



TIRZ #1 BOARD REGULAR MEETING CITY OF BAY CITY

**Thursday, February 13, 2025 at 5:00 PM
COUNCIL CHAMBERS | 1901 5th Street**

Vision Statement

We envision Bay City as a thriving, family-centered community where our citizens can live, work, worship, and play, while welcoming visitors to experience our beautiful environment and diverse culture.

AGENDA

CALL TO ORDER AND CERTIFICATION OF QUORUM

APPROVAL OF AGENDA

PUBLIC COMMENTS

REGULAR ITEMS FOR DISCUSSION

- 1. Report ~ Discuss and Review Tax Increment Fund for TIRZ #1, TIRZ #2, TIRZ #3 and TIRZ #4 Annual Report for fiscal year 2024. Scotty Jones, City Manager**
- 2. Report ~ Discuss and Review Tax Increment Fund for TIRZ #1, TIRZ #2, TIRZ #3 and TIRZ #4 1st Quarter Financials for FY2025. Scotty Jones, City Manager**
- 3. Update on Valor Park in TIRZ #1A.**
- 4. Update on Bold Fox Development in TIRZ #2.**
- 5. Update on Marguerite Meadows Development in TIRZ #3.**
- 6. Update on Russell Ranch Development in TIRZ #4.**

TIRZ #1 & #2 BOARD REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

- 7. Consider and/or approve TIRZ Board 1 & 2 Meeting minutes of February 8, 2024.**

8. **Consider and/or approve the Tax Increment Fund for TIRZ #1 & #2 Annual Report for fiscal year 2024.** Scotty Jones, City Manager
9. **Consider and approve the TIRZ #1 & #2 financial report for the month ending December 31, 2024.** Scotty Jones, City Manager
10. **Discuss and appoint a Vice Chair for TIRZ Board #1.**
11. **Discuss and appoint a Vice Chair for TIRZ Board #2.**

TIRZ #3 BOARD REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

12. **Consider and/or approve TIRZ Board 3 Meeting minutes of May 14, 2024.**
13. **Consider and/or approve the Tax Increment Fund for TIRZ #3 Annual Report for fiscal year 2024.** Scotty Jones, City Manager
14. **Consider and/or approve the Tax Increment Fund for TIRZ #3 financial report for the month ending December 31, 2024.** Scotty Jones, City Manager
15. **Recommend approval of the amended development agreement between the City of Bay City, Texas and Marguerite Meadows, LLC to the City Council.** Scotty Jones, City Manager
16. **Discuss and appoint a Vice Chair for TIRZ Board #3.**

TIRZ #4 BOARD REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

17. **Consider and/or approve TIRZ Board 4 Meeting minutes of February 14, 2023.**
18. **Consider and/or approve the Tax Increment Fund for TIRZ #4 Annual Report for fiscal year 2024.** Scotty Jones, City Manager
19. **Consider and/or approve the Tax Increment Fund for TIRZ #4 financial report for the month ending December 31, 2024.** Scotty Jones, City Manager
20. **Discuss and appoint a Vice Chair for TIRZ Board #4.**

ITEMS/COMMENTS FROM BOARD MEMBERS

ADJOURN

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.

CERTIFICATION OF POSTING

This is to certify that the above notice of a TIRZ BOARDS JOINT meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Monday, February 10 before 5:00 p.m.** Any questions concerning the above items, please contact the Mayor and City Manager’s office at (979) 245-2137.



Tax Increment Reinvestment Zone
Annual Report
FY 2024

City of Bay City, Texas
CITYOFBAYCITY.ORG

#BayCityTX4U

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.

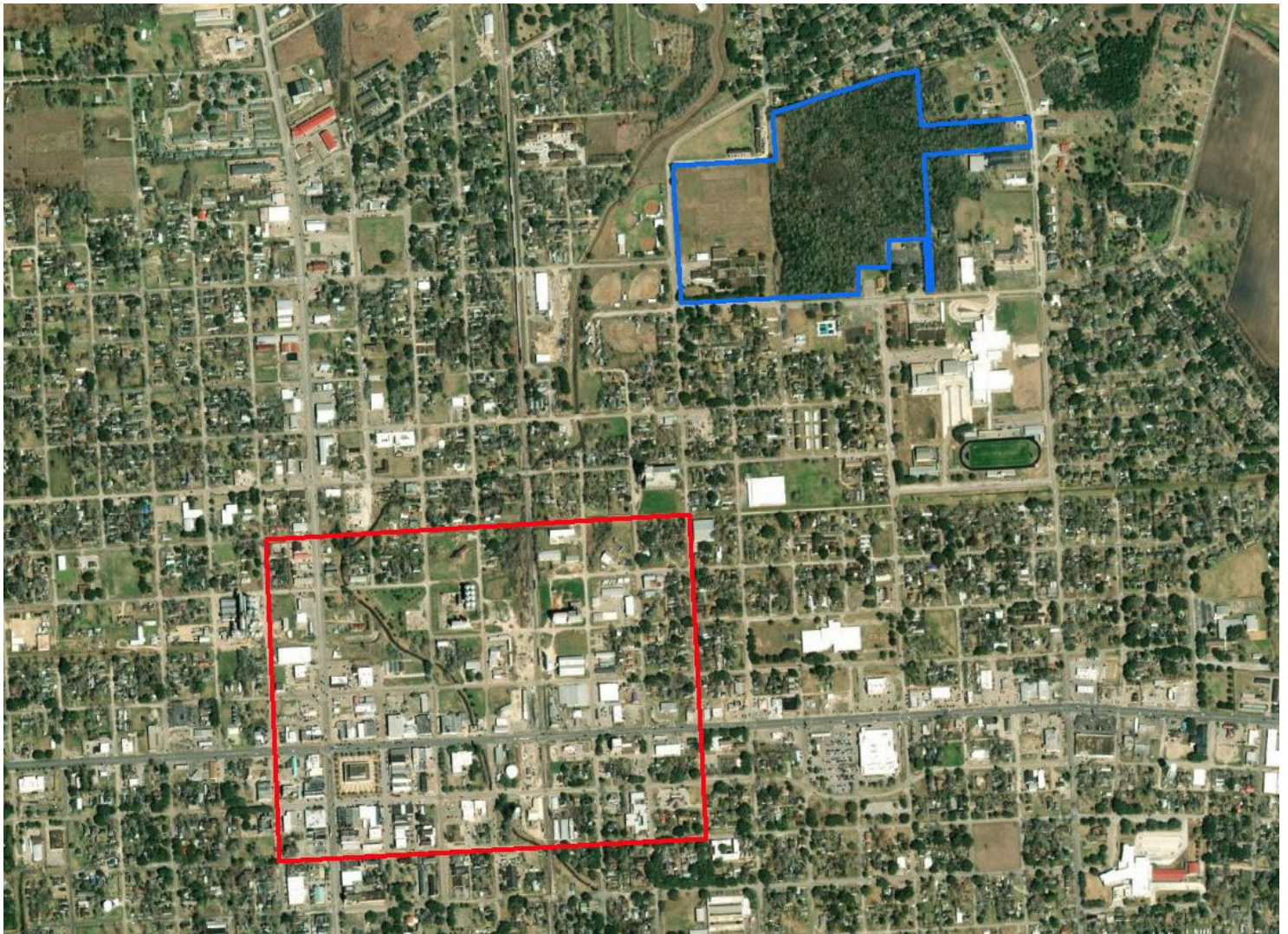




BAY CITY TAX INCREMENT REINVESTMENT ZONE #1 & 1A

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.

In 2022, the TIRZ was expanded to encompass approximately 54.441 acres bringing total acreage to 214.41 acres. The expanded boundaries are non-contiguous to the north of the original TIRZ boundaries.

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



-  - TIRZ #1 Boundary
-  - TIRZ #1A Boundary



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1 & 1A

Board of Directors

William Cornman
(Chairperson)
City Representative

Jim Folse
City Representative
(Council Member)

Tina Israel
City Representative

Samantha Denbow
City Representative

Craig Hlavinka
Port of Bay City

Authority

Edward “Bubba” Cook
County Commissioner

Mike Estlinbaum
County Commissioner

Bryan Prochnow
Matagorda Regional
Medical Center

D.C. Dunham
(Vice Chair)
Matagorda Regional
Medical Center

Tax Increment Revenue Overview- TIRZ 1 (Downtown Area)

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 2023 was \$42,236,180 generating \$18,360,420 in captured appraised value, resulting in \$226,466 in revenue for TIRZ #1 collected in FY2024. In FY2024 TIRZ #1 had \$22,774 expenditures from the fund and the fund balance as of September 30, 2024 was \$526,930.

The taxable value for 2024 was \$40,945,591 generating \$17,069,831 in captured appraised value, resulting in \$210,218 in revenue for TIRZ #1 to be collected in FY2025.

Tax Increment Revenue Overview- TIRZ 1A (Valor Park)

In 2022, the boundaries of TIRZ 1A was extended. The City of Bay City TIRZ #1A base value was established in 2022 with a real property taxable value base of \$2,297,980.

The taxable value for 2023 was \$770,250 generating \$0 in captured appraised value, resulting in \$0 revenue for TIRZ #1A collected in FY 2024.

The taxable value for 2024 was \$1,131,480 generating \$0 in captured appraised value, resulting in \$0 revenue for TIRZ #1A to be collected in FY 2025.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1 & 1A

2023 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.56995	100%	0.56995
Matagorda Cty	0.35928	100%	0.35928
Matagorda Cty Hospital	0.26382	100%	0.26382
Port of Bay City	0.04754	100%	0.04754
Drainage District #1	0.03447	0%	0.00000
Coastal Plains GW	0.00352	0%	0.00000
Cons & Recl	0.00704	0%	0.00000
Bay City ISD	1.04446	0%	0.00000
TOTAL	2.33008	-	1.24059

2023 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.56995	46%	\$104,645
Matagorda Cty	0.35928	29%	\$65,263
Matagorda Cty Hospital	0.26382	21%	\$47,923
Port of Bay City	0.04754	4%	\$8,635
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	1.24059	100.00%	\$226,466

TIRZ 1

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
2023 Tax Year	
<u>Real Property</u>	
City of Bay City	\$42,236,180
Matagorda Cty	\$41,654,121
Matagorda Cty Hospital	\$41,654,121
Port of Bay City	\$41,654,121
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$18,360,420
Matagorda Cty	\$18,164,889
Matagorda Cty Hospital	\$18,164,889
Port of Bay City	\$18,164,889
Incremental Revenue Collected in FY 2024	
<u>Real Property</u>	
City of Bay City	\$104,645
Matagorda Cty	\$65,263
Matagorda Cty Hospital	\$47,923
Port of Bay City	\$8,635
Total	\$226,466



BAY CITY TAX INCREMENT REINVESTMENT ZONE #1 & 1A

2023 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.56995	100%	0.56995
Matagorda Cty	0.35928	100%	0.35928
Matagorda Cty Hospital	0.26382	100%	0.26382
Port of Bay City	0.04754	100%	0.04754
Drainage District #1	0.03447	0%	0.00000
Coastal Plains GW	0.00352	0%	0.00000
Cons & Recl	0.00704	0%	0.00000
Bay City ISD	1.04446	0%	0.00000
TOTAL	2.33008	-	1.24059

2023 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.56995	46%	\$0
Matagorda Cty	0.35928	29%	\$0
Matagorda Cty Hospital	0.26382	21%	\$0
Port of Bay City	0.04754	4%	\$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	1.24059	100.00%	\$0

TIRZ 1A

2022 Base Value	
<u>Real Property</u>	
City of Bay City	\$2,297,980
Matagorda Cty	\$2,297,980
Matagorda Cty Hospital	\$2,297,980
Port of Bay City	\$2,297,980
2023 Tax Year	
<u>Real Property</u>	
City of Bay City	\$770,250
Matagorda Cty	\$770,250
Matagorda Cty Hospital	\$770,250
Port of Bay City	\$770,250
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$-1,527,730
Matagorda Cty	\$-1,527,730
Matagorda Cty Hospital	\$-1,527,730
Port of Bay City	\$-1,527,730
Incremental Revenue Collected in FY 2024	
<u>Real Property</u>	
City of Bay City	\$0
Matagorda Cty	\$0
Matagorda Cty Hospital	\$0
Port of Bay City	\$0
Total	\$0



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2 & 2A


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.

Originally, the purpose of TIRZ #2 was 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.

In 2021, the TIRZ was expanded to encompass approximately 147.27 acres bringing total acreage to 491.27 acres. The expanded boundaries are -contiguous to the west of the original TIRZ boundaries.



 - TIRZ #2 Boundary

 - TIRZ #2A Boundary

BAY CITY TAX INCREMENT REINVESTMENT ZONE #2 & 2 A

Board of Directors

William Cornman
(Chairperson)

City Representative

Jim Folsie

City Representative

(Council Member)

Tina Israel

City Representative

Samantha Denbow

City Representative

Craig Hlavinka

Port of Bay City

Authority

Mike Estlinbaum

County Commissioner

Edward “Bubba” Cook

County Commissioner

Bryan Prochnow

Matagorda Regional

Medical Center

D.C. Dunham

(Vice Chair)

Matagorda Regional

Medical Center

Tax Increment Revenue Overview- TIRZ 2

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 2023 was \$16,041,720 generating \$13,942,527 in captured appraised value, resulting in \$172,030 revenue for TIRZ #2 collected in FY 2024. In FY 2024 TIRZ #2 had \$134,472 expenditures from the fund and the fund balance as of September 30, 2024 was \$45,565.

The taxable value for 2024 was \$16,220,090 generating \$14,120,897 in captured appraised value, resulting in \$174,424 in revenue for TIRZ #2 to be collected in FY 2025.

Tax Increment Revenue Overview- TIRZ 2A

In 2021, the boundaries of TIRZ 2 was extended. The City of Bay City TIRZ #2A base value was established in 2021 with a real property taxable value base of \$16,020.

The taxable value for 2023 was \$16,020 generating \$0 in captured appraised value, resulting in \$0 revenue for TIRZ #2A collected in FY 2024. In FY 2024 TIRZ #2A had \$0 expenditures from the fund and the fund balance as of September 30, 2024 was \$0.

The taxable value for 2024 was \$21,200 generating \$5,180 in captured appraised value, resulting in \$64 in revenue for TIRZ #2A to be collected in FY 2025.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2 & 2A

2023 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.56995	100%	0.56995
Matagorda Cty	0.35928	100%	0.35928
Matagorda Cty Hospital	0.26382	100%	0.26382
Port of Bay City	0.04754	100%	0.04754
Drainage District #1	0.03447	0%	0.00000
Coastal Plains GW	0.00352	0%	0.00000
Cons & Recl	0.00704	0%	0.00000
Bay City ISD	1.04446	0%	0.00000
TOTAL	2.33008	-	1.24059

2023 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.56995	46%	\$79,465
Matagorda Cty	0.35928	29%	\$49,589
Matagorda Cty Hospital	0.26382	21%	\$36,414
Port of Bay City	0.04754	4%	\$6,562
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	1.24059	100.00%	\$172,030

TIRZ 2

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
2023 Tax Year	
<u>Real Property</u>	
City of Bay City	\$16,041,720
Matagorda Cty	\$16,022,410
Matagorda Cty Hospital	\$16,022,410
Port of Bay City	\$16,022,410
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$13,942,527
Matagorda Cty	\$13,802,388
Matagorda Cty Hospital	\$13,802,388
Port of Bay City	\$13,802,388
Incremental Revenue Collected in FY 2024	
<u>Real Property</u>	
City of Bay City	\$79,465
Matagorda Cty	\$49,589
Matagorda Cty Hospital	\$36,414
Port of Bay City	\$6,562
Total	\$172,030



BAY CITY TAX INCREMENT REINVESTMENT ZONE #2 & 2A

2023 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.56995	100%	0.56995
Matagorda Cty	0.35928	100%	0.35928
Matagorda Cty Hospital	0.26382	100%	0.26382
Port of Bay City	0.04754	100%	0.04754
Drainage District #1	0.03447	0%	0.00000
Coastal Plains GW	0.00352	0%	0.00000
Cons & Recl	0.00704	0%	0.00000
Bay City ISD	1.04446	0%	0.00000
TOTAL	2.33008	-	1.24059

2023 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.56995	46%	\$0
Matagorda Cty	0.35928	29%	\$0
Matagorda Cty Hospital	0.26382	21%	\$0
Port of Bay City	0.04754	4%	\$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	1.24059	100.00%	\$0

TIRZ 2 A

2021 Base Value	
<u>Real Property</u>	
City of Bay City	\$16,020
Matagorda Cty	\$16,020
Matagorda Cty Hospital	\$16,020
Port of Bay City	\$16,020
2023 Tax Year	
<u>Real Property</u>	
City of Bay City	\$16,020
Matagorda Cty	\$16,020
Matagorda Cty Hospital	\$16,020
Port of Bay City	\$16,020
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 FY 2024	
<u>Real Property</u>	
City of Bay City	\$0
Matagorda Cty	\$0
Matagorda Cty Hospital	\$0
Port of Bay City	\$0
Total	\$0



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

Jim Folse

(Chairperson)

City Representative

Samantha Denbow

City Representative

Mike Estlinbaum

County Commissioner

Edward “Bubba” Cook

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 2023 was \$5,601,520 generating \$5,252,420 in captured appraised value, resulting in \$55,624 revenue collected in FY 2024. In FY 2024 TIRZ #3 had \$2,781 expenditures from the fund and the fund balance as of September 30, 2024 was \$52,922.

The taxable value for 2024 was \$5,314,412 generating \$4,965,312 in captured appraised value, resulting in \$49,890 revenue for TIRZ #3 to be collected in FY 2025.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #3

2023 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.56995	90%	0.51296
Matagorda Cty	0.35928	90%	0.32335
Matagorda Cty Hospital	0.26382	90%	0.23744
Port of Bay City	0.04754	0%	0.00000
Drainage District #1	0.03447	0%	0.00000
Coastal Plains GW	0.00352	0%	0.00000
Cons & Recl	0.00704	0%	0.00000
Bay City ISD	1.04446	0%	0.00000
TOTAL	2.33008	-	1.07375

2023 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.51296	48%	\$26,942
Matagorda Cty	0.32335	30%	\$16,538
Matagorda Cty Hospital	0.23744	22%	\$12,144
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	1.07375	100.00%	\$55,624

TIRZ 3

2017 Base Value	
<u>Real Property</u>	
City of Bay City	\$349,100
Matagorda Cty	\$349,100
Matagorda Cty Hospital	\$349,100
2023 Tax Year	
<u>Real Property</u>	
City of Bay City	\$5,601,520
Matagorda Cty	\$5,114,490
Matagorda Cty Hospital	\$5,114,490
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$5,252,420
Matagorda Cty	\$5,114,490
Matagorda Cty Hospital	\$5,114,490
Incremental Revenue Collected in FY 2024	
<u>Real Property</u>	
City of Bay City	\$26,942
Matagorda Cty	\$16,538
Matagorda Cty Hospital	\$12,144
Total	\$55,624



BAY CITY TAX INCREMENT REINVESTMENT ZONE #4

The City of Bay City Tax Increment Reinvestment Zone (TIRZ) Number Four (TIRZ #4) was established in 2022 and consists of 49.71 acres of land, located on the eastern portion of the City of Bay City. Bay City TIRZ #4 is generally bounded by 7th Street to the south, Rose Street to the west, and Old Van Vleck Road to the east. All real property within the boundaries is underdeveloped. As such, the site will not be developed to its full potential but for the creation of a TIRZ.



*TIRZ #4 Boundary

BAY CITY TAX INCREMENT REINVESTMENT ZONE #4

Board of Directors

Jessica Russell
(Chairperson)

City Representative

Jim Folse

City Council Member

Tina Israel

City Representative

Samantha Denbow

City Representative

Craig Hlavinka

Port of Bay City

Authority

Mike Estlinbaum

County Commissioner

Edward “Bubba” Cook

County Commissioner

Bryan Prochnow

Matagorda Regional
Medical Center

Rene Savage

Matagorda Regional
Medical Center

Tax Increment Revenue Overview

The City of Bay City TIRZ #4 base value was established in 2022 with a real property taxable value base of \$191,200. The City of Bay City has chosen to contribute 50% of their incremental tax revenue to the TIRZ fund for a period of 36 years.

The taxable value for 2023 was \$355,990 generating \$164,790 in captured appraised value, resulting in \$1,022 revenue collected in FY 2024. In FY 2024 TIRZ #4 had \$26 expenditures from the fund and the fund balance as of September 30, 2024 was \$998.

The taxable value for 2024 was \$355,990 generating \$164,790 in captured appraised value, resulting in \$1,022 revenue for TIRZ #4 to be collected in FY 2025.



BAY CITY TAX INCREMENT REINVESTMENT ZONE #4

2023 Taxing Jurisdiction Participation Rates

	Tax Rates	Participation	Participation Rate
City of Bay City	0.56995	50%	0.28498
Matagorda Cty	0.35928	50%	0.17964
Matagorda Cty Hospital	0.26382	50%	0.13191
Port of Bay City	0.04754	50%	0.02377
Drainage District #1	0.03447	0%	0.00000
Coastal Plains GW	0.00352	0%	0.00000
Cons & Recl	0.00704	0%	0.00000
Bay City ISD	1.04446	0%	0.00000
TOTAL	2.33008	-	.620295

2023 Taxing Jurisdiction Contributions

	Participation Rate	Percentage of Total	TIRZ Contribution
City of Bay City	0.28498	46%	\$470
Matagorda Cty	0.17964	29%	\$296
Matagorda Cty Hospital	0.13191	21%	\$217
Port of Bay City	0.02377	4%	\$39
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	.620295	100.00%	\$1,022

TIRZ 4

2015 Base Value	
<u>Real Property</u>	
City of Bay City	\$191,200
Matagorda Cty	\$191,200
Matagorda Cty Hospital	\$191,200
Port of Bay City	\$191,200
2023 Tax Year	
<u>Real Property</u>	
City of Bay City	\$355,990
Matagorda Cty	\$355,990
Matagorda Cty Hospital	\$355,990
Port of Bay City	\$355,990
Captured Appraised Value	
<u>Real Property</u>	
City of Bay City	\$164,790
Matagorda Cty	\$164,790
Matagorda Cty Hospital	\$164,790
Port of Bay City	\$164,790
Incremental Revenue Collected in FY 2024	
<u>Real Property</u>	
City of Bay City	\$470
Matagorda Cty	\$296
Matagorda Cty Hospital	\$217
Port of Bay City	\$39
Total	\$1,022

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #1
December 31, 2024

TIRZ 1 Notes:

Beginning Fund Balance 10-1-24 **526,930.43**

Revenues

TIRZ # 1 City	
TIRZ # 1 County	
TIRZ # 1 Hospital	
TIRZ # 1 Port of Bay City	
Interest Income	2,245.84
Total Revenues	2,245.84

Expenditures

City Admin Fee 2.5%	-	Development Financing Agreement 9-4-17
City - Legal Fees	-	
Park Improvements	-	Landscape Architect
Bank Charges	-	
Total Expenditures	-	

Net Revenue (Expenditures) **2,245.84**

Ending Fund Balance **529,176.27**

Due to TIRZ in FY 2025 (to be collected)

TIRZ # 1 City	97,289.50	Accounts Receivable
TIRZ # 1 County	60,498.75	Accounts Receivable
TIRZ # 1 Hospital	44,424.35	Accounts Receivable
TIRZ # 1 Port of Bay City	8,005.21	Accounts Receivable

210,217.81 *Receivable is approximate based on last year's tax rate*

Recap of Disbursements FY 2025:

Paid

\$ -

Total After TIRZ Deposits **739,394.08**

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #2
December 31, 2024

TIRZ 2

Beginning Fund Balance 10-1-24	45,565.01
---------------------------------------	------------------

Revenues

TIRZ # 2 City	
TIRZ # 2 County	
TIRZ # 2 Hospital	
TIRZ # 2 Port of Bay City	
Interest Income	1,890.57
Total Revenues	\$1,890.57

Expenditures

City Admin Fee 2.5%	-	Development Financing Agreement 9-4-17
City - Legal Fees		
Developer Reimbursement- BCCDC*	-	Schulman Parking Lot
Bank Charges	-	
Total Expenditures	-	<i>Board approved \$2,845,190.62 on May 18, 2018 Reimbursement made as funds are available</i>
Net Revenue (Expenditures)	\$1,890.57	<i>are verified</i>

Ending Fund Balance	47,455.58
----------------------------	------------------

Due to TIRZ in FY 2025 (to be collected)

TIRZ # 2 City	\$80,482.05	Accounts Receivable
TIRZ # 2 County	\$50,327.07	Accounts Receivable
TIRZ # 2 Hospital	\$36,955.27	Accounts Receivable
TIRZ # 2 Port of Bay City	\$6,659.29	Accounts Receivable
	\$174,423.68	

*Balance Due BCCDC 1,924,462.69 as of 12-31-24

Total After TIRZ Deposits	221,879.26
----------------------------------	-------------------

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #3
December 31, 2024

TIRZ 3

Beginning Fund Balance 10-1-24	52,921.87
---------------------------------------	------------------

Revenues

TIRZ # 3 City	
TIRZ # 3 County	
TIRZ # 3 Hospital	
Interest Income	26.08
Total Revenues	26.08

Expenditures

City Admin Fee 5%	-
City - Legal Fees	
Developer Reimbursement	
Total Expenditures	-

Net Revenue (Expenditures)	26.08
-----------------------------------	--------------

Ending Fund Balance	52,947.95
----------------------------	------------------

Due to TIRZ in FY 2025 (to be collected)

TIRZ # 3 City	\$25,469.82	Accounts Receivable
TIRZ # 3 County	\$14,080.67	Accounts Receivable
TIRZ # 3 Hospital	\$10,339.47	Accounts Receivable
	\$49,889.96	

Total After TIRZ Deposits	102,837.91
----------------------------------	-------------------

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #4
 December 31, 2024

TIRZ 4

Beginning Fund Balance 10-1-24	998.10
---------------------------------------	--------

Revenues

TIRZ # 4 City	
TIRZ # 4 County	
TIRZ # 4 Hospital	
TIRZ # 4 Port of Bay City	
Interest Income	0.49
Total Revenues	0.49

Expenditures

City Admin Fee 2.5%	-
City - Legal Fees	
Developer Reimbursement	
Total Expenditures	-

Net Revenue (Expenditures)	0.49
-----------------------------------	------

Ending Fund Balance	998.59
----------------------------	--------

Due to TIRZ in FY 2025 (to be collected)

TIRZ # 4 City	\$469.61	Accounts Receivable
TIRZ # 4 County	\$296.03	Accounts Receivable
TIRZ # 4 Hospital	\$217.37	Accounts Receivable
Port of Bay City	\$39.17	
	\$1,022.18	

Total After TIRZ Deposits	2,020.77
----------------------------------	-----------------

**CALL TO ORDER & CERTIFICATION OF QUORUM**

Board Vice-Chair DC Dunham called the board meeting to order at 4:00 p.m. and a quorum was certified.

PRESENT

Vice-Chair DC Dunham
Board Member William Cornman
Board Member Samantha Denbow
Board Member Craig Hlavinka
Board Member Bryan Prochnow
Board Member Jim Folse
Board Member Mike Estlinbaum

ABSENT

Board Chair Julie Estlinbaum
Board Member Edward "Bubba" Cook

APPROVAL OF AGENDA

Motion made by Board Member Jim Folse to approve the agenda, Seconded by Board Member Bill Cornman. Voting Yea: Vice-Chair DC Dunham, Board Member Bill Cornman, Board Member Samantha Denbow, Board Member Craig Hlavinka, Board Member Bryan Prochnow, Board Member Jim Folse, Board Member Mike Estlinbaum

APPROVAL OF MINUTES SUMMARY**1. TIRZ Board 1 & 2 Meeting minutes of November 6, 2023**

Motion made by Board Member Mike Estlinbaum to approve the minutes of November 6, 2023, Seconded by Board Member Samantha Denbow. Voting Yea: Vice-Chair DC Dunham, Board Member Bill Cornman, Board Member Samantha Denbow, Board Member Craig Hlavinka, Board Member Bryan Prochnow, Board Member Jim Folse, Board Member Mike Estlinbaum

PUBLIC COMMENTS

There were no public comments.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:



2. **Discuss, consider and/or approve the Tax Increment Fund for TIRZ #1 and TIRZ #2 Annual Report, including current balance, disbursements, any approved payments that have not been disbursed and the amount of any receivables.** Scotty Jones, Assistant City Manager

Motion made by Board Member Bill Cornman to approve the Tax Increment Fund for TIRZ #1 and TIRZ #2 Annual Report, Seconded by Board Member Mike Estlinbaum. Voting Yea: Vice-Chair DC Dunham, Board Member Bill Cornman, Board Member Samantha Denbow, Board Member Craig Hlavinka, Board Member Bryan Prochnow, Board Member Jim Folse, Board Member Mike Estlinbaum

3. **Discuss, consider and/or approve the Tax Increment Fund for TIRZ #1 and TIRZ #2 1st Quarter Financials for FY2024.** Scotty Jones, Assistant City Manager

Motion made by Board Member Bill Cornman to approve the Tax Increment Fund for TIRZ #1 and TIRZ #2 1st Quarter Financials for FY2024, Seconded by Board Member Mike Estlinbaum. Voting Yea: Vice-Chair DC Dunham, Board Member Bill Cornman, Board Member Samantha Denbow, Board Member Craig Hlavinka, Board Member Bryan Prochnow, Board Member Jim Folse, Board Member Mike Estlinbaum

4. **Discuss, consider, and/or approve appointment of Vice Chair for TIRZ Board #1, subject to approval of board appointments and re-appointments by City Council.**

Motion made by Board Member Bill Cornman to re-appoint DC Dunham as Vice-Chairman to TIRZ #1 Board, Seconded by Board Member Samantha Denbow. Voting Yea: Vice-Chair DC Dunham, Board Member Bill Cornman, Board Member Samantha Denbow, Board Member Craig Hlavinka, Board Member Bryan Prochnow, Board Member Jim Folse, Board Member Mike Estlinbaum.

5. **Discuss, consider, and/or approve appointment of Vice Chair for TIRZ Board #2, subject to approval of board appointments and re-appointments by City Council.**

Motion made by Board Member Bill Cornman to re-appoint DC Dunham as Vice-Chairman of TIRZ #2 Board, Seconded by Board Member Samantha Denbow. Voting Yea: Vice-Chair DC Dunham, Board Member Bill Cornman, Board Member Samantha Denbow, Board Member Craig Hlavinka, Board Member Bryan Prochnow, Board Member Jim Folse, Board Member Mike Estlinbaum.

6. **Presentation from Landscape Architect for TIRZ #1 and take any action deemed necessary.**



Mitch Wright with Vista Planning and Design provided a presentation and proposal of the proposed Cottonwood Park, adding that he was still needing survey of boundaries and topography. Board Member Bill Cornman asked about capacity and parking to support. Mr. Wright presented two phases at a cost of approximately \$1,995,000 which did not include soft costs. In addition, Mr. Wright presented a proposal on Barkway Dog Park at a cost of \$813,925. Board Members Mike Estlinbaum and Craig Hlavinka were concerned with the Silo feature and the possible extreme heat inside of it. The board would like to meet again when Mr. Wright submits his next phase proposal.

7. Update on Valor Park in TIRZ #1A.

DC Dunham provided an update on Valor Park stating that Phase 1 has been sold to a contractor and the remaining phases plans have been submitted to the Drainage District and City.

8. Update on Bod Fox Development in TIRZ #2.

No report.

NEXT MEETING DATE

See Item #6, to be announced.

ITEMS / COMMENTS FROM BOARD MEMBERS

There were no comments.

ADJOURNMENT

Meeting adjourned at 5:32 p.m.

PASSED AND APPROVED, this ____ day of _____, 2024.

WILLIAM CORNMAN.; BOARD CHAIRMAN
TIRZ BOARD #1 & #2

JEANNA THOMPSON
CITY SECRETARY

DISCUSS, CONSIDER, AND/OR APPROVE THE TIRZ #1 AND TIRZ #2 FINANCIAL REPORT FOR MONTH ENDING DECEMBER 31, 2024.



EXECUTIVE SUMMARY

BACKGROUND:

At each called meeting, an updated financial will be presented. This provides the Board opportunity to discuss the TIRZ's financial activity since last meeting.

In addition, an annual accounting is provided to each participating entity that details the funds deposited to and disbursed from the Tax Increment Fund.

ATTACHMENTS: TIRZ # 1 and TIRZ #2 Financial Report as of 12-31-24

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #1
December 31, 2024

TIRZ 1 Notes:

Beginning Fund Balance 10-1-24 **526,930.43**

Revenues

TIRZ # 1 City
TIRZ # 1 County
TIRZ # 1 Hospital
TIRZ # 1 Port of Bay City
Interest Income 2,245.84

Total Revenues **2,245.84**

Expenditures

City Admin Fee 2.5% - Development Financing Agreement 9-4-17
City - Legal Fees -
Park Improvements - Landscape Architect
Bank Charges -

Total Expenditures **-**

Net Revenue (Expenditures) **2,245.84**

Ending Fund Balance **529,176.27**

Due to TIRZ in FY 2025 (to be collected)

TIRZ # 1 City	97,289.50	Accounts Receivable
TIRZ # 1 County	60,498.75	Accounts Receivable
TIRZ # 1 Hospital	44,424.35	Accounts Receivable
TIRZ # 1 Port of Bay City	8,005.21	Accounts Receivable
	210,217.81	<i>Receivable is approximate based on last year's tax rate</i>

Recap of Disbursements FY 2025:

Paid

\$ -

Total After TIRZ Deposits **739,394.08**

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #2
December 31, 2024

TIRZ 2

Beginning Fund Balance 10-1-24	45,565.01
---------------------------------------	------------------

Revenues

TIRZ # 2 City	
TIRZ # 2 County	
TIRZ # 2 Hospital	
TIRZ # 2 Port of Bay City	
Interest Income	1,890.57
Total Revenues	\$1,890.57

Expenditures

City Admin Fee 2.5%	-	Development Financing Agreement 9-4-17
City - Legal Fees		
Developer Reimbursement- BCCDC*	-	Schulman Parking Lot
Bank Charges	-	
Total Expenditures	-	<i>Board approved \$2,845,190.62 on May 18, 2018 Reimbursement made as funds are available are verified</i>
Net Revenue (Expenditures)	\$1,890.57	

Ending Fund Balance	47,455.58
----------------------------	------------------

Due to TIRZ in FY 2025 (to be collected)

TIRZ # 2 City	\$80,482.05	Accounts Receivable
TIRZ # 2 County	\$50,327.07	Accounts Receivable
TIRZ # 2 Hospital	\$36,955.27	Accounts Receivable
TIRZ # 2 Port of Bay City	\$6,659.29	Accounts Receivable
	\$174,423.68	

*Balance Due BCCDC 1,924,462.69 as of 12-31-24

Total After TIRZ Deposits	221,879.26
----------------------------------	-------------------



CALL TO ORDER & CERTIFICATION OF QUORUM

The meeting was called to order at 5:14 p.m.

PRESENT

Board Member DC Dunham
Chairman Jim Folse
Board Member Samantha Denbow
Board Member William Cornman

ABSENT

Board Member Bryan Prochnow
Board Member Edward "Bubba" Cook
Board Member Mike Estlinbaum

APPROVAL OF AGENDA

Motion made by Board Member Dunham to approve the agenda, Seconded by Board Member Denbow. Voting Yea: Board Member Dunham, Chairman Folse, Board Member Denbow, Board Member Cornman. Motion carried.

APPROVAL OF MINUTES SUMMARY

1. Meeting Minutes of June 25, 2018

Motion made by Board Member Dunham to approve the minutes, Seconded by Board Member Denbow. Voting Yea: Board Member Dunham, Chairman Folse, Board Member Denbow, Board Member Cornman. Motion carried.

PUBLIC COMMENTS

Mayor Pro Tem Blayne Finlay and Councilwoman Becca Sitz both stated that it was a pleasure to attend.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

2. Discuss, consider, and/or approve appointment of Vice Chair for TIRZ Board #3.



Motion made by Board Member Dunham to appoint Board Member Bill Cornman as Vice-Chair, Seconded by Board Member Denbow. Voting Yea: Board Member Dunham, Chairman Folse, Board Member Denbow, Board Member Cornman. Motion carried.

3. Report ~ Discuss and review the Tax Increment Fund for TIRZ #3 annual report.
Scotty Jones, Interim City Manager

Scotty Jones, Interim City Manager and City Finance Director, presented the annual report for TIRZ #3, reviewing revenue and overview in Phase II.

4. Discuss, consider, and/or recommend approval of the Project and Financing Plan for Reinvestment Zone Number Three (TIRZ #3) to the City Council.

David Pettit, DPED consultant, reviewed final PFP to be complete to reimburse developer. Board member Cornman concerned about and questioned not needing county and hospital sign-off.

Motion made by Board Member Cornman to recommend approval of the Project and Financing Plan, Seconded by Board Member Dunham. Voting Yea: Board Member Dunham, Chairman Folse, Board Member Denbow, Board Member Cornman.

ITEMS / COMMENTS FROM BOARD MEMBERS

There were no comments

ADJOURNMENT

Meeting adjourned at 5:35 p.m.

PASSED AND APPROVED, this ____ day of _____, 2025.

BOARD CHAIRMAN

TIRZ BOARD #3

JEANNA THOMPSON

CITY SECRETARY

DISCUSS, CONSIDER, AND/OR APPROVE THE TIRZ #3 FINANCIAL REPORT FOR MONTH ENDING DECEMBER 31, 2024.



EXECUTIVE SUMMARY

BACKGROUND:

At each called meeting, an updated financial will be presented. This provides the Board opportunity to discuss the TIRZ's financial activity since last meeting.

In addition, an annual accounting is provided to each participating entity that details the funds deposited to and disbursed from the Tax Increment Fund.

ATTACHMENTS: TIRZ # 3 Financial Report as of 12-31-24

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #3
 December 31, 2024

TIRZ 3

Beginning Fund Balance 10-1-24	52,921.87
Revenues	
TIRZ # 3 City	
TIRZ # 3 County	
TIRZ # 3 Hospital	
Interest Income	26.08
Total Revenues	26.08
Expenditures	
City Admin Fee 5%	-
City - Legal Fees	
Developer Reimbursement	
Total Expenditures	-
Net Revenue (Expenditures)	26.08
Ending Fund Balance	52,947.95

Due to TIRZ in FY 2025 (to be collected)		
TIRZ # 3 City	\$25,469.82	Accounts Receivable
TIRZ # 3 County	\$14,080.67	Accounts Receivable
TIRZ # 3 Hospital	\$10,339.47	Accounts Receivable
	\$49,889.96	

Total After TIRZ Deposits **102,837.91**

Recommend approval of the amended development agreement between the City of Bay City and Marguerite Meadows, LLC for TIRZ #3 to the City Council.



EXECUTIVE SUMMARY

BACKGROUND:

On January 26, 2017, the City Council approved by ordinance the boundaries of TIRZ 3. The boundaries were amended on February 13, 2017, to include a portion of Marguerite Street.

The preliminary project and finance plan was approved but the final plan has not and is required prior to any disbursements of funds.

The Council approved the final project and financing plan in May 2024. This agreement has been amended to reflect this final approval.

RECOMMENDATION: Staff recommends TIRZ Board approval of the development agreement for final action/approval of the City Council.

ATTACHMENTS: Development Agreement

**AMENDED DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF BAY CITY AND MARGUERITE MEADOW, LLC**

This AMENDED DEVELOPMENT AGREEMENT ("Amended Agreement") is entered into by and between the CITY OF BAY CITY (the "City"), a Texas home rule municipality and MARGUERITE MEADOW, LLC ("Developer"), a Texas limited liability company. The City and Developer may be referred to singularly as "Party" and collectively as the "Parties."

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

WHEREAS, Developer petitioned the City for the creation of the Reinvestment Zone Number Three, City of Bay City, Texas (the "Zone") in order to be reimbursed for Project Costs incurred in the development of the Project: and

WHEREAS, on January 26, 2017, the City Council of the Bay City, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance 1590 designating a contiguous geographic area within the City as a Reinvestment Zone Number Three, Bay City, Texas (the "Zone"); and

WHEREAS, on February 23, 2017, the City Council of the Bay City, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance 1593 amending Ordinance 1590 designating a contiguous geographic area within the City as a Reinvestment Zone Number Three, Bay City, Texas (the "Zone"); and

WHEREAS, on May 14, 2024, the City Council of Bay City approved Ordinance 1728 adopting a Project Plan and Financing Plan (collectively "TIRZ Plan") for the Zone; and

WHEREAS, the TIF Act authorizes the expenditures of funds derived within a reinvestment zone for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with a project and financing plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined by the TIF Act; and

WHEREAS, Developer is the owner of approximately 20 acres of real property (the "Property") located on the eastern portion of Marguerite Street in the City which it proposes to develop a deed restricted single-family subdivision; and Developer has requested reimbursement for its cost of constructing certain public improvements pursuant to the TIRZ Plan; and

WHEREAS, Developer and City entered into the Original Development Agreement on or about November 2, 2017, prior to the approval of the Project Plan and Financing Plan;

WHEREAS, Developer and City agree that it is necessary to amend the Original Development Agreement to reflect the agreement of the parties following the adoption of the Project Plan and Financing Plan;

WHEREAS, Developer and City agree that this Amended Agreement shall replace in full the Original Development Agreement and the Original Development Agreement shall be null and void from adoption of this Amended Agreement, into the future;

WHEREAS, the City has determined the Project will utilize under-developed and unused property, provide for additional residential opportunities within the City, and produce additional tax revenues for the various taxing units authorized to levy taxes on real property within the Zone; and

WHEREAS, the Zone is intended and needed to provide the financing and management tools to facilitate the development of the Project; therefore, it is understood that absent such tools, the Project would not occur solely through private investment in the foreseeable future, and would not consist of deed restricted single-family subdivision contemplated by the Parties; and

WHEREAS, Developer will construct certain public improvements described on **Exhibit C**, to implement the TIRZ Plan, and the City will reimburse Developer all or a portion of Developer's cost for the public works and public improvements in accordance with this Amended Agreement; and

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

WHEREAS, the City, after due and careful consideration, has concluded that the development of the Property as provided herein will further the growth of the City, improve the environment of the City, increase the assessed valuation within the City, foster increased economic activity with the City, upgrade public infrastructure serving the Property, and otherwise be in the best interest of the City by furthering the health, safety, and welfare of its residents and taxpayers, and that entering into this Amended Agreement is necessary and convenient to implement the TIRZ Plan and achieve their purposes.

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: Definitions

Amended Agreement means this Amended Agreement and all attachments hereto.

City means the City of Bay City, Texas. In the event the City delegates the administration of the Zone to the Zone Board, City includes the Zone.

Letter of Acceptance means a certificate of the City certifying the completion of a discrete portion of the Public Improvements constructed by or under the supervision of Developer in accordance with this Amended Agreement.

Maximum Reimbursement Amount means **\$2,710,000**. The Developer and the City may revise the Maximum Reimbursement Amount based on changed circumstances concerning the development of the Project.

Original Development Agreement means the Development Agreement entered into the Parties on November 2, 2017.

Phase means any part of the Public Improvements for which, from time to time, Developer elects to submit Plans to the City for approval.

Plans mean the plans, specifications, schedules and related construction contracts for the Public Improvements approved pursuant to the applicable standards and directives of the City and any other applicable governmental entity.

Project means the real estate development for the Property in accordance with the terms of the Project Plan and this Amended Agreement described in **Exhibit B**.

Project Engineer means the licensed engineering firm designated by Developer as Developer's engineer from time to time.

Project Costs mean and include all costs defined as "project costs" in Section 311.002 of the *TIF Act* as now or hereafter provided, incurred in connection with the design, construction, or development of the Public Improvements identified in **Exhibit C**.

Property means approximately 20 acres of real property shown on **Exhibit A**, and any adjacent right-of-way and publicly owned property that Developer acquires or obtains permission to develop.

Public Improvements mean the various improvements to be funded by Developer in support of the Project identified in **Exhibit C**.

Reimbursement means the actual Project Costs of the Public Improvements.

Substantial Completion means the time at which the construction of a Public Improvement (or specified part thereof) has progressed to the point where such Public Improvement (or specified part thereof) is sufficiently complete to be utilized for the purpose for which it is intended, as determined by the City.

TIF Act means the Tax Increment financing Act, Chapter 311 of the Texas Tax Code, as amended.

TIF Revenue means the amount of tax revenue derived from or attributable to the Property and the Project collected as determined pursuant to Section 311.012 of the TIF Act, the Ordinance creating the Zone, and the participation agreements with the other taxing entities and deposited in the TIRZ Fund in accordance with the TIRZ Plan.

TIRZ means the Tax Increment Reinvestment Zone Number 3, City of Bay City created by the City over the Property.

TIRZ Fund means the tax increment fund created by the City pursuant to the TIF Act and the ordinance adopted by the City creating the Zone.

TIRZ Plan means the Reinvestment Zone Project Plan and Financing Plan.

2. Section: Recitals

All of the recitals above are hereby found to be true and are hereby incorporated into this Amended Agreement as if fully set forth herein in their entirety.

3. Section: Project & Financing

Developer shall, at its sole cost and expense, design, construct, and install, within the time frame provided by this Amended Agreement, the Public Improvements. All Public Improvements undertaken by Developer shall be designed, constructed, and installed in a good and workman like manner in accordance with all applicable laws, statutes, ordinances, rules and regulations of the City and any other governmental authority having jurisdiction over the Project. All Public Improvements shall be constructed and installed within existing or future rights-of-way, easements, parks, or City property.

Developer shall submit plans and specification for each Phase of the Public Improvements to the City for review and approval prior to the commencement of construction of any Public Improvement. Such plans and specifications shall be prepared by the Project Engineer and shall be in conformance with City design standards. The City's approval of the plans and specifications shall not be unreasonably withheld, conditioned, or delayed.

Developer shall present a final subdivision plat of the Property for approval by the City in accordance with the City's Code of Ordinances and state law.

Developer shall construct the Public Improvements in such Phases and in such sequences as Developer determines.

Developer shall submit plans for the initial Phase or Public Improvements to the City for approval within twelve (12) months of the Effective Date.

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 Reimbursements to be made to Developer pursuant to this Amended Agreement are not intended to reimburse Developer for all of its costs incurred in connection with performing its obligations under this Amended Agreement.

4. Section: Insurance

Developer shall obtain and maintain, or cause its contractors and subcontractors to obtain and maintain, in full force an effect during the time that any Public Improvement is being constructed and installed by Developer under this Amended Agreement insurance coverage in the following amounts:

Type of Insurance	Amount of Insurance	Provisions
Commercial General (Public) Liability to include coverage for:	1,000,000 per occurrence, 2,000,000 general aggregate	City to be listed as additional insured and provide 30 days notice of cancellation or material change in coverage
Premises/Operations	Or	

Products/Completed Operations	2,000,000 combined single coverage limit	City to be provided a waiver of subrogation
Independent Contractors		City prefers that insurer be rated B+V1 or higher by A.M. Best or A or higher by Standard & Poors
Personal Injury		
Contractual Liability		
Business Auto Liability	1,000,000 combined single limit	City to be provided a waiver of subrogation
Workers' Compensation & Employers Liability	Statutory Limits 1,000,000 each accident	City to be provided a waiver of subrogation

The policies of insurance shall name the City as additional insureds. All policies of insurance must provide waiver of subrogation in favor of the City. All liability policies must be issued by a company with a Certificate of Authority from the Texas Department of Insurance to conduct business in the State of Texas. The issuing company must have a rating of at least B+ and a financial size of Class VI or better according to the current year's Best's Key Rating Guide, Property-Casualty United States.

All insurance policies shall have on their face, or by endorsement, that the insurance company waives any subrogation against the City and it shall give not less than (fifteen) 15 days written notice to the City before the policy is cancelled, materially changed, or non-renewed. Within the (fifteen) 15 day period, Developer shall provide other sufficient policies in lieu of those about to be cancelled, materially changed, or not renewed so as to maintain in effect the required coverage. If Developer fails to comply with these insurance requirements, the City, at its sole discretion, may refuse to release Reimbursements to Developer pursuant to this Amended Agreement until Developer complies with this provision. Developer acknowledges and agrees such a refusal does not constitute a default of this Amended Agreement.

5. Section: No Competitive Bidding

Developer's construction of the Public Improvements does not require competitive bidding pursuant to state law.

6. Section: TIF Participation: Reimbursement of TIF Revenue to Developer

The City shall promptly deposit or cause to be deposited into the TIRZ Fund the TIF Revenues collected with respect to the Property by the City and other taxing entities that participate in the Zone and are received by the City under agreements between the City and such other entities, and to disburse such TIF Revenues so deposited to pay Project Costs for any Phase in an amount equal to the actual Project Costs for each such Phase. The City shall pay Reimbursements to Developer for Public Improvements for any Phase as to which Substantial Completion has occurred on an annual basis on June 1 of each year to the extent of the sums available in the TIRZ Fund for this Zone until the Public Improvements under this Amended

Agreement have been paid in full or until the expiration of this Amended Agreement. The City may not make any additional payments once the total payments under this Amended Agreement equal the Maximum Reimbursement Amount. The Maximum Reimbursement Amount has been established based on the anticipated scope of the Public Improvements based on Developer's current estimate of the cost of the Public Improvements. The cost estimates are estimates only and the actual costs may vary; however, the amount of the Maximum Reimbursement Amount shall not change.

Whenever Developer has completed a Phase of the Public Improvements, Developer shall give written notice to the City, which notice shall be accompanied by (1) the Project Engineer's certification that such Phase of the Public Improvements has been substantially completed in accordance with the plans and specifications and (2) Developer's certification of the Project Costs incurred by Developer in completing the Phase. Developer's certification shall include substantiation of Project Costs in such reasonable detail as the City may reasonably request.

The City shall have the right to inspect the Property during construction.

The City reserves the right, when payments come into the TIRZ Fund, to prepay all or any portion of the Maximum Reimbursement Amount under this Amended Agreement at any given time. If the City obtains any additional funds allowed by law, the City may fully reimburse Developer the existing unpaid balance under this Amended Agreement.

During each fiscal year for the term of this Amended 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 Amended Agreement, listed on Exhibit "D".

7. Section: No automatic acceptance of Public Improvements

No Reimbursement paid to Developer shall be deemed an acceptance by the City of any Public Improvement.

8. 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 City by this Amended Agreement ("Reimbursement") shall be made solely from then-currently available revenues in the TIRZ Fund and subject to the TIRZ Plan and all other terms of this Amended Agreement and applicable laws. The parties also agree that the net tax increment generated by the zone shall be applies in the following order of priority:

- 1) To reimburse City's costs associated with creation of the zone, updating and/or amending the final project and financing plan in an amount not to exceed \$50,000.
- 2) Developer's project costs as shown in Exhibit C to the extent that it has created tax increment and is not attributable to another Developer.

In the event that there is not sufficient revenue in the TIRZ Fund to timely pay Developer any part of the Reimbursement, the City shall 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 City in the first year in which there is sufficient revenue in the TRZ Fund 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 the City for all or any portion of the Reimbursement. Upon termination of the Zone on December 31, 2037, or such other date as may be specified in a subsequent ordinance adopted in accordance with Section 311.017 of the TIF Act, any portion of the Reimbursement that has not been paid due to the unavailability of revenue in the TIRZ Fund or due to Developer's failure to meet any condition or obligation under this Amended Agreement for receipt of the Reimbursement shall no longer be considered Project Costs, and any obligation of the City to pay Developer any remaining balance of the Reimbursement shall automatically expire.

Following the completion of a Phase, Developer shall convey the Public Improvements to the City comprising such Phase to the City free and clear of all liens. A conveyance to the City shall be evidenced by a Plat filed for the Project, and by any other instrument which the City may reasonably request, and shall include an assignment of all contractor's warranties and all performance and payment bonds. Prior to the acceptance of such conveyance to the City, Developer shall provide the City with releases from the contractors, subcontractors, and suppliers of materials who have provided labor and materials for the Public Improvements.

This Amended Agreement shall also operate as a Performance Agreement under Section 98-40.1 of the City's Code of Ordinances. Developer hereby guarantees the construction of the Public Improvements. Notwithstanding any other provisions herein, Developer may record an approved plat prior to the completion of the construction of the Public Improvements if Developer provides a guarantee of performance in accordance with Section 98-40.1(1) of the City's Code of Ordinances.

The City shall provide Developer with a Letter of Acceptance upon the City's approval and acceptance of Public Improvements. Until the City accepts a Public Improvement, Developer shall maintain and operate the Public Improvement. The City's issuance of a Letter of Acceptance shall not be unreasonable withheld, delayed, or conditioned.

9. Section: Payment and Performance Bonds

Developer shall, in connection with the construction of the Public Improvements, provide performance and payment bond to ensure completion of the Public Improvements in accordance with the City's Code of Ordinances and Chapter 2253 of the Texas Government Code, as amended, or cause its contractors to provide performance and payment bonds in compliance with the City's Code of Ordinances and Chapter 2253 of the Texas Government Code, as amended.

10. Section: Public Improvements to be Owned by the City

It is the intent and agreement of Developer and the City that the Public Improvements will become property of the City. All land transferred to the City, other than land dedicated to the City on a plat or other dedication, shall be conveyed to the City by a warrant deed. All costs of title insurance and costs associated with closing on the conveyance, if any, shall be borne by Developer. Developer shall furnish to the City a preliminary title report for land with respect to the Public Improvements, including any related rights-of-way, to be acquired and accepted by the City from Developer, for review and approval at least (thirty) 30 calendar days prior to the

transfer of title of a Public Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's use and enjoyment of any part of the land or right-of-way covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Public Improvements until Developer has cured such objections to tide to the satisfaction of the City. The failure of Developer to provide a title report acceptable to the City on any Public Improvement Shall constitute an event of default under this Amended Agreement. Upon failure of Developer to cure such default within thirty (30) days of receipt of notice from the City, Developer shall refund to the City all Reimbursements received for the cost of such Public Improvement.

11. Section: License to Construct Public Improvement on City Land and Right-of-way

If any Public Improvement is located on City land or right-of-way, the City hereby grants Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance by the City) of the Public Improvement. The provisions for inspection and acceptance of such Public Improvement otherwise herein shall apply.

12. Section: Right of Offset

The City may, at its option, offset any amounts due and payable to Developer under this Amended Agreement against any debt (including taxes) lawfully due to the City, or any other taxing unit participating in the Zone, from Developer regardless of whether the amount due arises pursuant to the terms of this Amended Agreement or otherwise and regardless of whether the debt in question has been reduced to judgment by a court.

13. Section: Prohibition of Liens

Notwithstanding any delay or failures by the City to make any Reimbursements pursuant to the terms of this Amended Agreement, Developer shall be responsible for assuring no liens or encumbrances are placed on any property upon which any Public Improvements are constructed. Nothing in this Amended Agreement shall be deemed to prohibit Developer or the City from contesting in good faith the validity or amount of any mechanic's or materialman's lien or judgment nor limit the remedies available to Developer or the City with respect so long as such delay in performance shall not subject the Public Improvements to foreclosure, forfeiture, or sale.

14. Term and Termination

The Effective Date of this Amended Agreement is the last date approved by all of the Parties. The Effective Date is_____ . The term of this Amended Agreement shall begin upon the Effective Date and end upon the earlier of, unless terminated sooner in accordance with the terms of this Amended Agreement:

- (a) the complete performance of all obligations and conditions precedent by the Parties to this Amended Agreement; or
- (b) the expiration of the term of the Zone; provided, however, that the obligation of the City to apply TIF Revenues toward any unpaid part of the Public Improvements shall

survive as to any TIF Revenues accrued but not actually collected until subsequent to the expiration of the term of the Zone.

This Amended Agreement may be terminated by the mutual written consent of the City and Developer, in which event the City may either execute contracts for or perform any remaining work related to the Public Improvements not accepted by the City and use all or any portion of the remaining Reimbursements to pay for the Public Improvements, and Developer shall have no claim or right to any further Reimbursements, except as provided by written consent.

The City may terminate this Amended Agreement upon the occurrence of any of the following events:

- 1) Developer is in default or otherwise breaches its obligations and fails to cure such default in accordance with Section 18 (Events of Default & Remedies); or
- 2) Developer is delinquent in the payment of any tax or assessment related to the Property.

Upon termination, at the option of the City, Developer shall (i) convey to the City title to any and all properties upon which Public Improvements were constructed, in whole or in part, or upon which Public Improvements were intended to be constructed.

Upon termination, the City either may execute contracts for or perform any remaining work related to the Public Improvements not accepted by the City and request and be paid Reimbursements in accordance with the terms of this Amended Agreement. Developer shall be entitled to payment of Reimbursements for any work it has completed up to the date of termination, except as provided by written consent. Developer shall have no claim or right to any further Reimbursements for Public Improvements.

15. 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 Parties, their 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 Amended 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.

16. 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 AMENDED AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS IN THE PERFORMANCE OF THIS AMENDED 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 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 THIS AMENDED AGREEMENT.

Nothing in this section may be construed as waiving governmental immunity available under state law. This provision is solely for the benefit of Developer and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

17. Section: Determination of Rough Proportionality

Developer agrees that the construction of the Public Improvements is roughly proportional to the need created by the development of the Property, and Developer hereby waives any claim that it may have. Developer further agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said construction and dedication are related both in nature and extent of impact of the development of the Property. Developer waives and releases all claims against the City related to rough proportionality and individual determination requirements mandated by Chapter 212 of the Local Government Code, as well as other requirements of a nexus between development conditions and the projected impact of the development of the Property.

18. Section: Events of Default & Remedies

A default exists if any Party fails to perform or observe any material covenant contained in this Amended Agreement, including exhibits, which is not otherwise excused under the terms of this Amended 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 Amended 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 occurs and continues 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. No Party, however, shall pursue remedies against any Party as long as (i)

the defaulting party has commenced to cure such default within the 30 days following notice, and (ii) the defaulting party proceeds in good faith and with due diligence to remedy and correct the default.

19. Section: Access to Books

The City shall, upon reasonable prior written notice to Developer and during normal business hours, have the right to inspect and audit Developer's records, books, and all other relevant records related to the construction of the Public Improvements.

The City shall maintain complete books and records showing all deposits to and disbursements from the TIRZ Fund, which books and records shall be deemed complete if kept in accordance with generally accepted accounting principles as applied to Texas municipalities and in accordance with the TIF Act. Such books and records shall be available for examination by the duly authorized officers and agents of the Developer during normal business hours upon reasonable written notice prior to the date of examination. The City shall maintain such books and records throughout the term of this Amended Agreement and for four years thereafter, subject to the requirements of the TIF Act.

20. Section: No Joint Venture

Nothing contained in this Amended Agreement is intended by the Parties to create a partnership or joint venture among the Parties with respect to this Amended Agreement, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Amended Agreement does not create a joint enterprise, nor does it appoint any Party as an agent of another Party for any purpose whatsoever. No Party assumes any of the liability of any other Party for any acts or obligations.

21. Section: Authority to Contract

Each Party has the full power and authority to enter into and perform this Amended Agreement, and the person signing this Amended Agreement on behalf of a Party has been properly authorized and empowered to enter into this Amended Agreement. The persons executing this Amended Agreement represent that they have authorization to sign on behalf of their respective entity.

22. Section: Venue and Governing Law

This Amended Agreement is performable in Matagorda County, Texas and venue of any action arising out of this Amended Agreement shall be exclusively in a state district court in Matagorda County, Texas.

23. Section: Notices

Any notice required by this Amended 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 any Party to designate a different address by notice given in the manner just described.

If intended for the City, to:

Mayor
City of Bay City
1901 5th Street
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:

Marguerite Meadow, LLC
142 CR 222
Bay City, Texas 77414

24. Section: No Third Party Rights

This Amended 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.

25. Section: No Undocumented Works

Developer certifies that to its knowledge it does not and will not knowingly employ any undocumented worker in connection with the construction of the Public Improvements. If after receiving any Reimbursements set forth in this Amended Agreement Developer is convicted under 8 U.S.C. Section 1324a(f) for employing an undocumented worker in connection with the construction of the Public Improvements, Developer shall repay the total amount of the Reimbursement it received plus interest at a rate of the prime rate published in the Wall Street Journal plus two percent (2%) per annum, not later than the 120th day after Developer is convicted of this offense. For the purposes of this section, the Parties deem the date of conviction as the date the City notifies Developer of the violation 8 U.S.C. Section 1324a(f).

26. Section: Severability

In case any one or more of the provisions of this Amended Agreement is for any reason 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 Amended 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 Amended Agreement.

27. Section: Counterparts & Signatures

This Amended 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 Amended Agreement may be executed by facsimile signatures which shall be deemed originals and equally admissible as originals.

28. Section: Captions

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

29. Section: Successors and Assigns

The terms and conditions of this Amended Agreement are binding upon the successors and assigns of all Parties hereto. Provided, however, Developer shall not assign this Amended Agreement without prior written approval, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, written approval of the City 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 Developer's financial institution.

30. Section: Limited Rights and Non-waiver

This Amended Agreement is intended only to establish the rights and obligations as among 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 Amended Agreement shall be construed as a waiver of any defense, affirmative defense, or immunity available to the City and their respective officials, directors, members, employees, agents, assigns, successors.

31. Section: Construction

The Parties acknowledge that each Party and its counsel have reviewed and revised this Amended Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Amended Agreement or any amendments or exhibits hereto.

32. Section: Entire Agreement

This Amended Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City 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 Amended Agreement. This Amended Agreement shall not be amended unless executed in writing by the Parties and approved by the governing bodies in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

33. Section: Exhibits

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

34. Section: Agreement Conditioned on Plat Approval

The Parties acknowledge and agree that this Amended Agreement is conditioned on the City's approval of Developer's plat for the Project. In the event the City does not approve a plat for the Project, this Amended Agreement is null and void and has not effect whatsoever.

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

(signatures follow on next page)

PASSED AND APPROVED THIS _____ day of _____, 2025.

CITY OF BAY CITY, TEXAS

Robert K. Nelson, Mayor

ATTEST/SEAL

Jeanna Thompson, City Secretary

DEVELOPER

James Bruce Grover, Manager
Marguerite Meadows, LLC

REINVESTMENT ZONE NUMBER THREE,
CITY OF BAY CITY, TEXAS

Jim Folse, Chairman

Exhibit A
The Property



Exhibit B
The Project

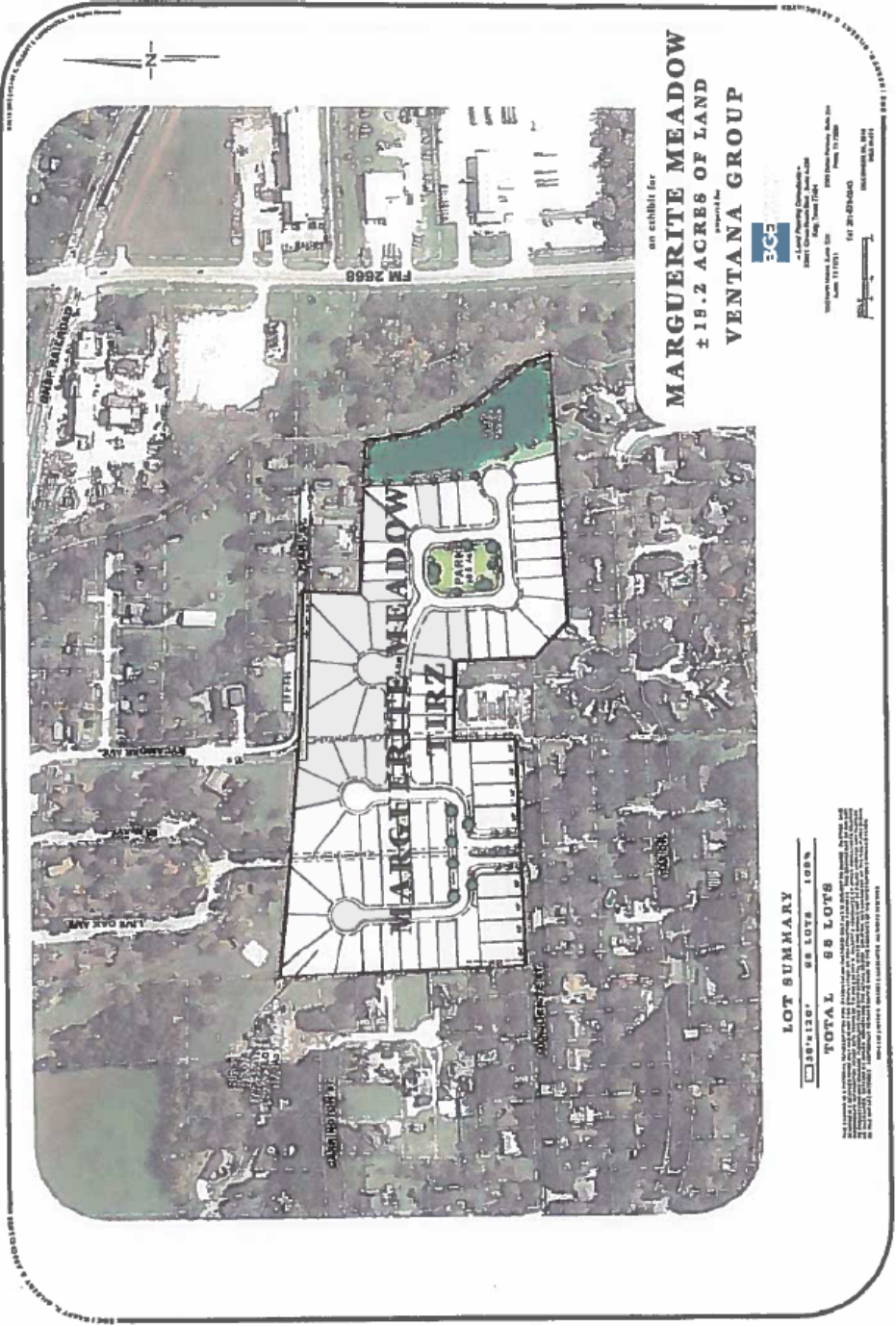


Exhibit C
List/Description of Reimbursable Public Improvements

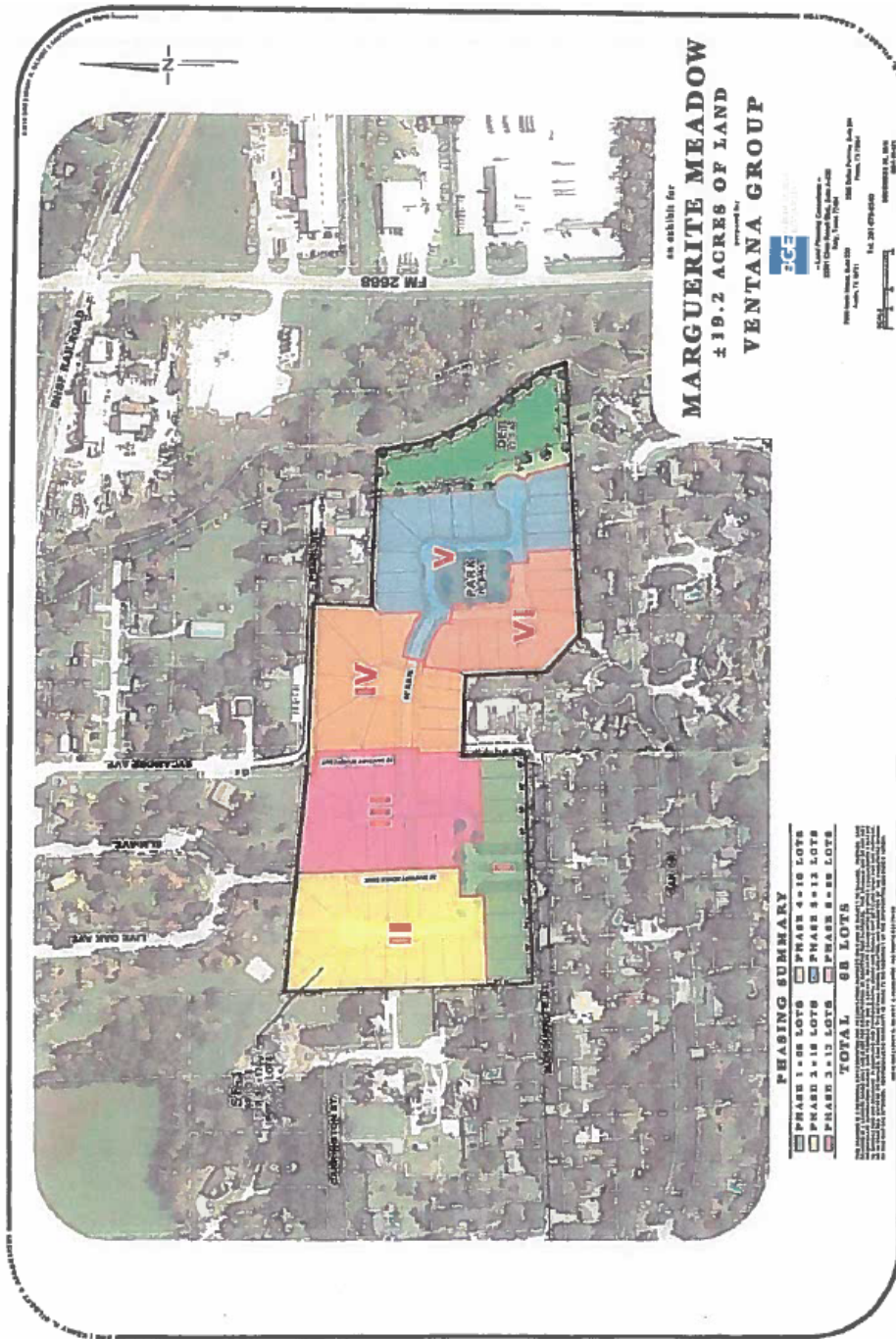
Table A-6

Meadow Oaks Reimbursable Cost from Fund Balance	
Legal	\$1,500.00
Planning	\$33,650.00
Platting Fees	\$3,400.00
Final Plat	\$6,800.00
Site Work	\$73,600.00
Entry Monumentation	\$25,000.00
Landscaping	\$55,000.00
Parks and Trails	\$140,000.00
Fencing	\$73,750.00
Street Lights	\$22,250.00
Water Lines and leads	\$231,045.00
Sanitary Sewer Lines	\$145,500.00
Storm Sewer	\$298,000.00
Detention	\$175,000.00
Street Excavation & Paving	\$591,000.00
Marguerite Asphalt Topping	\$100,000.00
Underground Electrical	\$45,000.00
Lot Staking	\$18,800.00
Construction Management	\$37,808.90
Engineering	\$283,566.75
Contingency	\$283,566.75
Accounting	\$24,000.00
Insurance	\$38,777.40
Total	\$2,707,014.80

TOTAL MAX REIMBURSEMENT- \$2,710,000
BASED ON THE ESTIMATES ABOVE

Note: The City will approve any plans prior to work performed on Marguerite.

Exhibit D
Project Completion Schedule



Exhibits:

A - the Property

B - the Project

C - List/Description of Reimbursable Public Improvements

D – Phased Development

**CALL TO ORDER & CERTIFICATION OF QUORUM**

The meeting was called to order at 5:00 pm.

PRESENT

Edward "Bubba" Cook
Samantha Denbow
Jim Folse
Craig Hlavinka
Bryan Prochnow
Mike Estlinbaum
Jessica Russell
Renee Savage
Tina Israel

APPROVAL OF AGENDA

Motion made by Mike Estlinbaum to approve the agenda, Seconded by Jim Folse. Voting Yea: Bubba Cook, Samantha Denbow, Jim Folse, Craig Hlavinka, Bryan Prochnow, Mike Estlinbaum, Jessica Russell, Renee Savage, Tina Israel. Motion carried.

PUBLIC COMMENTS

There were no public comments.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

- 1. Discuss, consider, and/or recommend approval of the Final Project and Financing Plan to the City Council.**

David Pettit, DPED, reviewed the Project and Financing Plan. Mr. Pettit thanked Jessica Russel for coordinanting with the other taxing entities. Mr. Pettit also discussed the PID will offset until bond is paid off.

Motion made by Tina Israel to approve the Final Project and Financing Plan to the City Council, Seconded by Samantha Denbow. Voting Yea: Bubba Cook, Samantha Denbow, Jim Folse, Craig Hlavinka, Bryan Prochnow, Mike Estlinbaum, Jessica Russell, Renee Savage, Tina Israel. Motion carried.

ITEMS / COMMENTS FROM BOARD MEMBERS



There were no items of comments.

ADJOURNMENT

Motion made by Bubba Cook to adjourn, Seconded by Renee Savage. Voting Yea: Voting Yea: Bubba Cook, Samantha Denbow, Jim Folse, Craig Hlavinka, Bryan Prochnow, Mike Estlinbaum, Jessica Russell, Renee Savage, Tina Israel. Motion carried and the meeting adjourned.

PASSED AND APPROVED, this ____ day of _____, 2023.

JESSICA RUSSEL; BOARD CHAIRMAN
TIRZ BOARD #4

JEANNA THOMPSON
CITY SECRETARY

DISCUSS, CONSIDER, AND/OR APPROVE THE TIRZ #4 FINANCIAL REPORT FOR MONTH ENDING DECEMBER 31, 2024.



EXECUTIVE SUMMARY

BACKGROUND:

At each called meeting, an updated financial will be presented. This provides the Board opportunity to discuss the TIRZ's financial activity since last meeting.

In addition, an annual accounting is provided to each participating entity that details the funds deposited to and disbursed from the Tax Increment Fund.

ATTACHMENTS: TIRZ # 4 Financial Report as of 12-31-24

City of Bay City
Financial Statement
Tax Increment Reinvestment Zone #4
December 31, 2024

TIRZ 4	
Beginning Fund Balance 10-1-24	998.10
Revenues	
TIRZ # 4 City	
TIRZ # 4 County	
TIRZ # 4 Hospital	
TIRZ # 4 Port of Bay City	
Interest Income	0.49
Total Revenues	0.49
Expenditures	
City Admin Fee 2.5%	-
City - Legal Fees	
Developer Reimbursement	
Total Expenditures	-
Net Revenue (Expenditures)	0.49
Ending Fund Balance	998.59

Due to TIRZ in FY 2025 (to be collected)		
TIRZ # 4 City	\$469.61	Accounts Receivable
TIRZ # 4 County	\$296.03	Accounts Receivable
TIRZ # 4 Hospital	\$217.37	Accounts Receivable
Port of Bay City	\$39.17	
	\$1,022.18	

Total After TIRZ Deposits **2,020.77**