



TIRZ BOARD 2 REGULAR MEETING

CITY OF BAY CITY

Thursday, November 19, 2020 at 4:30 PM
COUNCIL CHAMBERS | 1901 5th Street

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

AGENDA

CALL TO ORDER & CERTIFICATION OF QUORUM

APPROVAL OF AGENDA

APPROVAL OF MINUTES SUMMARY

1. [Minutes summary from the July 17, 2019 TIRZ #2 Board Meeting](#)

CALL TO ORDER & CERTIFICATION OF QUORUM

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

2. [Discuss](#), consider, and/or approve appointment of Vice Chair.
3. [Receive](#), discuss, and/or approve the Tax Increment fund for TIRZ #2 Annual Report, including current balance, disbursements, any approved payments that have not been disbursed and the amount of any receivables.
Scotty Jones, Finance Director

ITEMS / COMMENTS FROM BOARD MEMBERS

ADJOURNMENT

CERTIFICATION OF NOTICE

This is to certify that the above notice of a TIRZ #2 BOARD Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Monday, November 16 2020 before 4:30 p.m.** Any questions concerning the above items, please contact City Secretary at (979) 245-5311.

AGENDA NOTICES:

Attendance by Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

The facility is wheelchair accessible and accessible parking spaces available. Request for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary's Office at 979-245-5311 or email, dholubec@cityofbaycity.org for further information.

Jeanna Thompson

City Secretary



CITY OF BAY CITY

MINUTES • JULY 17, 2019

Council Chambers

Regular Meeting – TIRZ Board 2

4:30 PM

1901 5TH STREET
BAY CITY, TX 77414

I. CALL TO ORDER & CERTIFICATION OF QUORUM

Attendee Name	Title	Status	Arrived
David Holubec	Supervisor	Present	
DC Dunham	Board Member	Present	
William Bell Jr	Chairman	Present	
Bryan Prochnow	Board Member	Present	
Craig Hlavinka	Board Member	Present	
Kent Pollard	Board Member	Present	
Arthur Millberger	Board Member	Present	
Gary Graham	Board Member	Present	

2. Approval of Agenda

3. Approval of Minutes Summary

1. Minutes

~ ACCEPT MINUTES SUMMARY FROM THE MAY 16, 2018 TIRZ #2 BOARD MEETING.

David Holubec, City Secretary

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Kent Pollard, Board Member
SECONDER:	Gary Graham, Board Member
AYES:	Holubec, Dunham, Bell Jr, Prochnow, Hlavinka, Pollard, Millberger, Graham

Enacted and approved this 17th day of July, 2019, at Bay City

II. PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

None.

III. REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

1. Presentation

~ RECEIVE, DISCUSS AND/OR APPROVE THE TAX INCREMENT FUND, FOR TIRZ #2, ANNUAL REPORT, INCLUDING CURRENT BALANCE, DISBURSEMENTS, ANY APPROVED PAYMENTS THAT HAVE NOT BEEN DISBURSED AND THE AMOUNT OF ANY RECEIVABLES.

Scotty Jones, Finance Director

The financial report for TIRZ District #2 was reviewed by Finance Director, Scotty Jones.

2. Presentation

~ RECEIVE AND DISCUSS THE STATUS OF TIRZ #2 REPORTS OR FILINGS REQUIRED BY LAW.

Scotty Jones, Finance Director

The financial report for TIRZ District #2 was reviewed by Finance Director, Scotty Jones.

IV. ITEMS / COMMENTS FROM BOARD MEMBERS

None

V. ADJOURNMENT

AGENDA NOTICES:

Action by Council Authorized:

The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be Agenda City Council August 8, 2013 in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized:

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

This is to certify that the above notice of a Special Called Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Friday, July 5, 2019 before 4:30 p.m. Any questions concerning the above items,

please contact Mayor Robert K. Nelson at (979) 245-2137.

David Holubec
City Secretary

Bay City Boards, Commissions, Committees & Council Data
TIRZ #2 Board

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment		
		Appointed	Date Term			Period	Phone Number	Email Address
TIRZ #2	William Bell, Jr.	8/1/2018	8/1/2020	8/1/2020	Chairman	2 year terms		
TIRZ #2	Craig Hlavinka	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms		
TIRZ #2	Kent Pollard	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms		
TIRZ #2	David Holubec	8/1/2018	8/1/2019	8/1/2019	Member	2 year terms		
TIRZ #2	Gary Graham	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms		
TIRZ #2	Bryan Prochnow	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms		
TIRZ #2	VACANT				Member	2 year terms		
TIRZ #2	Arthur Millberger	8/1/2018	8/1/2020	8/1/2020	Member	2 year terms		
TIRZ #2	DC Dunham	8/1/2017	8/1/2019	8/1/2019	Member	2 year terms		

Note: 2 year terms

Board / Council	Member Name	Date Elected /		Expires	Position	Appointment		
		Appointed	Date Term			Period	Phone Number	Email Address
TIRZ #2	William Bell, Jr.	8/1/2020	8/1/2022	8/1/2022	Chairman	2 year terms		
TIRZ #2	Craig Hlavinka	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms		
TIRZ #2	Kent Pollard	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms		
TIRZ #2	Julie Estlinbaum	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms		
TIRZ #2	Gary Graham	8/1/2020	8/1/2022	8/1/2022	Member	2 year terms		
TIRZ #2	Bryan Prochnow	8/1/2020	8/1/2022	8/1/2022	Member	2 year terms		
TIRZ #2	Samantha Denbow	8/1/2020	8/1/2022	8/1/2022	Member	2 year terms		
TIRZ #2	Betty Granberry	10/27/2020	8/1/2022	8/1/2022	Member	2 year terms		
TIRZ #2	Bill Cornman	8/1/2019	8/1/2021	8/1/2021	Member	2 year terms		

DISCUSS, CONSIDER, AND/OR APPROVE THE TAX INCREMENT FUND FOR TIRZ #2 ANNUAL REPORT, INCLUDING CURRENT BALANCE, DISBURSEMENTS, ANY APPROVED PAYMENTS THAT HAVE NOT BEEN DISBURSED AND THE AMOUNT OF ANY RECEIVABLES.



EXECUTIVE SUMMARY

BACKGROUND:

A local government that creates a TIF zone must send an annual report about the zone to each participating taxing unit on or before the 150th day following the end of the fiscal year of the municipality. In addition, an annual accounting is provided to each participating entity that details the funds deposited to and disbursed from the Tax Increment Fund. The local government also submits to the Comptroller information about each tax increment reinvestment zone it creates.

ATTACHMENTS: Annual Report and TIRZ # 2 Financial as of 9-30-20

City of Bay City Tax Increment Reinvestment Zone Annual Report FY 2020



CITY OF BAY CITY, TEXAS
WWW.CITYOFBAYCITY.ORG

ANNUAL REPORT REQUIREMENTS



Annual Report Requirements

Texas state law requires the governing body of the municipality that created the TIRZ to submit an annual report to the chief executive officer of each taxing unit that levies taxes on property within the zone. The report must be provided within 150 days of the end of the city's fiscal year. The report must include the following items:

1. The amount and source of revenue in the tax increment fund established for the zone;
2. The amount and purpose of expenditures from the fund;
3. The amount of principal and interest due on outstanding bonded indebtedness;
4. The tax increment base and current captured appraised value retained by the zone;
5. The captured appraised value shared by the city and other taxing units;
6. The total amount of tax increments received; and
7. Any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the city.

A copy of the above report must be sent to the Texas State Comptroller's Office.

What is Tax Increment Financing (TIF)?

Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ). Within the designated zone all of the incremental tax revenue growth flows to an established tax increment fund to help pay for public improvements within the zone.

Following incremental growth in property values, and the collection of tax revenue in the established TIRZ fund, the TIRZ board and the City Council disburse funds to promote revitalization efforts within the zone.

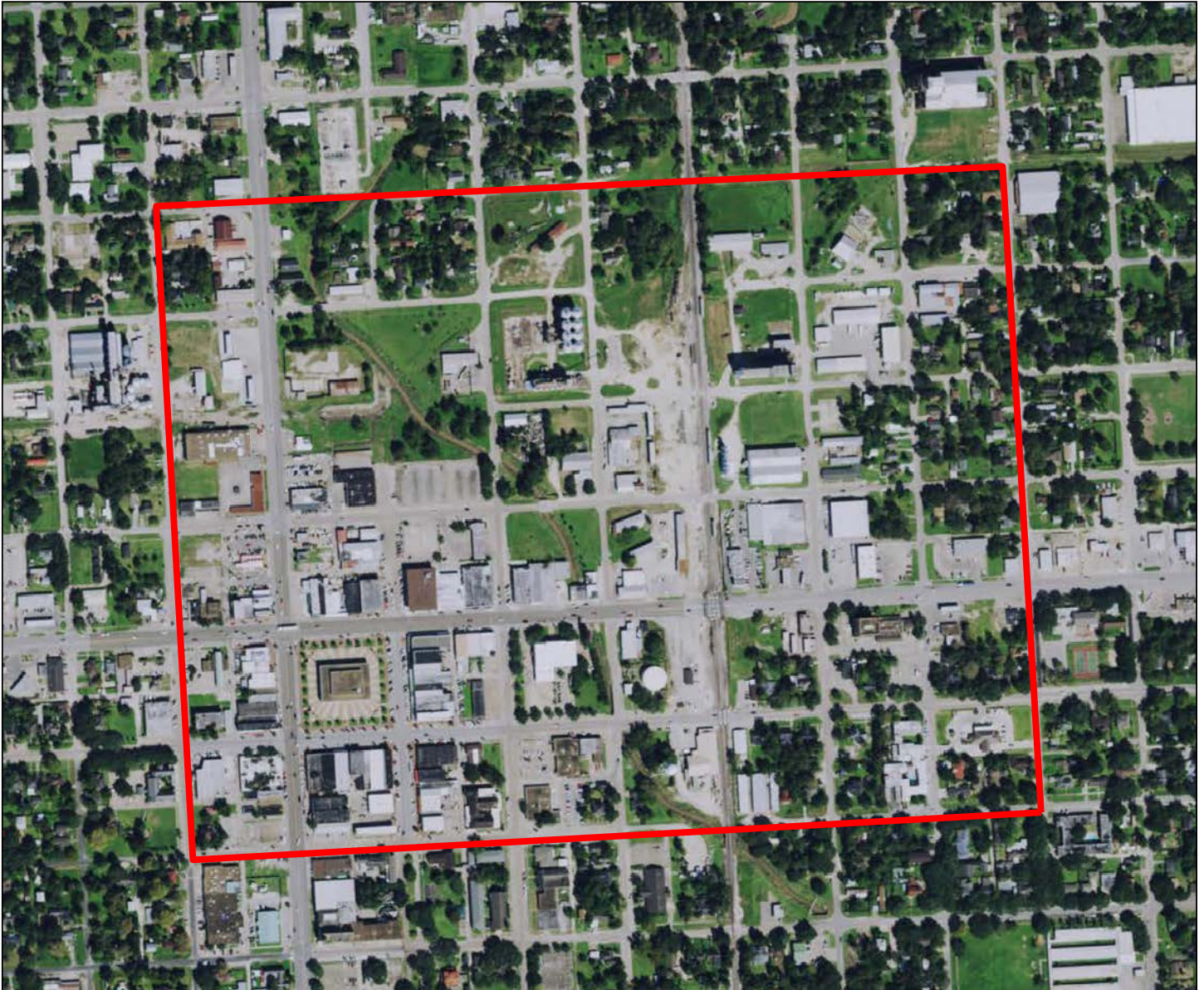
While TIRZ's are generally established by cities, other taxing jurisdictions are allowed to participate in the zone at their own discretion.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1

The City of Bay City Tax Increment Reinvestment Zone (TIRZ) Number One (TIRZ #1) was established in 2015 and is located in the City's central core encompassing approximately 160 acres. Bay City TIRZ #1 is bounded by 11th Street to the north, Avenue E to the west, 5th Street to the south, and Avenue L on the eastern border.

While the site holds great potential due to its location, it lacks the infrastructure necessary to support commercial and residential development. As such, the site will not be developed to its full potential but for the creation of a TIRZ.



*TIRZ #1 Boundary



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1

Board of Directors

William Bell Jr.
(Chairperson)

City Representative

Julie Estlinbaum

City Council Member

Stewart Lynn

City Representative

David Holubec

City Representative

Craig Hlavinka

Port of Bay City

Authority

Gary Graham

County Commissioner

Kent Pollard

County Commissioner

Bryan Prochnow

Matagorda Regional
Medical Center

D.C. Dunham

Matagorda Regional
Medical Center

Tax Increment Revenue Overview

The City of Bay City TIRZ #1 base value was established in 2015 with a real property taxable value base of \$23,875,760. The City of Bay City agreed to contribute 100% of its incremental tax revenue to the TIRZ fund for a period of 30 years.

The taxable value for 2019 was \$28,315,552 generating \$4,439,792 in captured appraised value, resulting in \$65,055 in revenue for TIRZ #1 collected in FY2020. In FY2020 TIRZ #1 had \$1,626 expenditures from the fund and the fund balance as of September 30, 2020 was \$70,260.

The taxable value for 2020 was \$29,650,220 generating \$5,774,460 in captured appraised value, resulting in \$83,903 in revenue for TIRZ #1 to be collected in FY2021.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1

2019 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.65500	100%	0.65500
Matagorda Cty	0.43342	100%	0.43342
Matagorda Cty Hospital	0.32159	100%	0.32159
Port of Bay City	0.05477	100%	0.05477
Drainage District #1	0.04169	0%	0.00000
Coastal Plains GW	0.00470	0%	0.00000
Cons & Recl	0.00776	0%	0.00000
Bay City ISD	1.53731	0%	0.00000
TOTAL	3.05624	-	1.46478

2019 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.65500	45%	\$29,080
Matagorda Cty	0.43342	29%	\$19,255
Matagorda Cty Hospital	0.32159	22%	\$14,287
Port of Bay City	0.05477	4%	\$2,433
Drainage District #1	0.00000	0%	\$0
Coastal Plains GW	0.00000	0%	\$0
Cons & Recl	0.00000	0%	\$0
Bay City ISD	0.00000	0%	\$0
TOTAL	1.46478	100.00%	\$65,055

2015 Base Value	
<u>Real Property</u>	
City of Bay City	\$23,875,760
Matagorda Cty	\$23,489,232
Matagorda Cty Hospital	\$23,489,232
Port of Bay City	\$23,489,232
2019 Tax Year	
<u>Real Property</u>	
City of Bay City	\$28,315,552
Matagorda Cty	\$27,931,774
Matagorda Cty Hospital	\$27,931,774
Port of Bay City	\$27,931,774
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$4,439,792
Matagorda Cty	\$4,442,542
Matagorda Cty Hospital	\$4,442,542
Port of Bay City	\$4,442,542
Incremental Revenue Collected in FY 2020	
<u>Real Property</u>	
City of Bay City	\$29,080
Matagorda Cty	\$19,255
Matagorda Cty Hospital	\$14,287
Port of Bay City	\$2,433
Total	\$65,055



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2

The City of Bay City Tax Increment Reinvestment Zone Number Two (TIRZ #2) consists of approximately 344 acres of land located in the eastern sector of the City along TX-35.

The majority of the property within TIRZ #2 is currently vacant. The purpose of TIRZ #2 is to help pay for infrastructure costs associated with the development of a large mixed-use development totaling more than 2,200,000 square feet of new construction. It is expected to facilitate the construction of both residential and commercial development.



*TIRZ #2 Boundary



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2

Board of Directors

William Bell Jr.
(Chairperson)
City Representative

David Holubec
City Representative

Arthur Milberger
City Representative

Vacant
City Representative

Craig Hlavinka
Port of Bay City
Authority

Kent Pollard
County Commissioner

Gary Graham
County Commissioner

Bryan Prochnow
Matagorda Regional
Medical Center

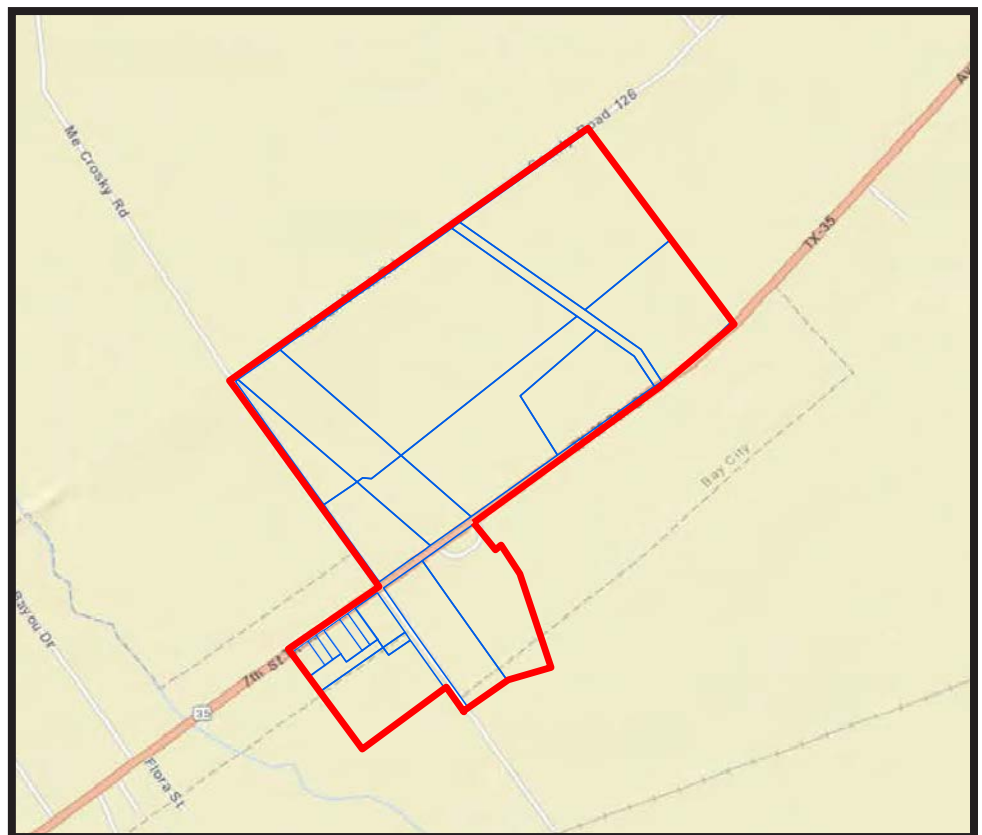
D.C. Dunham
Matagorda Regional
Medical Center

Tax Increment Revenue Overview

The City of Bay City TIRZ #2 base value was established in 2015 with a real property taxable value base of \$2,099,193. The City of Bay City has chosen to contribute 100% of their incremental tax revenue to the TIRZ fund for a period of 30 years.

The taxable value for 2019 was \$13,141,048 generating \$11,041,855 in captured appraised value, resulting in \$160,899 revenue for TIRZ #2 collected in FY 2020. In FY 2020 TIRZ #2 had \$4,022 expenditures from the fund and the fund balance as of September 30, 2020 was \$160,014.

The taxable value for 2020 was \$14,629,668 generating \$12,530,475 in captured appraised value, resulting in \$181,075 in revenue for TIRZ #2 to be collected in FY2021.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2

2019 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.65500	100%	0.65500
Matagorda Cty	0.43342	100%	0.43342
Matagorda Cty Hospital	0.32159	100%	0.32159
Port of Bay City	0.05477	100%	0.05477
Drainage District #1	0.04169	0%	0.00000
Coastal Plains GW	0.00470	0%	0.00000
Cons & Recl	0.00776	0%	0.00000
Bay City ISD	1.53731	0%	0.00000
TOTAL	3.05624	-	1.46478

2019 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.65500	45%	\$72,324
Matagorda Cty	0.43342	29%	\$47,408
Matagorda Cty Hospital	0.32159	22%	\$35,176
Port of Bay City	0.05477	4%	\$5,991
Drainage District #1	0.00000	0%	\$0
Coastal Plains GW	0.00000	0%	\$0
Cons & Recl	0.00000	0%	\$0
Bay City ISD	0.00000	0%	\$0
TOTAL	1.46478	100.00%	\$160,899

2015 Base Value	
<u>Real Property</u>	
City of Bay City	\$2,099,193
Matagorda Cty	\$2,220,022
Matagorda Cty Hospital	\$2,220,022
Port of Bay City	\$2,220,022
2019 Tax Year	
<u>Real Property</u>	
City of Bay City	\$13,141,048
Matagorda Cty	\$13,158,208
Matagorda Cty Hospital	\$13,158,208
Port of Bay City	\$13,158,208
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$11,041,855
Matagorda Cty	\$10,938,186
Matagorda Cty Hospital	\$10,938,186
Port of Bay City	\$10,938,186
Incremental Revenue Collected in FY 2020	
<u>Real Property</u>	
City of Bay City	\$72,324
Matagorda Cty	\$47,408
Matagorda Cty Hospital	\$35,176
Port of Bay City	\$5,991
Total	\$160,899



BAY CITY TAX INCREMENT REINVESTMENT ZONE #3

The City of Bay City Tax Increment Reinvestment Zone (TIRZ) Number Three (TIRZ #3) was established in 2017 and consists of 20 acres of land, located on the eastern portion of Marguerite Street. Bay City TIRZ #3 fronts Marguerite Street and is then bounded to the West by Carrington Oaks Subdivision, to the North by Pearl Street and to the East by Cottonwood Creek and to the South by Valhalla Subdivision.

All real property within the boundaries is underdeveloped and the sidewalks and street layout are inadequate. As such, the site will not be developed to its full potential but for the creation of a TIRZ.



*TIRZ #3 Boundary

BAY CITY TAX INCREMENT REINVESTMENT ZONE #3

Board of Directors

Charles Allison
(Chairperson)

City Representative

David Holubec

City Representative

Kent Pollard

County Commissioner

Gary Graham

County Commissioner

Bryan Prochnow

Matagorda Regional
Medical Center

D.C. Dunham

Matagorda Regional
Medical Center

Tax Increment Revenue Overview

The City of Bay City TIRZ #3 base value was established in 2017 with a real property taxable value base of \$349,100. The City of Bay City has chosen to contribute 90% of their incremental tax revenue to the TIRZ fund for a period of 25 years.

The taxable value for 2019 was \$178,120 generating \$0 in captured appraised value, resulting in no revenue collected in FY 2020. In FY2020 TIRZ #3 had no expenditures from the fund and the fund balance as of September 30, 2020 was \$0.

The taxable value for 2020 was \$178,120 generating \$0 in captured appraised value, resulting in no revenue for TIRZ #3 to be collected in FY 2021.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #3

2019 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.65500	90%	0.65500
Matagorda Cty	0.43342	90%	0.43342
Matagorda Cty Hospital	0.32159	90%	0.32159
Port of Bay City	0.05477	0%	0.00000
Drainage District #1	0.04169	0%	0.00000
Coastal Plains GW	0.00470	0%	0.00000
Cons & Recl	0.00776	0%	0.00000
Bay City ISD	1.53731	0%	0.00000
TOTAL	3.05624	-	1.41001

2019 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.65500	46%	\$0
Matagorda Cty	0.43342	31%	\$0
Matagorda Cty Hospital	0.32159	23%	\$0
Port of Bay City	0.00000	0%	\$0
Drainage District #1	0.00000	0%	\$0
Coastal Plains GW	0.00000	0%	\$0
Cons & Recl	0.00000	0%	\$0
Bay City ISD	0.00000	0%	\$0
TOTAL	1.41001	100.00%	\$0

2017 Base Value	
<u>Real Property</u>	
City of Bay City	\$349,100
Matagorda Cty	\$349,100
Matagorda Cty Hospital	\$349,100
2019 Tax Year	
<u>Real Property</u>	
City of Bay City	\$178,120
Matagorda Cty	\$178,120
Matagorda Cty Hospital	\$178,120
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$0
Matagorda Cty	\$0
Matagorda Cty Hospital	\$0
Incremental Revenue Collected in FY 2020	
<u>Real Property</u>	
City of Bay City	\$0
Matagorda Cty	\$0
Matagorda Cty Hospital	\$0
Total	\$0



City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #2
September 30, 2020

TIRZ 2

<u>Beginning Fund Balance 10-1-19</u>	<u>3,137.30</u>
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Revenues

TIRZ # 2 City	72,324.15
TIRZ # 2 County	47,408.29
TIRZ # 2 Hospital	35,176.11
TIRZ # 2 Port of Bay City	5,990.84
Total Revenues	160,899.39

Expenditures

City Admin Fee 2.5%	4,022.48	Development Financing Agreement 9-4-17
City - Legal Fees	-	
Developer Reimbursement- BCCDC	-	TIRZ Set Up & Schulman Parking Lot
Total Expenditures	4,022.48	

Net Revenue (Expenditures)	156,876.91
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<u>Ending Fund Balance</u>	<u>160,014.21</u>
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Modified Accrual Basis

<i>Cash Balance as of 9-30-20</i>	<i>160,014.21</i>
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Due Developer Reimbursement- BCCDC	143,834.91	<i>Board approved \$2,845,190.62 on May 18, 2018 Reimbursement made as funds are available and receipts are verified</i>
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Balance after estimated disbursements	16,179.30
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A/R FY 2021	181,075.49
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