



TIRZ BOARD 1 REGULAR MEETING

CITY OF BAY CITY

Thursday, November 19, 2020 at 3:30 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 #1 Board Meeting

PUBLIC COMMENTS

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 #1 Annual Report, including current balance, disbursements, any approved payments that have not been disbursed and the amount of any receivables.
4. Receive and/or discuss the status of TIRZ #1 Public Improvements for Phase I and Phase II.
Stuart Lynn, Sal Holdings, LLC
5. Discuss, consider, and/or approve the Sal Holdings, LLC (Developer's) request for reimbursement for public improvements under the terms of the approved development agreement for Phase I.
Scotty Jones, Director of Finance
6. Discuss, consider, and/or approve the Sal Holdings, LLC (Developer's) request for reimbursement for public improvements under the terms of the approved development agreement for Phase II.
DC Dunham, Sal Holdings, LLC

ITEMS / COMMENTS FROM BOARD MEMBERS**ADJOURNMENT****CERTIFICATION OF NOTICE**

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 **Monday, November 16, 2020 before 3:30 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

~ DISCUSS, CONSIDER AND/OR APPROVE/DISAPPROVE THE DEVELOPER'S REQUEST FOR REIMBURSEMENT FOR PUBLIC IMPROVEMENTS UNDER THE TERMS OF THE APPROVED DEVELOPMENT AGREEMENT.

Bill Bell, Chairman

Reimbursement of \$68,534.44. Total developer expense is \$97,111.22. Concrete Street cost of \$28,576.78 was not reimbursed at this time. The City Attorney will be asked to work with the developer on an opinion/agreement regarding the concrete street and its status - Public/private.

RESULT:	APPROVED [7 TO 0]
MOVER:	Gary Graham, Board Member
SECONDER:	Kent Pollard, Board Member
AYES:	Holubec, Dunham, Bell Jr, Prochnow, Hlavinka, Pollard, Graham
ABSTAIN:	Lynn
EXCUSED:	Estlinbaum

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

2. Report

~ DISCUSS, CONSIDER AND/OR APPROVE/DISAPPROVE THE DEVELOPER'S INSURANCE AND CONSTRUCTION DEADLINES FOR PHASE II.

Bill Bell, Chairman

The City has the developer's insurance on file. Eighteen months from August 20, 2019 will be given to the developer for Phase 2 completion.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Gary Graham, Board Member
SECONDER:	DC Dunham, Board Member
AYES:	Holubec, Dunham, Bell Jr, Lynn, Prochnow, Hlavinka, Pollard, Graham
EXCUSED:	Estlinbaum

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

3. Presentation

~ RECEIVE, DISCUSS AND/OR APPROVE THE TAX INCREMENT FUND, FOR TIRZ#1, ANNUAL REPORT, INCLUDING CURRENT BALANCE, DISBURSEMENTS, ANY APPROVED PAYMENTS THAT HAVE NOT BEEN DISBURSED AND THE AMOUNT OF ANY RECEIVABLES.

Scotty Jones, Finance Director

Reviewed by Finance Director, Scotty Jones.

4. Presentation

~ RECEIVE AND DISCUSS THE STATUS OF TIRZ #1 REPORTS OR FILINGS REQUIRED BY LAW.

Scotty Jones, Finance Director

Reviewed by Finance Director, Scotty Jones. Report was distributed to all TIRZ District entities in March 2019.

VI. ITEMS / COMMENTS FROM BOARD MEMBERS

None

VII. 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 3:30 p.m. Any questions concerning the above items, please contact Mayor Robert K. Nelson at (979) 245-2137.

David Holubec
City Secretary



TIRZ Board 1
1901 5th Street
Bay City, TX 77414

Meeting: 07/17/19 03:30 PM
Department: City Secretary
Category: Minutes
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 3845

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ITEM #1.

ADOPTED

AGENDA ITEM (ID # 3845)

**~ ACCEPT MINUTES SUMMARY FROM THE MAY 30, 2018
TIRZ #1 BOARD MEETING.**

RESULT: APPROVED [UNANIMOUS]
MOVER: DC Dunham, Board Member
SECONDER: Stuart Lynn, Board Member
AYES: Holubec, Dunham, Bell Jr, Lynn, Prochnow, Hlavinka, Pollard, Graham
EXCUSED: Julie Estlinbaum



CITY OF BAY CITY
MINUTES • MAY 30, 2018

Council Chambers Special Called Meeting – TIRZ Board 1 3:30 PM

**1901 5TH STREET
BAY CITY, TX 77414**

I. CALL TO ORDER & CERTIFICATION OF QUORUM

Attendee Name	Title	Status	Arrived
Julie Estlinbaum	Councilwoman	Present	
William Bell Jr	Chairman	Present	
Stuart Lynn	Board Member	Present	
David Holubec	Supervisor	Excused	
Bryan Prochnow	Board Member	Present	
Steve Wier	Board Member	Excused	
Craig Hlavinka	Board Member	Present	
Kent Pollard	Board Member	Present	
Gary Graham	Board Member	Present	

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

1. Agreement

~ DISCUSS, CONSIDER AND/OR APPROVE A DEVELOPMENT AGREEMENT WITH SAL HOLDINGS.

Chairman, Bill Bell, Jr.

The development agreement with SAL Holdings was presented by Chairman, Bill Bell. This involves work that was done on water/sewer in Cottonwood Creek area of the development in TIRZ #1. The development agreement was approved by motion. The motion was made by Julie Estlinbaum and seconded by Kent Pollard.

Notes:

Private improvements - sidewalks

1.38 % of taxes on house goes to TIRZ

Phase 1 expenses expended, reimbursement based upon supporting evidence once funds are available

Phase 2 is in need of schedule on completion dates.

RESULT:	APPROVED [6 TO 0]
AYES:	Estlinbaum, Bell Jr, Prochnow, Hlavinka, Pollard, Graham
EXCUSED:	Holubec, Wier
RECUSED:	Lynn

Enacted and approved this 30th day of May, 2018, at Bay City

Attachment: SKM_C45819031214370 (3845 : Accept Minutes Summary - May 16, 2018)

III. ITEMS / COMMENTS FROM BOARD MEMBERS

DC Dunham made the following comments:

1. Recap to think about for next meeting - Go ahead and plan and review an application form. Agenda item for next meeting.
2. Proposed application can be reviewed with the assistance of Marla Jasek, Assistant Public Works, Director. The process to formalize can be transparent for people to review and know.

IV. ADJOURNMENT

AGENDA NOTICES:

Action by TIRZ Board Authorized:

The Board 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.

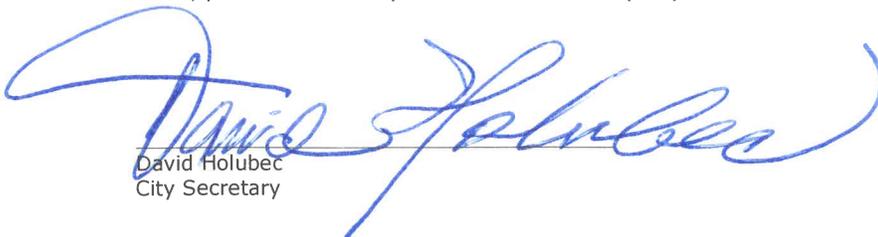
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Executive Sessions Authorized:

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 Thursday, May 17, 2018 before 3:30 p.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.



David Holubec
City Secretary



Attachment: SKM_C45819031214370 (3845 : Accept Minutes Summary - May 16, 2018)



TIRZ Board 1
1901 5th Street
Bay City, TX 77414

Meeting: 07/17/19 03:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 3848

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ITEM #1.

ADOPTED

AGENDA ITEM (ID # 3848)

**~ DISCUSS, CONSIDER AND/OR APPROVE/DISAPPROVE
THE DEVELOPER'S REQUEST FOR REIMBURSEMENT FOR
PUBLIC IMPROVEMENTS UNDER THE TERMS OF THE
APPROVED DEVELOPMENT AGREEMENT.**

COMMENTS - Current Meeting:

Reimbursement of \$68,534.44. Total developer expense is \$97,111.22. Concrete Street cost of \$28,576.78 was not reimbursed at this time. The City Attorney will be asked to work with the developer on an opinion/agreement regarding the concrete street and its status - Public/private.

RESULT:	APPROVED [7 TO 0]
MOVER:	Gary Graham, Board Member
SECONDER:	Kent Pollard, Board Member
AYES:	Holubec, Dunham, Bell Jr, Prochnow, Hlavinka, Pollard, Graham
ABSTAIN:	Stuart Lynn
EXCUSED:	Julie Estlinbaum



TIRZ Board 1
1901 5th Street
Bay City, TX 77414

Meeting: 07/17/19 03:30 PM
Department: City Secretary
Category: Report
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 3849

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ITEM #1.

ADOPTED

AGENDA ITEM (ID # 3849)

**~ DISCUSS, CONSIDER AND/OR APPROVE/DISAPPROVE
THE DEVELOPER'S INSURANCE AND CONSTRUCTION
DEADLINES FOR PHASE II.**

COMMENTS - Current Meeting:

The City has the developer's insurance on file. Eighteen months from August 20, 2019 will be given to the developer for Phase 2 completion.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Gary Graham, Board Member
SECONDER: DC Dunham, Board Member
AYES: Holubec, Dunham, Bell Jr, Lynn, Prochnow, Hlavinka, Pollard, Graham
EXCUSED: Julie Estlinbaum



TIRZ Board 1
1901 5th Street
Bay City, TX 77414

SCHEDULED

AGENDA ITEM (ID # 3847)

Meeting: 07/17/19 03:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 3847

**~ RECEIVE, DISCUSS AND/OR APPROVE THE TAX
INCREMENT FUND, FOR TIRZ#1, ANNUAL REPORT,
INCLUDING CURRENT BALANCE, DISBURSEMENTS, ANY
APPROVED PAYMENTS THAT HAVE NOT BEEN DISBURSED
AND THE AMOUNT OF ANY RECEIVABLES.**

COMMENTS - Current Meeting:

Reviewed by Finance Director, Scotty Jones.



City of Bay City Tax Increment Reinvestment Zone Annual Report FY 2018



Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)

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 such as a county or junior college are allowed to participate in the zone at their own discretion.

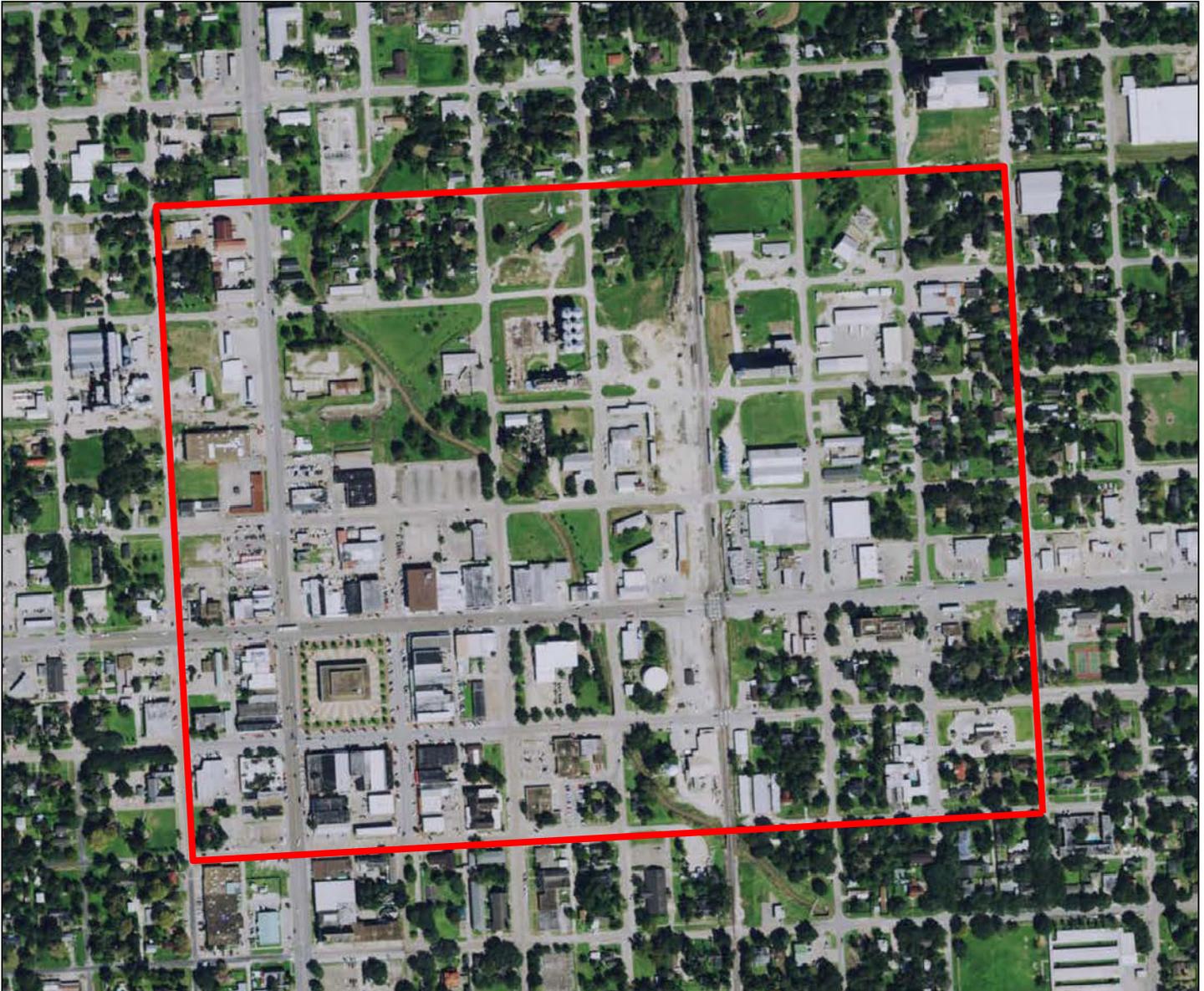
Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)



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.



Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)

*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 2017 was \$26,017,969 generating \$2,142,209 in captured appraised value, resulting in \$31,072 in revenue for TIRZ #1 collected in FY2018. In FY2018 TIRZ #1 had \$36,975 expenditures from the fund and the fund balance as of September 30, 2018 was \$3,772.

The taxable value for 2018 was \$28,400,171 generating \$4,524,411 in captured appraised value, resulting in \$65,460 in revenue for TIRZ #1 to be collected in FY2018.



Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1

2017 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.65500	100%	0.65500
Matagorda Cty	0.41898	100%	0.41898
Matagorda Cty Hospital	0.32096	100%	0.32096
Port of Bay City	0.05072	100%	0.05072
Drainage District #1	0.05138	0%	0.00000
Coastal Plains GW	0.00478	0%	0.00000
Cons & Recl	0.00721	0%	0.00000
Bay City ISD	1.43701	0%	0.00000
TOTAL	2.94604	-	1.44566

2017 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.65500	45%	\$14,031
Matagorda Cty	0.41898	29%	\$9,030
Matagorda Cty Hospital	0.32096	22%	\$6,918
Port of Bay City	0.05072	4%	\$1,093
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	1.44566	100.00%	\$31,072

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
2017 Tax Year	
<u>Real Property</u>	
City of Bay City	\$26,017,969
Matagorda Cty	\$25,644,519
Matagorda Cty Hospital	\$25,644,519
Port of Bay City	\$25,644,519
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$2,142,209
Matagorda Cty	\$2,155,287
Matagorda Cty Hospital	\$2,155,287
Port of Bay City	\$2,155,287
Incremental Revenue Collected in FY2018	
<u>Real Property</u>	
City of Bay City	\$14,031
Matagorda Cty	\$9,030
Matagorda Cty Hospital	\$6,918
Port of Bay City	\$1,093
Total	\$31,072

Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)



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

Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financil Status)



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 2017 was \$2,980,330 generating \$881,137 in captured appraised value, resulting in \$11,919 revenue for TIRZ #2 collected in FY2018. In FY2018 TIRZ #2 had \$5,298 expenditures from the fund and the fund balance as of September 30, 2018 was \$6,621.

The taxable value for 2018 was \$13,021,768 generating \$10,922,575 in captured appraised value, resulting in \$157,343 in revenue for TIRZ #2 to be collected in FY2019.



Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2

2017 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.65500	100%	0.65500
Matagorda Cty	0.41898	100%	0.41898
Matagorda Cty Hospital	0.32096	100%	0.32096
Port of Bay City	0.05072	100%	0.05072
Drainage District #1	0.05138	0%	0.00000
Coastal Plains GW	0.00478	0%	0.00000
Cons & Recl	0.00721	0%	0.00000
Bay City ISD	1.43701	0%	0.00000
TOTAL	2.94604	-	1.44566

2017 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.65500	45%	\$5,772
Matagorda Cty	0.41898	29%	\$3,258
Matagorda Cty Hospital	0.32096	22%	\$2,495
Port of Bay City	0.05072	4%	\$394
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	1.44566	100.00%	\$11,919

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
2017 Tax Year	
<u>Real Property</u>	
City of Bay City	\$2,980,330
Matagorda Cty	\$2,997,490
Matagorda Cty Hospital	\$2,997,490
Port of Bay City	\$2,997,490
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$881,137
Matagorda Cty	\$777,468
Matagorda Cty Hospital	\$777,468
Port of Bay City	\$777,468
Incremental Revenue Collected in FY2018	
<u>Real Property</u>	
City of Bay City	\$5,772
Matagorda Cty	\$3,258
Matagorda Cty Hospital	\$2,495
Port of Bay City	\$394
Total	\$11,919

Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)



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

Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)

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.

Given the TIRZ was established in 2017, there was no increment and no revenue for TIRZ #3 collected in FY2018. In FY2018 TIRZ #3 had no expenditures from the fund and the fund balance as of September 30, 2018 was \$0.

The taxable value for 2018 was \$178,980 generating \$0 in captured appraised value, resulting in no revenue for TIRZ #3 to be collected in FY2019.



Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)



BAY CITY TAX INCREMENT REINVESTMENT ZONE #3

2017 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.65500	90%	0.58950
Matagorda Cty	0.41898	90%	0.37708
Matagorda Cty Hospital	0.32096	90%	0.28886
Port of Bay City	0.05072	0%	0.00000
Drainage District #1	0.00721	0%	0.00000
Coastal Plains GW	0.00478	0%	0.00000
Cons & Recl	0.05138	0%	0.00000
Bay City ISD	1.43701	0%	0.00000
TOTAL	2.94604	-	1.25544

2017 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.58950	47%	\$0
Matagorda Cty	0.37708	30%	\$0
Matagorda Cty Hospital	0.28886	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	1.25544	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
Port of Bay City	\$349,100
2017 Tax Year	
<u>Real Property</u>	
City of Bay City	\$349,100
Matagorda Cty	\$349,100
Matagorda Cty Hospital	\$349,100
Port of Bay City	\$349,100
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$0
Matagorda Cty	\$0
Matagorda Cty Hospital	\$0
Port of Bay City	\$0
Incremental Revenue Collected in FY2018	
<u>Real Property</u>	
City of Bay City	\$0
Matagorda Cty	\$0
Matagorda Cty Hospital	\$0
Port of Bay City	\$0
Total	\$0

Attachment: Bay City Annual Report FY18 (3847 : TIRZ #1 Financial Status)





TIRZ Board 1
1901 5th Street
Bay City, TX 77414

SCHEDULED

AGENDA ITEM (ID # 3846)

Meeting: 07/17/19 03:30 PM
Department: City Secretary
Category: Presentation
Prepared By: David Holubec
Initiator: David Holubec
Sponsors:
DOC ID: 3846

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ITEM #1.

**~ RECEIVE AND DISCUSS THE STATUS OF TIRZ #1
REPORTS OR FILINGS REQUIRED BY LAW.**

COMMENTS - Current Meeting:

Reviewed by Finance Director, Scotty Jones. Report was distributed to all TIRZ District entities in March 2019.

Bay City Boards, Commissions, Committees & Council Data
TIRZ #1 Board

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

Note: 2 year terms

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

Note: 2 year terms

DISCUSS, CONSIDER, AND/OR APPROVE THE TAX INCREMENT FUND FOR TIRZ #1 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 # 1 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.

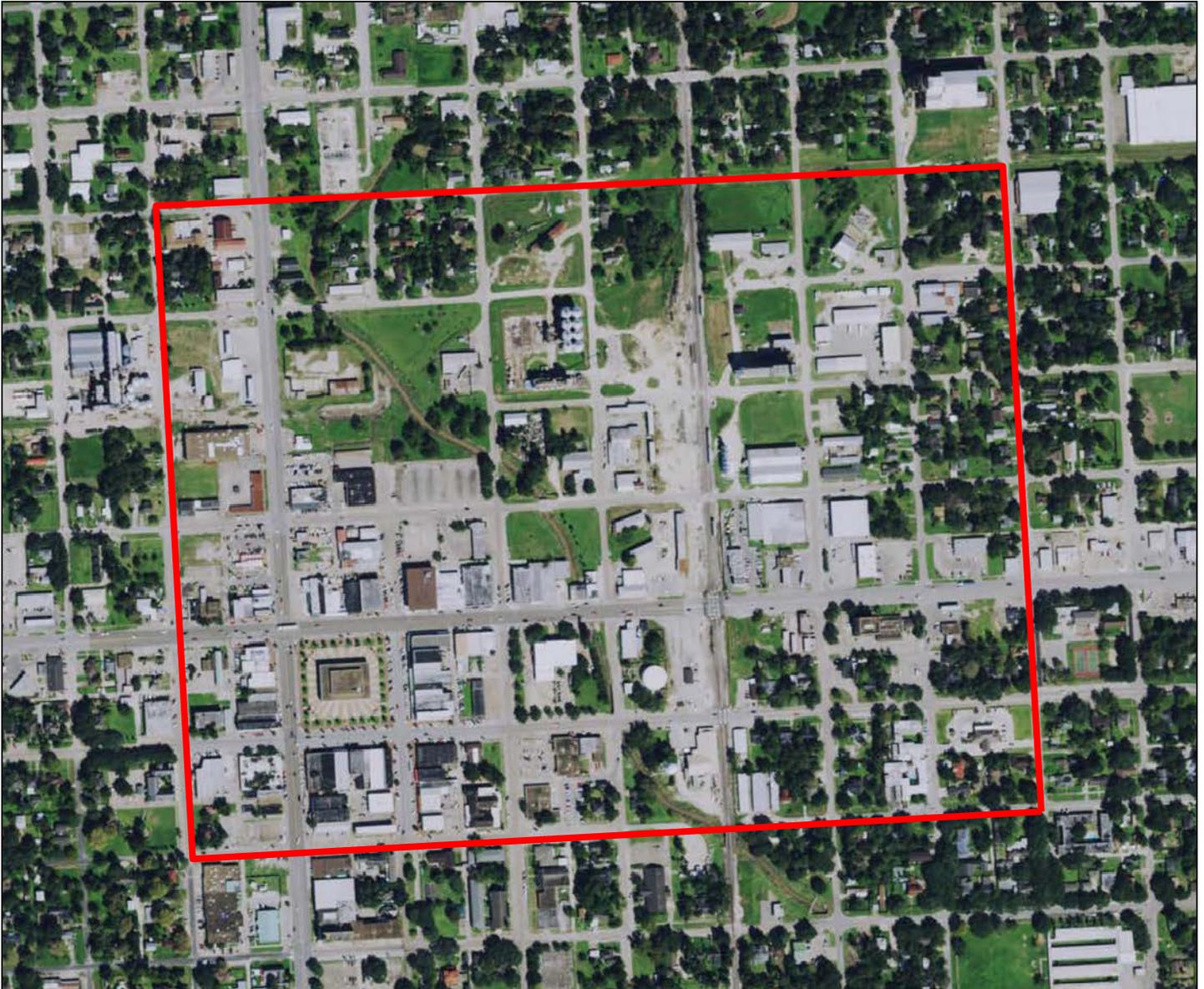
While TIRZ's are generally established by cities, other taxing jurisdictions are allowed to participate in the zone at their own discretion.



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

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 #1
September 30, 2020

TIRZ 1		Notes:
Beginning Fund Balance 10-1-19	6,831.06	
<hr/>		
Revenues		
TIRZ # 1 City	29,080.64	
TIRZ # 1 County	19,254.87	
TIRZ # 1 Hospital	14,286.77	
TIRZ # 1 Port of Bay City	2,433.18	
Total Revenues	65,055.46	
<hr/>		
Expenditures		
City Admin Fee 2.5%	1,626.39	Development Financing Agreement 9-4-17
City - Legal Fees	-	
Developer Reimbursement- SAL	-	
Total Expenditures	1,626.39	
Net Revenue (Expenditures)	63,429.07	
<hr/>		
Ending Fund Balance	70,260.13	
<hr/>		
<i>Modified Accrual Basis</i>		
<i>Cash Balance as of 9-30-20</i>	<i>70,260.13</i>	
Due Developer Reimbursement- SAL	57,036.55	<i>Max Reimbursement for Phase I & Phase II Contingent upon Board Approval</i>
Balance after estimated disbursements	13,223.58	
A/R FY 2021	83,904.00	

REPORT~ RECEIVE AND/OR DISCUSS THE STATUS OF TIRZ #1 PUBLIC IMPROVEMENTS FOR PHASE I AND PHASE II.



EXECUTIVE SUMMARY

BACKGROUND:

On July 17, 2019, the TIRZ Board recommended approval of a Developer Agreement between City of Bay City and SAL Holding, LLC for the development of Cottonwood Park. Exhibit C provides an estimate of Phase I and Phase II. City Council approved agreement on September 12, 2019.

Developer will update Board on Project. Discuss Completion Schedule and Project Plan for Cottonwood Creek Park Development.

ATTACHMENTS: Development Agreement dated July 17, 2019.

**DEVELOPMENT FINANCING AGREEMENT BY AND BETWEEN
REINVESTMENT ZONE NUMBER ONE,
CITY OF BAY CITY, AND SAL Holdings, LLC**

This DEVELOPMENT FINANCING AGREEMENT ("Agreement") is entered into by and between the REINVESTMENT ZONE NUMBER ONE, CITY OF BAY CITY, TEXAS (the "Zone"), an administrative body appointed in accordance with Chapter 311 of the Texas Tax Code (the "TIRZ Act") to oversee the administration of Tax Increment Reinvestment Zone Number One, City of Bay City, Texas, a reinvestment zone designated by ordinance of the City in accordance with the Tax Increment Financing Act, and SAL Holdings, LLC ("Developer"), a Texas limited liability company.

The Zone and Developer hereby agree that the following statements are true and correct and constitute the basis upon which the Zone and Developer have entered into this Agreement:

WHEREAS, the City created the Zone pursuant to the TIRZ Act; and

WHEREAS, the Board of Directors of the Zone (the "Zone Board" or "Board") and the City each approved and adopted the Reinvestment Zone Project Plan and Financing Plan for Reinvestment Zone Number One, City of Bay City, dated November 19, 2015, (TIRZ Plan), and amended on January 26, 2017; and

WHEREAS, the Developer has or will construct certain improvements described on Exhibit "B", to implement the TIRZ Plan, and the Zone will reimburse the Developer all or a portion of Developer's cost for the public works and public improvements in accordance with this Agreement (described in more detail below in Section 3(a) as Project Costs); and

WHEREAS, pursuant to the TIRZ Plan, certain tax revenues based upon the incremental increase over the base year ("Tax Increment") will flow into a fund to be administered by the Zone, known as the Tax Increment Fund (TIF); also, the Zone may receive other gifts, grants or other revenue to be accounted for separately from the TIF but used only for duly approved authorized purposes of the Zone;

WHEREAS, the Zone and City recognize the importance of its continued role in local economic development, including incentives under Chapter 380, Texas Local Government Code;

WHEREAS, Developer owns or controls certain property located within the Zone and has requested reimbursement for Developer's cost of constructing certain public improvements pursuant to the TIRZ Plan;

WHEREAS, Developer warrants to the Zone that all of the information contained in the Developer's Application is true and correct in all material respects; and,

NOW THEREFORE, in consideration of the mutual covenants and obligations herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section: Site

Developer owns the real property (the "Property"), which is within the city limits of Bay City and the boundaries of the Zone. The Property is specifically described in as shown in attached Exhibit "A."

2. Section: Project & Financing

Developer has constructed, or is in the process of constructing, private and public improvements including, but not limited to, the Project described in attached Exhibit "B" (the "Project").

Developer understands and agrees that the cost of the Project, to the extent that the improvements associated with the Project are not public improvements ("Private Improvements") shall be funded by and through Developer's own capital or other financing means arranged and obtained by Developer. Further. The TIF payments to be made to Developer pursuant to this Agreement are not intended to reimburse Developer for all of its costs incurred in connection with performing its obligations under this Agreement.

The Developer agrees to deliver to the Zone written notice of the date on which construction of the Project commences. This notice will be delivered within 30 days after the date of commencement. The Developer agrees to complete the construction of the Project within the schedule described on Exhibit "E" attached hereto. The date of completion is the date on which the Project is substantially completed (satisfying City, County and other applicable laws) and all public improvements have been accepted by the applicable governmental entity, and, if required (as, for example, in the case of a roadway) the land has been dedicated for public use or title otherwise transferred to the applicable governmental entity (in accordance with their requirements). Upon completion, the Developer will deliver a written notice to the Zone, signed by Developer and the City of Bay City, stating that the Project has been completed in accordance with these requirements.

The Developer agrees to maintain liability insurance coverage reasonably required by the Zone, until the Project has been completed. The insurance company, the types of insurance and the amounts of coverage will be commercially reasonable in light of the Project. The Developer will provide proof of coverage prior to commencement of construction, in a form reasonably acceptable to the Zone. Current insurance requirements are attached to this Agreement as Exhibit "F."

3. Section: TIF Participation: Partial Reimbursement of Tax Increment

The payments and distributions under this Agreement are subject to obligations under all prior agreements listed on Exhibit "D". Subject to these and all other limitations and conditions precedent contained in this Agreement and the attached exhibits, the Parties agree that Tax Increment generated within the Zone shall be applied as follows:

- (a) Public Improvements: To the Developer to reimburse Developer for the actual expenses related to public improvements (described on Exhibit "C") that are part of the Project (described on Exhibit "B"), to the extent that the expenses are allowable under Chapter 311 of the Texas Tax Code Section 311.002. This

reimbursement will not exceed the projected Project Costs listed on attached Exhibit "C." These allowable costs are called "Project Costs."

(b) Any remaining TIF Funds, after Developer has been fully reimbursed (the "Available Funds"), will be available for commitment to future projects.

Unless explicitly provided differently in an Exhibit attached hereto, all grants, loans, reimbursements and any other financial payment to Developer under this Agreement shall be made in annual installments in June of each year (commencing in the first year following project completion), provided all current taxes have been paid on the Property and any other prerequisites stated in this Agreement have been satisfied.

During each fiscal year for the term of this Agreement, payment of the annual installment to Developer shall have priority for reimbursement over all other Zone expenditures subject only to preexisting debts or obligations of the Zone, and (ii) any pre-existing annual expenditures required to be made pursuant to other Developer Agreements prior in time to this Agreement, listed on Exhibit "D".

Zone also reserves the right, when payments come into the Tax Increment Fund, to prepay all or any portion of the total amount to be reimbursed under this Agreement at any given time. If City in its sole discretion issues Tax Increment Funds Bonds to pay for previous and future projects, Zone may fully reimburse Developer from bond proceeds received, the existing unpaid balance under this Agreement, and under any other outstanding developer agreements within the Zone.

4. Section: Reimbursement Limited to TIF Fund

Developer understands and agrees that any and all payments, obligations, grants, loans, reimbursements and any other form of financial obligation imposed on the Zone by this Agreement ("Reimbursement") shall be made solely from then-currently available revenues in the TIF Fund and subject to pre-existing commitments and all other terms of this Agreement and applicable laws. In the event that there is not sufficient revenue in the TIF Fund to timely pay Developer any part of the Reimbursement, the Zone will pay Developer such portion of the Reimbursement that may be available at the time. The balance of any due but unpaid Reimbursement shall be carried forward without interest and paid by the Zone in the first year in which there is sufficient revenue in the TIF to pay such balance. Developer agrees that it will not look to other funds of the Zone, bonds or funds of the City, or any property of the Zone or City for all or any portion of the Reimbursement. Upon termination of the Zone on December 31, 2046, or such other date as may be specified in a subsequent ordinance adopted in accordance with Section 311.017 of the Act, any portion of the Reimbursement that has not been paid due to the unavailability of revenue in the TIF Fund or due to Developer's failure to meet any precondition under this Agreement for receipt of the Reimbursement shall no longer be considered Project Costs of the Zone, and any obligation of the Zone to pay Developer any remaining balance of the Reimbursement shall automatically expire.

5. Section: Term

The Effective Date of this Agreement is the last date approved by all of the Parties. The

term of this Agreement shall begin upon the Effective Date and end upon the earlier of:

- (a) the complete performance of all obligations and conditions precedent by Parties to this Agreement;
- (b) expiration of thirty years after Effective Date; or
- (c) the expiration of the term of the Zone.

6. Section: Exhibits

The Parties agree that each and every exhibit that is mentioned in and attached to this Agreement is a material part of this Agreement and each such exhibit is by this reference, incorporated into this agreement for all purposes as thought set forth verbatim here.

7. Section: Force Majeure

It is expressly understood and agreed by the Parties that if the performance of any obligation hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by the franchise utilities, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

8. Section: Indemnity

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE ZONE, THE BOARD, THE CITY AND THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES, ASSIGNS AND SUCCESSORS, HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES, INTEREST, AND ATTORNEY FEES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE (INCLUDING LOSS) OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE ZONE, BOARD OR CITY OR THEIR RESPECTIVE OFFICIALS, OFFICERS, AGENTS, EMPLOYEES OR CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER AND ZONE, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. HOWEVER, NOTHING IN THIS SECTION WAIVES ANY IMMUNITY OR OTHER

DEFENSE AVAILABLE TO THE ZONE, BOARD, OR CITY UNDER TEXAS OR FEDERAL LAW. THIS INDEMNITY WILL SURVIVE THE TERMINATION OF MS AGREEMENT.

9. Section: Events of Default & Remedies

A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement, including exhibits, which is not otherwise excused under the terms of this Agreement. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event that would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the non-defaulting party requires or proposes to require with respect to curing the default.

If a default shall occur and continue, after thirty (30) days' notice to cure default, the non-defaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. Neither party, however, shall pursue remedies against the other as long as (i) the defaulting party has commenced to cure such default within the 30 days following notice, and the defaulting party proceeds in good faith and with due diligence to remedy and correct the default.

10. Section: Venue and Governing Law

This Agreement is performable in Matagorda County, Texas and venue of any action arising out of this Agreement shall be exclusively in the State Courts of Matagorda County. This Agreement shall be governed and construed in accordance with the Charter, ordinances, and resolutions of the City of Bay City, applicable federal and state laws, the violation of which shall constitute a default of this Agreement. To the extent permitted by law, the law of the state of Texas shall apply without regard to applicable principles of conflicts of law, and the Parties submit to the jurisdiction of state district courts in Matagorda County, Texas.

11. Section: Notices

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

If intended for Zone, to: Board Chairman Tax Increment Reinvestment Zone No. 1 to:

City of Bay City
1901 5th Street
Bay City, Texas 77414

With a copy to:
Scotty Jones, City Treasurer City of Bay City
1901 5th St.
Bay City, Texas 77414

With a copy to:
 Anne Marie Odefey, City Attorney
 Roberts, Odefey, Witte & Wall, LLP
 P.O. Box 9
 2206 Hwy 35 N
 Port Lavaca, Texas 77979

If intended for Developer, to:

Stuart A. Lynn, Member
 SAL Holdings, LLC
 1221 Avenue F
 Bay City, TX 77414

12. Section: No Third Party Rights

This Agreement is solely for the benefit of the Parties hereto and is not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

13. Section: Severability

In case any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court or agency of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other remaining provisions hereof and this Agreement shall remain in full force and effect and be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

14. Section: Counterparts & Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. This agreement may be executed in multiple originals. This agreement may be executed by facsimile signatures which shall be deemed originals and equally admissible as originals.

15. Section: Captions

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

16. Section: Successors and Assigns

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. Provided, however, Developer shall not assign this Agreement without prior Zone approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, written approval of the Zone shall not be required for an assignment to an Affiliate of Developer, collateral assignments of the reimbursements to other developers or lenders. "Affiliate of Developer" as used herein, includes any parent, sister, partner, joint venturer, or subsidiary entity of Developer; any entity in which Developer is a major shareholder, owns an equity interest, or is a joint venturer or partner (whether general or limited), or to the Developer's financial institution.

17. Section: Limited Rights and Non-waiver

This agreement is intended only to establish the rights and obligations as between the Parties hereto and it creates no right, expectation, benefit or obligation for or toward any other person or entity. Nothing stated or omitted from this Agreement shall be construed as a waiver of any defense, affirmative defense, or immunity available to the Zone or the City and their respective officials, directors, members, employees, agents, assigns, successors.

18. Section: Entire Agreement

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Zone, and Developer, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. This Agreement shall not be amended unless executed in writing by both Parties and approved by the governing bodies in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed in multiple counterparts, each of equal dignity and effect, on behalf of the City, the Zone, and Developer effective as of the Effective Date.

(signatures follow on next page)

Exhibit "E"

Project Completion Schedule

Phase I

Start February 2017

Complete June 2017

Phase II

Subject to reimbursement of Phase I

To begin on or before September 20, 2019 and to be completed no later than 18 months thereafter.

Exhibit "F"

Insurance Requirements

Insurance standards are on file with the City and are acceptable.

Exhibit "D"

List of Prior Agreements

1. DEVELOPMENT FINANCING AGREEMENT BY AND BETWEEN REINVESTMENT ZONE NUMBER ONE, CITY OF BAY CITY, AND THE CITY OF BAY CITY dated August 22, 2017.
2. DEVELOPMENT FINANCING AGREEMENT BY AND BETWEEN REINVESTMENT ZONE NUMBER ONE, CITY OF BAY CITY, AND BAY CITY COMMUNITY DEVELOPMENT CORPORATION dated _August 22, 2017.

Exhibit "C"

List/Description of Reimbursable Public Improvements

Cottonwood Park Development

Phase I Estimated costs	\$ 100,000.00
Camille Street Improvements	
Actual costs:	
1) Survey	\$ 1,742.94
2) Engineering	\$ 7,500.00
3) Asphalt removal	\$ 6,070.00
4) 520' of 6" water lines	\$ 37,639.00
320' of 6" sewer lines	
5) 300' of electrical lines	\$ 10,300.00
6) 6,000 sqft (300' X 20') concrete street	\$ 28,576.78
7) Site grading & tree removal	\$ 5,282.50
Total actual costs	\$ 97,111.22
Phase II Estimated costs	\$ 100,000.00
Public Green Space and Park Area	
Pedestrian Bridge over Cottonwood Creek	\$ 25,000.00
Playground / Water Play Feature	\$ 40,000.00
Creekside Path	\$ 10,000.00
Sidewalks	\$ 25,000.00
	\$ 100,000.00

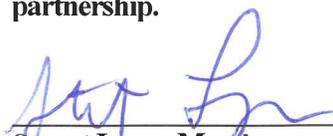
As provided in Section 2 of this Agreement and applicable law (including Texas Tax Code §311) reimbursements are limited to public improvements and will not exceed the amounts stated in this budget.

Exhibit "B"

The Project consists of developing Cottonwood Park a residential and mixed-use development in substantial conformity to the standards of form-based Codes along with a family friendly green space, plaza development, creek enhancements, and core infrastructure improvements.

Camille Drive was installed along with 320 linear feet of 6" PVC sanitary sewer line and 520 linear feet of 6" PVC water line.

Recommended for approval by Reinvestment Zone Number One, City of Bay City, Texas at its meeting on the 17th day of July, 2019.

<p>SAL Holdings, LLC, a Texas limited partnership.</p>  <p>Stuart Lynn, Member <i>7/17/19</i></p>	<p>REINVESTMENT ZONE NUMBER ONE CITY OF BAY CITY, TEXAS</p>  <p>William Bell, Chairman <i>7/17/19</i></p>
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PASSED AND APPROVED this 12th day of September, 2019.

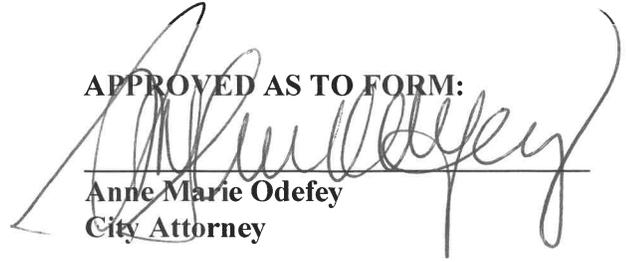
City of Bay City, Texas


Robert K. Nelson, Mayor

ATTEST:


David Holubec, City Secretary

APPROVED AS TO FORM:


Anne Marie Odefey
City Attorney

Exhibits:

- "A" — the Property
- "B" — the Project
- "C" — List/Description of Reimbursable Public Improvements
- "D" — List of Prior Agreements
- "E" — Project Completion
- Schedule "F" — Insurance Requirements

DISCUSS, CONSIDER, AND/OR APPROVE SAL HOLDING, LLC (DEVELOPER'S) REQUEST FOR REIMBURSEMENT FOR PUBLIC IMPROVEMENTS UNDER THE TERMS OF THE APPROVED DEVELOPMENT AGREEMENT FOR PHASE I.



EXECUTIVE SUMMARY

BACKGROUND:

On July 17, 2019, the TIRZ Board approved up to \$68,534.44 for Phase I expenditures to be reimbursed. Concrete street cost was excluded at that time in order to determine if the street was public or private.

On September 12, 2019, Council approved the acceptance of the public easement (Public ROW) contingent upon a private requirement to maintain Camille Drive.

On November 19, 2019, both Council & SAL Holding approved and signed the Public Right-of-Way Easement Agreement requiring private maintenance.

SAL Holdings LLC has been reimbursed \$60,764.44 on Phase I out of \$97,111.22 actual costs.

FINANCIAL IMPLICATIONS: Max Reimbursement remaining is \$36,346.78 for Phase I.

RECOMMENDATION: Staff recommends TIRZ Board approve up to \$36,346.78 for final reimbursement of Phase I based on documentation received.

ATTACHMENTS: Development Agreement: Exhibit C; Phase I Expense Listing

SAL Holdings, LLC Transaction Report January 2017 - July 2018

Date	Transaction Type	Num	Name	Memo/Description	Split	Amount
01/26/2017	Check	1331	G & W Engineers, Inc.		SAL Holdings, LLC	687.50 ✓
2/13/2017	Check	4217	Hickl Maintainer	Site Asphalt Removal	SAL Holdings, LLC	6,070.00 ✓
04/07/2017	Check	1402	HTI Construction, Inc.		SAL Holdings, LLC	37,190.00 ✓
04/26/2017	Check	1426	HTI Construction, Inc.		SAL Holdings, LLC	10,300.00 ✓
05/25/2017	Check	1466	Matagorda Construction & Materials	Inv # 56077	SAL Holdings, LLC	1,940.00 ✓
05/25/2017	Check	1470	HTI Construction, Inc.		SAL Holdings, LLC	449.00 ✓
05/25/2017	Check	1471	Matagorda Construction & Materials		SAL Holdings, LLC	110.00 ✓
06/02/2017	Check	1484	Martin Martinez		SAL Holdings, LLC	12,781.74 ✓
08/03/2017	Check	1589	G & W Engineers, Inc.		SAL Holdings, LLC	1,055.44 ✓
12/06/2017	Check	3009	Matagorda Concrete, LLC	3584	SAL Holdings, LLC	276.04 ✓
12/06/2017	Check	3009	Matagorda Concrete, LLC	3585	SAL Holdings, LLC	9,263.49 ✓
12/06/2017	Check	3009	Matagorda Concrete, LLC	3587	SAL Holdings, LLC	4,205.51 ✓
03/29/2018	Check	3136	P & W	Tree removal, grind stumps and haul brush	Accounts Payable	1,400.00 ✓
04/05/2018	Check	3146	Matagorda Construction & Materials		SAL Holdings, LLC	3,062.50 ✓
04/18/2018	Check	3159	Stone Turf Farms	2 loads topsoil	SAL Holdings, LLC	550.00 ✓
05/03/2018	Check	3183	Kinard's Backhoe Services, Inc	Engineering for Cottonwood	SAL Holdings, LLC	270.00 ✓
06/30/2018	Check	3210	Lynn & Associates		SAL Holdings, LLC	7,500.00 ✓
TOTAL						\$ 97,111.22
TOTAL						\$ 97,111.22

Cottonwood Dev

Cottonwood Dev

TOTAL

Print # 7
60,764.44

687.50+
 6,070.00+
 37,190.00+
 10,300.00+
 449.00+
 1,940.00+
 1,400.00+
 3,062.50+
 550.00+
 60,764.44+

Exhibit "C"

List/Description of Reimbursable Public Improvements

Cottonwood Park Development

Phase I Estimated costs	\$ 100,000.00
Camille Street Improvements	
Actual costs:	
1) Survey	\$ 1,742.94
2) Engineering	\$ 7,500.00
3) Asphalt removal	\$ 6,070.00
4) 520' of 6" water lines 320' of 6" sewer lines	\$ 37,639.00
5) 300' of electrical lines	\$ 10,300.00
6) 6,000 sqft (300' X 20') concrete street	\$ 28,576.78
7) Site grading & tree removal	\$ 5,282.50
Total actual costs	\$ 97,111.22
	<u>60,764.44</u> pd 9-19-19
	<u>36,346.78</u>
Phase II Estimated costs	\$ 100,000.00
Public Green Space and Park Area	
Pedestrian Bridge over Cottonwood Creek	\$ 25,000.00
Playground / Water Play Feature	\$ 40,000.00
Creekside Path	\$ 10,000.00
Sidewalks	\$ 25,000.00
	<u><u>\$ 100,000.00</u></u>

As provided in Section 2 of this Agreement and applicable law (including Texas Tax Code §311) reimbursements are limited to public improvements and will not exceed the amounts stated in this budget.

DISCUSS, CONSIDER, AND/OR APPROVE SAL HOLDING, LLC (DEVELOPER'S) REQUEST FOR REIMBURSEMENT FOR PUBLIC IMPROVEMENTS UNDER THE TERMS OF THE APPROVED DEVELOPMENT AGREEMENT FOR PHASE II.



EXECUTIVE SUMMARY

BACKGROUND:

On July 17, 2019, the TIRZ Board recommended approval of a Developer Agreement between City of Bay City and SAL Holding, LLC for the development of Cottonwood Park. Exhibit C provides an estimate of Phase I and Phase II. City Council approved agreement on September 12, 2019. Developer is seeking some reimbursement on a Phase II. Phase II has an estimated cost of \$100,000 when complete. Reimbursements are limited to the amount approved by this agreement.

FINANCIAL IMPLICATIONS: Developer is requesting \$20,689.77.

RECOMMENDATION: Staff recommends TIRZ Board approve up to \$20,689.77 for reimbursement of Phase II based on documentation received.

ATTACHMENTS: Transaction Report of Phase II & Developer Agreement: Exhibit C

SAL Holdings, LLC
Transaction Report
January 1, 2015 - November 16, 2020

	Date	Name	Memo/Description	Amount
WIP Cottonwood Dev				
Entryway pavers	04/11/2019	Texas Wholesale Stone Inc.	Cottonwood Entry/exit pavers	2,568.71
Entryway pavers	09/05/2019	United Rentals	impact - inv 172768694-001	405.63
Entryway pavers	11/15/2019	Jorge Luis Gutierrez	pavers - driveway labor	3,000.00
Entryway pavers	01/30/2020	Aaron Starnes	Paver Sand	150.00
Entryway pavers	03/02/2020	Jorge Luis Gutierrez	pavers - driveway labor	1,500.00
Entryway pavers	03/30/2020	City of Bay City	variance for sidewalks	27.09
Drainage Ditch	04/02/2020	Kinard's Backhoe Services, Inc	drain ditch	5,852.10
Sidewalk	05/07/2020	Martin Martinez	sidewalk	3,750.00
Sidewalk	05/07/2020	McCoy's	sidewalk materials	447.31
Sidewalk	05/28/2020	Matagorda Concrete, LLC	Concrete	2,688.93
	08/13/2020	Jason Haller	tree removal behind Brooks	300.00
				20,689.77

Exhibit "C"

List/Description of Reimbursable Public Improvements

Cottonwood Park Development

Phase I Estimated costs	\$ 100,000.00
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	<u><u>\$ 100,000.00</u></u>

As provided in Section 2 of this Agreement and applicable law (including Texas Tax Code §311) reimbursements are limited to public improvements and will not exceed the amounts stated in this budget.