	County	0.5171	$7,213.55	$7,213.55	$6,412.04	$4,809.03	$3,206.02	$ -	$28,854.18
	Table 2 Totals:	**20**	**$14,425.70**	**$14,425.70**	**$12,822.84**	**$9,617.13**	**$6,411.42**		**$57,702.78**
TAXES ABATED	Rate		90%	90%	85%	70%	50%	20%	
TOTALS	City	0.5170	$14,424.30	$14,424.30	$13,622.95	$11,218.90	$8,013.50	$3,205.40	$64,909.35
	County	0.5171	$14,427.09	$14,427.09	$13,625.59	$11,221.07	$8,015.05	$3,206.02	$64,921.91
TOTAL TAXES ABATED:			**$28,851.39**	**$28,851.39**	**$27,248.54**	**$22,439.97**	**$16,028.55**	**$6,411.42**	**$129,831.26**

TAXES TO BE PAID SUMMARY		VALUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
TAXES PAID	City	0.5170	$1,602.70	$1,602.70	$2,404.05	$4,808.10	$8,013.50	$12,821.60	$31,252.65
TOTALS	County	0.5171	$1,603.01	$1,603.01	$2,404.52	$4,809.03	$8,015.05	$12,824.08	$31,258.70
	Blinn	0.0601	$1,863.10	$1,863.10	$1,863.10	$1,863.10	$1,863.10	$1,863.10	$11,178.60
	Brenham ISD	1.1250	$34,875.00	$34,875.00	$34,875.00	$34,875.00	$34,875.00	$34,875.00	$209,250.00
Taxes Paid:		**2.2192**	**$39,943.81**	**$39,943.81**	**$41,546.67**	**$46,355.23**	**$52,766.65**	**$62,383.78**	**$282,939.95**

AGENDA ITEM 11

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Economic Development	**DATE SUBMITTED:** August 28, 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: Public Hearing, Discussion and Receipt of Input Related to the Proposed 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

SUMMARY STATEMENT: Prior to considering the creation of a Reinvestment Zone for implementing a Tax Phase-In incentive for MIC Group, LLC, the City Council is required to hold a Public Hearing to receive input regarding the proposal.

MIC Group, LLC is considering expanding in Brenham by adding equipment to increase their capacity and capabilities.

Capital Investment*:* MIC Brenham East is considering the addition of milling equipment valued at $1 million. The equipment would be installed within 18 months of tax phase in approval.

Jobs Created/Retained: The additional milling equipment would require MIC Brenham East to hire 10 additional machinists with an average wage of $60,000 per year plus benefits.

Tax Phase-In Calculation: If MIC Brenham East is granted tax phase-in, based on projected values, they will receive a total tax abatement of $27,920.70, with the City portion being $13,959.00. At no point in the tax phase-in process does any company receive abatements on taxes for Blinn College or BISD.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):
A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):
ATTACHMENTS: (1) Tax Phase-In Application from MIC Group, LLC with corresponding documents
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: Discussion only
APPROVALS: James Fisher

APPLICATION FOR TAX PHASE-IN
BRENHAM, TEXAS – WASHINGTON COUNTY

This application must be filed in conformance with the City of Brenham/Washington County Guidelines and Criteria for Tax Phase-In. The application must be filed <u>prior</u> to the beginning of construction or installation of equipment. All applications must be accompanied by the required information listed in the attached checklist. Approval of this application is discretionary with the City Council and/or Commissioner's Court. All applications must be received 20 days before the publication deadline. Submit completed applications to: Brenham Economic Development Foundation, 314 S Austin St, Brenham, Texas 77833, edf@brenhamtexas.com

PART 1 - APPLICANT INFORMATION

Application Date: 06 / 06 / 2018

Company Name: MIC Group, LLC Website: www.micgrp.com

Headquarters Address: 3140 S. Blue Bell Road City: Brenham State: TX Zip: 77833

Company President: Tom Hoyer Email Address: thoyer@micgrp.com

Local Address (if applicable): ______ City: ______ State: ______ Zip: ______

Local Contact: Brad Leuschner Phone: 9792777971 Email: bleuschner@micgrp.com

Annual Sales: $45,000,000 Year Established: 1963 Total Employees: 165 [Worldwide] 165 [Texas] 165 [Brenham]

PART II - PROJECT INFORMATION

Project Description: ☐ New Facility ☑ Expansion ☐ Modernization

Location Address: 3140 S. Blue Bell Road

Legal Description: 17.7351 acres being Lot 1, Industrial Park of Brenham, and part of Lot 5 and the Residue of Res

Property ID(s): R42920, R64447, N75825, N75833, N75834, N75835 & N75836

Type of Facility: ☑ Manufacturing ☐ Distribution ☐ Research & Development Primary NAICS: ______

☐ Agriculture/Aquaculture ☐ Other (Please Explain) ______

Products or services to be provided: Precision machining and electromechanical assembly services

PART III - ECONOMIC INFORMATION

Construction/Fixed Equipment Estimates:

The project must add new value to the tax roll of eligible property: a minimum of $300,000 for a business new to Washington County 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.

Estimated Start Date: September 2018 Estimated Completion Date: September 2019

Total Value: $1,000,000 Number of Construction Jobs: 0

Employment Estimates:

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).

Will this project create and/or retain a minimum of 10 jobs at an average base salary of at least $36,000/year (including benefits)? ☑ Yes ☐ No

Current # Employees: 82 After first year: 92 After Tax Phase-In Completion: 100

Estimated percentage of workforce that are/will be Washington County residents: 70%

AUTHORIZATION

Company Representative Authorized for Contact

Name: Brad Leuschner

Title: CFO

Phone Number: 979-277-7971

E-mail: bleuschner@micgrp.com

Authorized Company Official

Authorized Signature: Brad Leuschner

Name: Brad Leuschner

Title: CFO

Phone Number: 979-277-7971

E-mail: bleuschner@micgrp.com

Our History

With two locations in Brenham, Texas, MIC Group has become a leading Master Manufacturer of precision machining and electromechanical assemblies to companies worldwide. Our primary market is serving the oil & gas industry.

MIC Group began in 1963 in Houston, Texas and moved to Brenham, Texas in 1977 to better serve our clients.

MIC Group was purchased in 1992 by JB Poindexter & Company, which is headquartered in Houston, Texas. J.B. Poindexter & Company is a $1.5B organization with 8 distinct subsidiaries. JB Poindexter & Company has many investment alternatives. JB Poindexter & Company is owned by John Poindexter.

Our Management

MIC Group is lead by an experienced management team that understands our customer's expectations in an ever changing global market place.

- Tom Hoyer - President
- Brad Leuschner - Chief Financial Officer
- Rick Welch - Vice President Sales & Marketing

Project Description

With the upswing in the oil & gas market, MIC Group is considering expanding in Brenham by adding equipment to expand our capacity and capabilities. Projects being considered:

MIC Brenham West-$1.5M

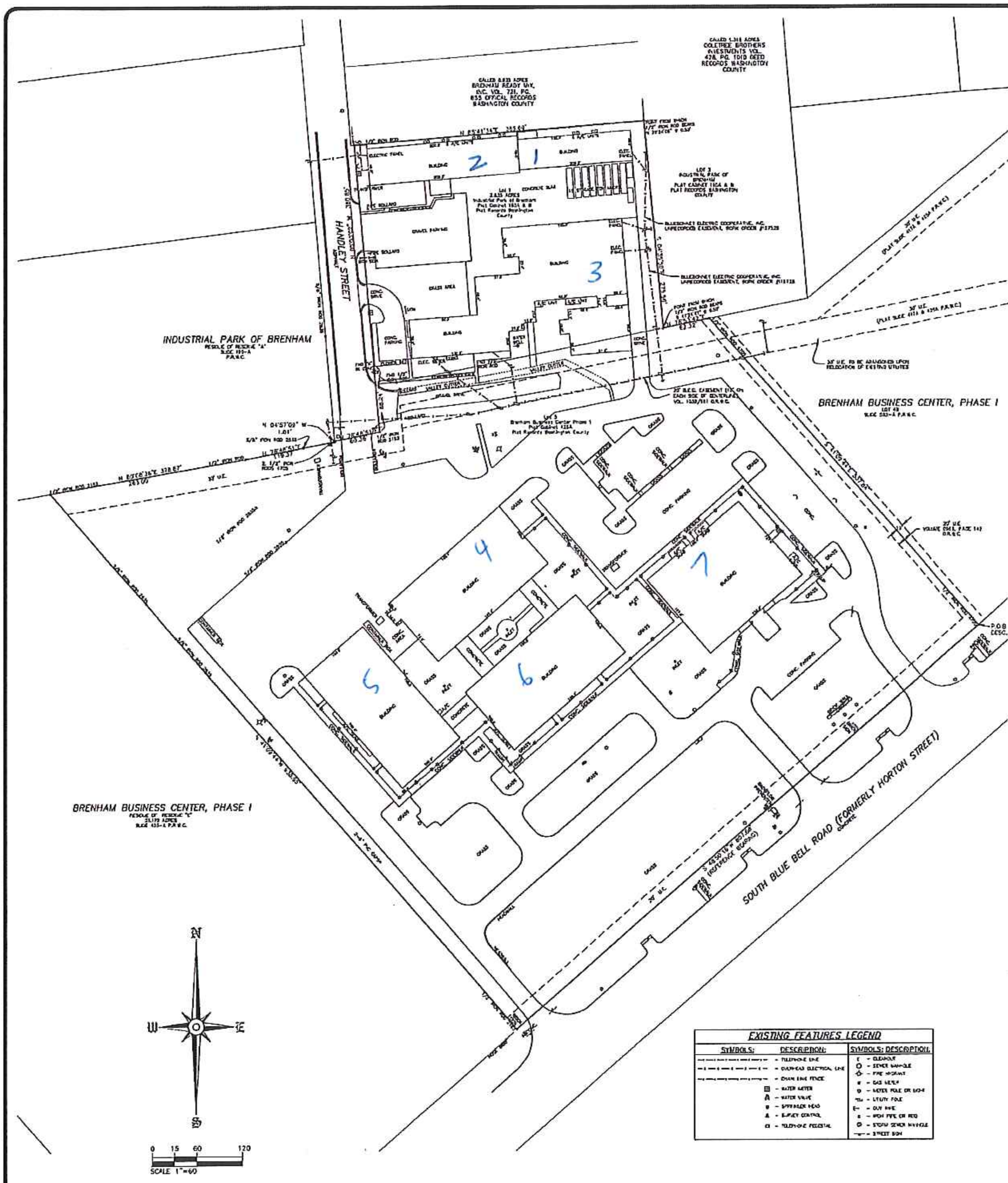
- 3D Printer to expand capabilities-$450,000
- Electrical discharge machine-$350,000
- Lathe & Milling Equipment-$800,000

MIC Brenham East-$1.0M

- HAAS Milling equipment-$1,00,000

We will not need any infrastructure improvements.

Each machine will require the hiring of machinist to run the equipment. We would expect to hire 20 additional employees (10 at each location) with an average wage of $60,000 per year plus benefits after the equipment is installed. All the equipment above would be installed within 18 months of tax phase in approval.



NOTES:

1. Bearings are based on the southeast line of Lot 5, Brenham Business, Phase I as shown on Plat Slide 425A, Plat Records of Washington County

2. The survey of the subject property shown hereon was prepared in conjunction with the transaction described in a commitment for title insurance issued by Stewart Title Guaranty Company, NTS No. 10333309, issued October 4, 2010.

3. Items 10 g, h and l of the commitment for title insurance issued by Stewart Title Guaranty Company NTS No. 10333309, issued October 4, 2010 do not apply to the subject tracts.

4. Item 10 k of the commitment for title insurance issued by Stewart Title Guaranty Company NTS No. 10333309, issued October 4, 2010 refers to underground utilities not located by this survey. Above ground utilities and appurtenances in regard to said item 10 k are substantially shown hereon.

5. The subject property lies within the "Zone C" area of minimal flood hazard according to the Flood Insurance Rate Maps of Washington County, Texas, Community Panel No. 481188 0006B, effective December 1, 2007.

6. Substantial improvements existing at the time of this survey are shown.

7. All set 1/2" iron rods are marked with a cap stamped "RPLS 4705".

8. This survey is void only if it bears the seal and original signature of the surveyor.

9. This plat is accompanied by a metes and bounds description of even date herewith.

SURVEYOR'S CERTIFICATE

To JP Morgan Chase Bank N.A., Stewart Title Guaranty Company, and Poindexter Properties, LLC.

This is to certify that this map or plat and the survey on which it is based were made in accordance with "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys", jointly established and adopted by ALTA and NSPS in 2005, and includes Items 1, 2, 3, and 7a of Table A thereof. Pursuant to the accuracy standards as adopted by ALTA and NSPS and in effect on the date of this certification, the undersigned further certifies that in my professional opinion, as a land surveyor registered in the State of Texas, the Relative Positional Accuracy of this survey does not exceed that which is specified therein.

Robert C. Schmidt
Texas RPLS No. 4705

Date

STATE OF TEXAS
REGISTERED
ROBERT C. SCHMIDT
4705
PROFESSIONAL
LAND SURVEYOR

This document represents a digital copy of an original plat of which a signed copy is retained in the files of O'Malley Engineers, LLP. This document is released under the authority of Robert C. Schmidt, R.P.L.S. No. 4705 on December 9, 2010 and shall not be altered without proper notification of the responsible surveyor.

Preliminary, this document shall not be recorded for any purpose. This document is released for the purpose of review under the authority of Robert C. Schmidt, R.P.L.S. No. 4705 on December 8, 2010.

SURVEY PLAT showing the property comprised of Lot 1, Industrial Park of Brenham as recorded on Plat Slide 190A and B of the Plat Records of Washington County (P.R.W.C.) and Lot 5 of Brenham Business Center, Phase I as recorded on Plat Slide 425A P.R.W.C., out of the Hiram Lee Survey, A-76 and the Isaac Lee Survey, A-77, Washington County, Texas.

O'MALLEY ENGINEERS
203 S. JACKSON ST. BRENHAM, TEXAS
(979) 836-7937 FAX (979) 836-7936

JOB NO. 2010.020 LC DWG. NO. MFPLAT.DWG

TAX PHASE-IN CALCULATION

Jurisdiction	Tax Rate		Tax Value
City of Brenham*	0.5170	$	5,170.00
Washington County*	0.5171	$	5,171.00
Blinn College	*0.0601*	*$*	*601.00*
Brenham ISD	*1.1250*	*$*	*11,250.00*
Total Annual Tax	2.2192	$	22,192.00

**Only City and County tax are available for possible abatement*

PROJECT INFORMATION

Project:	**MIC EAST 2018**
Business Name:	**MIC Group LLC**
Prepared for:	**Brad Leuschner, CFO**
Date Prepared:	**8/25/2018**

ESTIMATED ABATEMENT TOTAL	
City	**$ 13,959.00**
County	**$ 13,961.70**
Total	**$ 27,920.70**

TAX ABATEMENT SUMMARY		VALUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
TABLE 1A	Rate		45%	40%	30%	20%	
Property Improvements by an Existing Local Business	City	0.5170	$2,326.50	$2,068.00	$1,551.00	$1,034.00	$6,979.50
	County	0.5171	$2,326.95	$2,068.40	$1,551.30	$1,034.20	$6,980.85
	Table 1A Totals:	**$1,000,000.00**	**$4,653.45**	**$4,136.40**	**$3,102.30**	**$2,068.20**	**$13,960.35**
TABLE 2	Rate		45%	40%	30%	20%	
Jobs Created and/or Retained	City	0.5170	$2,326.50	$2,068.00	$1,551.00	$1,034.00	$6,979.50
	County	0.5171	$2,326.95	$2,068.40	$1,551.30	$1,034.20	$6,980.85
	Table 2 Totals:	**10**	**$4,653.45**	**$4,136.40**	**$3,102.30**	**$2,068.20**	**$13,960.35**
TAXES ABATED	Rate		90%	80%	60%	40%	
TOTALS	City	0.5170	$4,653.00	$4,136.00	$3,102.00	$2,068.00	$13,959.00
	County	0.5171	$4,653.90	$4,136.80	$3,102.60	$2,068.40	$13,961.70
TOTAL TAXES ABATED:			**$9,306.90**	**$8,272.80**	**$6,204.60**	**$4,136.40**	**$27,920.70**

TAXES TO BE PAID SUMMARY		VALUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
TAXES PAID	City	0.5170	$517.00	$1,034.00	$2,068.00	$3,102.00	$6,721.00
TOTALS	County	0.5171	$517.10	$1,034.20	$2,068.40	$3,102.60	$6,722.30
	Blinn	0.0601	$601.00	$601.00	$601.00	$601.00	$2,404.00
	Brenham ISD	1.1250	$11,250.00	$11,250.00	$11,250.00	$11,250.00	$45,000.00
Taxes Paid:		**2.2192**	**$12,885.10**	**$13,919.20**	**$15,987.40**	**$18,055.60**	**$60,847.30**

Tax abatement is based on Washington CAD appraised value so these numbers may vary. This document provides an estimate based on projected investment.

AGENDA ITEM 12

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Economic Development	**DATE SUBMITTED:** August 28, 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: Public Hearing, Discussion and Receipt of Input Related to the Proposed 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

SUMMARY STATEMENT: Prior to considering the creation of a Reinvestment Zone for implementing a Tax Phase-In incentive for MIC Group, LLC, the City Council is required to hold a Public Hearing to receive input regarding the proposal.

MIC Group, LLC is considering expanding in Brenham by adding equipment to increase their capacity and capabilities.

Capital Investment: MIC Brenham West is considering the addition of various equipment valued at $1.5 million. The equipment would be installed within 18 months of tax phase in approval.

Jobs Created/Retained: The additional equipment would require MIC Brenham West to hire 10 additional machinists with an average wage of $60,000 per year plus benefits.

Tax Phase-In Calculation: If MIC Brenham West is granted tax phase-in, based on projected values, they will receive a total tax abatement of $48,861.23, with the City portion being $24,428.25. At no point in the tax phase-in process does any company receive abatements on taxes for Blinn College or BISD.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):
A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Tax Phase-In Application from MIC Group, LLC with corresponding documents
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: Discussion only
APPROVALS: James Fisher

APPLICATION FOR TAX PHASE-IN
BRENHAM, TEXAS – WASHINGTON COUNTY

This application must be filed in conformance with the City of Brenham/Washington County Guidelines and Criteria for Tax Phase-In. The application must be filed <u>prior</u> to the beginning of construction or installation of equipment. All applications must be accompanied by the required information listed in the attached checklist. Approval of this application is discretionary with the City Council and/or Commissioner's Court. All applications must be received 20 days before the publication deadline. Submit completed applications to: Brenham Economic Development Foundation, 314 S Austin St, Brenham, Texas 77833, edf@brenhamtexas.com

PART 1 - APPLICANT INFORMATION

Application Date: 06 / 06 / 2018

Company Name: MIC Group, LLC — Website: www.micgrp.com

Headquarters Address: 3140 S. Blue Bell Road — City: Brenham — State: TX — Zip: 77833

Company President: Tom Hoyer — Email Address: thoyer@micgrp.com

Local Address (if applicable): ______ City: ______ State: ______ Zip: ______

Local Contact: Brad Leuschner — Phone: 9792777971 — Email: bleuschner@micgrp.com

Annual Sales: $45,000,000 — Year Established: 1963 — Total Employees: 165 [Worldwide] 165 [Texas] 165 [Brenham]

PART II - PROJECT INFORMATION

Project Description: ☐ New Facility ☑ Expansion ☐ Modernization

Location Address: 1801 Industrial Boulevard, Brenham, TX 77833

Legal Description: 7.0262 acres being part of the Phillip Coe Surevey, Abstract 31, Brenham, Washington County,

Property ID(s): N75837, R12631 & R42352

Type of Facility: ☑ Manufacturing ☐ Distribution ☐ Research & Development Primary NAICS: ______

☐ Agriculture/Aquaculture ☐ Other (Please Explain) ______

Products or services to be provided: Precision machining

PART III - ECONOMIC INFORMATION

Construction/Fixed Equipment Estimates:

The project must add new value to the tax roll of eligible property: a minimum of $300,000 for a business new to Washington County 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.

Estimated Start Date: September 2018 — Estimated Completion Date: December 2019

Total Value: $1,500,000 — Number of Construction Jobs: 0

Employment Estimates:

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).

Will this project create and/or retain a minimum of 10 jobs at an average base salary of at least $36,000/year (including benefits)? ☑ Yes ☐ No

Current # Employees: 80 — After first year: 90 — After Tax Phase-In Completion: 100

Estimated percentage of workforce that are/will be Washington County residents: 70%

AUTHORIZATION

Company Representative Authorized for Contact

Name:	Brad Leuschner
Title:	CFO
Phone Number:	979-277-7971
E-mail:	bleuschner@micgrp.com

Authorized Company Official

Authorized Signature:	Brad Leuschner
Name:	Brad Leuschner
Title:	CFO
Phone Number:	979-277-7971
E-mail:	bleuschner@micgrp.com

Our History

With two locations in Brenham, Texas, MIC Group has become a leading Master Manufacturer of precision machining and electromechanical assemblies to companies worldwide. Our primary market is serving the oil & gas industry.

MIC Group began in 1963 in Houston, Texas and moved to Brenham, Texas in 1977 to better serve our clients.

MIC Group was purchased in 1992 by JB Poindexter & Company, which is headquartered in Houston, Texas. J.B. Poindexter & Company is a $1.5B organization with 8 distinct subsidiaries. JB Poindexter & Company has many investment alternatives. JB Poindexter & Company is owned by John Poindexter.

Our Management

MIC Group is lead by an experienced management team that understands our customer's expectations in an ever changing global market place.

- Tom Hoyer – President
- Brad Leuschner – Chief Financial Officer
- Rick Welch – Vice President Sales & Marketing

Project Description

With the upswing in the oil & gas market, MIC Group is considering expanding in Brenham by adding equipment to expand our capacity and capabilities. Projects being considered:

MIC Brenham West–$1.5M

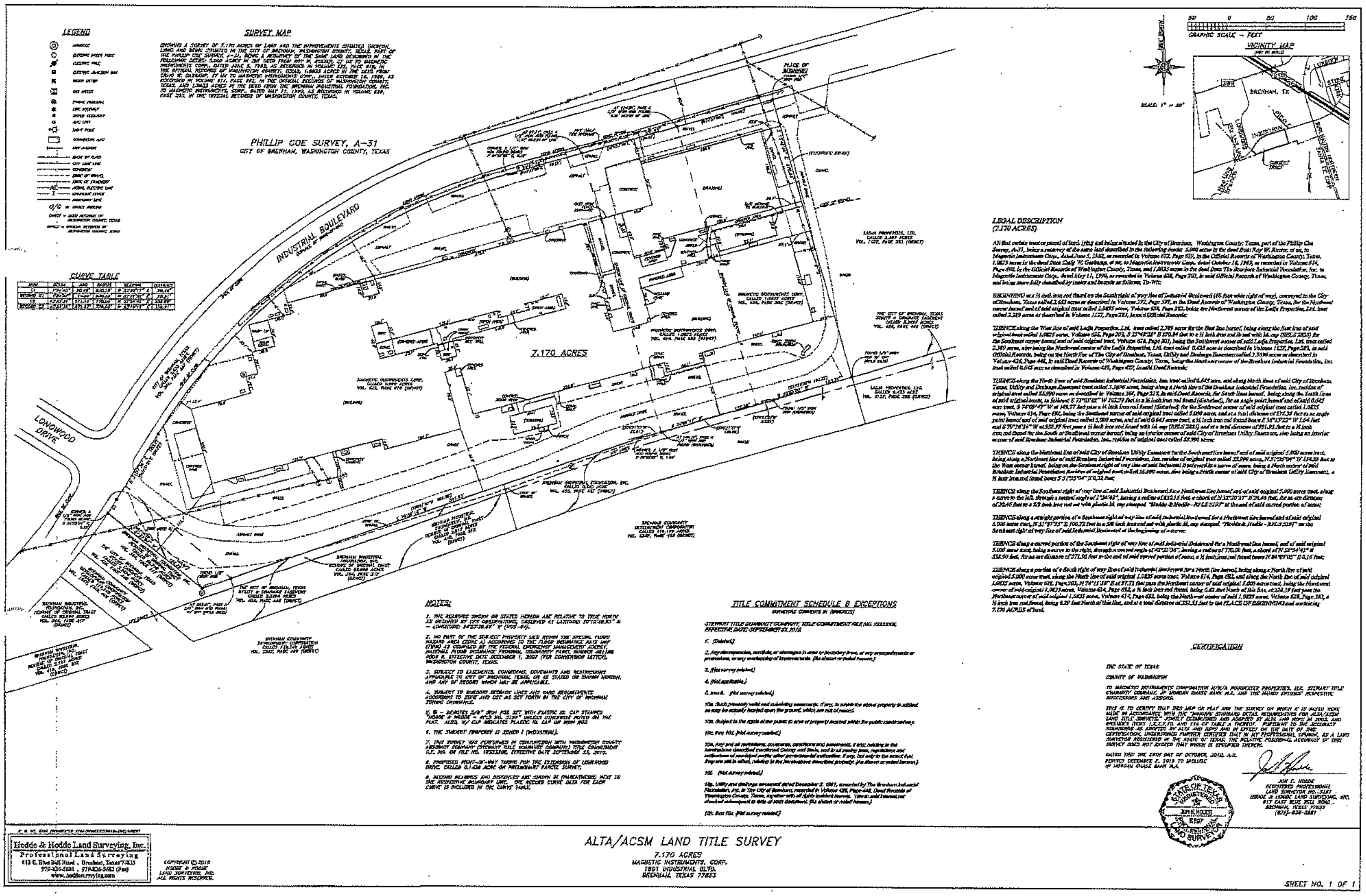
- 3D Printer to expand capabilities–$450,000
- Electrical discharge machine–$350,000
- Lathe & Milling Equipment–$800,000

MIC Brenham East–$1.0M

- HAAS Milling equipment–$1,00,000

We will not need any infrastructure improvements.

Each machine will require the hiring of machinist to run the equipment. We would expect to hire 20 additional employees (10 at each location) with an average wage of $60,000 per year plus benefits after the equipment is installed. All the equipment above would be installed within 18 months of tax phase in approval.


ALTA/ACSM LAND TITLE SURVEY
7.170 ACRES
MAGNETIC INSTRUMENTS, CORP.
1801 INDUSTRIAL BLVD.
BRENHAM, TEXAS 77833
PHILLIP COE SURVEY, A-31
CITY OF BRENHAM, WASHINGTON COUNTY, TEXAS
LEGEND
SURVEY MAP
CURVE TABLE
INDUSTRIAL BOULEVARD
LONGWOOD DRIVE
7.170 ACRES
VICINITY MAP
GRAPHIC SCALE ~ FEET
BRENHAM, TX
LEGAL DESCRIPTION
(7.170 ACRES)
NOTES:
TITLE COMMITMENT SCHEDULE B EXCEPTIONS
CERTIFICATION
THE STATE OF TEXAS
Hodde & Hodde Land Surveying, Inc.
Professional Land Surveying
SHEET NO. 1 OF 1

TAX PHASE-IN CALCULATION

PROJECT INFORMATION

Project:	**MIC WEST 2018**
Business Name:	**MIC Group LLC**
Prepared for:	**Brad Leuschner, CFO**
Date Prepared:	**8/25/2018**

Jurisdiction	Tax Rate		Tax Value
City of Brenham*	0.5170	$	7,755.00
Washington County*	0.5171	$	7,756.50
Blinn College	*0.0601*	*$*	*901.50*
Brenham ISD	*1.1250*	*$*	*16,875.00*
Total Annual Tax	2.2192	$	33,288.00

**Only City and County tax are available for possible abatement*

ESTIMATED ABATEMENT TOTAL	
City	**$ 24,428.25**
County	**$ 24,432.98**
Total	**$ 48,861.23**

TAX ABATEMENT SUMMARY		VALUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
TABLE 1A	Rate		45%	45%	40%	30%	20%	
Property Improvements by an Existing Local Business	City	0.5170	$3,489.75	$3,489.75	$3,102.00	$2,326.50	$1,551.00	$13,959.00
	County	0.5171	$3,490.43	$3,490.43	$3,102.60	$2,326.95	$1,551.30	$13,961.70
	Table 1A Totals:	**$1,500,000.00**	**$6,980.18**	**$6,980.18**	**$6,204.60**	**$4,653.45**	**$3,102.30**	**$27,920.70**
TABLE 2	Rate		45%	40%	30%	20%		
Jobs Created and/or Retained	City	0.5170	$3,489.75	$3,102.00	$2,326.50	$1,551.00	$ -	$10,469.25
	County	0.5171	$3,490.43	$3,102.60	$2,326.95	$1,551.30	$ -	$10,471.28
	Table 2 Totals:	**10**	**$6,980.18**	**$6,204.60**	**$4,653.45**	**$3,102.30**		**$20,940.53**
TAXES ABATED	Rate		90%	85%	70%	50%	20%	
TOTALS	City	0.5170	$6,979.50	$6,591.75	$5,428.50	$3,877.50	$1,551.00	$24,428.25
	County	0.5171	$6,980.85	$6,593.03	$5,429.55	$3,878.25	$1,551.30	$24,432.98
TOTAL TAXES ABATED:			**$13,960.35**	**$13,184.78**	**$10,858.05**	**$7,755.75**	**$3,102.30**	**$48,861.23**

TAXES TO BE PAID SUMMARY		VALUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
TAXES PAID	City	0.5170	$775.50	$1,163.25	$2,326.50	$3,877.50	$6,204.00	$14,346.75
TOTALS	County	0.5171	$775.65	$1,163.48	$2,326.95	$3,878.25	$6,205.20	$14,349.53
	Blinn	0.0601	$901.50	$901.50	$901.50	$901.50	$901.50	$4,507.50
	Brenham ISD	1.1250	$16,875.00	$16,875.00	$16,875.00	$16,875.00	$16,875.00	$84,375.00
Taxes Paid:		**2.2192**	**$19,327.65**	**$20,103.23**	**$22,429.95**	**$25,532.25**	**$30,185.70**	**$117,578.78**

Tax abatement is based on Washington CAD appraised value so these numbers may vary. This document provides an estimate based on projected investment.

AGENDA ITEM 13

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Economic Development	**DATE SUBMITTED:** August 28, 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 an Ordinance on its First 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

SUMMARY STATEMENT: See Agenda Item #10, Public Hearing for the Creation of Reinvestment Zone Number 43 for Stanpac USA/Brenham Bartons, Inc.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Ordinance with Exhibit; and (2) Resolution No. R-17-024 Adopting Tax Phase-In Guidelines

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve an Ordinance on its first 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

APPROVALS: James Fisher

ORDINANCE NO. ____________

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 _____ day of September, 2018.

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

____

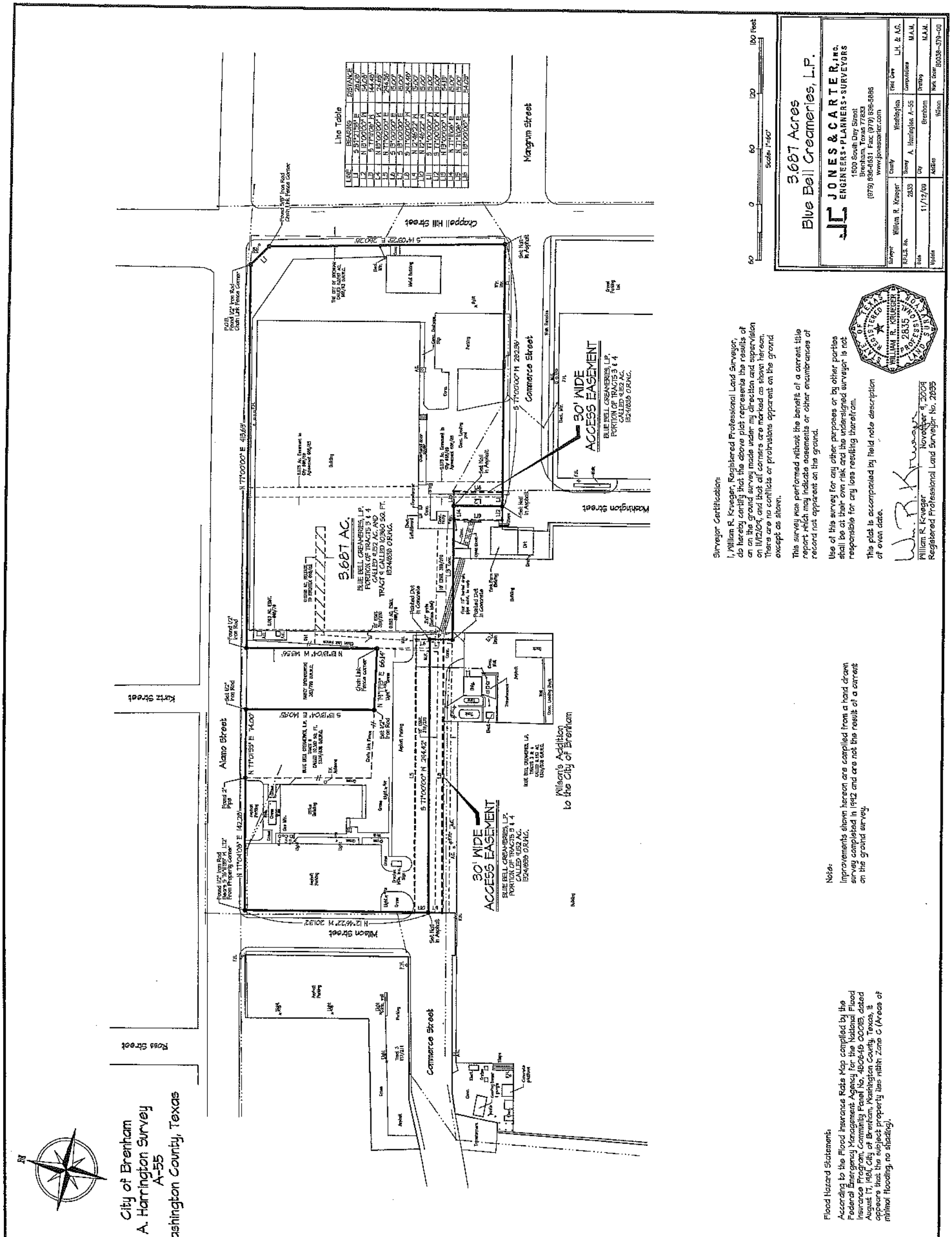
Milton Y. Tate, Jr.
Mayor

ATTEST:

____

Jeana Bellinger, TRMC, CMC
City Secretary

EXHIBIT A


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) 836-5686
www.jonescarter.com
Scale: 1"=60'
City of Brenham
A. Harrington Survey
A-55
Washington County, Texas
3.687 AC.
30' WIDE ACCESS EASEMENT
30' WIDE ACCESS EASEMENT
Wilson's Addition to the City of Brenham
Chappell Hill Street
Mangrum Street
Commerce Street
Washington Street
Alamo Street
Kurtz Street
Wilson Street
Ross Street
Line Table
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.
November 9, 2009
William R. Krueger
Registered Professional Land Surveyor No. 2835
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.
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. 480649 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).

JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS

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
P:\PROJECTS\B0038 Blue Bell\379 Boundary\Survey\Legal Desc\B0038-379-00.fn1.doc

JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS

RESOLUTION NO. R-17-024

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

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

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

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

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

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

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

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

WHEREAS, on February 18, 2016 City Council passed Resolution No. R-16-008 re-adopting the guidelines and criteria for granting tax abatement in a reinvestment zone created in the city; and

WHEREAS, the City Council has reviewed said guidelines and criteria and recommend no changes be made to the guidelines and criteria for granting tax abatement in a reinvestment zone; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brenham does hereby re-adopt the attached guidelines and criteria for granting tax abatement in reinvestment zones in the City of Brenham styled as "Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises", as amended and incorporated herein by reference and effective December 7, 2017.

APPROVED this the 7th day of December, 2017.

Milton Y. Tate, Jr., Mayor

ATTEST:

Jeana Bellinger, TRMC, CMC
City Secretary

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)

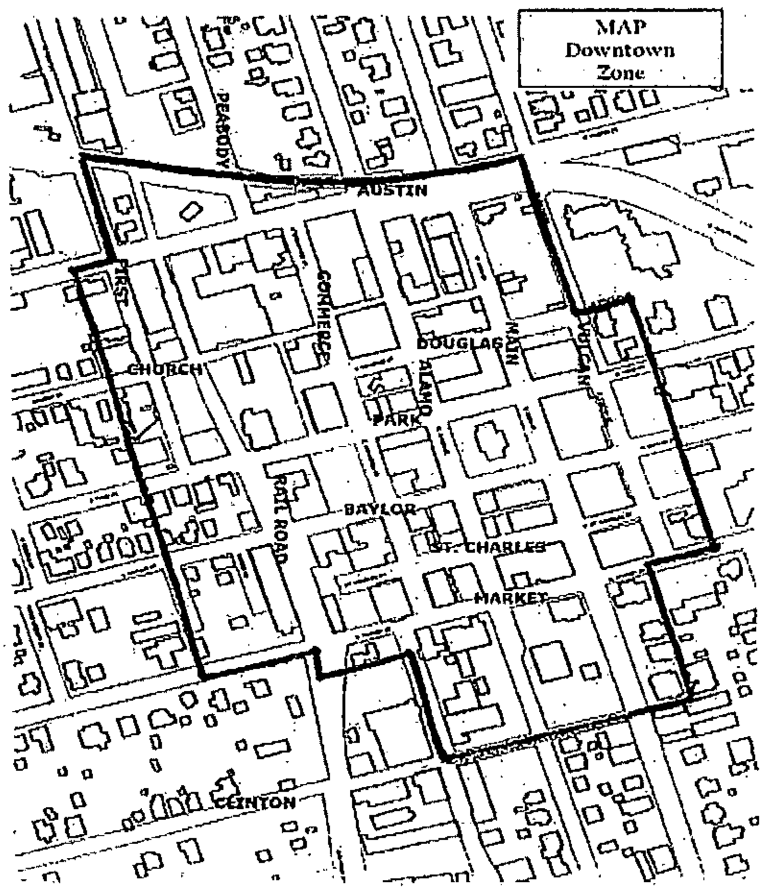
2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

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 14

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Economic Development	**DATE SUBMITTED:** August 28, 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 an Ordinance on its First 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

SUMMARY STATEMENT: See Agenda Item #11, Public Hearing for the Creation of Reinvestment Zone Number 44 for MIC Group, LLC.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Ordinance with Exhibit; and (2) Resolution No. R-17-024 Adopting Tax Phase-In Guidelines

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve an Ordinance on its first 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

APPROVALS: James Fisher

ORDINANCE NO. _____________

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 _____ day of September, 2018.

PASSED AND APPROVED, on its second reading this the ___ 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.

RESOLUTION NO. R-17-024

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

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

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

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

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

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

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

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

WHEREAS, on February 18, 2016 City Council passed Resolution No. R-16-008 re-adopting the guidelines and criteria for granting tax abatement in a reinvestment zone created in the city; and

WHEREAS, the City Council has reviewed said guidelines and criteria and recommend no changes be made to the guidelines and criteria for granting tax abatement in a reinvestment zone; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brenham does hereby re-adopt the attached guidelines and criteria for granting tax abatement in reinvestment zones in the City of Brenham styled as "Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises", as amended and incorporated herein by reference and effective December 7, 2017.

APPROVED this the 7th day of December, 2017.

Milton Y. Tate, Jr., Mayor

ATTEST:

Jeana Bellinger, TRMC, CMC
City Secretary

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)

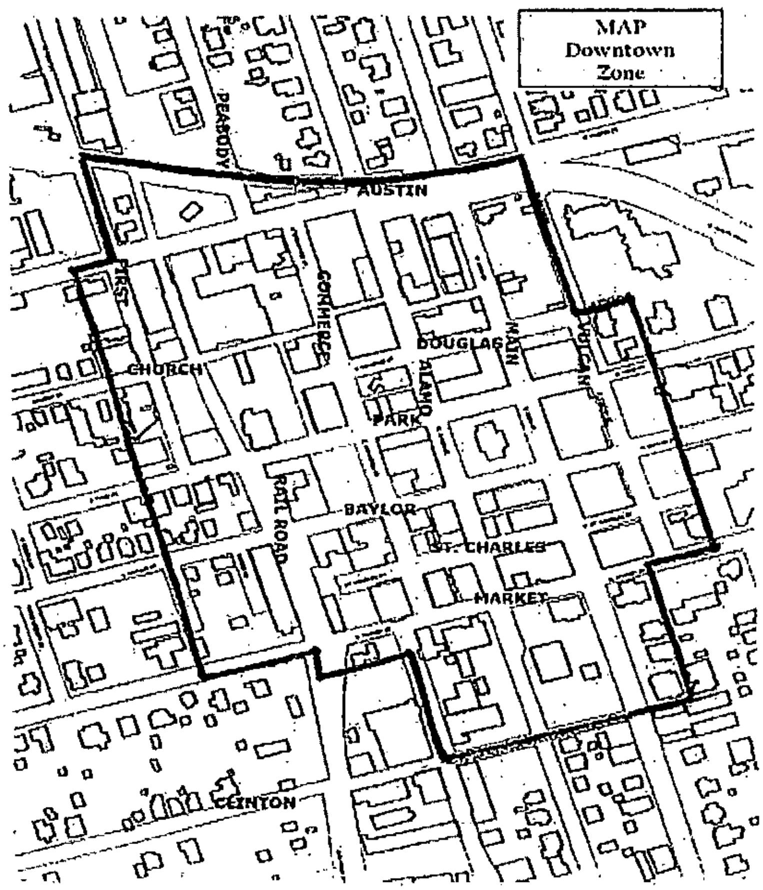
2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

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



City of BRENHAM

AGENDA ITEM 15

DATE OF MEETING: September 6, 2018 DEPT. OF ORIGIN: Economic Development	DATE SUBMITTED: August 28, 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: Disucss and Possibly Act Upon an Ordinance on its First 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

SUMMARY STATEMENT: See Agenda Item #12, Public Hearing for the Creation of Reinvestment Zone Number 45 for MIC Group, LLC.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Ordinance with Exhibit; and (2) Resolution No. R-17-024 Adopting Tax Phase-In Guidelines

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve an Ordinance on its first 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

APPROVALS: James Fisher

ORDINANCE NO. _____________

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 _____ day of September 2018.

PASSED AND APPROVED, on its second reading this the ___ 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.

RESOLUTION NO. R-17-024

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

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

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

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

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

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

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

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

WHEREAS, on February 18, 2016 City Council passed Resolution No. R-16-008 re-adopting the guidelines and criteria for granting tax abatement in a reinvestment zone created in the city; and

WHEREAS, the City Council has reviewed said guidelines and criteria and recommend no changes be made to the guidelines and criteria for granting tax abatement in a reinvestment zone; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brenham does hereby re-adopt the attached guidelines and criteria for granting tax abatement in reinvestment zones in the City of Brenham styled as "Policy Statement on Property Tax Phase-In Incentive for Selected Commercial Enterprises", as amended and incorporated herein by reference and effective December 7, 2017.

APPROVED this the 7th day of December, 2017.

CITY OF BRENHAM TEXAS

Milton Y. Tate Jr.

Milton Y. Tate, Jr., Mayor

ATTEST:

Jeana Bellinger

Jeana Bellinger, TRMC, CMC
City Secretary

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)

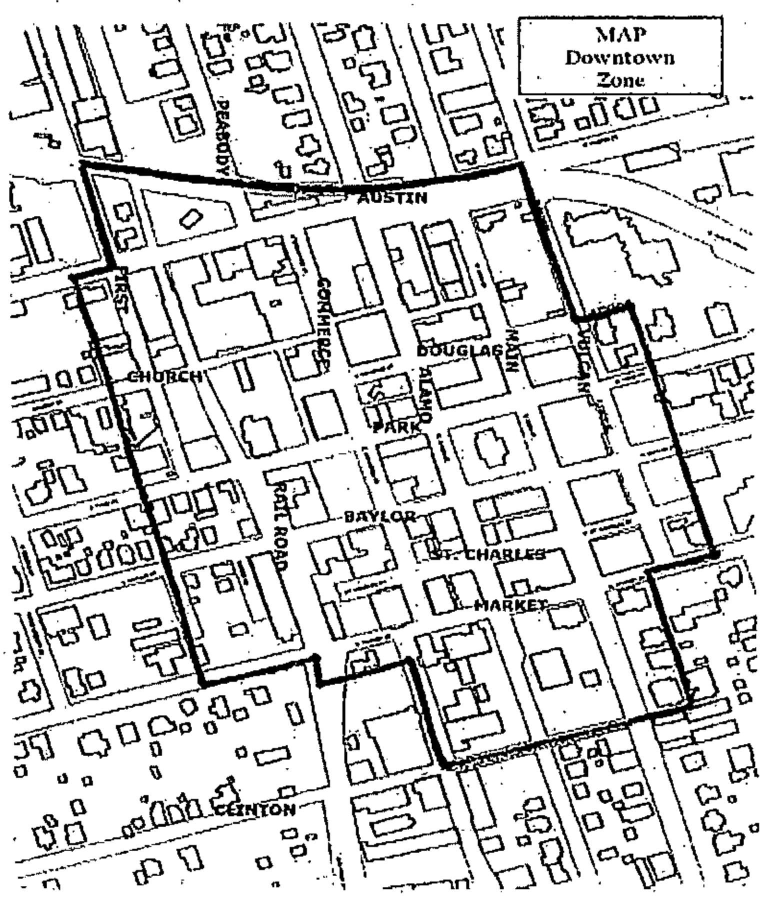
2 - Jobs Created & Retained - by Existing Businesses or New/Relocating Businesses

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 16

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** August 28, 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 an Order Calling a Special Election to be Held on December 8, 2018 for the Purpose of Electing One (1) Council Member to Fill the Unexpired Term for the Place 5 - At Large Position

SUMMARY STATEMENT: The recent resignation of Place 5 At Large Councilmember Charlie Pyle requires the City Council to order a Special Election to fill his unexpired term, until May 2021, on the City Council. The Texas Constitution mandates that a city with terms of office greater than two (2) years must hold a Special Election to fill the vacancy within 120 days after the vacancy occurs.

The proposed election calendar calls for the Special Election to be held on Saturday, December 8, 2018 with Early Voting to begin on Wednesday, November 21, 2018. The first day for candidate to file for a place on the ballot will be Monday, September 10, 2018.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Order Calling a Special Election to be Held on December 8, 2018 (English and Spanish versions); and (2) Special Election Calendar for December 8, 2018

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve an Order calling a Special Election to be held on December 8, 2018 for the purpose of electing one (1) Council Member to fill the unexpired term for the Place 5-At Large position

APPROVALS: James Fisher

ORDER

AN ORDER CALLING A SPECIAL ELECTION TO FILL A VACANCY TO BE HELD ON SATURDAY, DECEMBER 8, 2018, FOR THE PURPOSE OF ELECTING A COUNCILMEMBER FOR THE CITY OF BRENHAM, TEXAS

A special election to fill a vacancy is hereby ordered to be held on **DECEMBER 8, 2018** in accordance with Article XI, Section 11, Texas Constitution, for the purpose of:

ELECTING ONE COUNCILMEMBER TO THE CITY COUNCIL TO FILL THE UNEXPIRED TERM OF COUNCILMEMBER PLACE 5 – AT LARGE.

Early voting by personal appearance will be conducted every weekday at the **Washington County Annex Building, 100 S. Park Street, Brenham, Texas,** as follows:

Wednesday, November 21, 2018 through Tuesday, December 4, 2018 from 8:00 a.m. to 5:00 p.m., provided, however, that Early Voting shall be conducted for twelve (12) hours on the following weekdays:

Monday, December 3, 2018 and Tuesday, December 4, 2018 from 8:00 a.m. to 8:00 p.m.

The first day for a candidate to file an application for a place on the special election ballot is Monday, September 10, 2018.

The last day for a candidate to file an application for a place on the special election ballot is 5:00 p.m., Monday, October 8, 2018.

All applications for ballots by mail should be mailed to:

Jeana Bellinger, TRMC, CMC
Early Voting Clerk & City Secretary
City of Brenham
P. O. Box 1059
Brenham, Texas 77834-1059

Applications for ballot by mail must be received no later than the close of business on **November 20, 2018.**

Said election shall be held at the following designated voting places in the City of Brenham, Texas, for voters of the particular Wards:

Ward 1:	Nancy Carol Roberts Memorial Library 100 Martin Luther King, Jr. Parkway Brenham, Texas
Ward 2:	City of Brenham City Hall 200 W. Vulcan Street Brenham, Texas
Ward 3:	Brenham Junior High Band Hall 1200 Carlee Drive Brenham, Texas
Ward 4:	Blinn Jr. College Student Center 1007 Walter Schwartz Way Brenham, Texas

The City shall provide at least one AutoMARK v. 1.0. Voting System in each polling place in every polling location used to conduct this election.

PASSED AND APPROVED by the City Council of the City of Brenham on this the ________ day of ___________________, 2018.

____

Milton Y. Tate, Jr.
Mayor

ATTEST:

____

Jeana Bellinger, TRMC, CMC
City Secretary

ORDEN

UNA ORDEN PROVEYENDO PARA UNA ELECCION ESPECIAL QUE TENDRA LUGAR EL SABADO, 8 DE DICIEMBRE, 2018 CON EL PROPOSITO DE ELEGIR UN CONCEJAL PARA LA CIUDAD DE BRENHAM, TEXAS

Por este medio esta ordenada una elección especial para el **8 de DICIEMBRE, 2018**, de acuerdo con Articulo XI, Sección 11, Constitución de Texas con el propósito de:

ELEGIR UN CONCEJAL PARA POSICION EN EL CONCILIO: PARA LLENAR EL RESTO DEL TERMINO DEL CONCEJAL DE LUGAR 5-DISTRITO ABIERTO.

Votación temprana efectuada en persona será conducida cada día entre semana en el **Washington County Annex Building, 100 S. Park Street, Brenham, Texas** como sigue:

Miércoles, 21 de Noviembre, 2018 al Martes, 4 de Diciembre, 2018 de las 8:00 a.m. hasta las 5:00 p.m., sin embargo, proveyendo que Votación Temprana se lleve a cabo por doce (12) horas consecutivas en los siguientes días de la semana:

Lunes, 3 de Diciembre, 2018 y Martes, 4 de Diciembre, 2018
de las 8:00 a.m. a las 8:00 p.m.

El primer día que un candidato puede entregar una solicitud para un lugar en la papeleta de la elección especial es el Lunes, 10 de Septiembre, 2018.

El ultimo día que un candidato puede entregar una solicitud para un lugar en la papeleta de la elección especial es el Lunes, 8 de Octubre, 2018.

Todas aplicaciones para papeletas por correo deben ser enviadas a:

Jeana Bellinger, TRMC, CMC
Early Voting Clerk & City Secretary
City of Brenham
P. O. Box 1059
Brenham, Texas 77834-1059

Aplicaciones para papeletas por correo tienen que recibirse a no tardar el **20 de Noviembre, 2018** antes de la hora de cerrar la oficina.

Dicha elección se efectuara en lugares designados para votar por cada distrito particular de la ciudad de Brenham, Texas como sigue:

Distrito 1: Nancy Carol Roberts Memorial Library
100 Martin Luther King, Jr. Parkway
Brenham, Texas

Distrito 2: City of Brenham City Hall
200 W. Vulcan Street
Brenham, Texas

Distrito 3: Brenham Junior High Band
1200 Carlee Drive
Brenham, Texas

Distrito 4: Blinn Student Center
1007 Walter Schwartz Way
Brenham, Texas

La ciudad proveerá por lo menos un Auto MARK v. 1.0 Sistema de Votar en cada lugar de votar en todos los locales usados para conducir esta elección.

ACEPTADO Y APROBADO en este día por el Concilio del Municipio de Brenham en este ______día de ____________, 2018.

____
MILTON Y. TATE, JR.
Alcalde

ATESTIGUAR:

____
JEANA BELLINGER, TRMC, CMC
Secretaria de Ciudad

CITY OF BRENHAM - SPECIAL ELECTION

ELECTION DAY
Saturday, December 08, 2018

Date	Action
Thursday, September 06, 2018	Last day to begin posting on bulletin board the notice of the dates of filing period for the general election.
Monday, September 10, 2018	FIRST DAY FOR FILING APPLICATION for place on the ballot.
Monday, September 10, 2018	First day for filing declaration of write-in candidacy
Monday, August 27, 2018 *thru* Tuesday, September 11, 2018	Recommended period for CALLING ELECTION AND POSTING NOTICE OF ELECTION on bulletin board.
Tuesday, September 11, 2018	Recommended LAST DAY FOR ORDER designating election precincts and polling places
Sunday, September 09, 2018	Beginning date of mandatory office hours.
Monday, October 08, 2018	LAST DAY FOR ORDERING ELECTION
Monday, October 08, 2018	LAST DAY FOR FILING APPLICATION for place on the ballot (must be received by 5:00 p.m.).
Friday, October 05, 2018	Recommended last day to POST 72 HOUR NOTICE OF DRAWING for order of names on the ballot.
Monday, October 15, 2018	LAST DAY FOR A WRITE-IN CANDIDATE to declare candidacy.
Friday, October 12, 2018	LAST DAY for a candidate to withdraw.
Wednesday, October 10, 2018 *thru* Friday, October 12, 2018	Recommended period to CONDUCT DRAWING FOR ORDER OF NAMES ON BALLOT
Tuesday, October 09, 2018	Last day to deliver notice to the County Clerk and Voter Registrar
Friday, October 12, 2018	Extended deadline to file for a place on the ballot in a city office having a 4-year term if no one has filed by 5 p.m. on Oct. 8.
Monday, October 15, 2018 *thru* Friday, October 26, 2018	Recommended period for APPOINTING ELECTION JUDGES
Thursday, October 18, 2018	Recommended date to print ballots
Wednesday, October 24, 2018	FIRST DAY TO MAIL EARLY BALLOTS
Wednesday, October 31, 2018	Last day to mail balloting materials for early voting by mail, to persons whose applications were accepted 7 days or more before the 45th day
Thursday, November 08, 2018	Due date for filing first report of campaign contributions and expenditures by opposed candidates and specific-purpose committees supporting or opposing opposed candidates.

CITY OF BRENHAM - SPECIAL ELECTION

Thursday, November 08, 2018	Last day for submitting voter registration application in time to vote in the election.
Thursday, November 08, 2018 *thru* Wednesday, November 28, 2018	PERIOD FOR PUBLISHING NOTICE of the election. Must be published at least once in a newspaper during this period.
Thursday, November 08, 2018	Recommended last day to request voter registrar to prepare list of registered voters and furnish statement of residence forms
Friday, November 16, 2018	LAST DAY for POSTING NOTICE OF ELECTION on bulletin board for posting notice of city council meetings.
Friday, November 16, 2018	Recommended last day for publication of notice of the test of automatic tabulating and DRE equipment to be used in Early Voting
Tuesday, November 20, 2018	Last day early voting clerk, upon receipt of defective early voting application, must mail 2nd application with explanation of defects and instructions.
Tuesday, November 20, 2018	Last day to receive application from voter delivered in person for a ballot to be voted by mail.
Tuesday, November 20, 2018	Last day for conducting first test of automatic tabulating and DRE equipment to be used for early voting
Friday, November 23, 2018	Deadline for notifying Judges or duty to hold the election
Friday, November 23, 2018	Last day to challenge write-in candidate for compliance
Wednesday, November 21, 2018	FIRST DAY FOR EARLY VOTING by personal appearance. The Council must designate 2 weekdays that early voting will be conducted for 12 hours.
Wednesday, November 28, 2018	LAST DAY for publication of notice of election
Friday, November 30, 2018	Due date for filing second report of campaign contributions and expenditures by 5 p.m. or midnight if filed electronically.
Sunday, December 02, 2018	Last day for publication of notice of first test of automatic tabulating equipment to be used at a polling place on Election Day.
Sunday, December 02, 2018	Last day for publication of notice of first test of DRE equipment to be used at a polling place on Election Day.
Monday, December 03, 2018	Last day for publication of notice of first test of automatic tabulating equipment to be used at a central counting station.
Monday, December 03, 2018	First day for death in the family to qualify for late (emergency) early voting.
Tuesday, December 04, 2018	LAST DAY OF EARLY VOTING by personal appearance
Tuesday, December 04, 2018	Recommended day for first test of automatic tabulating equipment to be used at a polling place or central counting station and DRE equipment to be used at a polling place.
Wednesday, December 05, 2018	Last day to receive an application to cancel mail ballot by a person who does not return the ballot.
Wednesday, December 05, 2018	Last day for conducting first test of automatic tabulating equipment to be used at a polling place.

CITY OF BRENHAM - SPECIAL ELECTION

Wednesday, December 05, 2018	Last day for conducting first test of DRE equipment to be used at a polling place or central counting station.
Friday, December 07, 2018	RECOMMENDED DAY TO POST NOTICE OF COUNCIL MEETING to canvass the returns if canvass will be on the 3rd day after the election.
Saturday, December 08, 2018	**ELECTION DAY**

City of BRENHAM

AGENDA ITEM 17

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** August 28, 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 an Election Services Contract Between the City of Brenham and Washington County Related to Election Responsibilities for the December 8, 2018 Special Election and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: As in years past the City will be contacting with Washington County to provide various election services and equipment for the December 8, 2018 Special Election for the Place 5 – At Large vacancy created by the recent resignation of Charlie Pyle.

The attached Election Services Contract addresses various election issues and outlines what each entity will be responsible for during the Special Election.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Election Services Contract

FUNDING SOURCE (Where Applicable):

RECOMMENDED ACTION: Approve an Election Services Contract between the City of Brenham and Washington County related to election responsibilities for the December 8, 2018 Special Election and authorize the Mayor to execute any necessary documentation

APPROVALS: James Fisher

ELECTION SERVICES CONTRACT BETWEEN THE CITY OF BRENHAM, TEXAS AND WASHINGTON COUNTY, TEXAS FOR THE DECEMBER 8, 2018 SPECIAL ELECTION

THE STATE OF TEXAS

COUNTY OF WASHINGTON

This Election Services Contract is made the _____ day of _________________, 20____, and is entered into by and between the **City of Brenham**, herein called "City" and **Washington County, Texas**, herein called "County", with both parties agreeing to share proportional benefit from and responsibility for this Contract, if an election is held, and is based upon the following terms and conditions, to wit:

PURPOSE OF AGREEMENT AND AUTHORITY:

The County and the City have determined that it is in the public interest and the best use of available resources that this Election Services Contract be made and entered into wherein:

Section 1: As authorized by Section 123.032 of the Texas Election Code, the County shall:

- Lease one (1) AutoMARK v.1.0 Voting System to the City to be used for Early Voting;
- Lease one (1) AutoMARK v.1.0 Voting System to the City for each polling place on Election Day; and

Section 2: The County shall secure and reserve the Washington County Annex Building located at 100 S. Park Street, and allow the City to conduct early voting by personal appearance at said location as follows:

Early voting by personal appearance each weekday from 8:00 a.m. to 5:00 p.m., which shall begin on Wednesday, November 21, 2018 and shall end on Tuesday, December 4, 2018 except, as required by §85.005 of the Texas Election Code, early voting by personal appearance shall be conducted from 8:00 a.m. to 8:00 p.m. on Monday, December 3, 2018 and Tuesday, December 4, 2018.

Section 3: The City shall secure and use the following polling places on Election Day:

Ward 1:	Nancy Carol Roberts Memorial Library 100 W. Martin Luther King, Jr. Pkwy. Brenham, Texas
Ward 2:	City of Brenham City Hall 200 W. Vulcan Street Brenham, Texas
Ward 3:	Brenham Junior High Band Hall 1200 Carlee Drive Brenham, Texas
Ward 4:	Blinn Junior College Student Center 1007 Walter Schwartz Way Brenham, Texas

Section 4: The City Secretary will name Carol Jackson, Washington County Chief Deputy Elections Clerk, as a Deputy Early Voting Clerk to assist when needed. The City shall reimburse the County for any overtime compensation paid to Ms. Jackson by the County for City election preparation, Early Voting hours before 8 a.m. and after 5 p.m. and on the December 8, 2018 Election Day. County will provide documentation of overtime hours worked by Ms. Jackson on City election matters.

Section 5: Election Judges will deliver ballot boxes to Washington County Courthouse on Election night for counting. The Washington County Clerk's Office, along with the City Secretary, will arrange for and train Early Voting Clerks, Early Voting Ballot Board and Election Judges and Clerks.

<u>TERM</u>

The rental period for the AutoMARK v.1.0 Voting System equipment shall commence on November 21, 2018 and include any and all legally-required days for Early Voting, and shall terminate upon the completion of the December 8, 2018 Election. The City shall return the equipment to the County immediately following the completion of all election-related procedures and duties requiring the use of the voting system equipment on Election Day.

RENTAL

The City shall pay the County the following rates for use of the AutoMARK v.1.0 Voting System equipment: $125.00 per machine for the first day of Early Voting; $50.00 per machine for each additional day of Early Voting; and $125.00 per machine on Election Day. In the event Brenham Independent School District or Blinn College have an election on the same day, the rental cost for the AutoMARK voting machines shall be shared equally by all entities having an election on the same day.

USE

The City shall use the electronic voting equipment and supplies in a careful and proper manner. The City of Brenham Police Department shall take delivery of the equipment from the County Clerk of Washington County, Texas, and deliver to its polling locations. The City shall return the same to the County Clerk of Washington County, Texas immediately after the election for which it is rented.

The City shall comply with the County Clerk's instructions, as well as the manufacturer's manual, as to the use and operation of said equipment and any laws, ordinances, and regulations relating to the possession, use and maintenance of the equipment and limit its use only for the purposes of holding the election described herein.

DUTIES AND SERVICES:

The County shall order/provide:

- Order the programming for the AutoMARK v.1.0 Voting Systems;
- Order an appropriate number of Optical Scan ballots (as determined by the City Secretary and County Clerk);
- Order any required testing materials from ES&S (Election Systems & Software);
- Order programming for E-pollbooks;
- Order election forms supply boxes used during Early Voting, on Election Day, and at the Central Counting Station;
- Provide luggage for transporting supplies and ballots;
- Provide "Vote Here" and Handicapped signage;
- Provide voting booths; and
- Provide notice boards for postings.

The County shall be responsible for submitting the ballot order and arranging for programming the ballot(s) into the AutoMARK equipment with E S & S (Election Systems & Software). The City shall pay directly to ES&S (Election Systems & Software), 6055 Paysphere Circle, Chicago, IL 60674, all costs of ballots and said programming. The City shall pay directly to the vendor all costs incurred in relation to the election which may include, but not be limited to, programming, ballots, election supplies, and testing materials.

The City acknowledges that the equipment requires special programming and shall make no alterations in the leased election equipment without obtaining prior written permission from the County Clerk of Washington County. The City, at its own cost and expense, shall keep the equipment in good repair, condition, and working order and shall see that the equipment is not subject to careless or rough usage or exposure to harsh weather. The County shall provide all election judges and clerks for the City election (as determined by the City Secretary and County Clerk), and will conduct a training session for election poll workers on election procedures and the proper handling and use of the voting machine(s).

The City Secretary shall receive all applications for mail ballots and deliver them to the Washington County Chief Deputy Elections Clerk for processing in accordance with applicable election laws.

Further, the County will arrange for and publish in the local newspaper timely notice of the public test of all electronic equipment. The City shall pay directly to the Brenham Banner Press all costs incurred to publish said notice in the newspaper.

At the conclusion of said election, the County shall submit an itemized invoice to the City for payment of the City's share of election costs. In accordance with Section 31.100(d) of the Election Code, the County shall also include in the itemized invoice an administrative fee of not more than ten percent (10%) of the total cost of the City's elections, payable to the County pursuant to this Contract.

INSPECTION:

The County Clerk shall at all times during the election have the right to enter into the premises where the election is being held for the purposes of inspecting the voting system equipment and observing its use.

LOSS/DAMAGE:

The City assumes all risk of loss of and damage to the County-owned election equipment caused by the City. In the event of loss or damage to the County-owned election equipment caused by the City, the City at the option of the County shall:

- Repair the election equipment, at its cost and expense, subject however to warranty coverage provided by manufacturer; or
- Replace the property with like property in good repair which property shall then become subject to this Contract.

INDEMNITY:

To the extent allowed by law, the City shall indemnify the County against and hold the County harmless from, all claims, actions, proceedings, costs, damages, and liabilities, including attorney's fees, arising out of, connected with, or resulting from the City's use of the County-owned equipment that is the subject of this Contract, including without limitation the selection, delivery, possession, use, operation, or return of the equipment.

DEFAULT:

Noncompliance with any part of this Contract, after ten (10) days written notice of the default to the non-defaulting party, may result in termination of this Contract. Upon occurrence of a default, the County may, after ten (10) days written notice to the City and opportunity to cure the default, take possession of the County-owned equipment if the default is not cured within said ten (10) day period.

POST ELECTION:

The City shall take possession of all voted ballots, unused ballots and supplies used in the election immediately after the counting of qualified provisional and military voted ballots. In the event of a recount, the voted ballots will remain in possession with the County until the recount is completed.

GENERAL CONDITIONS:

Nothing contained in this Contract shall authorize or permit a change in the officer with whom or the place at which any document or record relating to the election is to be filed, the place at which any function is to be carried out, the officers who conduct the official canvass of the election returns, the officer to serve as custodian of the voted ballots or any other election records, or any other non-transferable functions specified by §31.096, Texas Election Code, as amended.

The County Clerk shall file copies of this Contract with the County Treasurer and the County Auditor of Washington County, Texas.

Nothing contained in this Contract shall be construed to interfere with an election to be conducted in Washington County, Texas.

This Contract cannot be assigned nor may the election equipment be subleased without the written consent of each party. Ownership of the election equipment that is the subject of this Contract is and shall at all times remain the sole property of the County, and the City shall not have a right, title, or interest in said equipment.

This Contract is binding on each party only if the City holds a Special Election on December 8, 2018. Should the City cancel the December 8, 2018 Special Election, then this Contract will cease to be enforceable and binding on either party. This contract shall be applicable to: (1) the City's December 8, 2018 special election to fill a vacancy on City Council; and (2) any runoff election related to the City's December 8, 2018 special election to fill a vacancy on City Council required to be held in the event a candidate does not receive a majority of all votes cast in the special election. The terms "Early Voting" and "Election Day" will be interpreted to mean the early voting period and day of the election for the December 8, 2018 special election, as well as any runoff election related thereto. The City Secretary, in consultation with the County Clerk, shall determine the dates for the early voting period and the day of the election for any runoff election.

APPLICABLE LAW:

This Contract shall be governed by and construed under the laws of the State of Texas.

Dated this ______ day of ____________________, 20____.

CITY OF BRENHAM

____

Milton Y. Tate, Jr., Mayor

ATTEST:

____

Jeana Bellinger, TRMC, CMC, City Secretary

Dated this ______ day of ____________________, 20____.

WASHINGTON COUNTY, TEXAS

____

Honorable John Brieden, County Judge

ATTEST:

____

Beth Rothermel, County Clerk

AGENDA ITEM 18

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** August 28, 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 Revisions to the City of Brenham's Policies and Procedures for Boards and Commissions and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: Back in 2012, the City Council adopted Policies and Procedures for Boards and Commissions to help establish uniform procedures for all advisory boards of the City. As in years past, during the months of September thru November the City accepts applications for appointment from citizens that would like to serve on a City advisory board.

There has been some discussion of late about whether or not to consider term limits for our volunteers and if there are any other provisions of the policy that need to be updated since it is over 5 years old. Staff thought that prior to new appointments being made in December, now may be a good time to make changes to the policy.

Some of the notable provisions of the 2012 policy include:

- To eligible to serve on a City Advisory Board, the person must be Washington County resident; qualified voter; cannot serve a board with immediate family members; and City employees are not eligible to serve on an advisory board.
- Applications are accepted by the City Secretary and reviewed by the Mayor and City Manager. After reviewing all of the applications, the Mayor and City Manager present their appointment recommendations to the full City Council for approval. Appointments and re-appointments of board members take place every year in December.
- Most board members are appointed to three-year terms. Citizens appointed to the Brenham Community Development Corporation (BCDC) and the Planning & Zoning (P&Z) Commission are appointed to two-year terms. There are no term limits.
- Vacancies can be filled, mid-term, by action of the City Council.
- All new members are required to attend training on the Texas Open Meeting Act, the Texas Public Information Act and any other mandated State training specific to the Board in which they are appointed.
- Members must maintain regular attendance. Consecutive, unexplained, absences can result in a member's removal from the Board by the City Council.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items): **A. PROS:** **B. CONS:**
ALTERNATIVES (In Suggested Order of Staff Preference):
ATTACHMENTS: (1) Policies and Procedures for Boards and Commissions, March 1, 2012
FUNDING SOURCE (Where Applicable):
RECOMMENDED ACTION: No changes being recommended.
APPROVALS: James Fisher

CITY OF BRENHAM, TEXAS
POLICIES AND PROCEDURES FOR BOARDS AND COMMISSIONS

MARCH 1, 2012

SECTION 1.
PURPOSE AND SCOPE

The purpose of this Policy is to establish uniform procedures for all advisory boards and commissions of the City. Board and commission members are selected by the City Council and serve at the pleasure of the Council, and will not be granted special privileges because of their appointment.

This Policy applies to all persons appointed by the Brenham City Council. Persons appointed by other entities may not be required to abide by all the rules outlined in this Policy.

SECTION 2.
MEMBER ELIGIBILITY

Applicant qualifications include the following:

- Must be a resident of Washington County for at least one (1) year;
- Must be a qualified voter;
- Must not be in arrears in the payment of any taxes or other liability due to the City;
- May not apply to serve on a board with their immediate family members; and
- Regular full-time City employees are not eligible unless required by State statute

All qualified candidates, applying for the first time, must complete an Application for Appointment to City of Brenham Boards and Commissions form and submit it to the City Secretary before October 1st. Current members wanting to be reappointed to their current board/commission must submit a Request for Re-Appointment to the City Secretary prior to October 1st. If a current member would like to be considered for appointment to a different Board, they will need to submit a new application.

Members shall be appointed for terms of three (3) years, and may be removed at any time by the City Council. Terms of office will be staggered. In the event a vacancy occurs prior to the expiration of a full term, the City Council may appoint a new member to complete the unexpired term. Any member of a board or commission may be eligible for re-appointment by the City Council.

In addition to these eligibility requirements, the City Council shall set specific skills and experience desired for each Board. Also, in the event that State statutes require certain qualifications, those qualifications will be required of all applicants.

SECTION 3.
RECRUITMENT

Advertising of scheduled vacancies for terms expiring in December will begin on or near August 1st.

Advertisement for citizen involvement may happen in a variety of ways including, but not limited to:

- posting of notice on official bulletin board
- press releases
- utility billing inserts
- website advertisements
- social media resources
- nomination by invitation

SECTION 4.
APPLICATION PROCESS

On or before August 1st of each year, the City Secretary will post information on the city's official bulletin board and on the city's website listing all openings on any City of Brenham board or committee. The City Secretary's office will mail notices to all current board members with an expiring term.

The application will solicit information about the applicant's background, including current and past occupations and involvement in and knowledge of issues related to the subject of the board to which they are applying. In addition to the completed application, applicants are encouraged to submit a short bio or resume. Persons may apply for more than one board.

A shorter application form will be used for incumbent board members seeking another term. Incumbents will also be required to submit their request to serve another term to the City Secretary's office.

All application forms will be due on October 1st. Any applications received after the deadline date will not be considered.

The Mayor and City Manager will review all submitted applications and at the first council meeting in December, the Mayor and/or City Manager will make a recommendation of Board and Commission appointments to the City Council. The City Council will appoint members to the Boards and Commissions at the second council meeting in December. In the event appointments are not made in December, all members will continue to serve until their successor is appointed by Council.

Applications are considered current for one year from submittal date, after which the application will be removed from consideration In order to be considered in the next recruitment period, the applicant will be required to submit a new application.

SECTION 5.
SELECTION PROCESS

Upon receiving the applications, the Mayor and City Manager will review the eligibility requirements and identify those applicants that are eligible for appointment before submitting any applications to the City Council for review.

Additional information that could be used in reviewing applications include: evaluations from the staff liaison and/or member attendance records. The Mayor and City Manger may also take into account past applications submitted by a candidate and previous experience on other boards.

SECTION 6.
TERM OF OFFICE

Board members serve for a staggered term of three (3) years with the exception of the Brenham Community Development Corporation (BCDC), the Planning & Zoning Commission, and the Board of Adjustments and Appeals whose members shall serve for staggered two (2) year terms. All terms expire on December 31. In the event that appointments are not made prior to the expiration of the member's term, the board member shall continue to serve until their successor is appointed by Council.

The City Council retains the right to replace any appointed member at any time and for any reason. Board members are appointed for a limited purpose and time, and once the assigned term of office is completed, they are excused from this appointment unless the City Council selects them for another term of service in accordance with this policy.

SECTION 7.
MID TERM APPOINTMENTS

Occasionally a board member may be unable to finish his or her term or will be removed by the City Council prior to the term ending. In such cases, the vacant position must be filled by a mid-term appointee who will serve out the remainder of the other applicant's term.

Instead of soliciting applicants for the vacancy, the Council may refer to the applicant pool kept by the City Secretary's Office. If the applicant pool is deemed too small to accommodate the vacant position(s), a new application solicitation campaign could take place in the same manner as the typical annual recruitment process.

SECTION 8.
NEW MEMBERS

Upon completion of the selection process, all new members should make every effort to become as familiar as possible with all aspects of his or her particular board. To aid in the process, new members will be furnished copies of pertinent telephone numbers of other members, as well as applicable information and regulations that govern that board.

Members of all boards will be required to attend specialized training on the Open Meetings Act, Public Information Act, and any State statues pertinent to their position on the board within ninety (90) days of their appointment by Council. Such training shall be coordinated by the City Secretary's office and all expenses will be paid by the City.

Members of all boards, who are considered by State statute to be an officer (quasi-judicial authority) of the City, must be administered a Statement of Officer and must receive the Oath of Office upon induction. The members must sign the oath and it must be notarized and kept in the appropriate file in the City Secretary's Office. Those persons authorized to administer the statement and the oaths are: the Mayor, the City Secretary, and any notary public. These boards include: the Brenham Community Development Corporation, the Planning and Zoning Commission, and the Board of Adjustments and Appeals.

SECTION 9.
DUTIES OF BOARD AND COMMISSIONS GENERALLY:

All boards and commissions shall act in an advisory capacity to the City Council with the exception of the Board of Adjustments and Appeals and the Planning and Zoning Commission. All actions taken by these boards, as outlined in the City of Brenham Code of Ordinances, are final.

Boards and commissions shall advise the Council on issues specific to their particular interests. No member of a board or commission shall become involved in the daily operations of the departments of the City or in personnel matters.

SECTION 10.
ATTENDANCE AT MEETINGS

The Council is most appreciative of the dedication and contribution by those who are willing to donate their time to community service. Any decision reached by any of these boards has an impact on the entire community. Therefore, if a quorum is not present because of habitual absenteeism by certain members, the integrity of the board as a whole is affected.

Therefore, it is imperative that members maintain regular attendance. Members who cannot attend a meeting should contact the chairman or appropriate staff member concerning his or her absence prior to the meeting.

Three (3) consecutive absences from regular sessions, or absence from more than twenty-five percent (25%) of the meetings in any six month period, shall cause the board liaison to report the member's attendance record to the City Manager. The City Manager will review each situation and determine if the board member should be recommended to Council for removal, due to excessive absences.

SECTION 11.
ROLE OF STAFF LIAISON

The role of the staff liaison is to act as a communication conduit between the City Council and the board or commission. The liaison shall take no part in the board or commission discussions unless requested to do so.

A staff member shall be assigned to each respective board to perform support services, provide technical data, prepare agendas, post notices of meetings, prepare minutes of the meetings, and other related functions. The staff member is an ex-officio member of the board, but is not entitled to vote or preside over meetings.

The staff member will arrange a meeting with all new members prior to the first meeting date for briefings on procedures, legal responsibilities, duties of the board, and background information on items that may be considered at the next meeting.

SECTION 12.
CONDUCT OF MEETINGS

A. The Chair shall preside at the meetings and in his or her absence the Vice-Chair shall preside. The Chair shall call the meeting to order.

B. The Chair shall address the posted items on the agenda in any order he or she chooses as long as every item is addressed.

C. A motion may be made by any member other than the presiding officer. A second to the motion is required before a vote can be taken. Any motion dies from a lack of a second.

D. Roberts Rule of Order shall be used as a guideline to conduct meetings.

E. All meetings will be held in compliance with the Open Meetings Act and shall be open to the public.

SECTION 13.
RECORDS OF MEETINGS

The City Secretary's Office shall maintain records of all board and committee meetings. Records that will be maintained include the following:

- **AGENDA**: The agenda will serve as the order of business and provide the form for posting of the notice of meetings. The official posting of the agenda must be at least 72 hours in advance of the meeting in a place(s) readily accessible to the public. A copy of the agenda should also be made available to local news media. Copies of the agenda, along with supporting data, shall be provided to each member in advance of the meeting date. In the event a regularly scheduled meeting is cancelled, notices should be posted stating that the meeting has been cancelled.

- **AGENDA PACKET:** Agenda packets shall be made available in advance of the meetings on the City's web site.

- **MINUTES OF MEETING**: The staff liaison will be responsible for keeping an accurate record of all meetings. The minutes shall include a record of attendance, summary of the discussion, recommendations, and a record of voting.

- **ATTENDANCE RECORD**: Minutes of each meeting shall accurately reflect the names of those members in attendance.

AGENDA ITEM 19

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Engineering	**DATE SUBMITTED:** August 22, 2018 **SUBMITTED BY:** Lori Lakatos

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 Final Payment to Site Work Contractors L.L.C. for the Emergency Road Repairs and Storm Damage Repairs, Package 2A, for Burleson Street at Higgins Branch and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: Site Work Contractors L.L.C. has completed the Burleson Street at Higgins Branch crossing repairs that resulted from the May 2016 storm events and Hurricane Harvey, August 2018. The scope of work included channel, culvert and roadway replacement and repairs. This removed a corrugated metal pipe and replaced it with reinforced concrete boxes and added slope paving and riprap to protect from future erosion.

The project included one change order, a deduction from the overall project, -$80,599.00. The contract was originally awarded for $464,700.00. The final cost with the deduction is $384,101.00.

This project has been submitted to FEMA as part of DR-4272, May 2016 Storm and DR-4332, Hurricane Harvey. No funding has been obligated at this time, but the City will continue to work through the process in hopes that FEMA will consider the project eligible for reimbursement.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS:

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: (1) Application for Payment No. 4 & Final; (2) Change Order No. 1; and (3) Certification of Substantial Completion

FUNDING SOURCE (Where Applicable): 2018 Certificate of Obligation

RECOMMENDED ACTION: Authorize final payment to Site Work Contractors L.L.C. in the amount of $21,599.05 for the Emergency Road Repairs and Storm Damage Repairs, Package 2A, for Burleson Street at Higgins Branch and authorize the Mayor to execute any necessary documentation
APPROVALS: James Fisher

Site Work Contractors L.L.C.

P.O. Box 118
Pinehurst, TX 77362

Invoice

Date	Invoice #
8/10/2018	1809801

Bill To
City of Brenham

P.O. No.	Terms	Project
	Due on receipt	Burleson

Quantity	Description	Rate	Amount
1	See Attached Spreadsheet	21,599.05	21,599.05
		Total	$21,599.05

CONTRACTOR PAY APPLICATION TRACKING
City of Brenham Storm Damage Repairs, Package 2A
PROJECT BID NO. E2017-01

CONTRACT TOTALS		WORK COMPLETED TO DATE			PAY APP 4 (08/10/2018) TOTAL PREV	TOTAL TO DATE	TOTAL THIS EST
B1. BASE UNIT PRICE TABLE - Site Preparation and Earthwork Items	$ 74,970.00	100.00%			$ 43,920.00	$ 74,970.00	$ 2,520.00
B2. BASE UNIT PRICE TABLE - Culvert, Channel & Drainage Items	$ 245,206.00	100.00%			$ 245,206.00	$ 245,206.00	$ -
B3. BASE UNIT PRICE TABLE - Traffic Control Plan	$ 4,000.00	100.00%			$ 4,000.00	$ 4,000.00	$ -
B4. BASE UNIT PRICE TABLE - SWPPP Items	$ 1,500.00	100.00%			$ 1,500.00	$ 1,500.00	$ -
C. Extra Work Items	$ 58,425.00	100.00%			$ 58,425.00	$ 58,425.00	$ -
					SUBTOTALS	$ 384,101.00	$ 2,520.00
					RETAINAGE, 0%	$ -	$ -
					REMAINING RETAINAGE RELEASE		$ 19,079.05
	$ 384,101.00	100.00%			AMOUNT DUE THIS INVOICE		$ 21,599.05

ITEM NO.	CONTROL NO.	ITEM DESCRIPTION	UNIT MEASURE	UNIT QUANTITY	SITE WORK CONTRACTORS UNIT PRICE	TOTAL	PAY APP 4 (08/10/2018) QUANT THIS EST	QUANT PREV	QUANT TO DATE	% COMPL	TOTAL PREV	TOTAL TO DATE	TOTAL THIS EST
B1. Site Preparation and Earthwork Items:													
1	01502	Mobilization Including Performance and Payment Bonds, Insurance and Permits (Max. 4% of Total Base Bid)	LS	1	$ 18,000.00	$ 18,000.00	0	1	1	100.00%	$ 18,000.00	$ 18,000.00	$ -
2	02221	Sawcut and Demolish Existing Asphalt Roadway including curb and gutter	SY	576	$ 45.00	$ 25,920.00	0	576	576	100.00%	$ 25,920.00	$ 25,920.00	$ -
3	02221	Demolish Existing 11.4 FT X 7.5 FT Arch Pipe, including headwall and inlets	LS	1	$ 10,000.00	$ 10,000.00	0	1	1	100.00%	$ 10,000.00	$ 10,000.00	$ -
4	02922	Block Sodding, Complete in Place	SY	2180	$ 8.50	$ 18,530.00	0	2180	2180	100.00%	$ 18,530.00	$ 18,530.00	$ -
5	DWGS	Proposed PR2 Pedestrian Rail (attached to proposed Headwalls), including Painting, Complete in Place	LF	56	$ 45.00	$ 2,520.00	56		56	100.00%	$ -	$ 2,520.00	$ 2,520.00
TOTAL B1. BASE UNIT PRICES						**$ 74,970.00**					**$ 43,920.00**	**$ 74,970.00**	**$ 2,520.00**
B2. Culvert, Channel & Drainage Items:													
ITEM NO.	**CONTROL NO.**	**ITEM DESCRIPTION**	**UNIT MEASURE**	**UNIT QUANTITY**	**UNIT PRICE**	**TOTAL**							
6	02222, 02720	18" RCP Storm, Complete in Place	LF	45	$ 100.00	$ 4,500.00	0	45	45	100.00%	$ 4,500.00	$ 4,500.00	$ -
7	02222, 02720	24" RCP Storm, Complete in Place	LF	0	$ 125.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
8	02230, 02510	2-inch HMAC w/ 8-inch Flex Base, including CSS (1.1 sack) subgrade, Complete in Place	SY	0	$ 92.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
9	02240	Cement Stabilized Sand (1.5 Sack), Complete in Place	CY	60	$ 80.00	$ 4,800.00	0	60	60	100.00%	$ 4,800.00	$ 4,800.00	$ -
10	02314, 02316	Drainage Channel Excavation, including embankment (apprx. 100 CY), compaction (95% SPD; +/- 2%), and grading and final dressing, Complete in Place	CY	1670	$ 20.00	$ 33,400.00	0	1670	1670	100.00%	$ 33,400.00	$ 33,400.00	$ -
11	02376	Proposed 5" Slope Paving, Complete in Place	SY	818	$ 62.00	$ 50,716.00	0	818	818	100.00%	$ 50,716.00	$ 50,716.00	$ -
12	02378	Riprap (Stone Typ R)(Dry)(18in), Complete in Place	CY	305	$ 85.00	$ 25,925.00	0	305	305	100.00%	$ 25,925.00	$ 25,925.00	$ -
13	02521	18-inch Concr. Curb and Gutter, Complete in Place	LF	0	$ 65.00	$ -	0		0	#DIV/0!	$ -	$ -	$ -
14	02612, 02720	10FT X 7FT RCB, including Fill per Detail, Complete in Place	LF	48	$ 1,650.00	$ 79,200.00	0	48	48	100.00%	$ 79,200.00	$ 79,200.00	$ -
15	02633	13FT Tall 12" Thick Headwall (TXDOT Detail PW)	LF	26	$ 165.00	$ 4,290.00	0	26	26	100.00%	$ 4,290.00	$ 4,290.00	$ -
15a	02634	Sloped Wingwalls - 8-inch thick	LF	185	$ 115.00	$ 21,275.00	0	185	185	100.00%	$ 21,275.00	$ 21,275.00	$ -
16	02633, 02720	C Inlet w/24" RCP direct outfall, Complete in Place	EA	2	$ 6,500.00	$ 13,000.00	0	2	2	100.00%	$ 13,000.00	$ 13,000.00	$ -
17	02633, 02720	Junction Box, Complete in Place	EA	1	$ 4,500.00	$ 4,500.00	0	1	1	100.00%	$ 4,500.00	$ 4,500.00	$ -
18	02775	5-inch Concrete Sidewalk, Complete in Place	SY	48	$ 75.00	$ 3,600.00	0	48	48	100.00%	$ 3,600.00	$ 3,600.00	$ -
TOTAL B2. BASE UNIT PRICES						**$ 245,206.00**					**$ 245,206.00**	**$ 245,206.00**	**$ -**

ITEM NO.	CONTROL NO.	ITEM DESCRIPTION	UNIT MEASURE	UNIT QUANTITY	UNIT PRICE	TOTAL							
B3. Traffic Control Plan:													
ITEM NO.	**CONTROL NO.**	**ITEM DESCRIPTION**	**UNIT MEASURE**	**UNIT QUANTITY**	**UNIT PRICE**	**TOTAL**							
19	01555	Traffic Control - Furnish, Install, Maintain & Remove Barricades, Barriers, Barrels, Signing, etc.	LS	1	$ 4,000.00	$ 4,000.00	0	1	1	100.00%	$ 4,000.00	$ 4,000.00	$ -
TOTAL B3. BASE UNIT PRICES						**$ 4,000.00**					**$ 4,000.00**	**$ 4,000.00**	**$ -**
B4. SWPPP Items:													
ITEM NO.	**CONTROL NO.**	**ITEM DESCRIPTION**	**UNIT MEASURE**	**UNIT QUANTITY**	**UNIT PRICE**	**TOTAL**							
20	01572, 01410	Storm Water Pollution Prevention (Maintenance & Removal); (60% of unit costs at installation, and 40% of unit costs for removal)	LS	1	$ 1,500.00	$ 1,500.00	0	1	1	100.00%	$ 1,500.00	$ 1,500.00	$ -
21	02361	Reinforced Filter Fabric Fence	LF	0	$ 10.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
22	02364	Rock Filter Dam (Type 1)	LF	0	$ 50.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
23	02365	Stabilized Construction Access	SY	0	$ 15.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
TOTAL B4. BASE UNIT PRICES						**$ 1,500.00**					**$ 1,500.00**	**$ 1,500.00**	**$ -**
TOTAL BASE UNIT PRICES						**$ 325,676.00**							
C. Extra Work Items:													
ITEM NO.	**CONTROL NO.**	**ITEM DESCRIPTION**	**UNIT MEASURE**	**UNIT QUANTITY**	**UNIT PRICE**	**TOTAL**							
24	02222	Extra Hand Excavation	CY	0	$ 25.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
25	02222	Extra Machine Excavation	CY	0	$ 30.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
26	02222	Extra Bank Sand Backfill	CY	0	$ 18.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
27	02240	Extra Cement Stabilized Sand	CY	78	$ 22.00	$ 1,716.00	0	78	78	100.00%	$ 1,716.00	$ 1,716.00	$ -
28	02222	Extra Backfill	CY	0	$ 20.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
29	02520, 02951	Extra Remove and Replace Asphalt Road With 6" Concrete Paving Including 6" Subgrade (8% Lime and 4% Fly Ash), Complete in Place	SY	576	$ 95.00	$ 54,720.00	0	576	576	100.00%	$ 54,720.00	$ 54,720.00	$ -
30	02521	Extra Remove Existing Curb and Gutter and Replace with Doweled in 6" Curb	LF	0	$ 45.00	$ -	0	0	0	#DIV/0!	$ -	$ -	$ -
New Change Order 1 Item													
31	02521	Extra 6" Concrete Curb	LF	306	$ 6.50	$ 1,989.00	0	306	306	100.00%	$ 1,989.00	$ 1,989.00	$ -
TOTAL C. EXTRA WORK UNIT PRICES						**$ 58,425.00**					**$ 58,425.00**	**$ 58,425.00**	**$ -**
SUMMARY B1-B4 AND C													
B1. Site Preparation and Earthwork Items						**$ 74,970.00**							
B2. Culvert, Channel & Drainage Items						**$ 245,206.00**							
B3. Traffic Control Plan						**$ 4,000.00**							
B4. SWPPP Items						**$ 1,500.00**							
C. Extra Work Items						**$ 58,425.00**							
						$ 384,101.00							

Document 00643
ESTIMATE AND CERTIFICATE FOR PAYMENT, UNIT PRICE WORK

Brenham Storm Damage Repairs, Package 2A

Contractor:		**Estimate No.**	4
Site Work Contractors		**Cut off Date:**	8/10/2018
Address:		**Estimate Date:**	8/10/2018
1131 Alma St Suite A		**City Project No.:**	E2017-01
Tomball, Tx 77375			

Contract Date:	10/16/2017	**CONTRACT TIME IN CALENDER DAYS**	
NTP Date:	10/16/2017	**Original Contract Time: (Days)**	60
Current Contract Completion Date:	1/14/2018	**Approved Extensions: (Days)**	0
Substantial Completion Date:	12/15/2017	**Total Contract Time: (Days)**	60
Percentage: By Time	497%	**Days Used to Date: (Days)**	298.00
		Days Remaining to Date: (Days)	-238.00

CONTRACT AMOUNT TO DATE:			Amount
1. Original Contract Price:			$464,700.00
2. Approved Change Orders: No./Description			
CO #1 - Bid Item 2, Sawcut and Demolish Existing Asphalt Roadway including curb and gutter, 221 SY Increase, Bid Item 4, Block Sodding, 120 SY Increase, Bid Item 5, PR2 Pedestrian Rail; 104 LF Reduction, Bid Item 6, 18" RCP Storm; 5 LF Increase, Bid Item 7, 24" RCP Storm; 55 LF Reduction, Bid Item 8, 2-inch HMAC w/ 8-inch Flex Base, including CSS (1.1 sack) subgrade; 322 SY Reduction, Bid Item 11, 5" Concrete Sloped Pavement per plans and details; 230 SY Reduction, Bid Item 13, 18-inch Concr. Curb and Gutter; 206 LF Reduction, Bid Item 15, 13FT Tall, 12" Thick Headwall (TXDOT Detail PW); 134 LF Reduction, New Bid Item 15A, 8" Thick Sloped Wingwall (TXDOT Detail FW-0); 185 LF Addition at $115.00/LF, Bid Item 17, Junction Box; 1 EA Reduction, Bid Item 18, 5-inch Concrete Sidewalk, 86 SY Reduction, Bid Item 21, Reinforced Filter Fabric Fence; 100 LF Reduction, Bid Item 22, Rock Filter Dam (Type 1); 1 LS Reduction, Bid Item 23, Stabilized Construction Access; 222 SY Reduction, Bid Item 24, Extra Hand Excavation; 100 CY Reduction, Bid Item 25, Extra Machine Excavation; 100 CY Reduction, Bid Item 26, Extra Bank Sand Backfill; 200 CY Reduction, Bid Item 27, Extra Cement Stabilized Sand; 122 CY Reduction, Bid Item 28, Extra Backfill; 400 CY Reduction, Bid Item 29, Extra Remove and Replace Asphalt Road With 6" Concrete Paving Including 6" Subgrade (8% Lime and 4% Fly Ash), 231 SY Increase, Bid Item 30, Extra Remove Existing Curb and Gutter and Replace with Doweled in 6" Curb, 206 LF Reduction, New Bid Item 31, Extra 6" Concrete Curb, 306 LF Addition at $6.50/LF.			($80,599.00)
CO #2 -			
Total Change Orders to Date: +/-			($80,599.00)
TOTAL CONTRACT AMOUNT:			$384,101.00
A. EARNINGS TO DATE:			
1. Work Completed to Date:	100%	Complete	$ 384,101.00
TOTAL EARNINGS TO DATE:			**$384,101.00**
B. DEDUCTIONS:			
1. Retainage:	0%		$0.00
2. Add: Retainage Deduction:	0%		$0.00
3. Total Retainage:			$0.00
4. Liquidated Damages:	0 days @	$ -	$0.00
TOTAL DEDUCTIONS:			**$0.00**
C. AMOUNT DUE THIS PERIOD:			
1. Total Earnings to Date:			$384,101.00
2. Total Deductions:			$0.00
3. Total Payments Due:			$384,101.00
4. Less Previous Payments:			$362,501.95
5. Restoration Adjustment:			$0.00
TOTAL AMOUNT DUE THIS DATE:			**$21,599.05**

TMG	8/13/2018		
Prepared By: (Contractor)	Date:	Checked By: (Construction Manager/Inspector)	Date:
Approved By: (Consultant) Gunda Corp.	Date: 8/14/18	Approved: (City Engineer)	Date:
Approved: (Director)	Date:		

Document 00641

CONTRACTOR'S CERTIFICATION OF FINAL COMPLETION

CERTIFICATE OF FINAL COMPLETION OF: Storm Damage Repairs, Package 2A – Burleson Street at Higgins Branch.

Project No.: E2017-01

Contract Dated: ______________________

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Matt Gordon who, being by me duly sworn, on his oath says that he or she represents Site Work Contractors L.L.C., the Contractor who has performed a contract with the City of Brenham for the construction of the Work described above, and is duly authorized to make this affidavit; that he or she has personally examined the Work described above as required by the Contract documents; that said Work and all items thereof have been completed and all known defects made good; that all surplus material, refuse, dirt and rubbish have been cleaned up and removed or disposed of as directed by the City Engineer; that all parts of Work are in a neat, tidy, finished condition and ready in all respects for acceptance by the City; that all gravel or shell roadway surfaces removed during the course of the Work have been replaced in accordance with the Specifications, that rates of pay for all labor employed on said Work have not been below the minimum set out in "Labor Classification and Minimum Wage Scale" in the Contract documents and that within the knowledge of affiant all just bills for labor and material and for the rental or use of any equipment or apparatus, used in, on, or in connection with the Work have been paid in full by the Contractor.

____
Affiant's Signature

SWORN AND SUBSCRIBED before me on 8·13·18
Date

____
Notary Public in and for the State of TEXAS

ANDREW ZWEIGENBAUM
Notary ID #128714809
My Commission Expires
August 21, 2021

Andrew Zweigenbaum
Print or type name

My Commission Expires: August 21, 2021
Expiration Date

THIS IS TO CERTIFY that I have thoroughly inspected the Work performed by the above named Contractor on the above described Contract and find all things in accordance with the Contract documents governing this Work.

____
Inspector

____
[*Project Manager or Construction Manager*]

Approved:

____
[*Title of Approval Authority*], [*Contracting Department*]

END OF DOCUMENT

Document 00642

CERTIFICATION OF PAYMENT
TO SUBCONTRACTORS AND SUPPLIERS

The undersigned, Matt Gordon (Affiant), states that he is the Manager (Title), of Site Work Contractors L.L.C. (Contractor) and that he is duly authorized to execute this Certification of Payment to Subcontractors and Suppliers; that Contractor has made payments to Subcontractors and Suppliers for all labor, materials, equipment, and services furnished to date for Work on Project No. E2017-01 Storm Damage Repairs, Package 2A – Burleson Street at Higgins Branch in the amounts for which Contractor has been paid; that the labor, materials, equipment, and services covered by this Certificate of Payment have been furnished in accordance with and all in compliance with the Contract Documents; that no sums have been withheld by Contractor for Subcontractors and Suppliers as a result of any allegations of deficiencies in the Work; and that such payments were made in accordance with the Contract Documents and with the laws of the State of Texas.

Matthew Gordon
Affiant's Signature

SWORN AND SUBSCRIBED before me on __.

Date 8 · 13 · 18

ANDREW ZWEIGENBAUM
Notary ID #128714809
My Commission Expires
August 21, 2021

Notary Public in and for the State of TEXAS

~~August 21, 2021~~ Andrew Zweigenbaum
Print or type name

My Commission Expires: August 21, 2021
Expiration Date

END OF DOCUMENT

Bond No. 5239747

Document 00612

ONE-YEAR MAINTENANCE BOND

THAT WE, Site Work Contractors LLC, as Principal, hereinafter called Contractor, and the other subscriber hereto, Suretec Insurance Company, as Surety, do hereby acknowledge ourselves to be held and firmly bound to the City of Brenham, a municipal corporation, in the sum of $ 384,101.00, for the payment of which sum well and truly to be made to the City of Brenham and its successors, the said Contractor and Surety do bind themselves, their heirs, executors, administrators, successors, jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, the Contractor has on or about this day executed a Contract in writing with the City of Brenham for Storm Damage Repairs, Package 2A – Burleson Street at Higgins Branch, Project No.: E2017-01, all of such work to be done as set out in full in said Contract documents therein referred to and adopted by the City Council, all of which are made a part of this instrument as fully and completely as if set out in full herein.

NOW THEREFORE, if the said Contractor shall comply with the provisions of Paragraph 13.07 of the General Conditions, and correct work not in accordance with the Contract documents discovered within the established one-year period, then this obligation shall become null and void, and shall be of no further force and effect; otherwise, the same is to remain in full force and effect.

Notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle, with proper postage affixed (certified mail, return receipt requested), addressed to the respective other party at the address prescribed in the Contract documents, or at such other address as the receiving party may hereafter prescribe by written notice to the sending party.

IN WITNESS THEREOF, the said Contractor and Surety have signed and sealed this instrument on the respective dates written below their signatures and have attached current Power of Attorney.

ATTEST, SEAL: (if a corporation)
WITNESS: (if not a corporation)

By: Matthew R Gordon
Name: Matt Gordon
Title: Manager

Site Work Contractors LLC

By: [signature]
Name: Brian Lopez
Title: Owner
Date: 8·15·2018

ATTEST/SURETY WITNESS:

(SEAL)

By: Jeffrey Bolin
Name: Jeffrey Bolin
Title: Witness
Date: 8/14/2018

Suretec Insurance Company
Full Name of Surety
1330 Post Oak Blvd #1100
Address of Surety for Notice
Houston, Tx 77056

(888) 344-3362
Telephone Number of Surety

By: Kay Dockins
Name: Kay Dockins
Title: Attorney-in-Fact
Date: 8/14/2018

END OF DOCUMENT

POA #: 5239747-01

SureTec Insurance Company
LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Kay Dockins

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for:

Principal: Site Work Contractors, LLC
Obligee: City of Brenham
Amount: $ 446,320.00

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. *(Adopted at a meeting held on 20th of April, 1999.)*

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 6th day of April, A.D. 2017.

SURETEC INSURANCE COMPANY · TEXAS

SURETEC INSURANCE COMPANY

By: ______________________
John Knox, Jr., President

State of Texas ss:
County of Harris

On this 6th day of April, A.D. 2017 before me personally came John Knox, Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

NOTARY PUBLIC STATE OF TEXAS
JACQUELYN GREENLEAF
Notary Public, State of Texas
Comm. Expires 05-18-2021
Notary ID 126903029

Jacquelyn Greenleaf, Notary Public
My commission expires May 18, 2021

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 14th day of August 2018, A.D.

M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:00 am and 5:00 pm CST.

SURETEC INSURANCE COMPANY

9737 Great Hills Trail, Suite 320, Austin, Tx 78759

CONSENT OF SURETY TO FINAL PAYMENT

OWNER ☐
ARCHITECT ☐
CONTRACTOR ☐
SURETY ☐
OTHER ☐

BOND NO.: **5239747**

TO OBLIGEE: City of Brenham
(Name and Address) 200 West Vulcan
Brenham, Tx 77834

CONTRACT FOR:
Storm Damage Repairs, Package 2A - Burleson Street at Higgis Branch, Project No. E2012-01

CONTRACT DATED:
9/18/2017

PROJECT: Storm Damage Repairs, Package 2B
(Name and Address) W. Jefferson St at Higgins Creek

At the request of the Obligee and the Principal indicated above, *(Insert name and address of Surety)*

SureTec Insurance Company, 9737 Great Hills Trail, Suite 320, Austin, TX 78759

, SURETY,

on bond of
(Insert name and address of Contractor)

Site Work Contractors, LLC

, CONTRACTOR,

and conditioned on the representation by Obligee that all Contract provisions relating to the payment of final payment under the Contract have been satisfied by Principal as of the date of final payment, and that no claims by Obligee or any third party are known or believed by Obligee or its representatives to exist as of the date of final payment, representations as to the truth and accuracy of the foregoing conditions being deemed to have been made by Obligee in connection with this request for Consent of Surety, hereby approves of the final payment to the Principal, and agrees that final payment in accordance with the terms hereof shall not relieve the Surety of its obligations to
(Insert name and address of Obligee)

City of Brenham, 200 West Vulcan, Brenham Tx 77834

,OBLIGEE,

as set forth in said Surety's bond.

IN WITNESS WHEREOF, the Surety has hereunto set its hand on this date: **August 21, 2018**
(Insert in writing the month followed by the numeric date and year.)

SureTec Insurance Company
(Surety)

Kay Dockins
(Signature of authorized representative)

Attest: Jeff Bolin **Jeff Bolin**
(Seal):

Kay Dockins, Attorney-in-Fact
(Printed name and title)

POA #: 5239747

SureTec Insurance Company
LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Kay Dockins

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for:

Principal: Site Work Contractors, LLC
Obligee: City of Brenham
Amount: $ 384,101.00

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. *(Adopted at a meeting held on 20th of April, 1999.)*

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 6th day of April, A.D. 2017.

SURETEC INSURANCE COMPANY TEXAS

SURETEC INSURANCE COMPANY

By: ______________________

John Knox, Jr., President

State of Texas ss:
County of Harris

On this 6th day of April, A.D. 2017 before me personally came John Knox, Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.

NOTARY PUBLIC STATE OF TEXAS
JACQUELYN GREENLEAF
Notary Public, State of Texas
Comm. Expires 05-18-2021
Notary ID 126903029

Jacquelyn Greenleaf, Notary Public
My commission expires May 18, 2021

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 20th day of August 2018, A.D.

M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:00 am and 5:00 pm CST.

Document 00941

CHANGE ORDER / C.O. No. 1

PROJECT: Storm Damage Repairs, Package 2A – Burleson Street at Higgins Branch
CONTRACT No.: ______ PROJECT No.: E2017-01

TO: Site Work Contractors, LLC
Contractor and Address for Written Notice: 1131 Alma St Suite A, Tomball, Tx 77375

REFERENCE RFIs/RFPs: ______

1.01 DESCRIPTION OF CHANGES

		CONTRACT CHANGE AMOUNT	TIME
ITEM 1 SCOPE:	Bid Item 2, Sawcut and Demolish Existing Asphalt Roadway including curb and gutter, 221 SY Increase	$9,945.00	0 Days
JUSTIFICATION:	Demolition Area Increased		
ITEM 2 SCOPE:	Bid Item 4, Block Sodding, 120 SY Increase	$1,020.00	0 Days
JUSTIFICATION:	Sodding increased when Sloped Paving Reduced		
ITEM 3 SCOPE:	Bid Item 5, PR2 Pedestrian Rail; 104 LF Reduction	($4,680.00)	0 Days
JUSTIFICATION:	Rail decreased when Sloped Paving Reduced		
ITEM 4 SCOPE:	Bid Item 6, 18" RCP Storm; 5 LF Increase	$500.00	0 Days
JUSTIFICATION:	Incorrect Survey; Item increased		
ITEM 5 SCOPE:	Bid Item 7, 24" RCP Storm; 55 LF Reduction	($6,875.00)	0 Days
JUSTIFICATION:	Incorrect Record drawings; Item not used		
ITEM 6 SCOPE:	Bid Item 8, 2-inch HMAC w/ 8-inch Flex Base, including CSS (1.1 sack) subgrade; 322 SY Reduction	($29,624.00)	0 Days
JUSTIFICATION:	Concrete Pavement used in favor of Asphalt Pavement; Item not used		
ITEM 7 SCOPE:	Bid Item 11, 5" Concrete Sloped Pavement per plans and details; 230 SY Reduction	($14,260.00)	0 Days
JUSTIFICATION:	Revised wingwalls decreased sloped pavement areas; Item reduced		
ITEM 8 SCOPE:	Bid Item 13, 18-inch Concr. Curb and Gutter; 206 LF Reduction	($13,390.00)	0 Days
JUSTIFICATION:	6" Concrete Curb used in favor of Curb and Gutter for Concrete Pavement; Item not used		
ITEM 9 SCOPE:	Bid Item 15, 13FT Tall, 12" Thick Headwall	($22,110.00)	0 Days

	(TXDOT Detail PW); 134 LF Reduction		
JUSTIFICATION:	Redesign Replaced Lengths with Sloped Wingwall design; Item reduced		
ITEM 10 SCOPE:	New Bid Item 15A, 8" Thick Sloped Wingwall (TXDOT Detail FW-0); 185 LF Addition at $115.00/LF	$21,275.00	0 Days
JUSTIFICATION:	Headwall Redesign Replaced Lengths with Sloped Wingwall design; New Item added		
ITEM 11 SCOPE:	Bid Item 17, Junction Box; 1 EA Reduction	($4,500.00)	0 Days
JUSTIFICATION:	24" RCP not found; Item reduced		
ITEM 12 SCOPE:	Bid Item 18, 5-inch Concrete Sidewalk, 86 SY Reduction	($6,450.00)	0 Days
JUSTIFICATION:	Sloped Paving Reduced Sidewalk need; Item reduced		
ITEM 13 SCOPE:	Bid Item 21, Reinforced Filter Fabric Fence; 100 LF Reduction	($1,000.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 14 SCOPE:	Bid Item 22, Rock Filter Dam (Type 1); 1 LS Reduction	($2,000.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 15 SCOPE:	Bid Item 23, Stabilized Construction Access; 222 SY Reduction	($3,330.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 16 SCOPE:	Bid Item 24, Extra Hand Excavation; 100 CY Reduction	($2,500.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 17 SCOPE:	Bid Item 25, Extra Machine Excavation; 100 CY Reduction	($3,000.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 18 SCOPE:	Bid Item 26, Extra Bank Sand Backfill; 200 CY Reduction	($3,600.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 19 SCOPE:	Bid Item 27, Extra Cement Stabilized Sand; 122 CY Reduction	($2,684.00)	0 Days
JUSTIFICATION:	Item Reduced		
ITEM 20 SCOPE:	Bid Item 28, Extra Backfill; 400 CY Reduction	($8,000.00)	0 Days
JUSTIFICATION:	Item not used		
ITEM 21 SCOPE:	Bid Item 29, Extra Remove and Replace Asphalt Road With 6" Concrete Paving Including 6" Subgrade (8% Lime and 4% Fly Ash), 231 SY Increase	$21,945.00	0 Days
JUSTIFICATION:	Concrete Pavement used instead of Asphalt; Item increased		
ITEM 22 SCOPE:	Bid Item 30, Extra Remove Existing Curb and	($9,270.00)	0 Days

	Gutter and Replace with Doweled in 6" Curb, 206 LF Reduction		
JUSTIFICATION:	Bid item 2 increased instead for SY removal; Item not used		
ITEM 23 SCOPE:	New Bid Item 31, Extra 6" Concrete Curb, 306 LF Addition at $6.50/LF	$1,989.00	0 Days
JUSTIFICATION:	6" Curb replacement separated; New Item added		
	TOTALS:	**($80,599.00)**	**0 Days**

1.02 ACCEPTANCE BY CONTRACTOR

Contractor agrees to perform change(s) included in this Change Order for the price and time indicated. The prices for changes include all costs associated with this Change Order.

Thomas M Greenfield Manager
Contractor Signature and Title

7/24/2018
Date

1.03 ACCEPTANCE BY THE CITY

Project Manager — Date

David Castellano 7/31/18
Consultant – Gunda Corp
[Intermediate Authority, if needed] — Date

[Intermediate Authority, if needed] — Date

[City Manager – Required for COs to Council] — Date

[Mayor – Required for COs to Council] — Date

8/1/18
Director/City Engineer - Lori Lakatos — Date

END OF DOCUMENT

cc: Kyle A. Bertrand, P.E. – Gunda Corporation

EXECUTIVE SUMMARY

C.O. No. 1 Contract No.: ____________ Proj. No.: E2017-01

1.01	CONTRACT PRICE SUMMARY	DOLLAR AMOUNT	PERCENT
A.	Original Contract Price	$464,700.00	100.00%
B.	Previous Change Orders	$0.00	0.00%
C.	This Change Order	($80,599.00)	-17.34%
D.	Contract Price	$384,101.00	82.66%

Date of Commencement of the Work: Monday, October 16, 2017

1.02	CONTRACT TIME SUMMARY	DURATION	COMPLETION DATE
A.	Original Contract Time	60 Days	Thursday, December 14, 2017
B.	Previous Change Orders	0 Days	Thursday, December 14, 2017
C.	This Change Order	0 Days	
D.	Contract Time	60 Days	Thursday, December 14, 2017

1.03 TOTAL VALUE OF INCREASES OUTSIDE OF GENERAL SCOPE OF WORK

A. Including this Change Order, the following table is provided to track conditions related to Paragraph 7.1.2.3 of Document 00700 - General Conditions.

CHANGE ORDER No.	AMOUNT ADDED	PERCENT OF ORIGINAL CONTRACT PRICE
1	($80,599.00)	(17.34%)
TOTALS	($80,599.00)	(17.34%)

END OF SUMMARY

Document 00645

CERTIFICATE OF SUBSTANTIAL COMPLETION

PROJECT: Storm Damage Repairs, Package 2A – Burleson Street at Higgins Branch
CONTRACT No.: N/A PROJECT No.: E2017-01

TO: Site Work Contractors, LLC
Contractor and PO Box 118
Address for Written Notice Pinehurst, Texas 77362

1.01 DATE OF SUBSTANTIAL COMPLETION
The Work performed under the Contract was inspected on May 30, 2018, and found to be substantially complete. The Date of Substantial Completion of the Work is hereby established as June 1, 2018.

1.02 PUNCH LIST
A list of items to be completed or corrected, prepared by Contractor and verified by Project Manager, (the "Punch List") is attached hereto. Failure to include any items on such list does not alter the responsibility of Contractor to complete the Work in accordance with the Contract. Contractor shall complete or correct the Work on the Punch List attached hereto within 80 calendar days from the above Date of Substantial Completion. (Punch list completion time extended.)

1.03 OCCUPANCY BY THE CITY
Engineering and Planning will assume full possession at 3:00 PM on August 10, 2018.

1.04 CONSENT OF SURETY
Contractor shall obtain consent of Surety for approval of reduction in retainage.

1.05 WARRANTY PERIOD
Warranties required by the Contract will commence on the above Date of Substantial Completion.

1.06 TRANSITION OF RESPONSIBILITIES
The City and Contractor agree that security, maintenance, heating, ventilating, air conditioning, utilities, damage to the Work, and insurance, during the period prior to Final Completion, transfer to the City unless otherwise stated in the attached Transition of Responsibilities document.

1.07 CONTRACTOR'S ACKNOWLEDGEMENT
Signature of Contractor, or its agent, acknowledges attached Punch List, referenced in Paragraph 1.02, and Transition of Responsibilities, referenced in Paragraph 1.06.

Tommy Greenfield Contractor	TMG Signature	8/13/2018 Date
Inspector	Signature	Date
David Castellano, P.E. Project Manager/Consultant	David Castellano Signature	8/14/18 Date
Lori Lakatos, P.E. Director/City Engineer	Signature	Date

cc: File

END OF DOCUMENT

AGENDA ITEM 20

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Public Utilities	**DATE SUBMITTED:** August 30, 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 the Final One Year Contract Extension, in Accordance with Bid No. IFB 16-009, for Bulk Water and Wastewater Treatment Chemicals and Authorize the Mayor to Execute Any Necessary Documentation

SUMMARY STATEMENT: In 2016 the City of Brenham solicited bids for a one (1) year supply of bulk water and wastewater treatment chemicals to be delivered to the Brenham Water and Wastewater Plants. The contracts were awarded to DXI Industries for the purchase of Chlorine and Sulfur Dioxide. The original contracts allowed for two (2) one-year renewals. The service provided by the vendor has been very good.

This year there is a slight increase in the cost of both Chlorine and Sulfur Dioxide. Chlorine will increase from .2915/lb to .3215/lb. This increase would amount to approximately $4320/year for both plants combined. The Sulfur Dioxide will increase from $740/ton to $792/ton. This increase will amount to approximately $1100/year for the Wastewater Treatment Plant.

DXI is the only practical source in our area. We can combine orders for Sulfur Dioxide with Chlorine for efficient deliveries. Operations staff and purchasing agree that the extension of these contracts with the cost increase is a good value for the City of Brenham and recommend approval of the extensions.

STAFF ANALYSIS (For Ordinances or Regular Agenda Items):

A. PROS: Area source. Combined shipments.

B. CONS:

ALTERNATIVES (In Suggested Order of Staff Preference):

ATTACHMENTS: None

FUNDING SOURCE (Where Applicable): 104-5-163-201.00 / 105-5-166-201.00

RECOMMENDED ACTION: Approve the final one-year contract extension, in accordance with Bid No. IFB 16-009, to DXI Industries for Chlorine in the amount of .3215 per pound and Sulfur Dioxide in the amount of $792 per ton and authorize the Mayor to execute any necessary documentation
APPROVALS: James Fisher

AGENDA ITEM 22

DATE OF MEETING: September 6, 2018 **DEPT. OF ORIGIN:** Administration	**DATE SUBMITTED:** August 31, 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.