

## MINUTES

### BRENHAM COMMUNITY DEVELOPMENT CORPORATION

May 9, 2019

A special meeting of the Brenham Community Development Corporation was held on May 9, 2019, at City Hall, 2<sup>nd</sup> Floor Conference Room, 200 W. Vulcan, Brenham, Texas beginning at 7:30 a.m.

Board members present were Charles Moser, Atwood Kenjura, Darrell Blum, John Hasskarl, David Cone, Gary Crocker, and Bill Betts.

City of Brenham staff members present were James Fisher, Carolyn Miller, Lowell Ogle, Jeana Bellinger, Stacy Hardy, Lori Lakatos, Dane Rau, Casey Redman, Jennifer Eckermann, Susan Cates, Tammy Jaster and Crystal Locke.

Others in attendance were Mayor Milton Tate.

- 1. Chairman Charles Moser called the meeting to order.**
- 2. Invocation and Pledges to the U.S. and Texas Flags followed.**
- 3. Citizen and Visitor Comments**

There were no citizens or visitor comments.

- 4. Discuss and Possibly Act Upon the City of Brenham's Economic Development Initiatives and Expenditures**

Assistant City Manager and Chief Financial Officer reminded the Board that at the April 24, 2019 meeting the Board requested that the City Attorney Cary Bovey review and provide his opinion on the reimbursement of consultant and legal expenditures for economic development initiatives.

Miller provided the Board with a memo from Bovey that explained his approval of the reimbursement of economic development expenditures to the City base on language contained in Sections 505.152 and 505.158 of the Texas Local Government Code.

After further discussion by the Board, Boardmember Betts explained that he did not completely agree with Bovey's interpretation of the Government Code. Betts explained that his concerns were based on the language contained in Section 505.160 of the Government Code that states that an economic development corporation "may undertake a project" not that a corporation can be reimbursed for a project already completed.

A motion was made by Bill Betts and seconded by Atwood Kenjura to deny the City's request for reimbursement of economic development expenditures.

Chairman Moser called for a vote. The motion passed with the Board voting as follows:

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
Board Member Gary Crocker	Yes
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
Board Member David Cone	Yes

#### **5. Discuss and Possibly Act Upon the Reallocation of FY0218-19 Budgeted Funds for Various Park Projects**

Director of Public Works Dane Rau presented this item to the Board. Rau explained that during the 2018-19 funding meeting, the Board approved \$762,000 of projects related to park improvements. Rau advised that Board that budget savings from these projects is estimated to be \$36,000.

Rau explained that since there will be a substantial savings in FY18-19, he would like the board to approve reallocating \$17,200 of the \$32,000 savings to the Linda Anderson batting cage cover project since it is the only project that has come in over budget.

A motion was made by Darrell Blum and seconded by David Cone to reallocate \$17,200 of FY2018-19 savings to the Linda Anderson batting cage project.

Chairman Moser called for a vote. The motion passed with the Board voting as follows:

Chairman Charles Moser	Yes
<b>Board Member Bill Betts</b>	<b>Abstain</b>
Board Member Gary Crocker	Yes
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
Board Member David Cone	Yes

**6. Presentation and Discussion on the Brenham Community Development Corporation's Annual Budget for Fiscal Year 2019-20:**

**A. Economic Development Budget Summary**

- 1) ED Operations and Marketing**
- 2) Main Street**
- 3) Detention Ponds in the Brenham Business Center and the Southwest Industrial Park, Section III**

Assistant City Manager – Chief Financial Officer Carolyn Miller presented the following FY19-20 budget summary for Economic Development and explained that each Department Director would present their individual budget request:

- Total budgeted revenue increased approximately 4.5% from FY19 to FY20.
- No material change to on-going expenditures such as debt service, operations, marketing and Business Park maintenance.
- The Performance Agreement payment of \$40,000 will be made to Tempur-Sealy in FY20.
- Annual debt service payment of \$80,000 for \$1M debt issuance for the construction of detention ponds.
- Funding requests from Main Street and Economic Development departments total \$112,500, leaving a contingency balance of \$21,127.

Director of Economic Development Susan Cates presented her line item budget to the Board. Cates explained that her budget includes:

- Debt service payments in the amount of \$226,428 for the Weige and Gurrech tracts;
- Funding for Economic Development activities and operations in the amount of \$202,645;
- \$17,500 for Business Park maintenance items; and
- \$10,000 for legal fees

Cates explained that the \$40,000 payment to Tempur-Sealy is also included in her budget along with funding for Main Street grants, debt service for detention ponds, and ED sales tax recovery services. Cates advised that her budget would also include a contingency of \$21,127 for any unforeseen issues or projects.

Tourism and Marketing Director Jennifer Eckermann presented her line item budget to the Board. Eckermann explained that she was requesting funds for two (2) programs in FY20:

- |   |          |
|---|----------|
| 1. Economic Impact and Innovation Grant (EIIG): | \$15,000 |
| 2. Incentive Grant Match Funds:                 | \$10,000 |

City Engineer Lori Lakatos presented information related to the funding of the detention ponds in the Brenham Business Center and Southwest Industrial Park, Section III. Lakatos explained that combined the two detention ponds will cost an estimated \$1,043,497.

Lakatos then provided the Board with the following information on each pond:

Brenham Business Center

- Final design is complete, Engineer’s opinion of probable cost is \$497,266;
- Two alternates included in the design: (1) Precision Polymer Engineering to provide detention for existing development for \$126,428.50 and; (2) Advanced Data Storage to provide detention for existing development for \$79,867.70.
- The two alternates will be included in the bid but may not be accepted at the time of award.
- Total with alternates is \$703,562.20

Southwest Industrial Park, Section III

- Final design is complete, Engineer’s opinion of probable cost is \$299.800.
- Final design based on two options:
  - 70% impervious coverage serving SWIP III at 134.3 acres, Gurrech Tract at 44.2 acres and 20 acres of additional detention capacity; and
  - 85% impervious coverage serving SWIP III at 134.3 acres and 10 acres of additional detention capacity

Lakatos explained that neither option would trigger the dam safety requirements.

A motion was made by Bill Betts and seconded by David Cone to approve the FY20 budget requests for Economic Development and Main Street and the issuance of debt for the construction of the detention ponds in the Brenham Business Center and Southwest Industrial Park, Section III.

Chairman Moser called for a vote. The motion passed with the Board voting as follows:

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
Board Member Gary Crocker	Yes
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
Board Member David Cone	Yes

**B. Recreation Budget Summary**

- 1) Parks**
- 2) Recreation**
- 3) Blue Bell Aquatic Center**

Assistant City Manager – Chief Financial Officer Carolyn Miller presented the following FY19-20 budget summary for Parks and Recreation and explained that Dane Rau, Director of Public Works would present the individual department budget request:

- Tier I funding requests from Aquatics, Parks and Recreation total \$1,148,050 leaving a contingency balance of \$10,171.
- Tier II funding requests from Aquatics and Parks total \$447,000 and are currently unfunded in the FY20 budget.

Director of Public Works Dane Rau presented the following items for consideration by the Board:

Tier I

- **Recreation: \$19,000**
  - Movies in the Park: \$4,000
  - Christmas Stroll: \$5,000
  - Parks, Recreation and Open Spaces Master Plan Update: \$10,000
- **Blue Bell Aquatic Center: \$231,500**
  - Resurface Leisure Pool Deck: \$75,000
  - HVAC Units: \$64,000
  - Replace Pool Pumps: \$15,000
  - Replace Lounge Chairs: \$60,000
  - Replace Umbrellas on All Picnic Tables: \$7,500
  - Bogo Mats: \$10,000
- **Parks: \$897,550**
  - Splashpad: \$300,000
  - Turf Mound, Schulte Field: \$12,000
  - Bullpen Upgrades, Hohlt Park: \$11,000
  - Finke Pavilion Fan: \$11,550
  - Playground, Jerry Wilson: \$85,000
  - Replace Fencing, Pickleball Court: \$6,000
  - Shade Canopy, Pickleball: \$15,000
  - Henderson Park, Phase III: \$350,000
  - Renovations – Blinn Softball Field: \$40,000
  - Replace Bleachers – Hohlt Park: \$45,000
  - Scoreboards – Hohlt Park Softball: \$22,000

Tier II

- **Blue Bell Aquatic Center: \$107,000**
  - Aflex Inflatables: \$12,000
  - Repaint Steel Beams: \$50,000
  - Shade Structures: \$45,000
- **Parks: \$340,000**
  - Outfield Wall Upgrades, Fireman's Field: \$80,000
  - Resurface Parking Lot, Linda Anderson: \$30,000
  - Covered Basketball Courts: \$85,000
  - Playground, Jackson Street Park: \$85,000
  - Press Box Upgrades, Fireman's Field: \$30,000
  - Liberty Wheelchair Swing: \$30,000

A motion was made by John Hasskarl and seconded by Darrell Blum to approve funding for all Tier I projects as requested by staff.

Chairman Moser called for a vote. The motion passed with the Board voting as follows:

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
Board Member Gary Crocker	Yes
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
Board Member David Cone	Yes

The Board adjourned into Executive Session at 8:30 a.m.

#### **EXECUTIVE SESSION**

**7. Texas Government Code Section 551.087 Economic Development Negotiations - Deliberation Regarding Possible Land Acquisition and/or Exchange for Economic Development Purposes and the Possible Offer of a Financial or Other Incentive to a Business Prospect Seeking to Locate, Stay or Expand into the City of Brenham**

Executive Session adjourned at 8:44 a.m.

#### **RE-OPEN REGULAR SESSION**

**8. Discuss and Possibly Act Upon a Performance Agreement Between Brenham Community Development Corporation (BCDC) and Project Hi-Speed and Authorize the President to Execute Any Necessary Documentation**

A motion was made by Atwood Kenjura and seconded by David Cone to approve a Performance Agreement between the BCDC and Project Hi-Speed, as discussed in Executive Session, and authorize the President to negotiate as discussed in Executive Session.

Chairman Moser called for a vote. The motion passed with the Board voting as follows:

Chairman Charles Moser	Yes
Board Member Bill Betts	Yes
Board Member Gary Crocker	Yes
Board Member Darrell Blum	Yes
Board Member Atwood Kenjura	Yes
Board Member John Hasskarl	Yes
Board Member David Cone	Yes

**Adjourn**

The meeting was adjourned.

*Charles Moser*

Chairman

**ATTEST:**

*Jeana Bellinger, TRMC, CMC*

City Secretary/Director of Administrative Services

BCDC Secretary