

AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: _____
Meeting Date: 5/28/2024
Submitted By: County Judge's Office
Department: _____
Signature of Elected Official/Department Head:

Court Decision: <small>This section to be completed by County Judge's Office</small>
 May 28, 2024

Description:
Consider and Approve the City of Cleburne and Johnson County Agreement to Participate in the Cleburne Tax Increment Financing District No. 4 (TIRZ 4) and Appointing 2 Members of the Commissioners Court to Serve on the TIRZ 4 Board; City Staff and David Pettit Economic Development Consultants will be Present; with Authorization for County Judge to Sign

Motion: Appoint Comm. Woolley & Judge Boedeker to Board

(May attach additional sheets if necessary)

Person to Present: _____

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) PUBLIC CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: _____ minutes

Session Requested: (check one)

Action Item Consent Workshop Executive Other _____

Check All Departments That Have Been Notified:

County Attorney IT Purchasing Auditor

Personnel Public Works Facilities Management

Other Department/Official (list) _____

**Please List All External Persons Who Need a Copy of Signed Documents
In Your Submission Email**



**Memorandum from the office
of the City Manager**

To: Judge and County Commissioners
From: Chris Fuller, Deputy City Manager
Date: May 28, 2024
RE: TIRZ 4 Interlocal Agreement and Board Appointees

Judge and County Commissioners,

On May 14, 2024, the City Council of the City of Cleburne approved Resolution RS05-2024-73 authorizing the City Manager to negotiate and execute an interlocal agreement with Johnson County regarding Tax Increment Reinvestment Zone Four. The draft agreement is attached to this memorandum.

City Council also approved Resolution RS05-2024-79 appointing members to the Board of Directors of Tax Increment Reinvestment Zone Four.

City Council appointed the following members:

- Mayor Scott Cain
- Councilmember Blake Jones
- Councilmember Oliver Cozby

The purpose of this item is both consideration of the interlocal agreement and appointment of two (2) County representatives to the Board of Directors.

Previous Council Action: On April 23, 2024, City Council approved Ordinance OR04-2024-26 creating Tax Increment Financing Reinvestment Zone Number Four

Attachments: Draft Interlocal Agreement

**City of Cleburne
and
Johnson County
Agreement to Participate
In the**

Cleburne Tax Increment Financing District No. 4

THIS AGREEMENT is made and entered into by and between the City of Cleburne, (“City”), a municipal corporation, and Johnson County, Texas.

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311. (the “Act”), and after due notice to the Johnson County Commissioners Court, the City Council of the City, pursuant to Ordinance No. OR 04-2024-26 (the “Ordinance”), adopted on April 23, 2024, created, established and designated “Reinvestment Zone Number Four, City of Cleburne” (hereinafter called the “Reinvestment Zone”) under the Act: and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a Reinvestment Zone is not required to pay the tax increment fund any of its tax increment produced from property located in the Reinvestment Zone unless such taxing unit enters into an agreement to do so with the governing body of the municipality that created the zone; and

WHEREAS, a tax increment agreement under the Act may be entered into any time before or after the zone is created, and such agreement may include any conditions for payment of the tax increment into the fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which that tax increment is to be paid into the tax increment fund;

NOW THEREFORE, the City and Johnson County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. Johnson County hereby agrees to pay 100%, of the tax increment levied and collected against the captured appraised value of real property as determined in Section 311.012 of the Act, in said “Reinvestment Zone Number Four, City of Cleburne” subject to the following terms and conditions:

- a. Boundary: The boundaries of the Reinvestment Zone are and shall be those boundaries described in the Ordinance, or an amendment thereto revising the boundary duly approved by the Reinvestment Zone Board of Directors, the Johnson County Commissioners Court and the City Council of the City. Within the boundary of the Reinvestment Zone, any future changes in land use from that shown in the Final Project Plan will be presented to Commissioners Court.

- b. Purpose and Program: Within the boundaries of the Reinvestment Zone, properties are to be developed as nearly as possible in conformity with the project plan and the financing plan prepared by the City and referred to the Board of Directors of the Reinvestment Zone for final review and adoption. Any addition to the project plan or any change or amendment to the Reinvestment Zone Ordinance may be incorporated only with the approving vote of the Board of Directors of the Reinvestment Zone, the Johnson County Commissioners Court and the City Council of the City.

- c. Taxable Value: The land within the boundaries of the Reinvestment Zone is to be appraised in 2024 for ad valorem tax purposes and for establishing the tax increment base referenced in Section 311.012 of the Act. No mineral interest value shall be used in establishment of the tax increment base or in determination of the tax increment during the term of the zone.

- d. Bond Limit: The total principal amount of any tax increment bonds or notes to be issued to pay project costs for the Reinvestment Zone pursuant to Section 311.015 of the Act shall not exceed \$22 million in 2024 present value funds.

- e. Repayment: All amounts paid into the tax increment fund shall be used solely to repay cash or the principal of and interest on tax increment bonds or notes issued to finance project costs under the Act, and to pay direct costs properly chargeable under the Act and generally accepted accounting principles to the administration of the Reinvestment Zone. No County tax increment funds may be used to reimburse costs for a project which directly benefits only residential development. Reimbursement of Costs: However, costs incurred by Johnson County and the City in the creation of the District and in the organization and operation of the Board of Directors of the Reinvestment Zone may be reimbursed from the Tax Increment Fund, except costs of City employees or officials.

Section 2. As inducement to Johnson County to enter into this Agreement, the City agrees that no tax increment bonds of the Reinvestment Zone will be issued to finance project costs of the Project until (a), a final Project Plan and Financing Plan has been prepared and adopted by the Board of Directors of the Reinvestment Zone and approved by the City Council of the City, and (b), the City has furnished documentation, evidence and assurances necessary to the Board of Directors of the Reinvestment Zone to the effect that funds necessary to support cash expenditures and/or the retirement of tax increment bonds will be available either from revenues derived from the District or from other funds available from the City.

Section 3. The term of this Agreement, shall be for thirty (30) years from the date the Reinvestment Zone was created, or until all cash expended or bonds issued for the Reinvestment Zone under Section 311.015 or the Act, or refunding bonds issued to refinance such bonds issued under Section 311.015 of the Act, have been fully paid and discharged, whichever event shall be the latest to occur.

Section 4. The City and Johnson County shall each be responsible for the sole negligent acts of their officers, agents, employees or separate contractors. In the event of joint and concurrent negligence of both City and Johnson County, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without however waiving any governmental immunity available to City and Johnson County under Texas law and without waiving any defenses of the parties under Texas law.

Section 5. This Agreement shall be administered by the City Manager or his designees.

Section 6. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below:

If intended for City, to:

City Manager
City of Cleburne
P. O. Box 677
Cleburne, TX 76033

If intended to Johnson County, to:

County Judge
Johnson County
Johnson County Courthouse
#2 Main Street
Cleburne, TX 76033

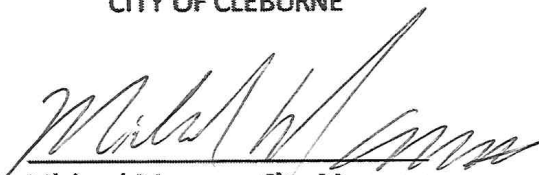
or to such other addresses as the parties may request, in writing, from time to time.

Section 7. This Agreement is made subject to the provisions of the charter and ordinances of City, as amended; Texas constitution, codes, statutes; and all other applicable state and federal laws, regulations and requirements, as amended. Venue shall be exclusively in Johnson County, Texas.

Section 8. This Agreement embodies the complete understanding of City and Johnson County superseding all oral or written previous and contemporary agreements between the parties relating to matters herein. This Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and Johnson County. Any alterations, additions or deletions to the terms of this Agreement required by changes in federal, state or local law or regulations will be automatically incorporated into this Agreement without written amendment, and shall become effective on the date designated by such law or regulation.

EXECUTED this 30 day of May 2024, by the City, signing by and through its City Manager, duly authorized by Resolution No. RS05-2024-73, approved on May 14, 2024 and by Johnson County through its duly authorized officials on May 28, 2024.

CITY OF CLEBURNE


Michael Marrero, City Manager

JOHNSON COUNTY


Christopher Boedeker, County Judge