

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: February 10, 2015		DATE SUBMITTED: February 3, 2015	
DEPARTMENT OF ORIGIN: Fiscal Services		SUBMITTED BY: Joe Hegwood	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input checked="" type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consider approval of a resolution authorizing the purchase of property and construction of a new office building by the Brazos Central Appraisal District (BCAD).			
SUMMARY STATEMENT: On November 20, 2014 the BCAD Board of Directors unanimously adopted a resolution recommending the purchase of land and construction of a building to establish and operate the BCAD office pursuant to Section 6.051 of the <i>Texas Property Tax Code</i> (the Code). The current BCAD Board of Directors consists of the following:			
<ul style="list-style-type: none"> - Tim Jones, BCAD Board Member, College Station Independent School District (CSISD) Representative - John P. Flynn, BCAD Board Vice Chair, CSISD Representative - Lonnie Jones, BCAD Board Member, Bryan Independent School District (BISD) Representative - Ronald Kaiser, BCAD Board Member, City of College Station Representative - Bill Lero, BCAD Board Chairman, BISD Representative - Kenneth Medders, Jr., BCAD Board Secretary, Brazos County Representative - Kristeen Roe, BCAD Board Member, Brazos County Tax Assessor - James Conner Smith, BCAD Board Member, City of Bryan Representative 			
<p>This section of the Code (Section 6.051) authorizes the board of directors of an appraisal district to purchase real property and to construct improvements necessary to establish and operate an appraisal office. The acquisition must be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members, which means four of the five entities must provide approval.</p>			
<p>The BCAD Board of Directors is requesting that the City of Bryan consider approving a resolution authorizing the purchase of real property and construction of an appraisal office for the BCAD at a maximum total project cost not to exceed \$3,800,000.</p>			
<p>Pursuant to the above referenced section of the Code, the acquisition must be approved by the governing bodies by resolution on or before the 30th day after the date the presiding officer receives the notice of the proposal and file the resolution with the chief appraiser on or before the 10th day after that 30th day. The City of Bryan received the request from the BCAD chief appraiser on January 14, 2015. If the taxing authority (the City of Bryan) fails to meet these deadlines, the proposal is treated as if it were disapproved by the governing body.</p>			
<p>The BCAD's current lease is for \$10,400 per month and terminates on January 31, 2016, but with a month to month option thereafter at the same lease rate.</p>			
(Note: Much of the information contained within this Council Action Form was provided by BCAD staff.)			

STAFF ANALYSIS AND RECOMMENDATION: The BCAD Board of Directors has determined that a new facility would be more accessible to property owners and allow the BCAD to expand into a more functional building. The BCAD Board of Directors have concluded a new building will be cost effective, low maintenance, long lasting, and conveniently located for the property owners of Brazos County. Several options were considered as solutions, such as purchase and renovation of an existing property, leasing a more suitable building, or staying at their present location. The Board ultimately made the decision that purchasing land to construct an office during this time of favorable interest rates is the most cost effective option for all taxing units.

The property under consideration includes a parking lot with a BCAD value of approximately \$63,000. To construct a similar parking would cost about \$147,000. The proposed lot also has three curb cuts, drainage, and utilities in place.

This project will be funded through a 25 year bank financing of approximately 90% or \$3,400,000 at 3.75% interest in addition to \$400,000 cash from the BCAD reserve account. The debt service will be part of the operational budget of the BCAD going forward. Debt service along with changes in facilities operating costs are expected to increase the City of Bryan’s share of the annual operating budget by \$9,937 beginning in FY16. This proposal represents a 4.0% increase over City’s FY15 funding of \$245,604. The City of Bryan’s portion of the BCAD budget is funded by the General Fund. The last 5 years of funding of BCAD by the City of Bryan are as follows:

	<u>Funding</u>	<u>Annual Change</u>	<u>% Annual Change</u>
FY15	\$245,604	\$ 6,647	2.8%
FY14	\$238,957	\$10,399	4.5%
FY13	\$228,558	(\$ 368)	(0.2%)
FY12	\$228,926	\$ 2,878	1.3%
FY11	\$226,048	(\$1,689)	(0.7%)

The City of Bryan staff has not been involved in the BCAD facility analysis and does not make a recommendation to the City Council. However, based on the limited information received by City staff, further review of alternatives and options might be beneficial and result in cost savings in comparison to this request. To date, the College Station Independent School District Board of Trustees approved the request while the Brazos County Commissioners Court voted to not approve the request. At time of posting of this Council Action Form, the Bryan Independent School District Board of Trustees and the City of College Station City Council have not considered the request.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the resolution as written
2. Do not approve the resolution and provide additional direction to staff

ATTACHMENTS: (all pdf attachments are in one file except for the #4 – Proposed Resolution)

1. Letter from the BCAD Board of Directors
2. Schedule 1, 2, and 3 Cost Analysis
3. Resolution No. 2014-100 of the BCAD Board of Directors
4. Proposed Resolution (Word file as part of this CAF)
5. Exhibit A – Map of Proposed Property Location

FUNDING SOURCE: City of Bryan General Fund.

APPROVALS: Hugh R. Walker, 02/03/2015

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 02-03-2015

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton 02-04-15

Revised 05/2013

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BRYAN APPROVING THE PURCHASE OF PROPERTY AND CONSTRUCTION OF A NEW OFFICE BUILDING BY THE BRAZOS CENTRAL APPRAISAL DISTRICT, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Chapter 6 of the *Texas Property Tax Code*, The City of Bryan appoints a member or members to the Board of Directors of the Brazos Central Appraisal District (“Brazos CAD”); and

WHEREAS, pursuant to Section 6.051 of the *Texas Property Tax Code*, Brazos CAD has the legal right to purchase or lease real property as necessary to establish and operate the Brazos CAD appraisal office; and

WHEREAS, this Governmental Unit has received a Resolution, dated November 20, 2014 adopted by the Brazos CAD Board of Directors recommending the purchase of the property known as a part of Lot 1 Block 4 Park Hudson Phase 4, by replat to contain 1.75 acres more or less which is situated in Bryan, Texas (the “Property”) and construct a building approximately 14,000 square feet to operate the Brazos CAD office;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS:

1. That the above recitals are true and correct.
2. That this Governmental Unit hereby approves the Brazos Central Appraisal District acquiring the Property and construct an office building at a maximum total project cost not to exceed \$3,800,000.
3. This Resolution shall be effective immediately upon its adoption.

APPROVED AND ADOPTED by vote of the City Council of the City of Bryan, Texas, at a Regular City Council Meeting, this 10th day of February, 2015.

ATTEST:

CITY OF BRYAN:

Mary Lynne Stratta, City Secretary

Jason P. Bienski, Mayor

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney