

**MEETING AGENDA
ORANGE CITY COUNCIL
City Council Chambers
(Orange Public Library Auditorium)
220 N. Fifth Street
Orange, Texas**

**February 10, 2026
9:00 a.m.**

- | | |
|---|-----------------------|
| 1. CALL TO ORDER | Mayor Spears |
| 2. INVOCATION and PLEDGE OF ALLEGIANCE | Council Member Salter |
| 3. MOTION | |
| a) Motion finding that the advance posting and notice requirements of Article 8.1200 of the Code of Ordinances of the City of Orange, Texas have been met in relation to all minutes and pending ordinances and resolutions on this agenda and that the reading of such items be confined to the captions as are agreed upon by the ordinances and resolutions. | 1 Mayor/Council |
| 4. CITIZEN COMMENTS | |
| <i>At this time comments will be taken from the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum three minutes for each speaker. Your comments are appreciated. As the Texas Open Meetings Act does not allow the Council to respond to items not listed on the agenda, your comments will be duly noted by the Council and forwarded to the appropriate department for prompt consideration. A member of the audience that desires to speak during the City Council's consideration of any specific agenda item is requested to notify City staff prior to the start of the meeting.</i> | |
| 5. CITY ANNOUNCEMENTS | |
| a) City Staff Announcements and City Events | Staff |
| 6. PRESENTATIONS | |
| a) Presentation by Marvin Benoit, Building Official/Floodplain Administrator, concerning the Flood Gauge Project. | Staff: M. Benoit |

c) First Reading:

Consider a resolution approving a Chapter 380 Property Tax Rebate Agreement with H-E-B, LP, 646 S. Flores Street, San Antonio, Texas 78204 at the new project site located at the intersection of HWY 87 N/16th Street and Interstate 10W (aka Northway Retail Center) in the City of Orange equal to fifty (50%) of the incremental ad valorem tax on the property, and improvements to the project, for ten (10) years for the purpose of economic development.

49 Staff: J. Trahan

d) Consider a resolution authorizing the City of Orange, Texas to deed the properties describing in Exhibit "A" to the Orange County Navigation & Port District of Orange County, Texas.

64 Staff: M. Kunst

e) Consider a resolution of the City Council of the City of Orange, Texas supporting the proposed Villages at Orange housing community for the general population, TDHCA Application Number 26205; providing an in-kind contribution for such project and providing an effective date.

72 Staff: K. Knauf

f) Consider a resolution of the City Council of the City of Orange, Texas supporting the proposed Orange Senior Village housing community for elderly residents, TDHCA Application Number 26206; providing an in-kind contribution for such project and providing an effective date.

111 Staff: K. Knauf

g) Consider a resolution of the City Council of the City of Orange, Texas approving a Subordination Agreement by and between the City of Orange, Texas, LCDC Holdings LLC, a Texas limited liability company and Texas Mezzanine Fund, Inc., a national banking association, as to the Auburn Square Apartments.

149 G. Goodson

10. DISCUSSION/ACTION

a) Consider a motion approving the resignation of Laci Gibbens from the Convention and Visitors Bureau Advisory Board, effective January 27, 2026.

172 Staff: D. Williams

b) Consider a motion appointing or re-appointing _____ to the Convention and Visitors Bureau Advisory Board for a two-year term, effective February 10, 2026 - February 10, 2028.

175 Staff: D. Williams

c) Consider a motion acknowledging receipt of the City's Quarterly Investment Report for the period ending December 31, 2025.

181 Staff: C. Zeto

d) Consider a motion acknowledging receipt of the Orange Economic Development Corporation Financial Report for the quarter ending December 31, 2025.

186 Staff: C. Zeto

- e) Consider a motion acknowledging receipt of the Orange Economic Development Corporation Investment Report for the quarter ending December 31, 2025. 195 Staff: C. Zeto
- f) Consider a motion to approve the placement of a Peace Pole from the Rotary Club of Orange, Texas at Sunset Park at a mutually agreed upon location. The City of Orange agrees to install and maintain the pole for a reasonable period. 197 Staff: M. Kunst

11. REPORTS

- a) City Manager Report
- b) City Council Report

12. ADJOURN TO CLOSED EXECUTIVE SESSION

- a) Deliberation with City Attorney pursuant to Chapter 551 of the Texas Government Code:
 - (1) Deliberation with legal counsel pursuant to Texas Government Code, Section 551.071 - Consultation with City Attorney on wastewater effluent discharge claim in the vicinity of Valley Oak Drive, Orange, Texas.
 - (2) Deliberation with legal counsel pursuant to Texas Government Code, Section 551.071 - Consultation with City Attorney on possible litigation as a result of enforcement of the City of Orange Code of Ordinances, Article 4.1700 - Game Rooms.

Mayor/Council

Mayor/Council

13. RECONVENE IN OPEN SESSION

- a) Take action as necessary regarding items 12a (1) and 12a (2).

Mayor/Council

14. ADJOURNMENT

All items listed on the Consent Agenda are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council Member so requests in which case the item will be removed from the Consent Agenda and considered as part of the normal order of business.

If, during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed Executive Session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 - consultation with counsel on legal matters; Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.074 - personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; Section 551.076 - implementation of security personnel or devices; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code. If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

Texas Penal Code 30.06:

“Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun”

“De conformidad con la Sección 30.06 del código penal (entrada de persona con licencia de portar o llevar armas de mano oculta), una persona licenciada bajo el subcapítulo H, capítulo 411 del código de gobierno (ley de licenciación para portar o llevar armas de mano) no se permite entrar en esta propiedad con “ninguna armas de mano oculta”

Texas Penal Code 30.07:

“Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly”

“De conformidad con la Sección 30.07 del código penal (entrada de una persona con licencia de portar o llevar armas de mano visible), una persona licenciada bajo el subcapítulo H, capítulo 411 del código de gobierno (ley de licenciación para portar o llevar armas de mano visible) no se permite entrar en esta propiedad con ninguna “armas de mano visible”

No Firearms Allowed

No se permite ninguna armas de fuego

Budget Timeline
City of Orange FY 2027

City	Budget process starts for FY 2027	Wed, Apr 1, 2027
OCAD	Certified appraised property values to TAC	Sat, July 25
TAC	Certified values to entities	Sat, Aug 1
City	Post proposed budget on website <i>Post agenda</i>	Wed, Aug 5
TAC	Last day to send tax rates to entities	Fri, Aug 7
<i>City</i>	<i>Send ad to Orange Leader for tax rate & budget hearing</i>	<i>Mon, Aug 10</i>
City	Present proposed budget to Council Regular meeting	Tue, Aug 11
<i>City</i>	<i>Post agenda</i>	<i>Wed, Aug 12</i>
Leader	Publish notice of tax rate & budget hearing	Sat, Aug 15
<i>Charter</i>	<i>Last day for City Manager to propose a budget</i>	<i>Mon, Aug 17</i>
City	Budget workshop	Tue, Aug 18
<i>City</i>	<i>Post agenda</i>	<i>Wed, Aug 19</i>
City	Hearing on tax rate & budget First reading of ordinance on same Regular meeting	Tue, Aug 25
<i>City</i>	<i>Post agenda</i>	<i>Tue, Sep 1</i>
All	Labor Day	Mon, Sep 7
City	Adopt the budget Second reading of ordinance on tax rate & budget Regular meeting	Tue, Sep 8
<i>City</i>	<i>Post agenda</i>	<i>Wed, Sep 16</i>

City	Last regular meeting of FY	Tue, Sep 22
<i>Charter</i>	<i>Last day to adopt budget or the proposed budget is adopted</i>	<i>Sun, Sep 27</i>
	First day of new fiscal year	Thu, Oct 1

STATE OF TEXAS }
COUNTY OF ORANGE }

January 27, 2026

BE IT REMEMBERED THAT a Regular Meeting of the Orange City Council of the City of Orange, Orange County, Texas, was held in the City Council Chambers (Orange Public Library Auditorium) on Tuesday, January 27, 2026.

COUNCIL MEMBERS PRESENT:	Larry Spears Jr. Brad Childs Matt Chandler Terrie T. Salter Mary McKenna George Mortimer Paul Burch	Mayor Mayor Pro-Tem Council Member Council Member Council Member Council Member Council Member
COUNCIL MEMBERS ABSENT:	None	
STAFF MEMBERS PRESENT:	Michael Kunst Jay Trahan Patricia Anderson Jennifer Pool Cheryl Zeto Lane Martin John Bilbo Kelvin Knauf Adam Jack Brenna Manasco Divon Williams Alison Clary Kristen Ross Marvin Benoit Mike Zeto Chris Arnold Kate Leverett	City Manager Assistant City Manager, Director of Economic Development City Secretary Deputy City Secretary Director of Finance Chief of Police Fire Chief Director of Planning and Community Development Director of Public Works Library Director Deputy Director of CVB/Assistant to the City Manager Communication and Marketing Coordinator Visitor Services and Events Manager Building Official CIS Manager Police Baliff City Attorney
STAFF MEMBERS ABSENT:	Jake Travis	I T Technician

Mayor Spears called the meeting to order at 5:30 p.m.

Council Member McKenna led the Invocation and Pledge of Allegiance.

MOTION FINDING THAT THE ADVANCE POSTING AND NOTICE REQUIREMENTS OF ARTICLE 8.1200 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS HAVE BEEN MET IN RELATION TO ALL MINUTES AND PENDING ORDINANCES AND RESOLUTIONS ON THIS AGENDA AND THAT THE READING OF SUCH ITEMS BE CONFINED TO THE CAPTIONS AS ARE AGREED UPON BY THE ORDINANCES AND RESOLUTIONS.

Council Member Chandler moved to approve the motion. Second to the motion was made by Council Member Burch which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

CITIZEN COMMENTS

Grant Gaspard, 4300 Lincoln Avenue, Nederland, Texas, with Old West Smoke Company advised they are excited to bring the 4th Annual Craft BBQ Festival to Orange on March 7th from 11:00 a.m. until 7:00 p.m. at the Riverside Pavilion.

Jeremy Reeves, Elite Fishing Series, advised this will be a nationally televised fishing tournament at the City Boat Ramp, September 10th through the 12th. He advised he is asking for City support for the event.

CITY ANNOUNCEMENTS

Ms. Clary invited everyone to "Mardi Gras on the Sabine", Saturday, February 7th. She advised of the following schedule of events:

- * 2:00 pm: Gates Open
- * 2:00 pm – 6:00 pm: Kid Activities
- * 2:00 pm – 10:00 pm: Food Vendors, Free State Cellars Winery, and Beer Booth
- * 3:00 pm: Second Line March with the Krewe de Kids Parade
- * 4:00 pm – 6:00 pm: Big Fun Brass Band
- * 6:00 pm: Greater Orange Area Chamber of Commerce Krewe of Krewes Parade
Live Entertainment following the Krewe of Krewes Parade
- * 7:00 pm: Opener – The Four Horses
- * 8:30 pm: Headliner – Wayne Toups

Mayor Spears advised he would like to commend the CVB Staff for their hard work on this event.

PRESENTATION

PRESENTATION BY OCTAVIA GUZMAN, ORANGE COUNTY TAX ASSESSOR-COLLECTOR, REGARDING PROPERTY TAX RATES.

Ms. Guzman gave a presentation regarding property tax rates, "Truth-In-Taxation." A copy of this presentation is included in and being made a part of these minutes.

Mayor Pro-Tem Childs asked if the slides could be emailed to Council.

CONSENT AGENDA

DECEMBER 9, 2025 ORANGE ECONOMIC DEVELOPMENT CORPORATION MEETING MINUTES

JANUARY 13, 2026 REGULAR CITY COUNCIL MEETING MINUTES

Mayor Pro-Tem Childs moved to approve the foregoing two items on the Consent Agenda in one motion. Second to the motion was made by Council Member Chandler which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

ORDINANCES**FIRST READING:**

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENERGY SERVICE AREA CITIES IN MATTERS CONCERNING ENERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS IN 2026; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE.

Council Member Mortimer moved to approve the ordinance. Second to the motion was made by Mayor Pro-Tem Childs which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

RESOLUTIONS

RESOLUTION ORDERING A GENERAL ELECTION FOR THE PURPOSE OF ELECTING A COUNCIL MEMBER FOR PLACE 3 (SINGLEMEMBER DISTRICT 3) AND A COUNCIL MEMBER FOR PLACE 6 (ATLARGE); PROVIDING FOR THE DATE, HOURS, BALLOT, EARLY VOTING CLERK AND NOTICE OF ELECTION; PROVIDING FOR POLLING PLACES AND JUDGES; PROVIDING FOR OTHER MATTERS RELATING TO THE CITY ELECTION; ORDERING A RUN-OFF ELECTION, IF NECESSARY, TO BE HELD ON JUNE 13, 2026; AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

UNA RESOLUCIÓN QUE ORDENE UNA ELECCIÓN GENERAL CON EL FIN DE ELEGIR A UN CONCEJAL PARA EL LUGAR 3 (DISTRITO DE UN SOLO MIEMBRO 3) Y UN CONCEJAL PARA EL LUGAR 6 (EN GENERAL); DISPONGA LA FECHA, EL HORARIO, LA BOLETA, EL SECRETARIO DE VOTACIÓN ANTICIPADA Y UN AVISO DE ELECCIÓN; DISPONGA LUGARES DE VOTACIÓN Y JUECES; DISPONGA OTROS ASUNTOS RELACIONADOS CON LAS ELECCIONES DE LA CIUDAD; ORDENE UNA ELECCIÓN DE DESEMPEATE, SI FUERE NECESARIO, PARA REALIZARSE EL 13 DE JUNIO DE 2026; Y DETERMINA QUE LA REUNIÓN EN LA QUE SE APRUEBA ESTA RESOLUCIÓN ESTÁ ABIERTA AL PÚBLICO SEGÚN LO REQUIERAN LAS LEYES.

Council Member Burch moved to approve the resolution. Second to the motion was made by Council Member McKenna which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

A copy of this resolution is being made a part of these minutes as Resolution Number 2026-03.

RESOLUTION ENTERING INTO A JOINT ELECTION AGREEMENT SERVICES CONTRACT WITH THE ORANGE COUNTY ELECTIONS ADMINISTRATOR TO PROVIDE ELECTION SERVICES FOR THE CITY OF ORANGE.

Council Member Mortimer moved to approve the resolution. Second to the motion was made by Council Member McKenna which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

A copy of this resolution is being made a part of these minutes as Resolution Number 2026-04.

DISCUSSION/ACTION

MOTION TO APPROVE A PERFORMANCE AGREEMENT WITH PRO WATERCROSS TO HOST A JET SKI RACING EVENT AT THE CITY BOAT RAMP, MARCH 6-8, 2026, AT A FEE OF \$26,500 IN AN EFFORT TO PROMOTE TOURISM AND THE HOTEL INDUSTRY.

Council Member Burch moved to approve the motion. Second to the motion was made by Council Member McKenna which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

MOTION TO APPROVE A SPECIAL EVENT AGREEMENT WITH DEEP SOUTH RACING ASSOCIATION (DSRA) TO HOST A DRAG BOAT RACES EVENT AT THE CITY BOAT RAMP THE WEEKEND OF MAY 16-17, 2026, AT A FEE OF \$16,000, IN AN EFFORT TO PROMOTE TOURISM AND THE HOTEL INDUSTRY.

Ms. Williams introduced Randy Wheat with DSRA. Mr Wheat advised he is the President of DSRA. He gave a brief review of the event; advised they are looking forward to hosting the event; and appreciates all the support the City of Orange has given DSRA.

Council Member Chandler moved to approve the motion. Second to the motion was made by Council Member Salter which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

MOTION TO APPROVE A CONTRACT AGREEMENT WITH ELITE FISHING SERIES TO HOST A NATIONALLY TELEVISED FISHING TOURNAMENT AT THE CITY BOAT RAMP, SEPTEMBER 10-12, 2026, AT A FEE OF \$19,865, IN AN EFFORT TO PROMOTE TOURISM AND THE HOTEL INDUSTRY.

Mayor Pro-Tem Childs moved to approve the motion. Second to the motion was made by Council Member Mortimer which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Spears, Mayor Pro-Tem Childs, Council Member Chandler, Council Member Salter, Council Member McKenna, Council Member Mortimer and Council Member Burch

COUNCIL MEMBERS VOTING NO: None

CITY MANAGER REPORT

Mr. Kunst advised he will be out of the office, Wednesday January 28th through Friday, January 30th attending a conference in Austin. He advised the slides from Ms. Guzman's presentation will be emailed to the Council.

CITY COUNCIL REPORT

Council Member McKenna thanked all the City staff who helped during the cold weather.

Mayor Pro-Tem Childs also thanked all the City staff who helped during the cold weather. He advised the Mardi Gras Ball this past weekend was great and is looking forward to the parade. He advised he would like more information regarding the ditch by IH-10.

Council Member Mortimer thanked Mr. Kunst for bringing in Scott Overton, Chief Appraiser of the Orange County Appraisal District and Octavia Guzman, Orange County Tax Assessor-Collector to discuss appraisals and tax rates. He advised he is looking forward to having workshops on the budget.

Council Member Chandler thanked Animal Control for a great job.

Council Member Salter congratulated Mayor Pro-Tem Childs for receiving an award along with everyone else who received an award.

Mayor Spears thanked Ms. Guzman for her presentation; advised the NAACP March was a great event; and the Mardi Gras Ball was fun.

ADJOURN TO CLOSED EXECUTIVE SESSION

12. a) Deliberation with City Attorney pursuant to Chapter 551 of the Texas Government Code:
 - (1) Deliberation regarding real estate development project proposal as authorized by Section 551.087 of the Texas Government Code - Project Northwest update.
 - (2) Deliberation regarding real estate development project proposal as authorized by Section 551.087 of the Texas Government Code - Project Capstone update.

The Council met in a closed executive session at 6:28 p.m.

RECONVENE IN OPEN SESSION

The Council reconvened in open session at 6:58 p.m.

TAKE ACTION AS NECESSARY REGARDING ITEMS 12 a (1) and 12 a (2).

No Action was taken.

ADJOURNMENT

There being no further business before the Council, Council Member Chandler moved to adjourn the meeting. Second to the motion was made by Council Member Burch, which carried unanimously.

The meeting adjourned at 6:58 p.m.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

ORDINANCE _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENERGY SERVICE AREA CITIES IN MATTERS CONCERNING ENERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS IN 2026; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Cities have exclusive original jurisdiction over rates, operations, and services of an electric utility in areas in the municipality pursuant to *Tex. Util. Code* § 33.001; and

WHEREAS, Cities have standing in each case before the Public Utility Commission of Texas that relates to an electric utility providing service in the municipality pursuant to *Tex. Util. Code* § 33.025; and

WHEREAS, Entergy Texas, Inc. ("ETI" or "Company") is expected to file rate change requests in various proceedings before the Public Utility Commission of Texas ("Commission") or before municipalities in 2026, which may include (1) a base rate case, (2) rate proceedings or cost adjustments such as a transmission cost recovery rider, a distribution cost recovery rider, a generation cost recovery rider, energy efficiency cost recovery factor, or storm restoration cost or offset true-ups, (3) and various fuel cost refunds or surcharges and reconciliations; and

WHEREAS, Cities have the statutory right to set fair and reasonable rates for both the Company and customers within Cities; and

WHEREAS, Cities are entitled to reimbursement by the utility of their reasonable rate case expenses to participate in cases that are deemed rate proceedings pursuant to *Tex. Util. Code* § 33.023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS, that:

SECTION 1. The City of Orange shall participate with other Cities to intervene in ETI's various rate filings related to any base rate adjustment proceedings or cost of service adjustments, the various fuel cost surcharges and reconciliations, and any other interim or incremental surcharge proceedings or surcharge adjustments filed with the Commission or with municipalities in 2026.

SECTION 2. The City of Orange employs the Lawton Law Firm P.C. to represent the City regarding ETI rate matters before local regulatory authorities and the Commission and authorizes counsel to employ rate experts as are recommended by the Cities' Steering Committee to intervene in rate- or fuel-related proceedings at the Commission concerning ETI's rates charged to Texas customers.

SECTION 3. All such actions shall be taken pursuant to the direction of the Cities' Steering Committee. Cities' Steering Committee shall have authority to retain rate consultants and lawyers. Cities' Steering Committee shall direct the actions of Cities' representatives in the above proceedings. The Steering Committee is directed to obtain reimbursement from ETI of all reasonable expenses associated with participation in said proceedings.

SECTION 4. The meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 5. This Ordinance shall be effective from and after the date of its passage.

PASSED and APPROVED by 7-0 vote on the first reading this the 27th day of January, 2026.

PASSED, APPROVED and ADOPTED by _____ vote on final reading this the _____ day of _____, 2026.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

APPROVED AS TO FORM:

ECONOMIC DEVELOPMENT DEPARTMENT
MEMORANDUM

TO: MIKE KUNST, CITY MANAGER
FROM: JAY TRAHAN, CEcD, EDC DIRECTOR
CC: HILLARY GRAVETT, ASSISTANT EDC DIRECTOR
DATE: FEBRUARY 4, 2026
RE: H-E-B EDC INFRASTRUCTURE GRANT AGREEMENT

Please see the attached Orange Economic Development Corporation (EDC) Infrastructure Grant Agreement concerning the new H-E-B project at the intersection of Hwy 87 N/16th Street and Interstate 10W (aka as Northway Retail Center) in the City of Orange.

The Agreement specifies an EDC incentive not to exceed \$1,500,000 for eligible infrastructure improvements at the new H-E-B project site for the purpose of economic development.

You may contact me at extension #1077 for additional information.

**City of Orange Economic Development Corporation
Infrastructure Grant Agreement**

This Infrastructure Grant Agreement (the "Grant Agreement") is executed as of this _____ day of _____, 2026 (the "Effective Date") between the **City of Orange Economic Development Corporation**, a Texas economic development corporation authorized to do business in the State of Texas under Section 505, Texas Local Government Code, 812 N. 16th Street Orange, Texas 77630 (the "OEDC" or "Grantor") and **H-E-B, LP**, 646 S. Flores Street, San Antonio, Texas 78204 (the "Grantee").

RECITALS

A. OEDC is a Type B Economic Development Corporation authorized to do business in the State of Texas under Section 505, Texas Local Government Code.

B. OEDC is authorized under Section 505, Texas Local Government Code to provide financial incentives to recipients for authorized projects after a public hearing is conducted.

C. Grantee's project is an authorized project under Section 505, Texas Local Government Code and OEDC has met the public hearing requirement as required by Section 505.159, Texas Local Government Code, see **Exhibit "A"**.

D. OEDC and Grantee agree that all reimbursements to Grantee are subject to the conditions, procedure and eligibility requirements specified in this Grant Agreement.

E. Grantee agrees that the grant to be provided by OEDC shall be used solely to finance the cost to construct qualifying infrastructure improvements located at (or benefitting) 1804 IH10 W, Orange, Texas 77632 described on **Exhibit "B"** hereto (the "Infrastructure").

F. Grantee agrees OEDC will only fund up to \$1,500,000.00 for the Infrastructure.

NOW, THEREFORE, IN CONSIDERATION of the RECITALS which are incorporated in this Grant Agreement as fully set forth below and for other good and valuable consideration of the receipt and sufficiency is hereby acknowledged, OEDC and Grantee agree to the following conditions and procedures for the grant:

1) Grant Amount and Approved Infrastructure Improvements. OEDC has agreed to provide a grant in the amount of \$1,500,000.00 (the "Grant Amount") to Grantee to fund the Infrastructure. Any costs in excess of those provided in the Application shall be solely borne by Grantee unless a supplemental grant is approved by OEDC.

2) Payment Procedures. OEDC will fund up to \$1,500,000.00 of Infrastructure. OEDC will reimburse the Grant Amount to Grantee after the Infrastructure has been completed and inspected by a City of Orange building inspector and subject to the following:

- a) Grantee must provide OEDC a project budget;
- b) Grantee must provide OEDC a project schedule which includes estimated dates for completion of each division of work;
- c) Grantee must identify all contractors who will be performing work on the Infrastructure; and
- d) OEDC will submit payment to the Grantee only after OEDC approves the submitted pay request, and the Infrastructure is inspected by a City of Orange Inspector.

3) **Timeline.** Construction of the Infrastructure shall commence within five (5) years following the Effective Date and shall be completed within two (2) years thereafter; provided that Grantee shall have no obligation to commence or complete construction. OEDC must receive from Grantee a written request for time extension prior to the expiration of the period set forth in the preceding sentence if any unforeseen delays occur. Granting an extension is at the sole discretion of OEDC.

4) **Development.** Insert 1

5) **Assignability.** The rights and liabilities under this Agreement shall not be assigned by Grantee in whole or in part without the prior written consent of the OEDC.

6) **Law and Ordinances.** Grantee shall be responsible for compliance with all applicable laws, regulations and ordinances including building and zoning codes and for obtaining all necessary building permits required for the Infrastructure.

7) **Governing Law.** This Grant Agreement shall be governed under the laws of the State of Texas, and venue for any matters arising under this Grant Agreement shall be in the courts of competent jurisdiction in Orange County, Texas.

SIGNED AND AGREED TO on the _____ day of _____, 2026.

H-E-B, LP, a Texas limited partnership

By: _____
Name: Benjamin R. Scott
Title: Group Vice President of Real Estate
and Shopping Center Development

CITY OF ORANGE ECONOMIC DEVELOPMENT CORPORATION

SIGNED AND AGREED TO on the _____ day of _____, 2026.

President

Secretary

Witness

Witness

ATTORNEY APPROVALS

APPROVED AS TO FORM:

Guy N. Goodson
General Counsel for OEDC

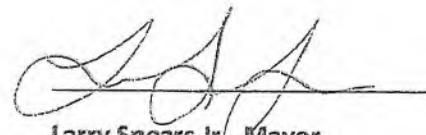
VERIFIED AS CONSISTENT
WITH CITY COUNCIL RESOLUTION:

Resolution Number: _____

City Attorney

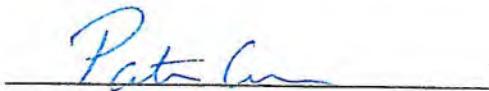
MOTION

Motion approving action taken by the Orange EDC in the form of a Motion of Intent approving an EDC incentive for the proposed H-E-B project, to be located at IH-10 West at North 16th Street, Orange, Texas 77632 for eligible infrastructure improvements in an amount not to exceed \$1,500,000.00 for the purpose of economic development.



Larry Spears Jr., Mayor

ATTEST:

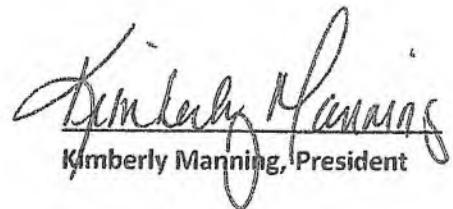


Patricia Anderson, City Secretary

August 26, 2025

MOTION

Motion of Intent to approve an EDC incentive for the proposed H-E-B project, to be located at IH-10 West at North 16th Street, Orange, Texas 77632 for eligible infrastructure improvements in an amount not to exceed \$1,500,000.00 for the purpose of economic development.



Kimberly Manning
Kimberly Manning, President

ATTEST:



Reginald Broussard
Reginald Broussard, Secretary

August 26, 2025

**ECONOMIC DEVELOPMENT DEPARTMENT
MEMORANDUM**

TO: MIKE KUNST, CITY MANAGER
FROM: JAY TRAHAN, EDC DIRECTOR
CC: HILLARY GRAVETT, ASSISTANT EDC DIRECTOR
DATE: AUGUST 15, 2025
RE: H-E-B - EDC INCENTIVES

Attached is a **Notice of Public Hearing** regarding the proposed H-E-B project, to be located at IH-10 West at North 16th Street, Orange, Texas 77632.

A public hearing is scheduled for Tuesday, August 26, 2025, at 4:30 p.m. to receive comments regarding financial incentives related to infrastructure improvements at H-E-B, located at IH-10 West at North 16th Street, Orange, Texas 77632.

The incentive package under consideration includes funding in an amount not to exceed \$1,500,000.00 and a sales tax rebate equal to 33% of sales tax revenue generated at the site over a ten-year period. The proposed incentives are intended to support economic development efforts.

Please note that all economic development incentives provided by the Orange Economic Development Corporation (EDC) are structured as reimbursable benefits. These incentives are disbursed only after the successful completion of the project and the issuance of a certificate of occupancy. This policy ensures that funds are allocated responsibly and in alignment with the project's fulfillment of agreed-upon terms.

Should you have any questions, please contact me at extension #1077.

NOTICE OF PUBLIC HEARING

The Orange Economic Development Corporation will conduct a public hearing on Tuesday, August 26, 2025, at 4:30 p.m. at the City Council Chambers (Library Auditorium), 220 N. 5th Street, Orange, Texas for the purpose of receiving comments regarding financial incentives related to infrastructure improvements at H-E-B, located at IH10 W/N 16th Street, Orange, Texas 77632.

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*/s/Kimberly Manning, President
Orange Economic Development Corporation*

Legal Ad

Publish –August 23, 2025

ent/guardian or former student in applying for Social Security benefits, rehabilitation services, college entrance, etc. Records may be requested at the following address:
WOCCISD Department of Special Programs
902 W. Park
Orange, TX 77630
409-882-5500

Orange Leader:
July 26 and Aug. 23, 2025
DESTRUCTION OF RECORDS

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/s/Kimberly Manning, President
Orange Economic Development Corporation

Orange Leader:
Aug. 23, 2025
HEARING 08.26.25

**Do you have
available jobs?**

Call 409-721-2401 to let others know about job opportunities at your business.

PUBLIC NOTICE

Notice is hereby given in accordance with the terms and provisions of the Texas Alcoholic Beverage Code that: Viper Fuels 1, LLC d/b/a Viper 4 has filed application for Wine and Malt Beverage Retail Dealer's On-Premise Permit. Said business to be conducted at 6373 FM 1442, Orange, Orange County, Texas 77630.

Viper Fuels 1, LLC d/b/a
Viper 4
Mohammad Abrar Arif,
Manager

Orange Leader:
Aug. 23 and 30, 2025
LICENSE

LOCAL GOVERNMENT CODE CHAPTER 505. TYPE B CORPORATIONS

Sec. 505.158. PROJECTS RELATED TO BUSINESS DEVELOPMENT IN CERTAIN SMALL MUNICIPALITIES. (a) For a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, "project" also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development.

(b) A Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

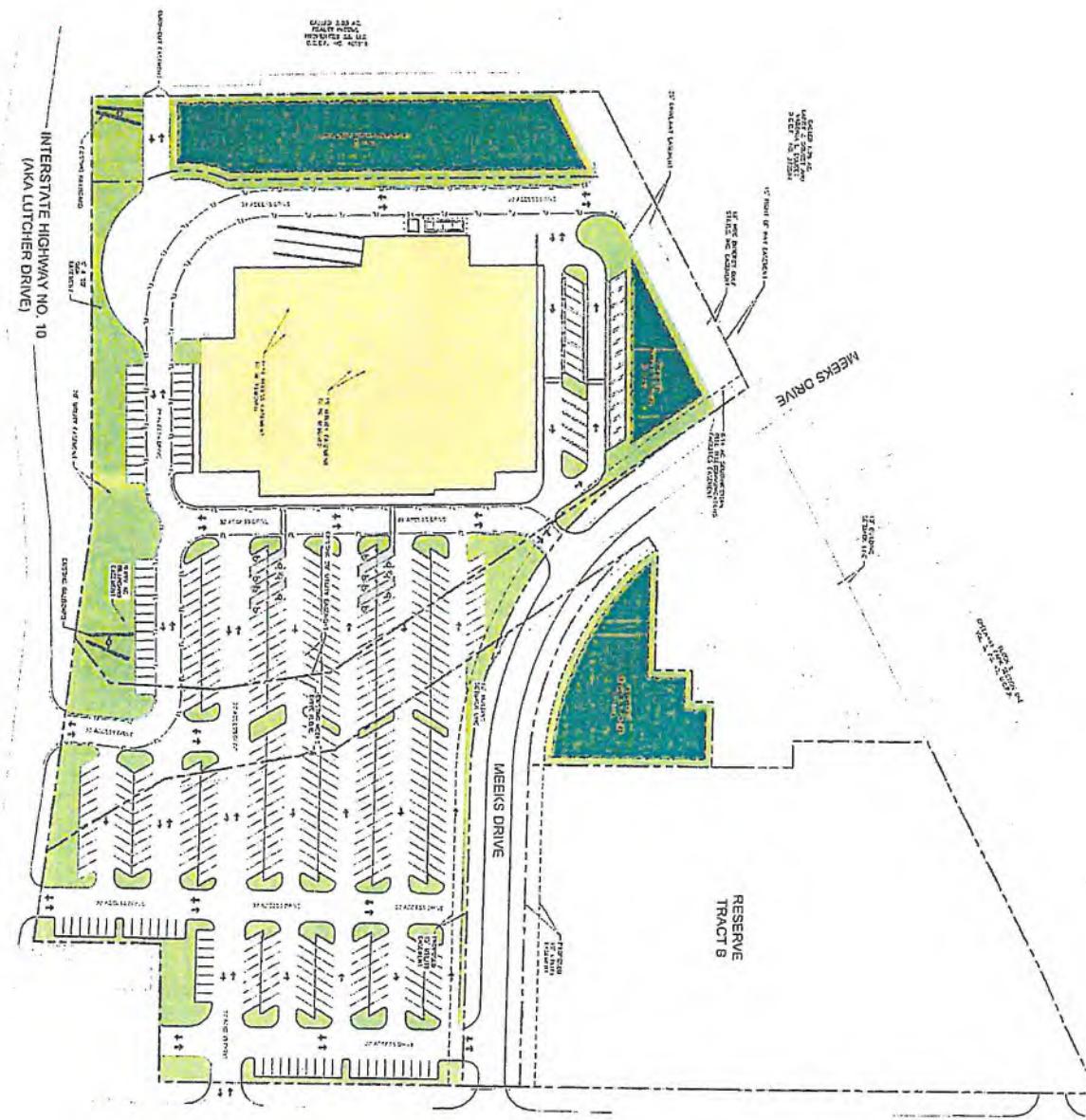
Sec. 505.159. HEARING REQUIRED TO UNDERTAKE PROJECT. (a) Except as provided by Subsection (b), a Type B corporation shall hold at least one public hearing on a proposed project before spending money to undertake the project.

(b) A Type B corporation the creation of which was authorized by a municipality with a population of less than 20,000 is not required to hold a public hearing under this section if the proposed project is defined by Subchapter C, Chapter 501.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

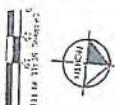
Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.015(a), eff. September 1, 2009.



PLAT OF SUBDIVISION
CITY OF ORANGE, TEXAS

ORANGE

Land Use Summary	
Site Area: 11.03 Acres	
Reserve Tract B: 2.56 Acres	
C-Site, Fines & Cannashell	
Landscape / Rock, Pad & Lei	
Pavement	
Hardscape & Drivite	
Rail	



Orange - Meeks Road Public Cost Estimate

Detention & Drainage					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
19	Detention Pond Cut and Haul Off	1	LS	\$ 250,000.00	\$ 250,000
20	Surface Detention Retaining Walls - Average Height of 7.5'	5,625	SF	\$ 50.00	\$ 281,250
21	Surface Detention Retaining Walls - Average Height of 7.0'	5,950	SF	\$ 50.00	\$ 297,500
22	Storm Lift Station	2	EA	\$ 100,000.00	\$ 200,000
23	Detention Outfall to Roadside Ditch	2	EA	\$ 2,500.00	\$ 5,000
24	Detention Pond Land	64,030	SF	\$ 6.00	\$ 384,180
Detention Subtotal:					\$ 1,418,000

Mobilization & General Site Preparation:		\$ 150,000
Construction Contingency:	20%	\$ 585,200
Design Fee	6%	\$ 175,560
Inflation Contingency (3% over 4 Years):	12%	\$ 351,120

Public Construction Total \$ 4,187,880

RESOLUTION APPROVING AN EDC INFRASTRUCTURE GRANT AGREEMENT WITH H-E-B, LP, 646 S. FLORES STREET, SAN ANTONIO, TEXAS 78204 AT THE NEW PROJECT SITE LOCATED AT THE INTERSECTION OF HWY. 87 N/16TH STREET AND INTERSTATE 10W (AKA NORTHWAY RETAIL CENTER) IN THE CITY OF ORANGE IN AN AMOUNT NOT TO EXCEED \$1,500,000 FOR THE PURPOSE OF ECONOMIC DEVELOPMENT.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the EDC President is hereby authorized to execute the attached Orange Economic Development Corporation (EDC) Infrastructure Grant Agreement with H-E-B, LP, related to infrastructure improvements for the purpose of economic development in an amount not to exceed \$1,500,000.

PASSED AND APPROVED on this the 10th day of February 2026.

PASSED, APPROVED AND ADOPTED on this the 24th day of February 2026.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

APPROVED:

City Attorney

ECONOMIC DEVELOPMENT DEPARTMENT
MEMORANDUM

TO: MIKE KUNST, CITY MANAGER
FROM: JAY TRAHAN, CEcD, EDC DIRECTOR
CC: HILLARY GRAVETT, ASSISTANT EDC DIRECTOR
DATE: FEBRUARY 4, 2026
RE: H-E-B EDC CHAPTER 380 SALES TAX REBATE AGREEMENT

Please see the attached Orange Economic Development Corporation (EDC) Chapter 380 Sales Tax Rebate Agreement concerning the new H-E-B project at the intersection of Hwy 87 N/16th Street and Interstate 10W (aka as Northway Retail Center) in the City of Orange.

The Agreement specifies a Sales Tax Rebate at 33% of the 1.5% (or the .5% EDC Sales Tax) for a period of ten (10) years at the new H-E-B project site for the purpose of economic development.

You may contact me at extension #1077 for additional information.

**CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT
(SALES TAX REBATE)**

This Chapter 380 Economic Development Program Agreement (the "Agreement") is made and entered into by and among the City of Orange, Texas, a home-rule city and a political subdivision of the State of Texas (the "City"); the Orange Economic Development Corporation, a Type B Economic Development Corporation (the "EDC"); and H-E-B, LP, a Texas limited partnership, together with its assigns (collectively, the "Company"), to be effective _____, 2026 (the "Effective Date").

WHEREAS, capitalized terms used in these recitals are defined in Article I below. The City, has due authority to adopt programs to promote local economic development and stimulate business and commercial activity (Texas Local Government Code, Chapter 380); and

WHEREAS, the Company has requested that the City provide economic development financial assistance in the form of a rebate of a portion of the City's sales tax generated by the Company's commercial enterprise in order to make feasible the construction and operation of a commercial business located within the corporate limits of the City (the "Project"); and

WHEREAS, the City Council finds that the Project will result in an increase in employment, commercial sales activity, and taxable value, which will promote the City's economic development and further stimulate commercial activity in the City; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE I.
DEFINITIONS**

Capitalized terms used herein, including the recitals hereto shall have the meaning set forth in this Article unless otherwise defined, or unless the context clearly requires another definition.

"Act" means Local Government Code, Chapter 380.

"City" means the City of Orange, Texas, a home rule municipality located in Orange County, Texas.

"Company" means H-E-B, LP, a Texas limited partnership.

"Net Sales Tax Subject to Rebate" means the amount of the City's local sales and use tax actually received by the City that is directly attributable to taxable sales occurring at the Project, less any refunds, credits, rebates, chargebacks, bad-debt deductions, or other adjustments required by law or made by the Texas Comptroller, and excluding any sales tax revenues not generated by the Project or not retained by the City.

"Project" means a commercial business to be constructed and operated on Property to be acquired by the Company within the corporate limits of the City.

"Project Generated Sales Tax Revenue" means the amount calculated by multiplying the monthly taxable sales at the Project that are subject to local tax as reported by Company on the Texas Sales and Use Tax Return by the City tax rate of 1.5% and then subtracting the 2% collection fee that is withheld by the State Comptroller for administering the collection of the sales taxes.

Commented [KL1]: Note for Jared to confirm

"Property" means the approximately 15.28 acres of land located in Orange, Texas.

ARTICLE II. **COOPERATION**

The parties agree to take such actions, including the execution and delivery of such documents, instruments, and certifications, as may be necessary or appropriate from time to time, to carry out the terms, provisions, and intent of this Agreement and to aid and assist each other in carrying out the terms, provisions, and intent described in the Project.

ARTICLE III. **EFFECTIVENESS OF AGREEMENT**

This Agreement shall be effective from and after its approval and execution by both Parties until the Termination Date (as defined and provided below), unless terminated earlier pursuant to the terms, conditions and provisions herein (the "Term").

ARTICLE IV. **PERFORMANCE, PAYMENT, AND REIMBURSEMENT OF PROJECT COSTS**

Subject to the terms of this Agreement, the City agrees that it will pay the Company a portion of the sales tax revenue received by the City from the sale of taxable items and services at the Project, as follows:

Sales Tax Rebate: The City agrees to pay to the Company annually, commencing in the calendar year following the year in which the Commencement of Business, defined as having commenced business operations on the date on which the company begins carrying out its ordinary commercial activities with the intention of earning revenue, occurs, 33% of Net Sales Tax Subject to Rebate (the "Sales Tax Rebate Payments", each a "Sales Tax Rebate Payment"), which amount shall be based on sales tax revenue collected by the City for the preceding calendar year in accordance with the terms of this Agreement.

Company shall submit to the City a monthly report in a form acceptable to Company ("Sales Tax Report") reporting the local sales and use taxes collected by Company as a result of Company's operation located on the Property ("Annual Sales Tax Revenue"). Company will provide a release to the CPA that will allow the CPA to release to City and EDC the amount of Annual Sales Tax Revenue. The City and EDC shall rely on such information as accurate and definitive for purposes of this Agreement, and shall have no right to review or audit records of Company. The Company shall provide each Sales Tax Report for the preceding calendar year to the CPA by April 30th all twelve (12) months of each year during the Term of this Agreement. City will issue each Sales Tax Rebate Payment annually on or before thirty (30) days after receiving the Sales Tax Report from Company. The City and EDC agree to keep this Sales Tax Report information "Confidential" consistent with Sec. 321.3022(f) of the Texas Tax Code, and to the extent allowed by law.

Sales Tax Rebate Payments made to the Company shall be calculated (1) on the basis of the Company's records of sales taxes that it has paid to the State of Texas, and (2) the administrative decisions of the State as to the amount of sales taxes the City will receive from the State. The City's maximum payment in any month will be limited to the amount actually received by the City from the State. Any adjustments resulting from overpayments or underpayments of sales tax by Company will be reflected in the monthly Sales Tax Rebate Payment in which such overpayment or underpayment was prepared by the State Comptroller. If, for any reason, the City is required to remit to the State Comptroller sales tax previously collected on reported sales by the Company, the next scheduled Sales Tax Rebate Payment will be adjusted by the amount of overpayment or underpayment. Should the adjustment result in a negative monthly Sales Tax Rebate Payment, the Company will remit the balance within 30 days.

Company has acquired the Property, which lies within the corporate limits of the City. Company shall use reasonable efforts to commence business operations on the Property (the "Commencement of Business") within ten (10) years of the execution of the Agreement. If the Company fails to timely comply with this deadline then City may notify the Company in writing that such failure constitutes a breach of this Agreement and City may terminate this Agreement ninety (90) days following the Company's receipt of the notice unless the Company cures the breach prior to the expiration of the one hundred eighty (180) day period.

The Term of this Agreement shall expire ten (10) years after the Commencement of Business ("Termination Date"), provided that Company has no obligation to open for business, operate or continue operations of any type upon the Property.

ARTICLE V. **AUTHORITY OF PARTIES**

The City hereby represents and warrants to Company that the City has full constitutional and lawful right, power, and authority, under currently applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental entity.

The Company hereby represents and warrants to the City that Company has full lawful right, power, and authority to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary action of Company. Concurrently with Company's execution of this Agreement, Company has delivered to the City copies of the resolutions or other corporate actions authorizing the execution of this Agreement and evidencing the authority of the persons signing this Agreement on behalf of the Company to do so. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of Company and is enforceable in accordance with its terms and provisions.

Whenever under the provisions of this Agreement, any reasonable request, approval, notice, or consent of the City or Company is required, the City or Company is required to agree or to take some action at the request of the other, such request, approval, notice, or consent shall be given for the City,

unless otherwise provided herein, by the City Manager or his designee and for Company by any officer of Company so authorized (and, in any event, the officers executing this Agreement are so authorized).

ARTICLE VI.
DEFAULT

- A. A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to materially perform, observe, or comply with any of its covenants, agreements, or obligations hereunder or breaches or violates any of its representations contained in this Agreement.
- B. If Company fails to cure or correct a material default as described by this Agreement within thirty (30) days of the City or EDC's written notice to Company to cure the Event of Default (or such longer time period as is reasonable under the circumstances), City and EDC shall have the right to (i) suspend the Sales Tax Rebates hereunder until the default is cured; provided that such amounts will be paid to Company upon the curing of the default, or (ii) terminate the Agreement. Each party is responsible for its own attorney's fees and costs, City and EDC shall have no other rights or remedies against Company in the Event of Default by Company beyond the applicable notice and cure period, except as set forth above.
- C. If the City and/or EDC fail to timely comply with any of the requirements, obligations, duties, terms, conditions or warranties set forth in this Agreement, such failure shall be a default by the City and/or EDC, as applicable, and such defaulting entity shall have thirty (30) days to cure such default upon receipt of written notice thereof from Company. Company shall have the right to pursue any rights or remedies at law or in equity against City or EDC, as applicable, for any default that is not cured within the foregoing time period and in which case such defaulting entity shall be liable to Company for any and all costs, demands, claims, judgments and/or damage (including attorneys' fees and court costs) plus any other amounts due hereunder that may be incurred by Company as a result or arising out of such default.
- D. Notwithstanding anything in this Agreement to the contrary, Company shall have no obligation to open or commence business operations on the Property.
- E. Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances, which are beyond the reasonable control of such Party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, fire or other casualty), the time for such performance shall be extended by the amount of time of such delay. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a force majeure event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

ARTICLE VII.
GENERAL PROVISIONS

- A. Time of the essence. Time is of the essence of this Agreement. The parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.
- B. Personal liability of public officials. To the extent permitted by State law, no public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.
- C. Liability of the Company, its successors and assignees. Any obligation or liability of the Company whatsoever that may arise at any time under this Agreement or any obligation or liability which may be incurred by the Company pursuant to any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the Company only. No obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of partners, officers, employees, shareholders, or agents of the Company, regardless of whether such obligation or liability is in the nature of contract, tort, or otherwise.
- D. Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by rapid transmission confirmed by mailing written confirmation at substantially the same time as such rapid transmission or personally delivered to an officer of the receiving party at the following addresses:

Company:
H-E-B, LP
646 S. Flores Street
San Antonio, Texas 78204
Attn: Jared O'Brien
Telephone: (512) 646-8583
Email: obrien.jared@heb.com

With Copy To:
Golden Steves & Gordon LLP
200 E. Basse Rd., Suite 200
San Antonio, Texas 78209
Attn: Ami E. Gordon
Telephone: (210) 745-3700
Fax: (210) 745-3737
Email: agordon@goldensteves.com

City of Orange
c/o City Manager
P.O. Box 520
Orange, Texas 77630-0522
mkunst@orangetexas.gov

Orange Economic Development Corporation
P.O. Box 520
Orange, Texas 77630-0522
jtrahan@orangetexas.gov

With Copy To:
Germer Law Firm c/o Kate Leverett
P.O. Box 4915
Beaumont, Texas 77704-4915

Each party may change its address or contact information by written notice in accordance with this Section. Notice shall be deemed effective upon the first verifiable delivery attempt.

- E. Amendments and waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by the City Council and the Company. No course of dealing on the part of the City or the Company nor any failure or delay by the City or the Company with respect to exercising any right, power, or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.
- F. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provisions of this Agreement and to that end, all provisions, agreements, or portions of this Agreement are declared to be severable.
- G. Successors and assigns. No party of this Agreement shall have the right to assign its rights under this Agreement or any interest herein, without the prior written consent of the other parties, which consent shall not be unreasonably withheld, except that the Company may assign its rights and responsibilities hereunder to any entity to which its rights to proceed with the Project within the City are transferred.
- H. Applicable Law. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas. The parties agree that the mandatory and exclusive venue for any cause of action, suit, claim or proceeding based upon this Agreement shall be in Orange, Orange County, Texas.
- I. Attorney's Fees. In the event any legal action or proceeding is commenced between the Company and the City to enforce provisions of this Agreement and recover damages for breach, the prevailing party in such legal action shall be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action, unless prohibited by law.

- J. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.
- K. Entire Agreement. This Agreement contains the entire agreement between the parties. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and other relating hereto are superseded by this Agreement. This Agreement may only be amended, altered or revoked by written instrument signed by the Company and the City.

[SIGNATURES ON NEXT PAGE]

CITY OF ORANGE, TEXAS

By: _____ Mayor

ATTEST: APPROVED:

City Secretary

City Attorney

H-E-B, LP, a Texas limited partnership

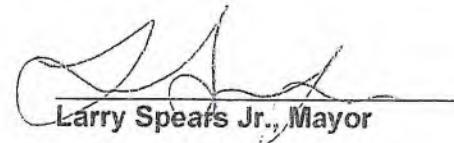
By: _____

Name: Benjamin R. Scott

Title: Group Vice President of Real Estate and Shopping Center Development

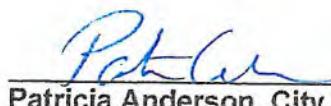
MOTION

Motion approving action taken by the Orange EDC in the form of a Motion of Intent approving an EDC incentive for the proposed H-E-B project, to be located at IH-10 West at North 16th Street, Orange, Texas 77632 for a sales tax rebate equal to 33% of sales tax generated at the site over a ten-year period, for the purpose of economic development.



Larry Spears Jr., Mayor

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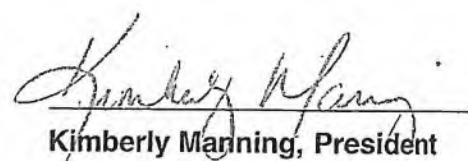


Patricia Anderson, City Secretary

August 26, 2025

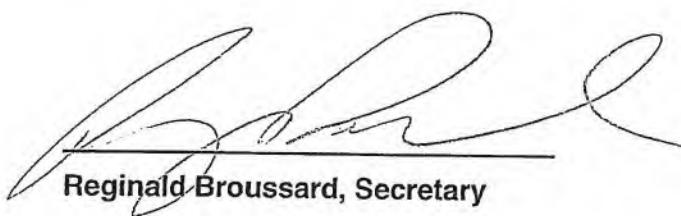
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Kimberly Manning
Kimberly Manning, President

ATTEST:



Reginald Broussard
Reginald Broussard, Secretary

August 26, 2025

**ECONOMIC DEVELOPMENT DEPARTMENT
MEMORANDUM**

TO: MIKE KUNST, CITY MANAGER
FROM: JAY TRAHAN, EDC DIRECTOR
CC: HILLARY GRAVETT, ASSISTANT EDC DIRECTOR
DATE: AUGUST 15, 2025
RE: H-E-B - EDC INCENTIVES

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A public hearing is scheduled for Tuesday, August 26, 2025, at 4:30 p.m. to receive comments regarding financial incentives related to infrastructure improvements at H-E-B, located at IH-10 West at North 16th Street, Orange, Texas 77632.

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/s/Kimberly Manning, President
Orange Economic Development Corporation

Legal Ad

Publish –August 23, 2025

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409-882-5500

Orange Leader:
July 26 and Aug. 23, 2025
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/s/Kimberly Manning, President
Orange Economic Development Corporation

Orange Leader:
Aug. 23, 2025
HEARING 08.26.25

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available jobs?**

Call 409-721-2401 to let others know about job opportunities at your business.

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Viper Fuels 1, LLC d/b/a
Viper 4
Mohammad Abrar Arif,
Manager

Orange Leader:
Aug. 23 and 30, 2025
LICENSE

LOCAL GOVERNMENT CODE CHAPTER 505. TYPE B CORPORATIONS

Sec. 505.158. PROJECTS RELATED TO BUSINESS DEVELOPMENT IN CERTAIN SMALL MUNICIPALITIES. (a) For a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, "project" also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development.

(b) A Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

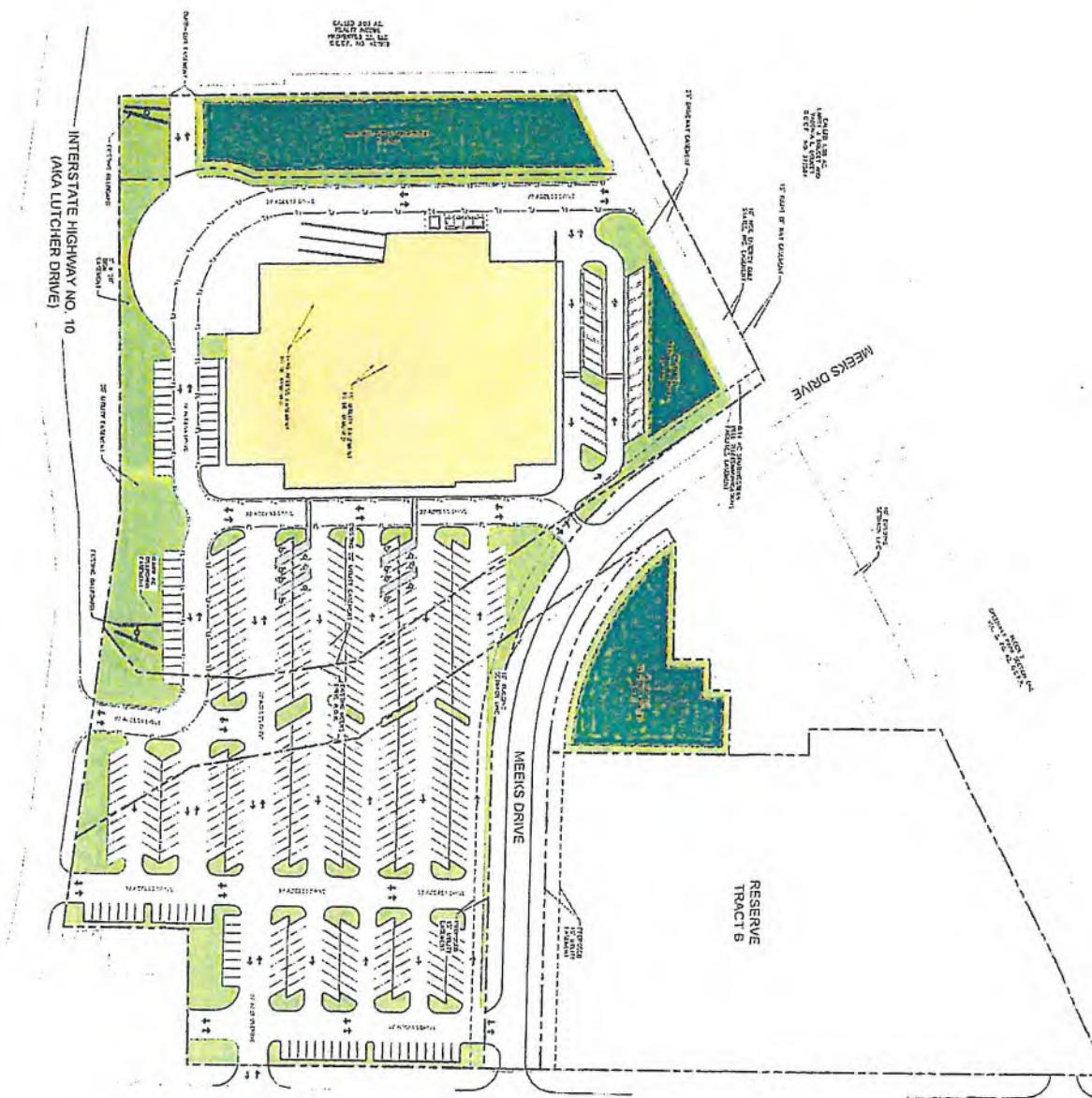
Sec. 505.159. HEARING REQUIRED TO UNDERTAKE PROJECT. (a) Except as provided by Subsection (b), a Type B corporation shall hold at least one public hearing on a proposed project before spending money to undertake the project.

(b) A Type B corporation the creation of which was authorized by a municipality with a population of less than 20,000 is not required to hold a public hearing under this section if the proposed project is defined by Subchapter C, Chapter 501.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

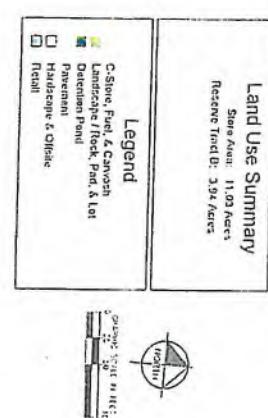
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.015(a), eff. September 1, 2009.



STATE HIGHWAY NO. 87

STATE HIGHWAY NO. 87



Map prepared by Gandy Associates
for the City of Orange, Texas

Map No. 1
Page 201

ORANGE

Orange - Meeks Road Public Cost Estimate

Meeks Road Relocation					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	8" Concrete Pavement	2,100	SY	\$ 155.00	\$ 325,500
2	6" Concrete Curb	1,400	LF	\$ 55.00	\$ 77,000
3	5' Concrete Sidewalk (4")	390	SY	\$ 165.00	\$ 64,350
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15	Pavement Markings/Markers	1	LS	\$ 20,000.00	\$ 20,000
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18	Power Pole Relocation	1	LS	\$ 60,000.00	\$ 60,000
					Roadwork Subtotal: \$ 1,508,000

Detention & Drainage					
No.	Item Description	Quantity	Unit	Unit Price	Item Cost
19	Detention Pond Cut and Haul Off	1	LS	\$ 250,000.00	\$ 250,000
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					Detention Subtotal: \$ 1,418,000

Mobilization & General Site Preparation:				\$ 150,000
Construction Contingency:				20% \$ 505,200
Design Fee				6% \$ 175,560
Inflation Contingency (3% over 4 Years):				12% \$ 351,120

Public Construction Total \$ 4,187,880

**RESOLUTION APPROVING AN EDC CHAPTER 380 SALES TAX REBATE AGREEMENT
WITH H-E-B, LP, 646 S. FLORES STREET, SAN ANTONIO, TEXAS 78204 AT THE NEW
PROJECT SITE LOCATED AT THE INTERSECTION OF HWY. 87 N/16TH STREET AND
INTERSTATE 10W (AKA NORTHWAY RETAIL CENTER) IN THE CITY OF ORANGE AT 33%
OF THE 1.5% (OR THE .5% EDC PORTION) SALES TAX GENERATED AT THE SITE FOR A
PERIOD OF TEN (10) YEARS FOR THE PUROPOSE OF ECONOMIC DEVELOPMENT.**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the EDC President is hereby authorized to execute the attached Orange Economic Development Corporation (EDC) Sales Tax Rebate Agreement with H-E-B, LP, at 33% of the 1.5% (or the .5% EDC Portion) sales tax generated at the site for a period of ten (10) years.

PASSED AND APPROVED on this the 10th day of February 2026.

PASSED, APPROVED AND ADOPTED on this the 24th day of February 2026.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

APPROVED:

City Attorney

ECONOMIC DEVELOPMENT DEPARTMENT
MEMORANDUM

TO: MIKE KUNST, CITY MANAGER
FROM: JAY TRAHAN, CEcD, EDC DIRECTOR
CC: HILLARY GRAVETT, ASSISTANT EDC DIRECTOR
DATE: FEBRUARY 4, 2026
RE: H-E-B CHAPTER 380 PROPERTY TAX REBATE AGREEMENT

Please see the attached City of Orange Chapter 380 Property Tax Rebate Agreement concerning the new H-E-B project at the intersection of Hwy 87 N/16th Street and Interstate 10W (aka as Northway Retail Center) in the City of Orange.

The Agreement specifies a Property Tax Rebate of Fifty (50%) of the incremental ad valorem tax on the property, and improvements to the property, for a period of ten (10) years at the new H-E-B project site for the purpose of economic development.

You may contact me at extension #1077 for additional information.

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT
(PROPERTY TAX)

This Chapter 380 Economic Development Program Agreement (the "Agreement") is made and entered into by and among the City of Orange, Texas, a home-rule city and a political subdivision of the State of Texas (the "City"); the Orange Economic Development Corporation, a Type B Economic Development Corporation (the "EDC"); and H-E-B, LP, a Texas limited partnership, together with its assigns (collectively, the "Company"), to be effective _____, 2026 (the "Effective Date").

RECITALS

WHEREAS, the Company has acquired real property located within the City (the "Property") for a commercial use (the "Project"). The Property is more particularly described in Exhibit "A" attached hereto and incorporated herein for all purposes;

WHEREAS, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") authorizes the City to provide for the administration of one or more programs, including programs for making loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Orange;

WHEREAS, in accordance with Article III, Chapter 52-a of the Texas Constitution and Chapter 380, the City has adopted Resolution No. ___, attached hereto as Exhibit "B" and incorporated herein by reference, establishing an economic development program and authorizing the City Manager to enter into this Agreement with the Company in recognition of the positive economic benefits that this Agreement will provide to the City;

WHEREAS, the potential commercial use will substantially increase the ad valorem tax and sales tax within the City;

WHEREAS, the City and EDC recognize the critical need to maintain and attract quality commercial enterprise in the City of Orange, and that retaining the Company's business is critical to the ongoing economic growth and diversification of the economy in the City and surrounding area;

WHEREAS, the City and the EDC have concluded and hereby find that this Agreement promoted economic development in the City of Orange and, as such, meets the requirements under, Chapter 380 and the City's Economic Development Program, and, further, is in the best interests of the City, the EDC, and Company;

WHEREAS, in consideration of the Company's Project, the City desires to grant to the Company the 380 Payment (as defined herein);

WHEREAS, Chapter 501 and 505 of the Texas Local Government Code authorize the EDC to enter into a Performance Agreement with the Company that satisfies the requirements of the statute;

WHEREAS, the Board of Directors of the EDC has found that this Agreement satisfies the requirements of a Performance Agreement within the meaning of Section 501.158 of the Texas Local Government Code;

WHEREAS, the Board of Directors of the EDC has found that the expenditure of EDC funds as described herein will promote new or expanded business development within the City;

WHEREAS, the City, the EDC, and the Company desire to enter into this Agreement for their mutual benefit;

NOW, THEREFORE:

AGREEMENT

For and in consideration of the foregoing recitals and of the mutual promises, obligations, and covenants and benefits herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, the EDC, and the Company contract and agree as follows:

ARTICLE 1. **GENERAL TERMS**

Section 1.1 Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes as part of this Agreement.

Section 1.2 Definitions and Terms. The terms “Agreement,” “Chapter 380,” “City,” “Company,” “EDC,” “Effective Date,” and “Property” shall have the meanings given to such terms in the Recitals, and the following terms have the following meanings:

“Parties” or “Party” shall mean the City, the EDC, and the Company, the parties to this Agreement.

“Project” shall have the meaning as set forth in the recitals of this Agreement.

“380 Payment” shall mean the amount paid by the City to Owner under the Program (defined below).

“Program” shall mean the economic development program for this Project established by the City pursuant to Texas Local Government Code Chapter 380 and under the Ordinance to promote local economic development and stimulate business and commercial activity within the City.

ARTICLE II. **REPRESENTATIONS**

Section 2.1 Representations of the City. The City hereby represents to the Company that as of the date hereof:

The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas.

The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery, and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation; and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the City and, constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the City do not require the consent or approval of any person that has not been obtained.

Section 2.2 Representations of the EDC. The EDC hereby represents to the Company that as of the date hereof:

The EDC is a duly created and existing Type 4B economic development corporation under the laws of the State of Texas.

The EDC has the power, authority and legal right under the laws of the State of Texas to enter into and perform this Agreement, and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation; and (ii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the EDC under any agreement or instrument to which the EDC is a party or by which the EDC or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered by the EDC and, constitutes a legal, valid and binding obligation of the EDC, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

The execution, delivery and performance of this Agreement by the EDC do not require the consent or approval of any person that has not been obtained.

Section 2.3 Representations of the Company. The Company hereby represents to the City and the EDC that as of the date hereof:

The Company is duly authorized and existing and in good standing under the laws of the State of Texas, and is qualified to do business in the State of Texas.

The Company has the power, authority, and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) has been duly authorized, and will not, to the best of its knowledge, violate any judgment, order, law or regulation applicable to the Company, and (ii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Company under any agreement or instrument to which the Company is a party or by which the Company or its assets may be bound or affected.

This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms except to the extent that the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights.

The execution, delivery, and performance of this Agreement by the Company do not require the consent or approval of any person that has not been obtained.

ARTICLE III. **COMMITMENTS/CONDITIONS**

In consideration of the City's and the EDC's participation in the Program, if Company proceeds with the Project and accepts the 380 Payment from the City pursuant to this Agreement, Company agrees that the following performance guidelines shall be met as a condition thereto:

Section 3.1 INTENTIONALLY DELETED

Section 3.2 Commencement of Construction. Company shall have commenced construction of the Project ("Commencement of Construction") on the Property on or before December 31, 2030; provided that Company shall have no obligation to do so. For purposes hereof, Commencement of Construction shall mean mobilizing for construction of the Project.

Section 3.3 Commencement of Business Operations. Company shall have commenced business operations on the date on which the company begins carrying out its ordinary commercial activities with the intention of earning revenue.

Section 3.4 Affidavit of Compliance. If Commencement of Construction is satisfied by Company, Company shall deliver to City an affidavit that it has Commenced Construction of the Project.

Section 3.5 Failure to Meet Obligations. In the event that Company fails to fulfill any of its material obligations under the performance guidelines in Article III, and City has made demand on Company to fulfill those specific obligations, but more than sixty (60) days have elapsed since such demand and Company has still failed to materially fulfill the specific obligations that were the subject of the City's demand (unless Company is using diligent efforts to cure the same), then the Agreement may be terminated by City prior to the satisfaction thereof as City's sole remedy, in which case the provisions of Article 6 do not apply. In the event of such termination, Owner shall not be entitled to 380 Payments.

ARTICLE IV.
AGREED TAX PAYMENT AND 380 PAYMENT

In consideration of the Company's commitment under Article III hereof, the City and the EDC agree to pay the Company the 380 Payment in accordance with the following:

Section 4.1 380 Payments to Company. The City will pay Company as follows:

- (a) For a period of ten (10) years beginning on the date the Company Commences Business Operations for the Project on the Property, the City shall pay the Company a 380 Payment equal to fifty (50%) percent of the Incremental Ad Valorem Tax on the Property, and improvements to the Project, except as such payment may be reduced in accordance with Article III above. "Incremental Ad Valorem Tax" means the amount by which the City ad valorem tax increases over the City ad valorem tax that would be due on the value of the Project prior to the Commencement of Construction, including the Property and improvements, as it existed on the Effective Date. For purposes of this Agreement the value of the Project on the Effective Date is deemed to be Three Million Six Hundred Fifty Thousand Six Hundred and No/100 Dollars (\$3,650,600.00).

Section 4.2 Ad Valorem Revenue Notice. With respect to each type of 380 Payment described in subsections 4.1(a) above, Company shall notify the City in writing of any sums paid by Company to the County tax collector in the form of City ad valorem taxes on the real and personal property eligible for Chapter 380 incentives during the term of this Agreement (the "Ad Valorem Revenue Notice"). The 380 Payments with respect to the Incremental Ad Valorem Revenues shall be based on the amount stated in the Ad Valorem Revenue Notice, which shall be verified by the City. Real property 380 Payments shall be paid to the Company by the City on an annual basis for the preceding year, on or before the thirtieth (30th) day after the Company provides the City sums paid to the tax collector (the "Receipts").

Section 4.3 Payment Amount. The total direct 380 Payments under this Agreement shall be paid out of City funds as set out herein.

Section 4.4 Payments Subject to Future Appropriation. The payments to be made to the Company shall be made solely from annual appropriations from the general funds of the City or from such funds of the City as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution or Chapter 380 of the Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law subject to any applicable limitations or procedural requirements. City shall appropriate funds in each fiscal year for payments due under this Agreement.

ARTICLE V.
TERM OF THE AGREEMENT

Section 5.1 Term. This Agreement shall have a term beginning on the date the Company Commences Business Operations and ending on ten (10) years thereafter (the "Term"), unless sooner terminated as provided for herein, including all tax years (including any partial year) for which payment is due during the Term of the Agreement. Notwithstanding anything herein to the

contrary, Company has no obligation to open for business, operate or continue operations of any type upon the Property. The Agreement may be extended for an additional period or periods by mutual written agreement between the City, the EDC, and the Company and/or its assigns or successors.

ARTICLE VI. **DEFAULT AND REMEDY**

Section 6.1 Default: Failure to Satisfy Conditions. If the City or the EDC fails to perform its obligations hereunder in substantial compliance with this Agreement (other than the financial obligations, which shall be in strict compliance) and, if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given, the Company shall have all rights and remedies to which it is entitled under this Agreement and under all applicable laws.

If the Company fails to satisfy any of its obligations hereunder, and if any such condition or other obligation remains unsatisfied for a period of sixty (60) days after notice thereof shall have been given (or such longer time period as is reasonable under the circumstances), then the City and the EDC shall have the right to terminate the Agreement as its sole remedy hereunder. City and EDC shall have no other rights or remedies against Company.

ARTICLE VII. **ESCROW**

The Parties agree that in the event of any legal challenge to this Agreement, the City shall place any and all funds to which the Company would have a claim under the terms of this Agreement in an interest bearing account, capable of separate identification, during the pendency of the legal challenge. Upon any final decision upholding the enforceability of this Agreement, all amounts in such account, including principal and accrued interest, shall be paid forthwith to the Company. If this Agreement is determined to be invalid or unenforceable, all amounts in such account, including principal and accrued interest, shall be deposited by the City into its General Fund and the Company shall have no further claim thereto, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Parties covenant that none of them will initiate any legal challenge to the validity or enforceability of this Agreement, and the Parties will cooperate in defending the validity or enforceability of this Agreement against any challenge by any third party.

ARTICLE VIII. **MISCELLANEOUS**

Section 8.1 Severability. If any one or more words, phrases, clauses, sentences, paragraphs, sections, articles, or other parts of this Agreement or the application thereof to any person, firm, corporation, or circumstances shall ever be held by any court of competent jurisdiction to be invalid, unconstitutional or unenforceable for any reason, then the application, invalidity, unconstitutionality or unenforceability of such words, phrases, clauses, sentences, paragraphs, sections, articles or other parts of the Agreement will be deemed to be independent of and separable from the remainder of this Agreement and the validity of the remaining parts of this Agreement will not be affected thereby.

Section 8.2 Notice. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be in writing and will be considered duly when such notice has been deposited with proper postage prepaid and duly registered or certified, return receipt requested, in a United States post office, addressed to the City, the EDC, or the Company as follows:

Company:

H-E-B, LP

646 S. Flores Street
San Antonio, Texas 78204
Attn: Jared O'Brien
Telephone: (512) 646-8583
Email: obrien.jared@heb.com

With Copy To:

Golden Steves & Gordon LLP
200 E. Basse Rd., Suite 200
San Antonio, Texas 78209
Attn: Ami E. Gordon
Telephone: (210) 745-3700
Fax: (210) 745-3737
Email: agordon@goldensteves.com

City of Orange c/o City Manager
P.O. Box 520
Orange, Texas 77630-0522

Orange Economic Development Corporation
P.O. Box 520
Orange, Texas 77630-0522

With Copy To:

Germer Law Firm c/o Kate Leverett
P.O. Box 4915
Beaumont, Texas 77704-4915

Any such notice or communication shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either party may change the above address by sending written notice of such change to the other Party in the manner provided above.

Section 8.3 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the City, the EDC, and the Company.

Section 8.4 Binding Effect. This Agreement will inure to the benefit of and be binding upon the City, the EDC, and the Company, and upon the Company's successors and assigns, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal

property belonging to it and located within the Company's annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company's "Affiliates". The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, controls the Company or is controlled by the Company or is under common control with the Company.

Section 8.5 Assignment. No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without prior written consent of other Parties hereto.

Section 8.6 Exhibits: Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated. The following exhibits are included:

Exhibit A: Property Description Exhibit B: City Resolution

Section 8.7 Governing Law and Venue. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

Section 8.8 Entire Agreement. This written Agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

Section 8.9 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any Party, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

Section 8.10 Intentionally Omitted.

Section 8.11 Intentionally Omitted.

Section 8.12 Attorney Fees. Under no circumstances will the Chapter 380 Payments received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or the EDC regarding this Agreement. For purposes of this paragraph, "adversarial proceeding" means any cause of action regarding this

Agreement filed by or against the Company in any state or federal court, as well as any state or federal administrative hearing.

Section 8.13 City Confidentiality. City and the EDC, and each of its respective officers and employees, and each of its respective agents or contractors who may be retained to perform economic development services for the City and/or the EDC in furtherance of this Agreement, shall treat as confidential any proprietary information delivered by Company or its respective representatives to the City and/or EDC and the City and/or the EDC shall not release such information to the public and shall hold the terms, provisions and conditions of this Agreement in strict confidence, including the identity of Company, unless required by law or court order. Company acknowledges that the City and the EDC are subject to the Texas Public Information Act. The City and/or EDC shall immediately notify Company of requests for public information or court orders commanding the release of such information; however, it shall be Company's sole responsibility to prepare, assert, file or otherwise deliver any objection to the release of any public information concerning the Company and the Project made the subject of this Agreement to the requestor or proper authorities.

[EXECUTION PAGES FOLLOW]

Michael Kunst, City Manager City of Orange

ATTORNEY APPROVALS

APPROVED AS TO FORM:

Guy N. Goodson
General Counsel for OEDC

VERIFIED AS CONSISTENT
WITH CITY COUNCIL RESOLUTION:

Resolution Number: _____

City Attorney

H-E-B, LP, a Texas limited partnership

By: _____

Name: Benjamin R. Scott

Title: Group Vice President of Real Estate
and Shopping Center Development

Orange - Meeks Road Public Cost Estimate

Meeks Road Relocation					
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Design Fee	6% \$ 175,560
Inflation Contingency (3% over 4 Years):	12% \$ 351,120

Public Construction Total \$ 4,187,580

RESOLUTION APPROVING A CHAPTER 380 PROPERTY TAX REBATE AGREEMENT WITH H-E-B, LP, 646 S. FLORES STREET, SAN ANTONIO, TEXAS 78204 AT THE NEW PROJECT SITE LOCATED AT THE INTERSECTION OF HWY. 87 N/16TH STREET AND INTERSTATE 10W (AKA NORTHWAY RETAIL CENTER) IN THE CITY OF ORANGE EQUAL TO FIFTY (50%) OF THE INCREMENTAL AD VALOREM TAX ON THE PROPERTY, AND IMPROVEMENTS TO THE PROJECT, FOR TEN (10) YEARS FOR THE PURPOSE OF ECONOMIC DEVELOPMENT.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the Mayor is hereby authorized to execute the attached Chapter 380 Economic Development Program Agreement/Property Tax Rebate Agreement for the purpose of economic development.

PASSED AND APPROVED on this the 10th day of February 2026.

PASSED, APPROVED AND ADOPTED on this the 24th day of February 2026.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

APPROVED:

City Attorney

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THE INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DONATION NO WARRANTY DEED

THE STATE OF TEXAS §
§
COUNTY OF ORANGE §

City of Orange, Texas, a municipal corporation ("Grantor") located in Orange, Texas, for and in consideration of Grantor's desire to encourage continued economic development by the **Orange County Navigation & Port District of Orange County, Texas** ("Grantee") for the residents of the City of Orange, Texas and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor, has GIVEN, GRANTED, and CONVEYED, unto Grantee, whose mailing address is 1201 S. Childers Road, Orange, Texas 77630, all of Grantor's rights, title and interest, if any, in those certain properties described in, or depicted on one or more plats or graphical layouts contained in, **Exhibit "A"** hereto (collectively, the "Property").

This conveyance is made subject to the following, to the extent applicable to the Property or to Grantor's interests, if any, therein:

- (1) all prior exceptions, reservations and conveyances of minerals and/or royalties, oil and gas and/or mineral leases, affecting the Property, of record in the Office of the County Clerk of Orange County, Texas, to the extent they are still in effect and relate to the Property;
- (2) all zoning laws, regulations and ordinances of municipal and/or other governmental authorities, if any, but only to the extent that they are still in effect and relate to the Property;
- (3) taxes on the Property for 2026 and subsequent years not yet due and payable;
- (4) Grantor's reversionary rights in the Property, which includes the following restrictive covenants running with the land unless subsequently released or modified in writing, after the execution and delivery of this instrument:
 - (a) The Property will be used by the Grantee for purposes that benefit the public interest of the Grantor and Grantee, including but not limited to providing access to, or construction of facilities regarding, the operation, maintenance, improvement or repair of Grantee's railroad line crossing all or part of the Property;

- (b) The donated Property will be maintained by Grantee for public purposes for which the donation has been made; and
 - (c) Title and possession of the Property may, upon the election of Grantor and the giving of written notice of such election by Grantor to Grantee, revert to the Grantor if the Grantee ceases to use the Property or any interest therein to carry out the public purpose specified herein.
- (5) **DONEE ACKNOWLEDGES THAT DONOR HAS MADE NO REPRESENTATIONS OR WARRANTIES, AND BY THIS INSTRUMENT DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, AS TO ANY OF THE FOLLOWING MATTERS RELATIVE TO THE PROPERTY THAT MAY IMPACT, PROHIBIT, DELAY, OR LIMIT THE USE OF THE PROPERTY BY THE GRANTEE FOR THE PUBLIC PURPOSE SPECIFIED HEREIN:**
- (a) Soils, Etc. The nature, condition, quality, or other aspects of the soils, seismic, hydrological, geological and topographical conditions and configurations.
 - (b) Artifacts. The presence of any archeological, prehistoric and historic artifacts, remains and relics.
 - (c) Endangered Species. The presence of any endangered plant, animal and insect species.
 - (d) Hazardous Materials. The absence of any Hazardous Materials and other environmental conditions, including without limitation, lead-based paint, asbestos and mold.
 - (e) Physical Defects. Physical and mechanical defects in or on improvements on or to the Property, including without limitation, the plumbing, heating, air conditioning and electrical systems and the roof, floor, ceilings, walls and other internal structural components of any buildings or improvements.
 - (f) Land Area. The area of the land constituting the Property.
 - (g) Utilities, Public Facilities. Availability and/or adequacy of any public utilities, public access or availability and access to privately operated utilities.
 - (h) Planning and Zoning. Present, past or future conformity of the Property with planning, building, zoning, subdivision and development statutes, ordinances, regulations and permits or land plans of the City.
 - (i) Development Fees. The character and amount of any fee, charge or other consideration which may be incurred for use of the Property.
 - (j) Other Matters. Any other matter relating to the Property or to future operation of the Property, including but not limited to, feasibility, cost, governmental permissions or entitlements, marketability and investment return.
 - (k) Mineral Rights. The rights of any mineral interest owner or lessee to use and/or occupy any portion of the Property for the surface or subsurface development of oil, gas or minerals heretofore reserved by prior reservations or conveyances or leases, of record.

TO HAVE AND TO HOLD, the Property, together with all rights, hereditaments and appurtenances thereto belonging, unto Grantee, its successors and assigns forever. And Grantor does hereby convey any and all rights, title and interests, if any, of Grantor to the Property unto Grantee, its

successors and assigns. Subject, however, to the restrictions, conditions and provisions of this instrument.

Grantee has joined in this Deed to evidence Grantee's acceptance of this Deed.

EXECUTED this the _____ day of _____, 2026.

GRANTOR:

City of Orange, Texas

By: _____
Larry Spears, Mayor ATTEST:

By: _____
Patricia Anderson, City Secretary

THE STATE OF TEXAS
COUNTY OF ORANGE

This instrument was acknowledged before me on the _____ day of _____, 2026,
by Larry Spears, Mayor and Patricia Anderson, City Secretary of the **City of Orange, Texas**.

Notary Public, State of Texas

Accepted by GRANTEE:

**Orange County Navigation & Port District
of Orange County, Texas**

By: _____
Executive Port Director

ATTEST:

THE STATE OF TEXAS
COUNTY OF ORANGE

This instrument was acknowledged before me on the _____ day of _____, 2026, by
Lorrie M. Taylor as Executive Port Director.

Notary Public, State of Texas

AFTER RECORDING, RETURN TO:

Orange County Navigation and Port District of Orange County, Texas
Attn: Executive Port Director
1201 S. Childers Road
Orange, Texas 77630

EXHIBIT "A"

Property (including any improvements):

The 0.1768 acre of land, part of Arkansas Avenue, Calder Addition, recorded in Volume 1, Page 76, Map Records of Orange County, Texas.

Exhibit "A"
0.1768 Acre of Land
Part of Arkansas Avenue
Illustrative Purposes Only



CALDER ADDITION
ORANGE COUNTY, TEXAS

ORANGE COUNTY, TEXAS

ABEL BELINE 4

N 525/13 - W /0.00

1/2" STEEL
"A&G"
ED

37°33'56" W 143.08' (CALLED 140.00)
37°33'56" E 141.85' (CALLED 140.00)
THOM 61019 BLK. 5
F. # 55883

THOMAS BRASHEAR, C.
55885.
F. 6
LOT 6
BLK. 5

N 37°33'.55" E 146.19'

POINT OF
BEGINNING
N:10054944.84
E:4382858.47

S 515/11- E 140.00-

BORDER STREET (PUBLIC R.O.W. VARIES

(PUBLIC R.O.W. VARIES)

A surveyor's sketch showing a property line. The line starts at a point labeled "NORTHEAST R.O.W. LINE" and extends to the right. Along this line, there are several features labeled: "B.O.C.", "OHE", "ASPHALT DRIVE", "OHE", "OHE", "OHE", "OHE", and "OHE". At the end of the line, there is a label "N 51°57'11" W 60.00'". A dashed line extends from the "NORTHEAST R.O.W. LINE" point upwards and to the left, ending at a point labeled "B.O.C." with a curved arrow pointing to it. Another dashed line extends from the "N 51°57'11" W 60.00'" point upwards and to the left, ending at a point labeled "GL." with a curved arrow pointing to it.

1/2" STEEL-
ED "A&G"

**A RESOLUTION AUTHORIZING THE CITY OF ORANGE, TEXAS
TO DEED THE PROPERTIES DESCRIBING IN EXHIBIT "A" TO
THE ORANGE COUNTY NAVIGATION & PORT DISTRICT OF
ORANGE COUNTY, TEXAS**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE,
TEXAS:**

That the Mayor of the City of Orange, Texas is hereby authorized to execute a
Donation No Warranty Deed transferring the properties described in Exhibit "A" to the
Orange County Navigation & Port District of Orange County, Texas.

PASSED, APPROVED and ADOPTED on this the 10th day of February, 2026.

Larry Spears, Mayor

ATTEST:

Patricia Anderson, City Secretary

APPROVED:

City Attorney

MEMORANDUM

To: Mike Kunst, City Manager

From: Kelvin Knauf, Director of Planning and Community Development

Subject: Consider and possible action on a resolution affirming support for the Villages at Orange development for tax credit affordable rental housing for family at Abstract 21, J. Richey Survey, Tract 241A located on Martin Luther King Jr. Drive between the Palm Gardens Apartments and the Oakwood Village Apartments

Date: February 2, 2026

Attached for your consideration is a resolution affirming the City of Orange support for the Villages of Orange development providing for a de minimis contribution (\$500) from the City of Orange. The project would consist of no more than 72 living units which would be rented to families. This development would be located on the east side of Martin Luther King Jr. Drive between the Palm Gardens Apartments and the Oakwood Village Apartments as shown below:



The developer of the property, BAH Villages at Orange, Ltd. is applying to the State of Texas for tax credits for the project. To be considered for tax credits, the State of Texas requires that if a project is located within a city, that the City Council adopt a resolution either affirmatively supporting the project or not opposing the project. The State also requires that if a City Council supports or does not oppose a tax credit project, that the City must provide a de minimis amount towards the project.

The federal housing tax credit program is a means of directing private capital toward the creation of affordable rental housing. Owners and investors in qualified affordable multifamily residential developments can use the housing tax credits as a dollar-for-dollar reduction of federal income tax liability. The value associated with the housing tax credits allows residences to be leased to qualified families at below market rate rents. The Texas Department of Housing and Community Affairs (TDHCA) is the only entity in the state of Texas with the authority to allocate housing tax credits under this program. To qualify for housing tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units. The credit amount a development may receive depends on the total amount of depreciable capital improvements and the funding sources available to finance the total development cost.

Additional information about tax credits is attached to this memorandum. This information is from the Texas Department of Housing and Community Affairs website at
<https://www.tdhca.state.tx.us/multifamily/faqs-htc-app-review.htm#:~:text=The%20value%20associated%20with%20the,tax%20credits%20under%20this%20program.>

The attached resolution states that the City Council affirmatively supports the project and provides that the city will provide either a fee waiver or a reduced building permit fee by \$500 for the project.

VILLAGES AT ORANGE

IN BY CROSS ARCHITECTS)

WNSTONE
TECTS & PLANNERS, INC.

ERING DR, STE. 400

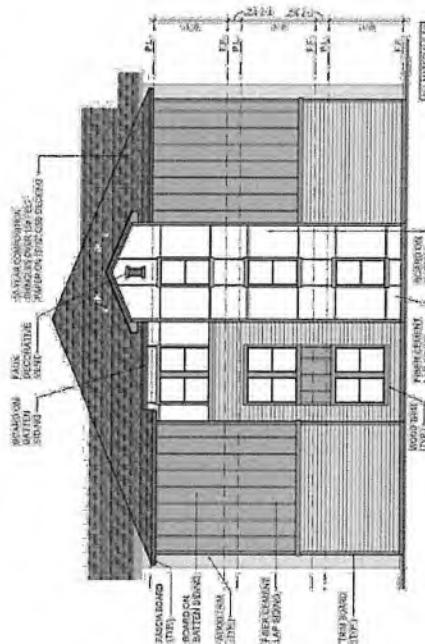
01 BUILDING 'A' - FRONT ELEVATION
1:100 @ BLDG #1



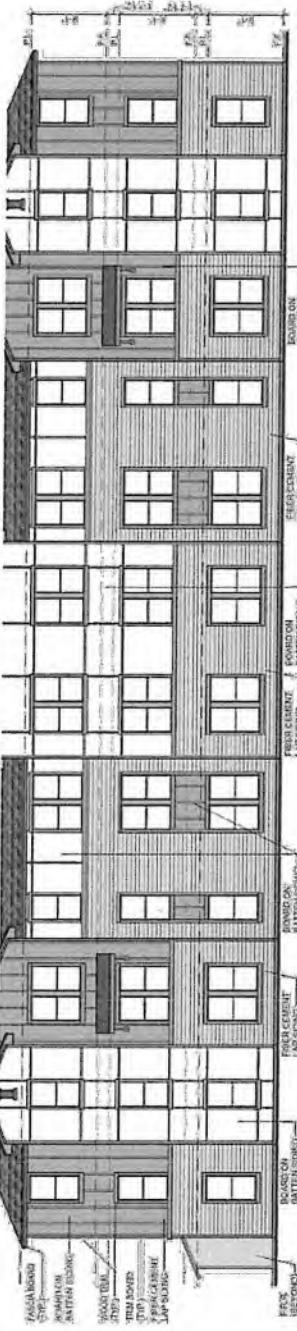
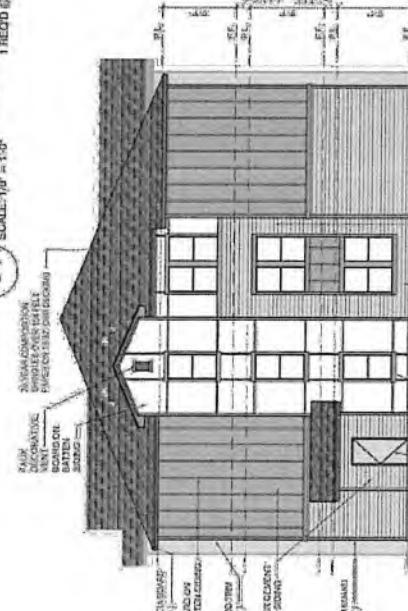
02 BUILDING 'A' - RIGHT ELEVATION
1:100 @ BLDG #1



03 BUILDING 'A' - LEFT ELEVATION
1:100 @ BLDG #1



04 BUILDING 'A' - REAR ELEVATION
1:100 @ BLDG #1



PASION
SW 7513 SANDING INC.

WINDOW/DOOR TRIM
SW 7513 SANDING

CONT. FIBER CEMENT
SIDING
308 ACCESSIBLE REIGE

R-CEMENT PANEL BOARD
757 HIGH REFLECTIVE WHITE

VILLAGES AT ORANGE

IN BY CROSS ARCHITECTS)

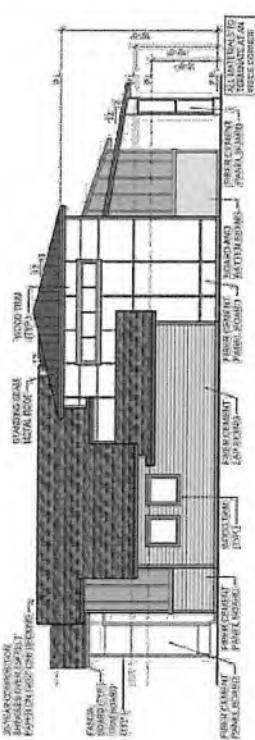
WNSTONE
TECTS & PLANNERS, INC.

ERING DR, STE. 400

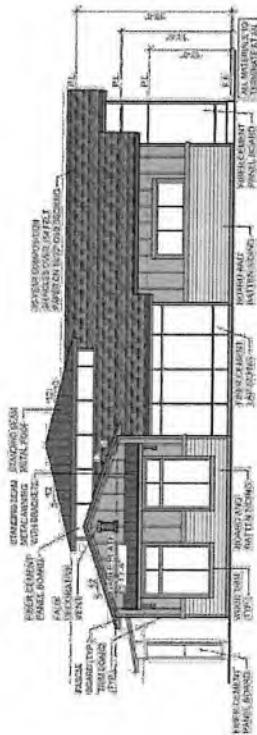
01 CLUBHOUSE - FRONT ELEVATION
SCALE: 1/8" = 1'-0"



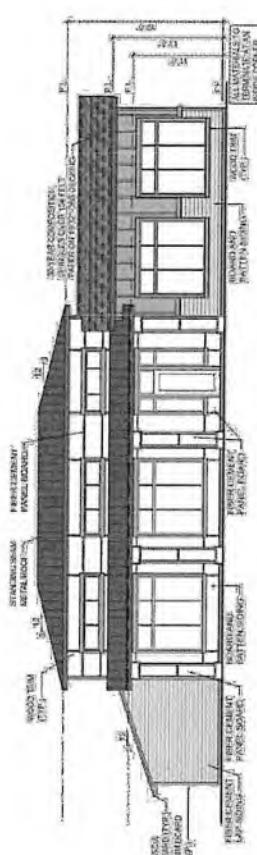
02 CLUBHOUSE - RIGHT ELEVATION
SCALE: 1/8" = 1'-0"



03 CLUBHOUSE - LEFT ELEVATION
SCALE: 1/8" = 1'-0"



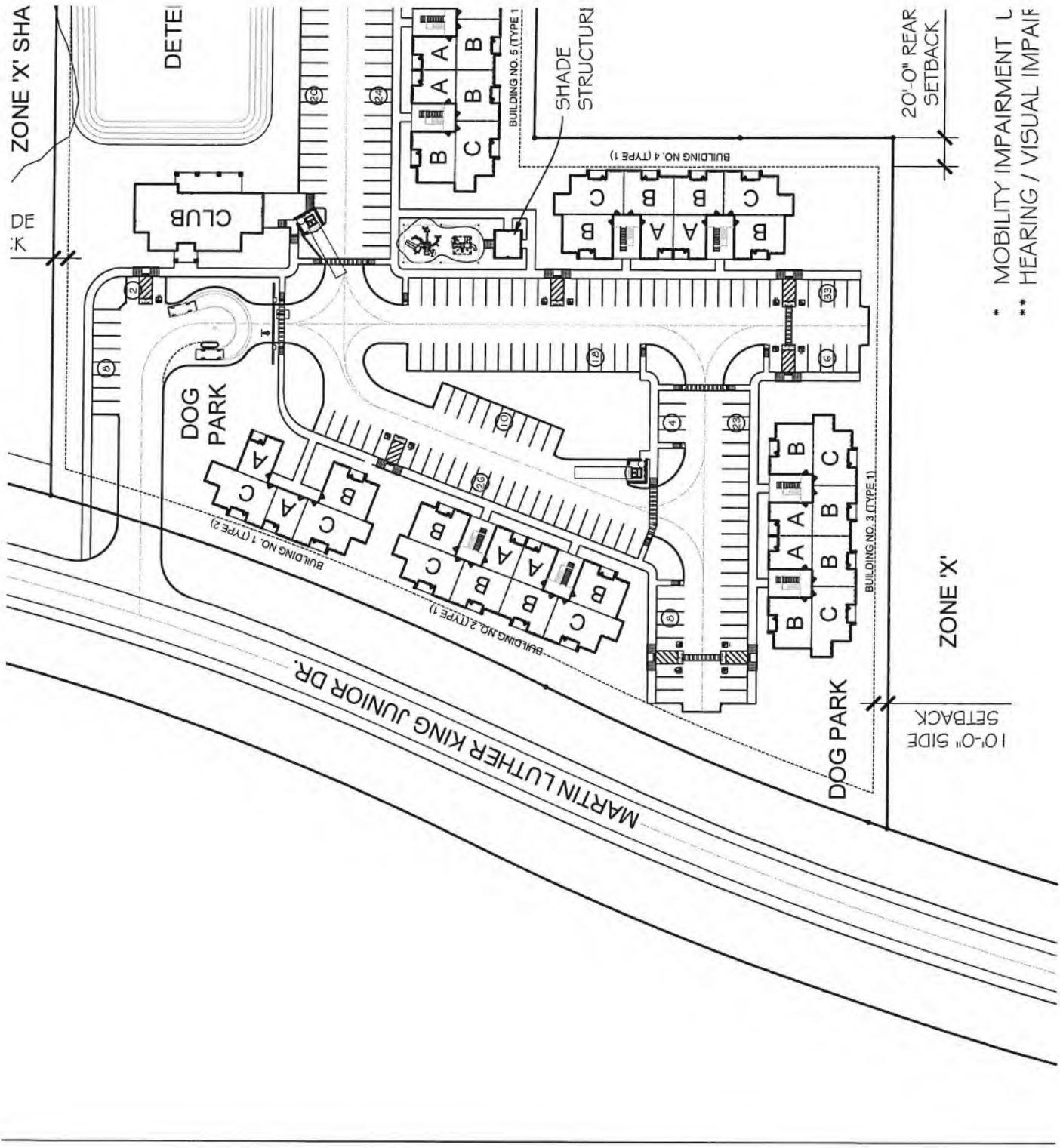
04 CLUBHOUSE - REAR ELEVATION
SCALE: 1/8" = 1'-0"



VERTICAL CEMENT
SIDING
CEMENT PANEL BOARD
WINDOW TRIM

IN BY CROSS ARCHITECTS)

VILLAGES AT ORANGE



	NET AREA	GROSS AREA
1,910 S.F.	1,026 S.F.	2,052 S.F.
20,145 S.F.	1,266 S.F.	21,522 S.F.
1,185 S.F.	1,266 S.F.	1,266 S.F.
64,221 S.F.		69,282 S.F.

/ 287,967 SQ. FT. (10.44 UNITS / ACRE)

NSHADED (MINIMAL FLOOD HAZARD)
HADED (500 YEAR FLOOD ZONE)

Page 76 of 201

3 BEDROOMS + 18 GUEST SPACES)
(1 ROOM + 1 GUEST SPACE PER 4 UNITS)

ACCESSIBLE SPACES (8 ARE VAN ACCESSIBLE)
ON POND

ON GROUND LEVEL)

HALL MAKE UP THE ACCESSIBLE ROUTE
E SITE.

* MOBILITY IMPAIRMENT /
** HEARING / VISUAL IMPAIRMENT



Villages at Orange



Apartment Community

1725 N 37th St
Orange, TX 77630



Development Summary



Brownstone Affordable Housing
750 Bering Drive, Suite 400
Houston, Texas 77057

January 22, 2025

Mayor Larry Spears
803 Green Ave,
City of Orange, TX
77630

Re: Housing Tax Credit Development in the City of Orange

Dear Mayor Spears,

The Brownstone development team (“Brownstone”) is proposing to develop an approximately 69-unit rental housing community within the city of Orange, Texas. This new low-income development will target the city and county’s general population. The following is a summary of the proposed housing development and request for support from the city of Orange.

I. Proposed Development: Villages at Orange

Villages at Orange will target the general population and will include no more than 72 units. As developers, we have contracted to purchase approximately 6.6 acres of land located at approximately 1725 N 37th St, Orange, Texas. As currently modeled, Villages at Orange Apartments will consist of a 26% mix of 1-bedroom/1-bath units, 48% mix of 2-bedroom/2-bath units, and 26% mix of 3-bedroom/2-bath units that will appeal to various income levels.

Villages at Orange Apartments will comply with all applicable accessibility standards and Brownstone plans to affirmatively market to all tenants through direct marketing. The proposed development will include common and unit amenities that are tailored to meet the needs of its residents.

The common amenities may include:

- *perimeter fencing*
- *Ramada seating*
- *furnished fitness center*

- *mail room with parcel lockers*
- *furnished community center with covered patio*
- *energy and water conservation features*
- *dog park*
- *covered playground*
- *barbeque grills*

The unit amenities may include:

- *covered entries*
- *nine-foot ceilings*
- *lighting in all rooms*
- *ceiling fans in living area and all bedrooms*
- *washer and dryers in the units (provided by building)*
- *units prewired for high speed internet*
- *energy star or equivalently rated refrigerator and dishwasher*
- *microwave ovens*
- *self-cleaning ovens*
- *refrigerators with icemakers*

The estimated total cost of the development will be approximately \$18,000,000.00.

II. Incomes of the Development

The income levels for the rent-restricted units are based on the area medium income (AMI) in the Orange area. The development contains set-asides for a variety of income levels that will include 10% of affordable units at 30% AMI, 20% of affordable units at 50% AMI, and 70% of affordable units at 60% AMI. All units will have income and rent restrictions. Brownstone anticipates developing 69 units at Villages at Orange Apartments but possibly up to 72 units depending on the total funding award.

2025 Gross Rent Limits

	1 Bedroom	2 Bedroom	3 bedroom
30% AMI	\$475	\$570	\$658
50% AMI	\$791	\$950	\$1,097
60% AMI	\$950	\$1,140	\$1,317

2025 Income Limits

AMI %	1 PERSON	2 PERSON	3 PERSON
30	\$ 17,730	\$ 20,280	\$ 22,800
50	\$ 29,550	\$ 33,800	\$ 38,000
60	\$ 35,460	\$ 40,560	\$ 45,600

III. Experience of Development Team:

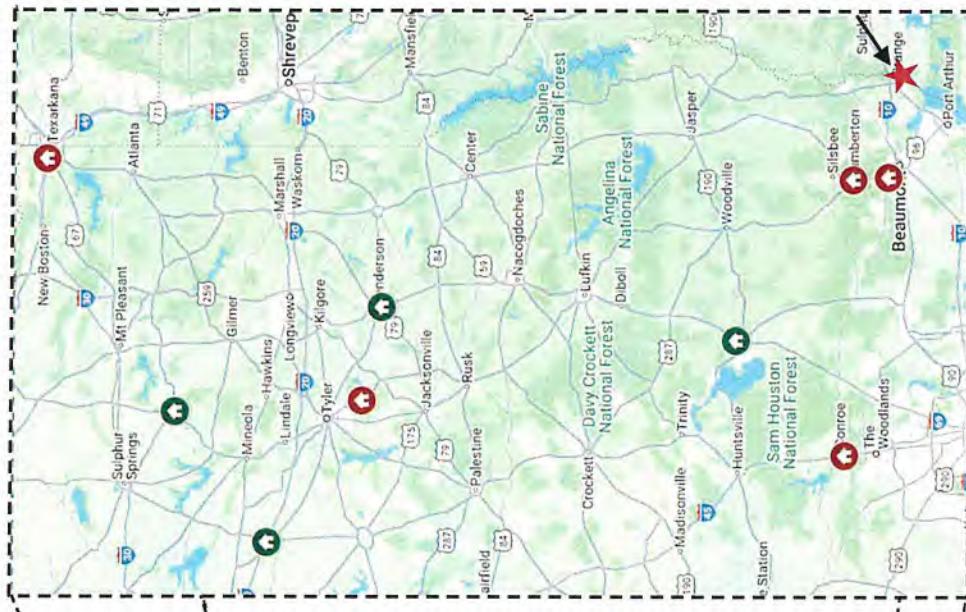
The Brownstone development team is a family owned and operated real estate development group that was formed in 1971 by William L. (“Bill”) Brown and is now led by his three sons, Jed, Doak and Wil Brown, along with long-time development partners. Since 2005, Brownstone’s affiliated companies have planned, developed and constructed over 20,000 housing units.

The Brown family members and Jeremy Mears have worked diligently to create a team of real estate professionals for development and construction. Brownstone is served by capable project managers, construction managers, project superintendents, and office staff. The complete group of partners, employees and consultants bring extensive experience and broad knowledge to the Brownstone group’s team. Brownstone intends to use these relationships and quality design in the creation and construction of Villages at Orange. Please see the below and attached company brochure for an overview of our experience in multifamily housing.

TEXAS PORTFOLIO

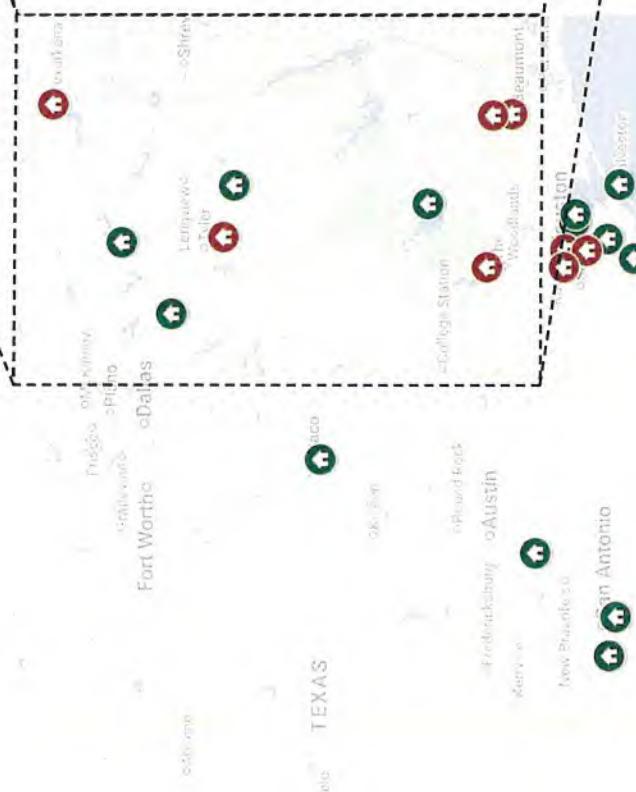
as of January 20, 2026

The **BROWN STONE** Group



Brownstone East Texas Affordable Properties

Name	City	Units	Type
Beaumont Senior Village	Beaumont	72	Senior
Lumberton Senior Village	Lumberton	56	Senior
Nash Senior Village	Nash	100	Senior
Whitehouse Senior Village	Whitehouse	72	Senior
Canton Village Homes	Canton	80	Family
Henderson Village	Henderson	80	Family
Livingston Village	Livingston	80	Family
Madison Oaks	Wimberly	60	Family



IV. Support Request:

The Brownstone development team will form a limited partnership called BAH Villages at Orange, Ltd. and will be submitting an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for an allocation of 2026 9% low-income housing tax credits to support the financing of the proposed development of Villages at Orange Apartments. The tax credit applications are due into TDHCA on or before February 27, 2026. TDHCA is the agency in Texas that administers several federally funded housing programs including the housing tax credit program. The tax credit application and selection process for housing tax credits is highly competitive. Without the award of housing tax credits, the Brownstone development team will not be able to move forward with Villages at Orange Apartments. The application process is point based. Those applications receiving the highest score are awarded the housing tax credits.

Important point-based categories in the application scoring process include both a commitment of support from the city of Orange and a small contribution of value for the benefit of the development that is confirmed in a brief letter. The commitment of support can be a simple resolution (See attached, “Resolution Example”). The contribution can be de minimis and can have minimal monetary value, such as a \$500 reduction in the price on any county or city permit fees.

Ultimately, the Brownstone development team appreciates the opportunity to submit this project summary and support request and looks forward to working with the city of Orange in developing a quality housing development in your community.

Very truly yours,

BAH Villages at Orange, Ltd.

By: Jeremy Mears, Vice President

SITE LOCATION





The Brownstone Group, Inc.

Residential Communities

The Brownstone Group, Inc. is a company that specializes in residential communities. The logo features a stylized mountain range graphic and the company name in a bold, sans-serif font.



Since 2005, the Brownstone Companies have contracted for more than \$2.7 billion dollars of residential developments throughout Texas and the Southeast, consisting of 129 developments surpassing 20,900 units.

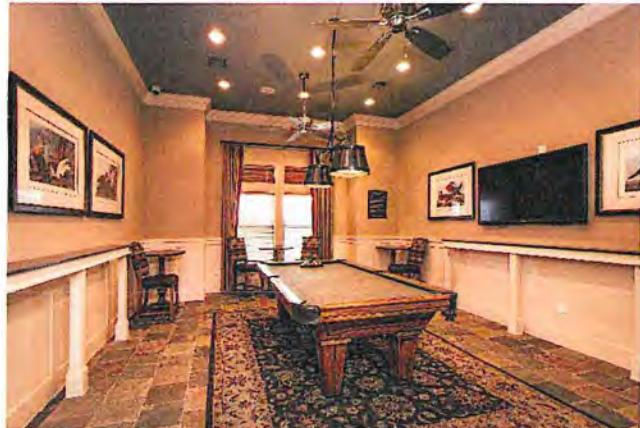


Our Companies



The Brownstone Group, Inc.
Brownstone Construction, Ltd.
Brownstone Affordable Housing, Ltd.
Brownstone Commercial, LLC
Brownstone Architects and Planners, Inc.
Brownstone Residential, LLC

Jed A. Brown joined the Brownstone companies in June of 2007. Jed offices in Laredo, and spends much of his time overseeing projects throughout central and south Texas. His focus is on site selection and development planning for multi-family residential. Jed has taken the lead for Brownstone on abatement and demolition projects as well as Brownstone's marketing and public relations. Jed received his Bachelor of Arts in Marketing from the University of Texas at Austin in 1991. A veteran in real estate development and construction, prior to joining Brownstone Jed worked in Laredo for 15 years as a Project and Construction Manager for commercial offices, industrial warehouses, and residential homes. He also oversaw development planning and construction for industrial, commercial and residential subdivisions. Jed served on the Webb Country Appraisal Review Board from 1996 to 2001, Chairing the ARB in his final three years of service. In November of 2019 Jed was appointed by Texas Governor Greg Abbott to be the Chairman of the Webb County - City of Laredo Regional Mobility Authority. Jed is a licensed real estate broker in Texas, and a licensed private pilot.



Doak D. Brown joined the Brownstone team on a full-time basis in 2009. He is responsible for legal, development and finance matters for the Brownstone companies. Doak came to the Brownstone companies from the law firm of Campbell & Riggs, P.C. in Houston, where he was a shareholder specializing in transactional real estate law. He was Brownstone's outside counsel for many years and was involved in all facets of the Brownstone companies' real estate transactions. Doak received his Bachelor of Arts in Economics from the University of Texas at Austin in 1995 and his Doctor of Jurisprudence from the University of Houston Law Center in 1999. He was licensed to practice law in the State of Texas in 1999. Doak is a member of the real estate section of the Texas State Bar.



Wil C. Brown brings his expertise in construction management to the Brownstone Group. Wil earned his Bachelor of Science in Construction Science from Texas A&M University in 2000. Wil spent four years working with national development companies that specialized in multi-family housing. During those years, he supervised the construction of over 1,000 units, and managed all aspects of the construction process. In 2005, Wil joined Brownstone with the goal of merging his construction knowledge with the skills and experience of his partners. Wil's acumen in the construction industry has served Brownstone well and he has supervised the construction of over 21 projects. While Wil is increasingly involved in the development aspects of Brownstone's multi-family business, he continues to focus his skill and energy primarily on maintaining the construction excellence that others have come to expect from Brownstone.



George "Larry" Counce II is a native Houstonian who comes to Brownstone Construction from one of the nation's leading real estate development companies. Larry joined Brownstone Construction in 2017 and brings two decades of hands-on experience in multifamily and commercial real estate construction projects, having supervised the construction of over 8,000 units. Larry's emphasis on developing people and their competencies, as well as demanding workplace safety, has been essential to his success. Larry is passionate about his work and thrilled to be part of the Brownstone team.

Development
Partner

Jeremy Mears brings more than 30 years of successful real estate, construction, and development experience to the Brownstone companies. In 1996, Jeremy earned his Bachelor of Science in Construction from the University of Louisiana at Monroe. Jeremy spent the first eight years of his career working with national luxury multifamily developers throughout Dallas, Austin, and San Antonio. During these years Jeremy specialized in Construction Management and Estimating for over 3,000 apartment units. In 2004, Jeremy started his own company called Mears Development. This company worked in the development and construction of new communities, and also the rehabilitation of existing apartment communities throughout Texas. In 2006, he joined forces with the Brownstone companies to focus on townhome and single-family developments in San Antonio. In 2010, Jeremy opened an office for the Brownstone companies in Monroe, Louisiana to focus on multi-family development and construction in Texas, Louisiana, Mississippi and other nearby states. This office focuses on market rate multi-family developments and affordable multi-family developments financed by housing tax credits and historic tax credits.



Chief Investment
Officer

Jack Bonnette joined the Brownstone team in 2021 and leads underwriting, financing and capital management activities. Jack has 17+ years experience in all aspects of the multifamily business with direct involvement in 200+ projects and over 10,000 apartment units during tenures at Greystar, Millennia and individual entrepreneurial activities. Jack earned a BS in Ocean Engineering from the U.S. Naval Academy, a MS in Real Estate from the University of Florida and MBA from Harvard Business School.

Completed (18,254 Total Units)



San Diego Creek Apartments (72 Units) Alice, TX	LIHTC
San Gabriel Senior Village (100 Units) Georgetown, TX	LIHTC
Easterling Village (48 Units) Alice, TX	LIHTC
Thomas Ninke Senior Village (80 Units) Victoria, TX	LIHTC
Retama Village (128 Units) McAllen, TX	Mixed Finance – LIHTC & Public Housing
Gulfbreeze Plaza II (148 Units) Port Arthur, TX	CDBG
Bluebonnet Senior Village (36 Units) Alamo, TX	LIHTC
Retama Village Phase II (74 Units) McAllen, TX	Mixed Finance – LIHTC & Public Housing
Sunset Terrace (100 Units) Pharr, TX	Mixed Finance – LIHTC & Public Housing
Bluffs Landing Senior Village (144 Units) Round Rock, TX	LIHTC & HOME
Gulfbreeze Plaza I (86 Units) Port Arthur, TX	CDBG – Public Housing
Creekside Villas (144 Units) Buda, TX	LIHTC & HOME
Villas at Beaumont (36 Units) McAllen, TX	LIHTC
Pearland Senior Village (126 Units) Pearland, TX	LIHTC, TCAP & HOME
Parkview Terrace (100 Units) Pharr, TX	Mixed Finance – Exchange & Public Housing
Heights at Corral (80 Units) Kingsville, TX	Mixed Finance – Exchange & Public Housing
Belmont Senior Village (192 Units) Leander, TX	LIHTC, TCAP & HOME
Citrus Gardens (148 Units) Brownsville, TX	LIHTC & Section 8
Casa Ricardo (60 Units) Kingsville, TX	LIHTC & HOME
Merrit Lakeside (176 Units) Schertz, TX	LIHTC & HOME
Shiloh Crossing (156 Units) Laredo, TX	Market Rate & 221(d)4
Braeburn Village (140 Units) Houston, TX	LIHTC
Gary Street Village (35 Units) Winnsboro, LA	LIHTC & HOME
Aeolian Senior Apartments (60 Units) Vicksburg, MS	LIHTC & Historic Tax Credits
Blooms Apartments (30 Units) Tallulah, LA	LIHTC, HOME, & Historic Tax Credits
The Reserve at Traditions (240 Units) Bryan, TX	Market Rate – Conventional Financing
Merritt Legacy (208 Units) Leander, TX	LIHTC & HOME
Carr Central Apartments (72 Units) Vicksburg, MS	LIHTC & Historic Tax Credits
Gulf Coast Arms (160 Units) Houston, TX	LIHTC
Elm Street Village (34 Units) Tallulah, LA	LIHTC & USDA 538
River Bank Village (152 Units) Laredo, TX	LIHTC
Canton Village (80 Units) Canton, TX	LIHTC, HOME & USDA 538
Austin Village (30 Units) Bastrop, LA	LIHTC & USDA 538
La Esperanza Del Rio (60 Units) Rio Grande City, TX	LIHTC & USDA 538
Preston Apartments (40 Units) Magnolia, AR	LIHTC & USDA 538
Cibolo Crossing (236 Units) Laredo, TX	Market Rate – Conventional Financing
La Esperanza Del Alton (80 Units) Alton, TX	LIHTC & USDA 538
Sunset Terrace Senior Village (80 Units) Pharr, TX	LIHTC
Madison Oaks (60 Units) Winnsboro, TX	LIHTC, HOME & USDA 538
Hawthorne at Traditions (156 Units) Bryan, TX	Market Rate – Conventional Financing
Hawthorne at Pasadena (294 Units) Pasadena, TX	Market Rate – Conventional Financing
Henderson Village (80 Units) Henderson, TX	LIHTC
Merritt Hill Country (80 Units) Dripping Springs, TX	LIHTC & 221(d)(4) – Major Subcontractor
Casa Verde (152 Units) Laredo, TX	LIHTC
Legacy at Lake Charles (268 Units) Lake Charles, LA	Market Rate – Conventional Financing
Taylor Senior Village (112 Units) Mission, TX	LIHTC
Canton High Apartments I and II (80 Units) Canton, MS	LIHTC & Historic Tax Credits
Liberty Village (124 Units) Edinburg, TX	Mixed Finance / LIHTC
Nash Senior Village (100 Units) Nash, TX	LIHTC
Whitehouse Senior Village (72 Units) Whitehouse, TX	LIHTC
Ariza Apartments (266) College Station, TX	Market Rate – Conventional Financing
Lake Park Townhomes (247 Units) Pearland, TX	Market Rate & 221(d)4

Completed



Merritt Heritage (244 Units) Georgetown, TX	LIHTC & 221(d)4
Lumberton Senior Village (56 Units) Lumberton, TX	LIHTC
Merritt Monument (104 Units) Midland, TX	LIHTC & 221(d)4
Legacy 2020 (212 Units) Gonzales, LA	Market Rate - Conventional Financing
Garden Valley (213 Units) Waxahachie, TX	Market Rate & 221(d)4
Las Palomas (122 Units) McAllen, TX	LIHTC
Lancaster Senior Village (144 Units) Houston, TX	LIHTC
Somerset Lofts (120 Units) Houston, TX	LIHTC
Reserve at Pinewood (190 Units) Port Arthur, TX	Market Rate & 221(d)4
Livingston Village (80 Units) Livingston, TX	CDBG - Disaster Recovery
Ariza Corpus Christi (286 Units) Corpus Christi, TX	Market Rate - Conventional Financing
San Juan Mission Villas (102 Units) San Antonio, TX	LIHTC
Blanco Riverwalk (252 Units) San Marcos, TX	Market Rate - Conventional Financing
Willow Creek Manor (128 Units) Alvin, TX	CDBG - Disaster Recovery
Jackson Apartments (120 Units) McAllen, TX	LIHTC
Poinsettia Gardens (150 Units) Brownsville TX	LIHTC
Alders at Rockwall (144 Units) Rockwall TX	Market Rate & 221(d)4
Alders at Magnolia (184 Units) Magnolia TX	Market Rate - Conventional Financing
Henry House at Clift Farms (273 Units) Huntsville AL	Market Rate - Conventional Financing
Windmill Ranch (326 Units) Odessa TX	Market Rate - Conventional Financing
South Rice Apartments (115 Units) Houston TX	LIHTC & CDBG - Disaster Recovery & OZ
Beaumont Senior Village (72 Units) Beaumont TX	CDBG - Disaster Recovery
Residences at Lake Waco (90 Units) Waco TX	LIHTC
Garland Senior Living (122 Units) Garland TX	LIHTC & 221(d)4 & HOME
Hibiscus Village (96 Units) McAllen TX	LIHTC
Hawthorne at Bay Forest (294 Units) La Porte TX	Market Rate - Conventional Financing
Cleburne Trails (288 Units) Cleburne TX	Market Rate - Conventional Financing
Angleton Village (108 Units) Angleton TX	CDBG - Disaster Recovery
Ingleside Village (128 Units) Ingleside TX	CDBG - Disaster Recovery
Alders at Cross Creek Ranch (172 Units) Fulshear, TX	Market Rate & 221(d)4
Regency Lofts (120 Units) Houston TX	LIHTC & CDBG - Disaster Recovery
Dian Street Villas (108 Units) Houston TX	LIHTC & CDBG - Disaster Recovery
Easton Park (320 Units) Austin TX	Market Rate & 221(d)4
Palladium Port Aransas (183 Units) Port Aransas TX	LIHTC & 221(d)4 & HOME
Embree Eastside (516 Units) Garland, TX	HUD 221(d)4
Hamilton at Garden Valley (175 Units) Waxahachie TX	Market Rate - Conventional Financing
Conroe Senior Village, (84 Units) Conroe, TX	CDBG - Disaster Recovery
Ariza Huntsville (316 Units) Huntsville AL	Market Rate - Conventional Financing
Farmhouse 121 (284 Units) Melissa, TX	Market Rate - Conventional Financing
Nathan Village (48 Units) Monroe, LA	LIHTC & CDBG - Disaster Recovery
Opal Point at Kyle (338 Units) Kyle, TX	Market Rate - Conventional Financing
Parker Village (262 Units) Owasso, OK	HUD 221(d)4
The Verge (262 Units) Kyle, TX	Market Rate - Conventional Financing
Ariza Conroe (240 Units) Conroe, TX	Market Rate - Conventional Financing
Virtuo Spring (314 Units) Spring, TX	Market Rate - Conventional Financing
Richmond Senior Village (125 Units) Houston, TX	LIHTC & CDBG - Disaster Recovery
Palladium East Berry (240 Units) Fort Worth, TX	LIHTC / Tax Exempt Private Activity Bonds
Hawthorne at Fairmont (291 Units) La Porte, TX	Market Rate - Conventional Financing
The Dunstan (300 Units) Galveston, TX	Market Rate - Conventional Financing
Ariza Corpus Christi Phase II (240 Units) Corpus Christi, TX	Market Rate - Conventional Financing
Dylan Apartments (249 Units) San Marcos, TX	Market Rate - Conventional Financing
The Fitzgerald (184 Units) Waxahachie, TX	Market Rate - Conventional Financing

Completed

The Foundry (366 Units) Grand Prairie, TX
Liberty Hill (270 Units) Liberty Hill, TX
OST Lofts (130 Units) Houston, TX
Alders at Prosper (188 Units) Prosper, TX
Artesia at Medina Valley (285 Units) San Antonio, TX
Hillside Crossing (108 Units) Laredo, TX
Paxton Place (350 Units) Huntsville, AL
Avanta Painted Tree (276 Units) McKinney, TX
Houston at Ella Boulevard (271 Units) Houston, TX
Avenue Heights (271 Units) Killeen, TX
Avanta - Chisholm Trail (244 Units) Fort Worth, TX
Knoll Street Crossing (271 Units) Houston, TX

Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC & CDBG - Disaster Recovery
Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC
Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC / ARPA
LIHTC
Market Rate – Conventional Financing
LIHTC



Under Construction (2,724 Total Units)



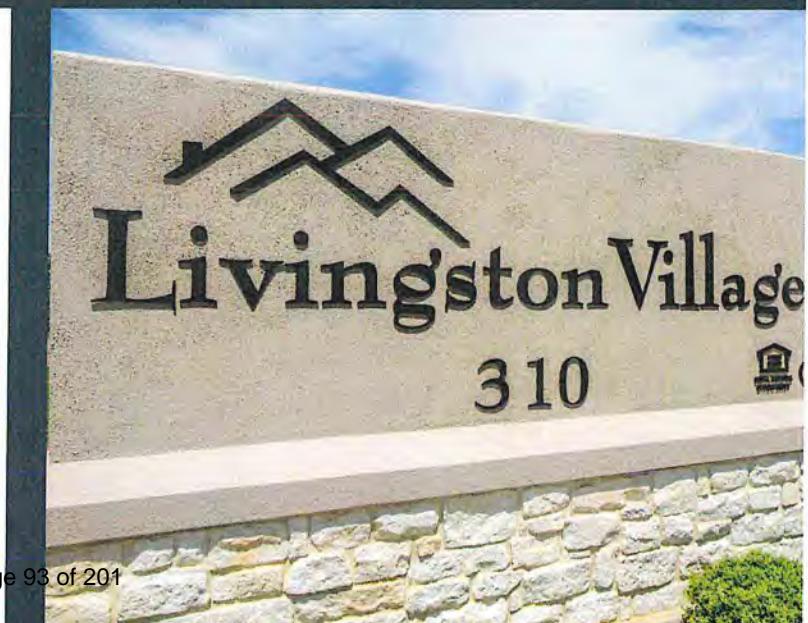
Palladium Crestway (271 Units) San Antonio, TX
The Rowan (318 Units) Knoxville, TN
Allegra at Cocoa (271 Units) Cocoa, FL
Anacua Family Village (271 Units) Mission, TX
Avanti Legacy Rosewood (271 Units) Laredo, TX
The Depot (271 Units) Celina, TX
Palladium San Antonio Military (271 Units) San Antonio, TX
Allegra at Shreveport (271 Units) Shreveport, LA
Palladium Old FM (271 Units) San Antonio, TX
Palladium Park Row Katy Living (271 Units) Katy, TX
Anacua Senior Village (104 Units) Mission, TX
Pradera at Rayzor Ranch (242 Units) Denton, TX
Edison 55 @ Woodforest (165 Units) Montgomery, TX

LIHTC / Tax Exempt Private Activity Bonds
Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC / GLO
LIHTC
Market Rate – Conventional Financing
LIHTC / Tax Exempt Bonds / HUD 221 (d)(4)
CDBG
LIHTC / Tax Exempt Bonds / HUD 221 (d)(4)
LIHTC / ARPA
LIHTC / GLO
Market Rate – Conventional Financing
Market Rate – Conventional Financing





Livingston Village (80 Units) Livingston, TX/ Completed 2020





Whitehouse Senior Village (72 Units) Whitehouse, TX/ Completed 2018



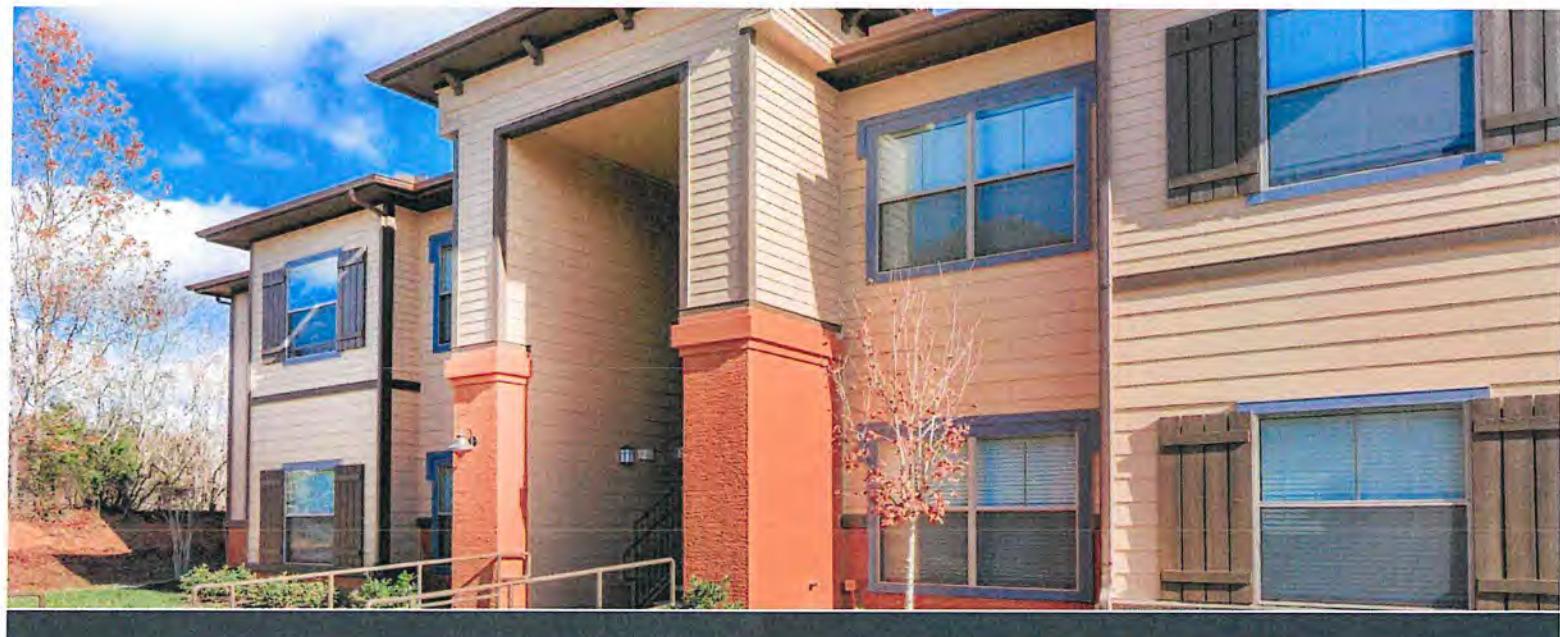


Lumberton Senior Village (56 Units) Lumberton, TX/ Completed 2019





Madison Oaks (60 Units) Winnsboro, TX/ Completed 2017



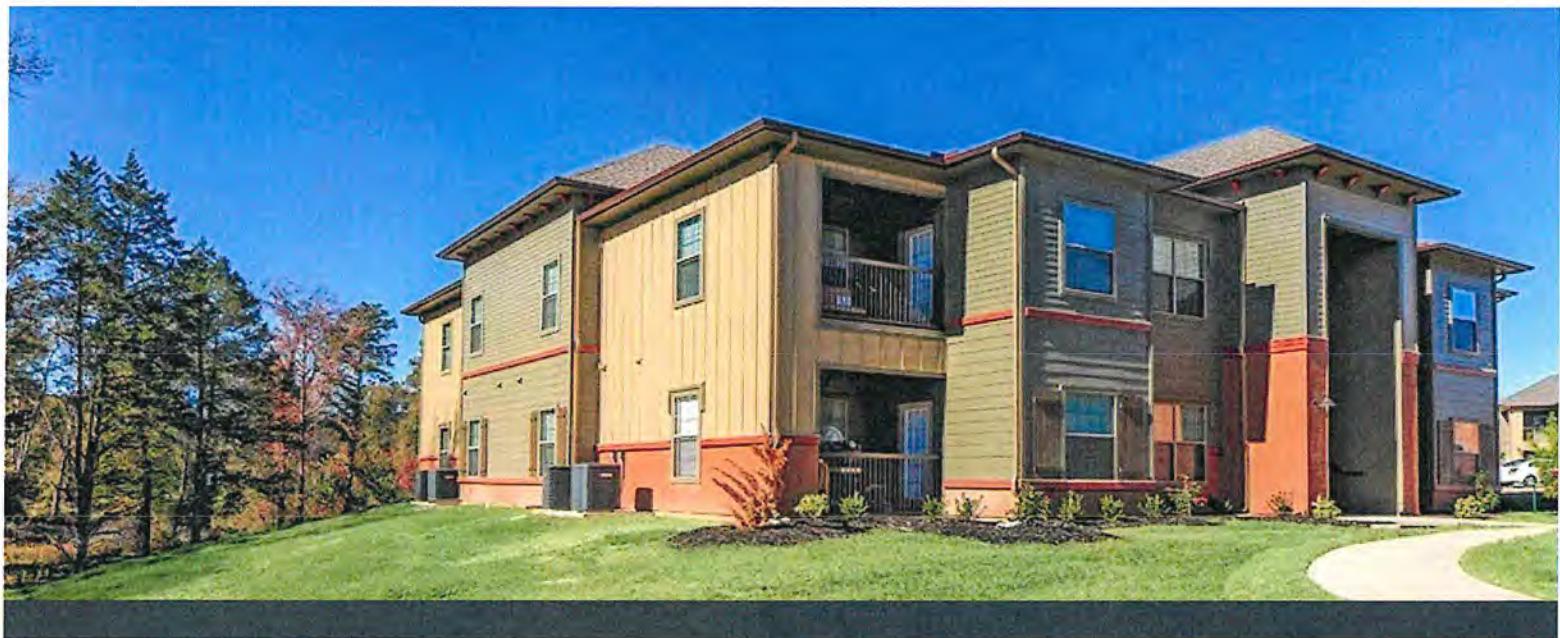


Nash Senior Village (100 Units) Nash, TX/ Completed 2018





Canton Village (80 Units) Canton, TX/ Completed 2015



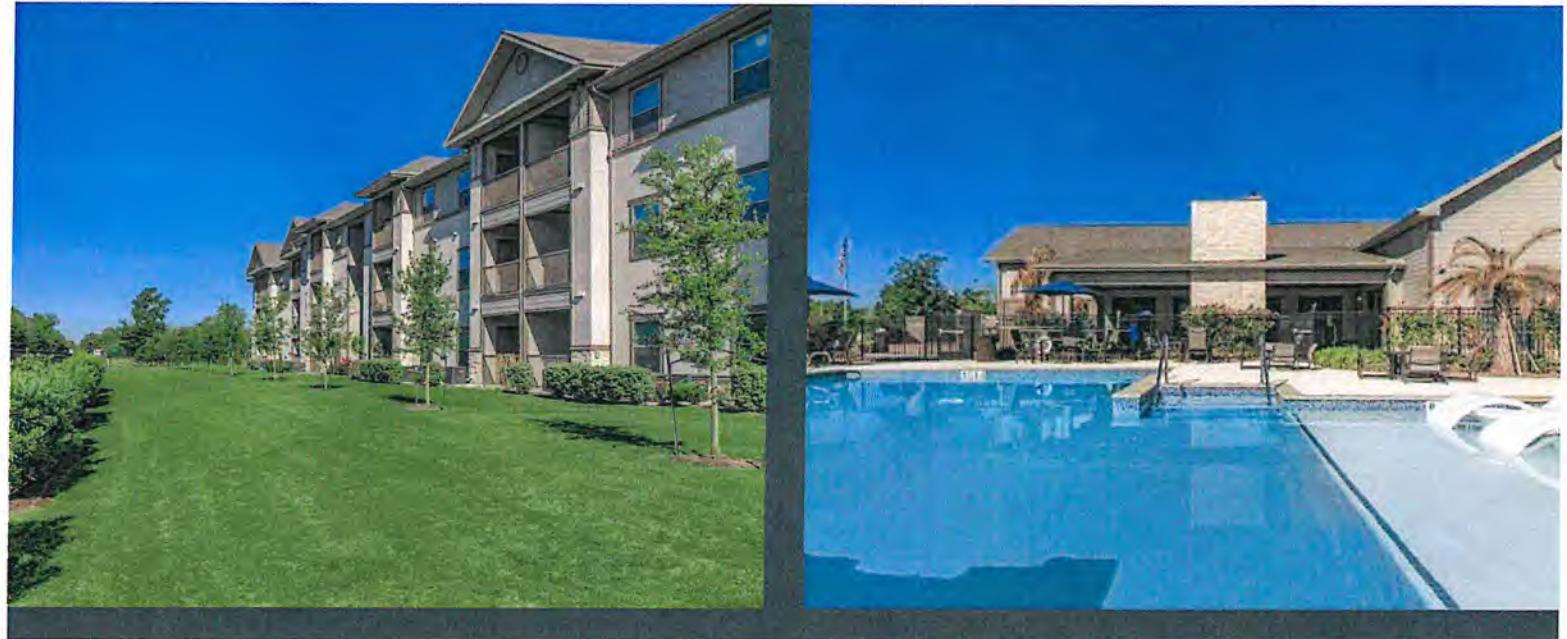
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Henderson Village (80 Units) Henderson, TX / Completed 2017





Lancaster Senior Village (144 Units) Houston, TX/ Completed 2020





Pearland Senior Village (126 Units) Pearland, TX / Completed 2011





Sample Club Interiors



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[9% Housing Tax Credits](#)[4% Housing Tax Credits](#)[Multifamily Bonds](#)[Multifamily Direct Loan](#)[Special Funding Initiatives](#)

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FAQs Regarding the Housing Tax Credit Application and Review Process

[Expand All](#) | [Collapse All](#)

What are Housing Tax Credits?

The federal housing tax credit program is a means of directing private capital toward the creation of affordable rental housing. Owners and investors in qualified affordable multifamily residential developments can use the housing tax credits as a dollar-for-dollar reduction of federal income tax liability. The value associated with the housing tax credits allows residences to be leased to qualified families at below market rate rents. The Texas Department of Housing and Community Affairs (TDHCA) is the only entity in the state of Texas with the authority to allocate housing tax credits under this program. To qualify for housing tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units. The credit amount a development may receive depends on the total amount of depreciable capital improvements and the funding sources available to finance the total development cost.

What must an applicant do to apply for housing tax credits?

Developers apply for housing tax credits through an application process administered by TDHCA. This process is fully described in the Qualified Allocation Plan and Rules (QAP) which governs the program's operation. The QAP is revised annually in a process that involves public input, Board approval and ultimately approval by the Governor. Under the competitive HTC program, to be considered for an award of housing tax credits, an application must be submitted to TDHCA during the annual application acceptance period as published in the QAP. All applications must provide the required fee, application and supporting documentation as required by the QAP.

The competition for housing tax credits is very high. Therefore, in addition to submitting an application that meets the minimum threshold, applicants must achieve a high enough score to be competitive to receive an award.

Tax Exempt Bond applications applying for 4% housing tax credits are submitted to the Department once the Reservation of Allocation is issued by the Texas Bond Review Board. It is required under Section 1372 of the Texas Government Code, for Priority 1 and 2 applications to apply for housing tax credits. Priority 3 applications are not required to have housing tax credits; however, most developments are not financially feasible without them.

Does TDHCA have geographical preferences or specific types of developments that it prefers?

Under the competitive HTC program, housing tax credits are allocated in accordance with Section 2306.111 of the Texas Government Code, which requires that the credits be allocated on a regional basis. There are thirteen state service regions; each of the thirteen state service regions is further divided into Rural and Urban/Exurban areas each

of which is targeted to receive a pre-determined amount of the housing tax credits for each year. The amount per area is based on a regional allocation formula which is generated, with public input, by the Housing Resource Center of TDHCA. Upon finalization of the formula, the targeted allocations will be released. Additionally, the HTC Program has several allocations and/or set-asides which it strives to meet: at least 10% of all credits must be awarded to Qualified Nonprofits, at least 15% of each region's credit allocation is targeted to At-Risk Developments and at least 5% of each region's credit allocation is targeted to developments funded by the U.S. Department of Agriculture.

What evaluation criteria is used to review submitted applications?

It is the goal of TDHCA to encourage diversity through broad geographic allocation of housing tax credits within the state, and to promote maximum utilization of the available housing tax credit amount. The criteria utilized to realize this goal includes a point based scoring system (competitive HTC only) and an evaluation of the development's:

- cost and financial feasibility;
- geographic location within the state as compared to other developments applying for housing tax credits;
- impact on the concentration of existing housing tax credit developments and other affordable housing developments within specific markets and sub-markets;
- site conditions;
- development team experience; and
- consistency with the goal of awarding credits to as many different applicants as possible.

Those applications which are deemed to have a high priority based on the review criteria (competitive HTC only) are subject to an underwriting review which evaluates the development's projected construction costs and financial feasibility. Applications which pass the underwriting process and are determined to have the highest priority will be presented to TDHCA's Board of Directors for consideration.

For Tax Exempt Bond developments, the applications are recommended for approval to the Department's Governing Board of Directors based on the underwriting review which evaluates the development's projected construction costs and financial feasibility and the ability of the application to meet the threshold and compliance requirements of the Department.

How is the scoring system used to prioritize the applications? (Competitive HTC only)

The QAP defines a series of point based "Selection Criteria" items. To generate a "Selection Criteria" score, applicants request points for those criteria items for which their development is qualified. These scoring criteria change annually and can be reviewed in the QAP.

While it is a significant factor, an application's score is not the sole determining factor as to whether or not it will be recommended for an award of credits. However, the score serves as one of the primary criteria (as described in the previous section) used to assess how well an application fulfills the program's goals.

Can the public comment on a proposed tax credit development

or on the development of the QAP?

For the competitive HTC program, prior to the award of the credits, TDHCA will hold at least three public hearings in metropolitan and rural areas across the state. The public is encouraged to attend one of these scheduled hearings or to submit written comments to the HTC Program. When submitting comments, the application under discussion should be clearly identified by name, address, and city. Including the TDHCA application identification number in the correspondence is also helpful. Based on the provided comment, an indication of the level of support or opposition for an application will be included in the recommendation documentation presented to TDHCA's Board of Directors.

For Tax Exempt Bond applications which utilize TDHCA as the issuer, the Department will conduct development-specific public hearings in the community in which the development is to be located. The public is encouraged to attend these public hearings or submit written comments to the Department. For tax exempt bond applications which utilize a local issuer, interested individuals are encouraged to contact the Issuer for the public hearing information.

Public hearings are also held for the development of the QAP, which governs the administration of the HTC Program. The public is encouraged to attend or provide written comment. Written comment, on either a specific application or on the QAP, can be sent to: Multifamily Finance Production, P.O. Box 13941, Austin, TX 78711-3941 or transmitted via fax to (512) 475-0764 or (512) 475-3340 or by email to

Sharon.Gamble@tdhca.state.tx.us

How can local residents impact the development process?

Because of their significant long-term financial investment in the development and community, developers in most cases want to work with area citizens and be a good neighbor. Therefore it is not uncommon for developers to make reasonable alterations to the planned development in response to the concerns of area neighbors.

In addition to attending and commenting at public hearings on a particular development such as this, individuals and neighborhood organizations are encouraged to work directly with the developer to gain a better understanding of a particular development. Open community meetings offer an opportunity to ask questions, express concerns, and have a productive dialogue between the developer and community.

What questions should residents ask of the property developer?

Below are some common questions that will help you gain a better understanding of the developer's goals and intentions regarding a proposed property:

- What other developments has the developer built and where are they located?
- What are the developer's long-term goals for the property?
- How will the development fit in with the existing neighborhood?
- Who is the management company and what is its track record?
- What types of supportive services will be provided to residents?
- Who are the proposed tenants and how will they be screened?

What is the minimum percentage of units that must be set aside

for eligible low income tenants?

Each development must include a minimum percentage of units to be set aside for eligible low income tenants. The rent charged for these units is restricted according to federal guidelines which correspond to the household's income level. While rental rates are restricted, they are not subsidized (i.e., Section 8 housing) by the HTC Program. A low income housing development will be eligible to apply for housing tax credits if it meets either of the following criteria:

- a) Twenty percent (20%) or more of the residential units in the project are both rent restricted and occupied by individuals whose income is fifty percent (50%) or less of Area Median Family Income (AMFI);
- b) Forty percent (40%) or more of the residential units in the project are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMFI.

Housing tax credits may only be claimed for the affordable units that have been set aside for participation under the program. Although a developer only needs to set aside a minimum of twenty percent (20%) of a project's units for qualified tenants, applicants will typically set aside between 60% and 100% of the units for scoring purposes and to claim a higher amount of housing tax credits.

In addition to these set aside requirements, under the Bond program there are additional set-asides the development must meet based on the Priority that is assigned by the Texas Bond Review Board.

How are the rent limits calculated?

The rent limits for housing tax credit units are based on the household income level and the number of bedrooms in the unit. These rent and income limits are generated by the U.S. Department of Housing and Urban Development each year. HTC rent limits include an allowance for the cost of utilities (heat, lights, air conditioning, water, sewer, oil or gas). In projects where the owner pays all utilities, no adjustment in the HTC rent limits are needed to determine the maximum rent that can be charged for a housing tax credit unit. In projects where tenants pay all or a portion of their own utilities, the rent established for a housing tax credit unit must not exceed the applicable HTC rent limit for that unit.

The Department can provide interested parties with specific rent limits for their area, or a complete set of income and rent limits can be found on the Department's Web site. Households will be required by the property owner to periodically document their income level so that the owner may continue to claim the housing tax credits for their unit.

How do tax credits benefit the development owner?

Under the federal income tax code, a credit is a dollar-for-dollar reduction in the income tax liability for the investor. It is important to note that only the owners of a housing tax credit property may utilize the benefits of the housing tax credits over time. A credit is subtracted after the amount of tax is calculated. In this form, a credit differs from a deduction or adjustment to income, which is then subtracted from income before the tax rate is applied and the amount of tax is calculated.

Why are developers given an incentive to develop affordable rental housing?

Many private developers and builders concentrate their efforts in larger metropolitan areas and target higher income individuals and families. However, demographic studies show that lower and moderate income individuals and families are the fastest growing segment of our population. As the population grows, so will the need for affordable housing.

How do tax credit developments compare with non-tax credit developments?

Properties that receive housing tax credits must compete with nearby market developments for tenants. The properties are safe, secure, and well maintained. They have amenities similar to other apartment complexes, and may offer swimming pools, community centers and reception areas. Newer developments may include daytime childcare, evening GED classes, on-site medical care and credit counseling. These supportive services are provided without charge to the tenants.

How do "low income/affordable housing" units differ from "housing projects?"

Unlike most publicly-subsidized housing which is designed to assist the elderly, disabled, minimum wage workers or the unemployed, the housing tax credit program does not provide tenants with governmental rent subsidies. It provides equity to build the development which allows the developer to charge lower rents to the tenants. The program's rent and income levels vary from county to county. In Houston, for example, the maximum allowable rent (which includes a utility allowance) for a three bedroom housing tax credit apartment would be \$953. To be eligible to reside in the housing tax credit unit, a family of four's annual income could not exceed \$36,660 at the time they signed the lease. In Lubbock, the maximum allowable rent for a three-bedroom apartment would be \$783 a month. A family of four's annual income could not exceed \$30,120. Tenants must pay their rents in full. Thus, the tenants are most likely working Texans or retirees seeking an affordable place to live.

Who lives in a tax credit development?

Typically, tenants may include: school teachers; police officers; firefighters; mechanics; single parents who are balancing career and family while attending night school; city employees; sales clerks; and retirees. Affordable housing and low income units are quite different from public housing projects.

Are existing developments renovated under the Housing Tax Credit Program?

Many of the apartments built during the boom years of the 1980's which were abandoned and boarded-up during the state's real estate bust, are today fully renovated and leased. Hundreds of sprawling apartment complexes that had for years been both eyesores and occasional drug refuges, now provide thousands of working Texans with quality, affordable housing, including the elderly and persons with disabilities.

Are tax credit properties monitored?

Housing tax credit benefits are lost if a development fails to meet state and federal standards every year for each of the 15 years of the ~~compliance period~~ ^{Page 7 of 20}. Properties are

then monitored for an additional 15 years to maintain affordability.

[Site Policies](#)[Top of Page](#)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS
SUPPORTING THE PROPOSED VILLAGES AT ORANGE HOUSING COMMUNITY
FOR THE GENERAL POPULATION, TDHCA APPLICATION NUMBER 26205;
PROVIDING AN IN KIND CONTRIBUTION FOR SUCH PROJECT AND PROVIDING
AN EFFECTIVE DATE**

WHEREAS, BAH Villages at Orange, Ltd. has proposed a development for affordable rental housing at approximately 1725 N 37th St, Orange, TX 77630 named Villages at Orange in the city of Orange, Texas; and

WHEREAS, BAH Villages at Orange, Ltd. has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for Villages at Orange.

NOW, THEREFORE, BE IT RESOLVED

Section 1. That, as provided for in 10 TAC §11.3(c) of the Qualified Allocation Plan, and more specifically Texas Government Code §2306.6703(1)(4), it is expressly acknowledged and confirmed that the city of Orange has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds, and

Section 2. That, the city of Orange hereby supports the proposed Villages at Orange located at approximately 1725 N 37th St, Orange, TX 77630, TDHCA Application Number 26205 and confirms that its governing body has voted specifically to approve the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development pursuant to Texas Government Code §2306.6703(a)(4), and

Section 3. That, the city of Orange hereby commits to an in-kind contribution to the Development in the form of a loan, grant, reduced fee, or other contribution for the benefit of the Development in the amount of \$500, and

Section 4. That, the city of Orange hereby authorizes the Development to move forward with the application to the EDHCA, and

Section 5. That, for and on behalf of the Governing Body, Michael Kunst, City Manager is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

Section 6. That, this resolution shall become effective upon passage by the City Council.

PASSED, APPROVED AND ADOPTED on this the 10th day of February, 2026.

CITY OF ORANGE

Larry Spears Jr. Mayor

ATTEST:

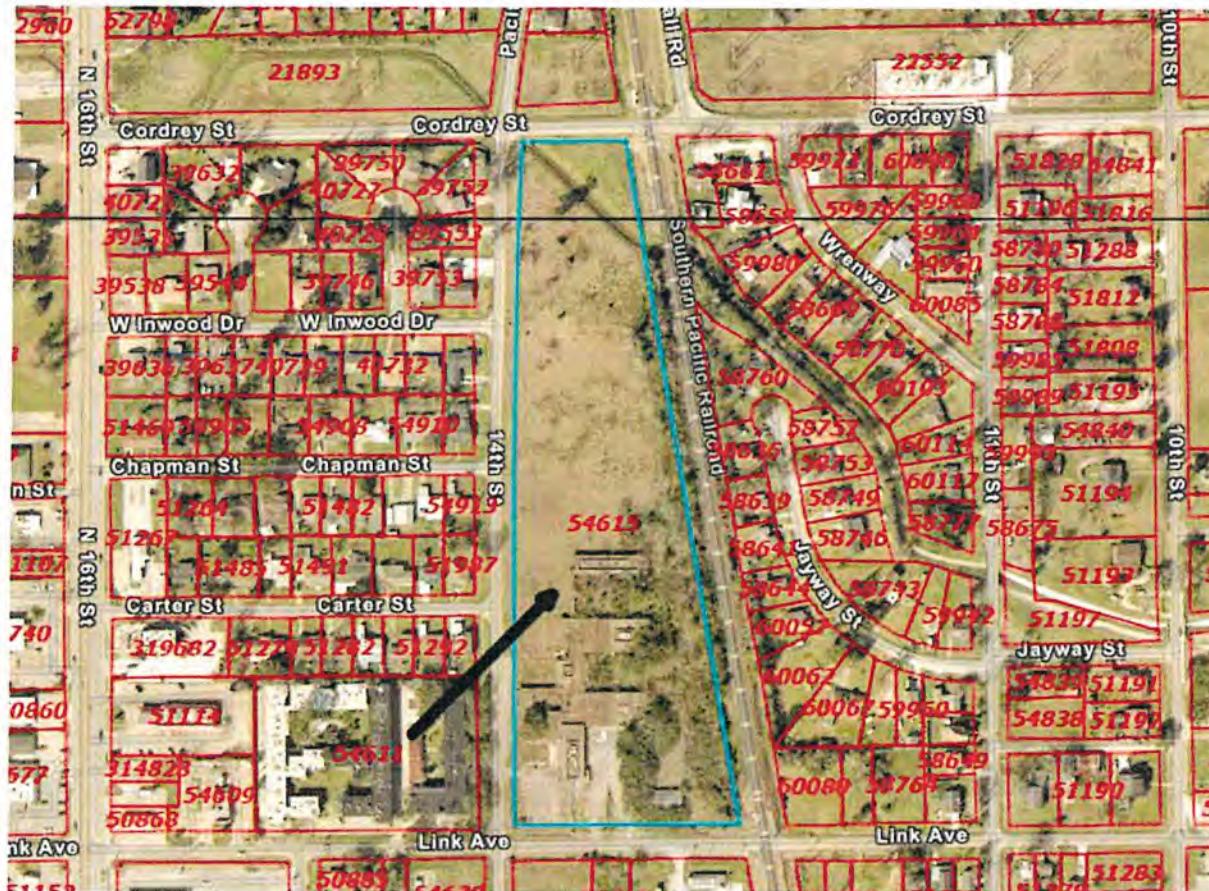
Patricia Anderson, City Secretary

Guy Goodson, City Attorney

MEMORANDUM

To: Michael Kunst, City Manager
From: Kelvin Knauf, Director of Planning and Community Development
Subject: Consider and possible action on a resolution supporting the proposed Orange Senior Village project, TDHCA Application Number 26206
Date: February 2, 2026

Attached for your consideration is a resolution affirming the City of Orange support for the Orange Senior Village development providing for a de minimis contribution (\$500) from the City of Orange. The project would consist of approximately 66 living units which would be rented to persons aged 55 years of age or older. This development would be located on the east side of 14th Street between Link Avenue and Cordrey Avenue (the former Jones School) as shown below:



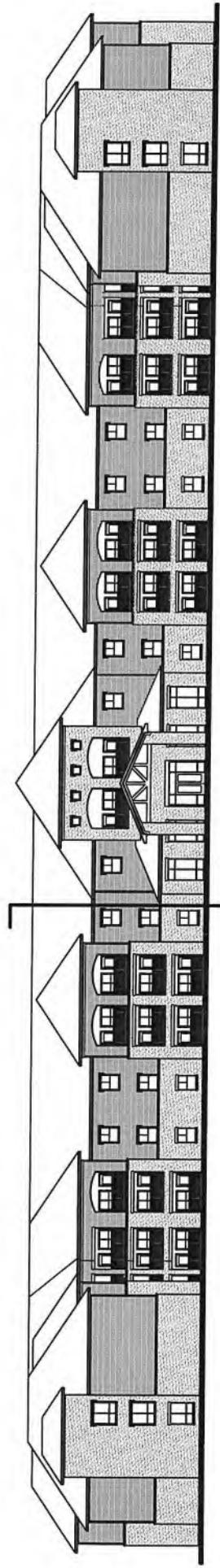
The property is currently zoned R-3 High Density Residential which allows apartments by right.

The developer of the property, BAH Orange Senior Village, Ltd. is applying to the State of Texas for tax credits for the project. To be considered for tax credits, the State of Texas requires that if a project is located within a city, that the City Council adopt a resolution either affirmatively supporting the project or not opposing the project. The State also requires that if a City Council supports or does not oppose a tax credit project, that the City must provide a de minimis amount (we are proposing \$500.00) towards the project.

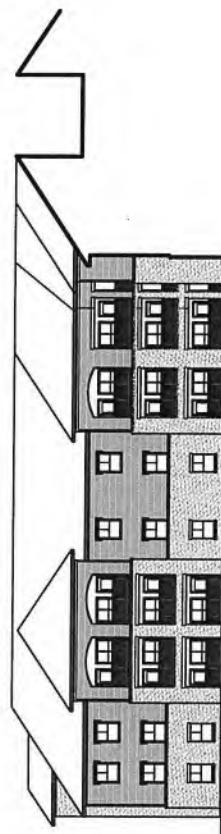
The federal housing tax credit program is a means of directing private capital toward the creation of affordable rental housing. Owners and investors in qualified affordable multifamily residential developments can use the housing tax credits as a dollar-for-dollar reduction of federal income tax liability. The value associated with the housing tax credits allows residences to be leased to qualified families at below market rate rents. The Texas Department of Housing and Community Affairs (TDHCA) is the only entity in the state of Texas with the authority to allocate housing tax credits under this program. To qualify for housing tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units. The credit amount a development may receive depends on the total amount of depreciable capital improvements and the funding sources available to finance the total development cost.

Additional information about tax credits is attached to this memorandum. This information is from the Texas Department of Housing and Community Affairs website at
<https://www.tdhca.state.tx.us/multifamily/faqs-htc-app-review.htm#:~:text=The%20value%20associated%20with%20the,tax%20credits%20under%20this%20program.>

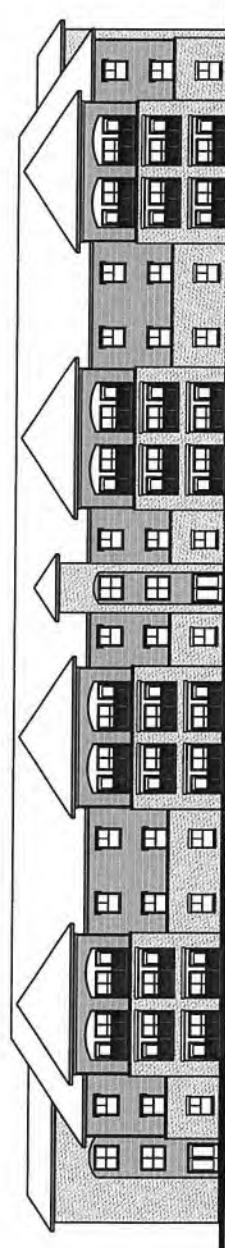
The attached resolution states that the City Council affirmatively supports the project and provides that the city will provide either a fee waiver or a reduced building permit fee by \$500 for the project.



FRONT ELEVATION



FRONT / SIDE ELEVATION



SIDE ELEVATION

100-FOOT R.O.W. ADJ. TO EAST PROPERTY LINE
Y RESIDENTIAL

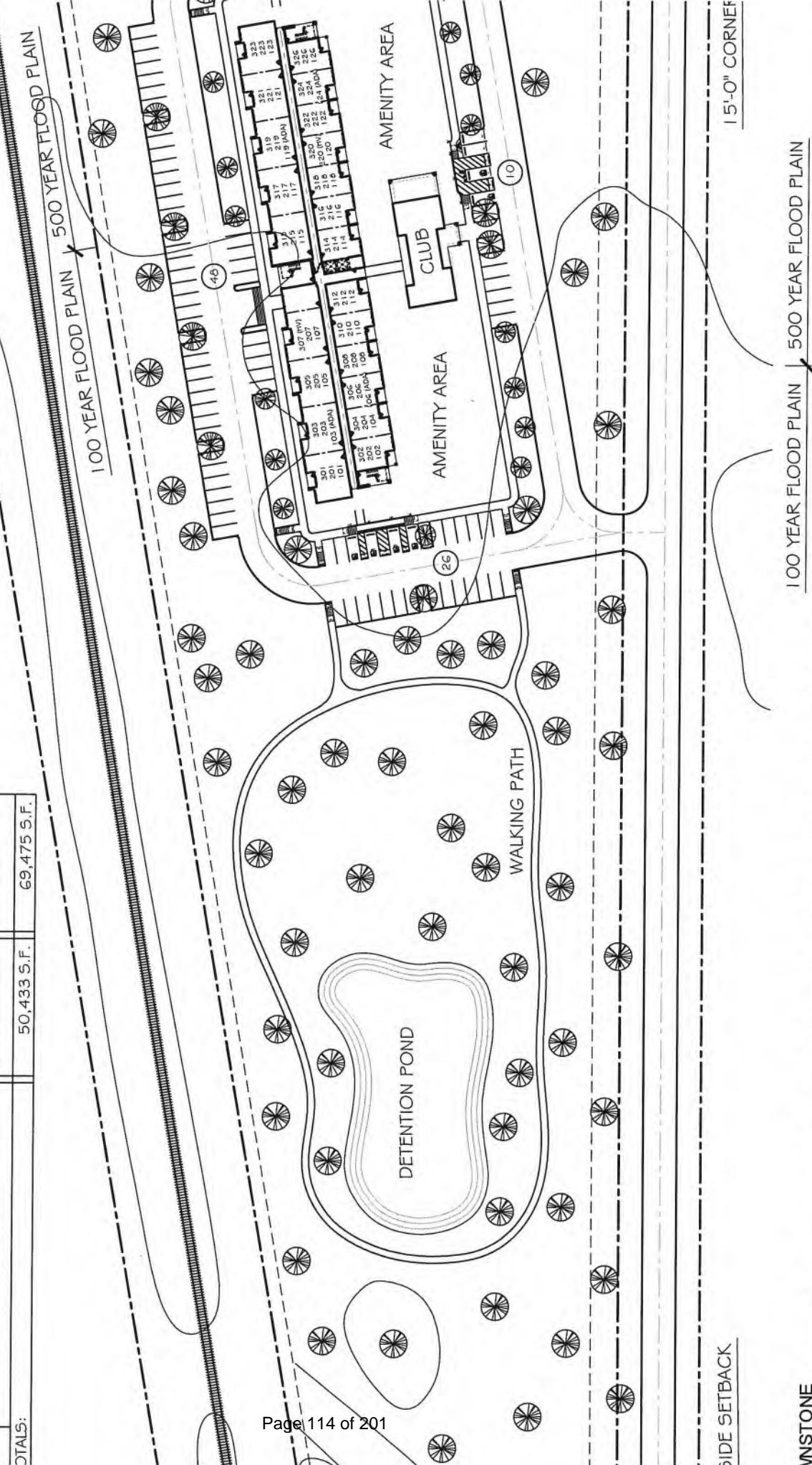
INCLUDES 10 ACCESSIBLE SPACES (6 ARE VAN ACCESSIBLE)
ON SITE DETENTION POND
4 UNITS (5%) (ALL ON GROUND LEVEL)

STORM WATER DETENTION:
MOBILITY IMPAIRMENT:
HEARING / VISUAL IMPAIRMENT:
ACCESSIBLE ROUTE:

2 UNITS (2%)
ALL SIDEWALKS SHALL MAKE UP THE ACCESSIBLE ROUTE
THROUGHOUT THE SITE.

BUILDING MATRIX:

BUILDING DESIGNATION	NET AREA	GROSS AREA
APARTMENTS (18) A1 & (12) B1	22,836 S.F.	33,874 S.F.
APARTMENTS (21) A1 & (15) B1	27,597 S.F.	32,183 S.F.
CLUBHOUSE / LEASING OFFICE		3,418 S.F.
OTALS:	50,433 S.F.	69,475 S.F.





Orange Senior Village



1704 N 14th St Orange,
TX 77630



Apartment Community

Development Summary



Brownstone Affordable Housing
750 Bering Drive, Suite 400
Houston, Texas 77057

January 22, 2025

Mayor Larry Spears
803 Green Ave,
City of Orange, TX
77630

Re: Housing Tax Credit Development in the City of Orange

Dear Mayor Spears,

The Brownstone development team (“Brownstone”) is proposing to develop an approximately 66-unit rental housing community within the city of Orange, Texas. This new low-income development will target the city and county’s elderly housing population. The following is a summary of the proposed housing development and request for support from the city of Orange.

I. Proposed Development: Orange Senior Village Apartments

Orange Senior Village will target elderly residents and will include approximately 66 units but no more than 72 units. As developers, we have contracted to purchase approximately 10 acres of land located at 1704 N 14th St, Orange, Texas. As currently modeled, Orange Senior Village Apartments will consist of a 59% mix of 1-bedroom/1-bath units and 41% mix of 2-bedroom/2-bath units that will appeal to various income levels.

Orange Senior Village Apartments will comply with all applicable accessibility standards and Brownstone plans to affirmatively market to elderly tenants through direct marketing. The proposed development will include common and unit amenities that are tailored to meet the needs of its residents.

The common amenities may include:

- *perimeter fencing*
- *Ramada with seating*
- *furnished fitness center*

- *mail room with parcel lockers*
- *furnished community center with covered patio*
- *energy and water conservation features*
- *dog park*
- *barbeque grills*

The unit amenities may include:

- *covered entries*
- *nine-foot ceilings*
- *lighting in all rooms*
- *ceiling fans in living area and all bedrooms*
- *washers and dryers in the units (provided by building)*
- *covered patios*
- *units prewired for high-speed internet*
- *energy star or equivalently rated refrigerator and dishwasher*
- *microwave ovens*
- *self-cleaning ovens*
- *refrigerators with icemakers*

The estimated total cost of the development will be approximately \$18,000,000.00.

II. Incomes of the Development

The income levels for the rent-restricted units are based on the area medium income (AMI) in the Orange area. The development contains set-asides for a variety of income levels that will include 10% of affordable units at 30% AMI, 20% of affordable units at 50% AMI, and 70% of affordable units at 60% AMI. All of the units will have income and rent restrictions. Brownstone anticipates developing 66 units at Orange Senior Village Apartments but possibly up to 72 units depending on the total funding award.

2025 Gross Rent Limits

	1 Bedroom	2 Bedroom
30% AMI	\$475	\$570
50% AMI	\$791	\$950
60% AMI	\$950	\$1,140

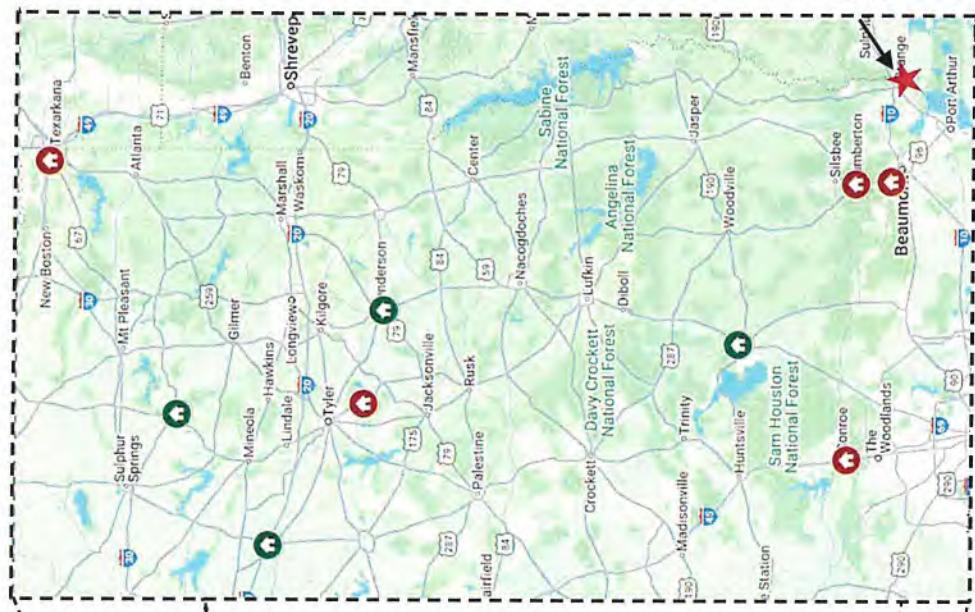
2025 Income Limits

AMI %	2025 Income Limits		
	1 PERSON	2 PERSON	3 PERSON
30	\$ 17,730	\$ 20,280	\$ 22,800
50	\$ 29,550	\$ 33,800	\$ 38,000
60	\$ 35,460	\$ 40,560	\$ 45,600

III. Experience of Development Team:

The Brownstone development team is a family owned and operated real estate development group that was formed in 1971 by William L. ("Bill") Brown and is now led by his three sons, Jed, Doak and Wil Brown, along with long-time development partners. Since 2005, Brownstone's affiliated companies have planned, developed and constructed over 20,000 housing units.

The Brown family members and Jeremy Mears have worked diligently to create a team of real estate professionals for development and construction. Brownstone is served by capable project managers, construction managers, project superintendents, and office staff. The complete group of partners, employees and consultants bring extensive experience and broad knowledge to the Brownstone group's team. Brownstone intends to use these relationships and quality design in the creation and construction of Orange Senior Village. Please see the below map and attached company brochure for an overview of our experience in multifamily housing.



Brownstone East Texas Affordable Properties

Name	City	Units	Type
Beaumont Senior Village	Beaumont	72	Senior
Lumberton Senior Village	Lumberton	56	Senior
Nash Senior Village	Nash	100	Senior
Whitehouse Senior Village	Whitehouse	72	Senior
Canton Village Homes	Canton	80	Family
Henderson Village	Henderson	80	Family
Livingston Village	Livingston	80	Family
Madison Oaks	Winnsboro	60	Family



IV. Support Request:

The Brownstone development team will form a limited partnership called BAH Orange Senior Village, Ltd. and will be submitting an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for an allocation of 2026 9% low-income housing tax credits to support the financing of the proposed development of Orange Senior Village Apartments. The tax credit applications are due into TDHCA on or before February 27, 2026. TDHCA is the agency in Texas that administers several federally funded housing programs including the housing tax credit program. The tax credit application and selection process for housing tax credits is highly competitive. Without the award of housing tax credits, the Brownstone development team will not be able to move forward with Orange Senior Village Apartments. The application process is point based. Those applications receiving the highest score are awarded the housing tax credits.

Important point-based categories in the application scoring process include both a commitment of support from the city of Orange and a small contribution of value for the benefit of the development that is confirmed in a brief letter. The commitment of support can be a simple resolution (See attached, “Resolution Example”). The contribution can be de minimis and can have minimal monetary value, such as a \$500 reduction in the price on any county or city permit fees.

Ultimately, the Brownstone development team appreciates the opportunity to submit this project summary and support request and looks forward to working with the city of Orange in developing a quality housing development in your community.

Very truly yours,

BAH Orange Senior Village, Ltd.

By: Jeremy Mears, Vice President

SITE LOCATION





The Brownstone Group, Inc.

Residential Communities





Our Companies

Since 2005, the Brownstone Companies have contracted for more than \$2.7 billion dollars of residential developments throughout Texas and the Southeast, consisting of 129 developments surpassing 20,900 units.



The Brownstone Group, Inc.
Brownstone Construction, Ltd.
Brownstone Affordable Housing, Ltd.
Brownstone Commercial, LLC
Brownstone Architects and Planners, Inc.
Brownstone Residential, LLC

President

Jed A. Brown joined the Brownstone companies in June of 2007. Jed offices in Laredo, and spends much of his time overseeing projects throughout central and south Texas. His focus is on site selection and development planning for multi-family residential. Jed has taken the lead for Brownstone on abatement and demolition projects as well as Brownstone's marketing and public relations. Jed received his Bachelor of Arts in Marketing from the University of Texas at Austin in 1991. A veteran in real estate development and construction, prior to joining Brownstone Jed worked in Laredo for 15 years as a Project and Construction Manager for commercial offices, industrial warehouses, and residential homes. He also oversaw development planning and construction for industrial, commercial and residential subdivisions. Jed served on the Webb Country Appraisal Review Board from 1996 to 2001, Chairing the ARB in his final three years of service. In November of 2019 Jed was appointed by Texas Governor Greg Abbott to be the Chairman of the Webb County - City of Laredo Regional Mobility Authority. Jed is a licensed real estate broker in Texas, and a licensed private pilot.



Doak D. Brown joined the Brownstone team on a full-time basis in 2009. He is responsible for legal, development and finance matters for the Brownstone companies. Doak came to the Brownstone companies from the law firm of Campbell & Riggs, P.C. in Houston, where he was a shareholder specializing in transactional real estate law. He was Brownstone's outside counsel for many years and was involved in all facets of the Brownstone companies' real estate transactions. Doak received his Bachelor of Arts in Economics from the University of Texas at Austin in 1995 and his Doctor of Jurisprudence from the University of Houston Law Center in 1999. He was licensed to practice law in the State of Texas in 1999. Doak is a member of the real estate section of the Texas State Bar.



Wil C. Brown brings his expertise in construction management to the Brownstone Group. Wil earned his Bachelor of Science in Construction Science from Texas A&M University in 2000. Wil spent four years working with national development companies that specialized in multi-family housing. During those years, he supervised the construction of over 1,000 units, and managed all aspects of the construction process. In 2005, Wil joined Brownstone with the goal of merging his construction knowledge with the skills and experience of his partners. Wil's acumen in the construction industry has served Brownstone well and he has supervised the construction of over 21 projects. While Wil is increasingly involved in the development aspects of Brownstone's multi-family business, he continues to focus his skill and energy primarily on maintaining the construction excellence that others have come to expect from Brownstone.



George "Larry" Counce II is a native Houstonian who comes to Brownstone Construction from one of the nation's leading real estate development companies. Larry joined Brownstone Construction in 2017 and brings two decades of hands-on experience in multifamily and commercial real estate construction projects, having supervised the construction of over 8,000 units. Larry's emphasis on developing people and their competencies, as well as demanding workplace safety, has been essential to his success. Larry is passionate about his work and thrilled to be part of the Brownstone team.

Development
Partner

Jeremy Mears brings more than 30 years of successful real estate, construction, and development experience to the Brownstone companies. In 1996, Jeremy earned his Bachelor of Science in Construction from the University of Louisiana at Monroe. Jeremy spent the first eight years of his career working with national luxury multifamily developers throughout Dallas, Austin, and San Antonio. During these years Jeremy specialized in Construction Management and Estimating for over 3,000 apartment units. In 2004, Jeremy started his own company called Mears Development. This company worked in the development and construction of new communities, and also the rehabilitation of existing apartment communities throughout Texas. In 2006, he joined forces with the Brownstone companies to focus on townhome and single-family developments in San Antonio. In 2010, Jeremy opened an office for the Brownstone companies in Monroe, Louisiana to focus on multi-family development and construction in Texas, Louisiana, Mississippi and other nearby states. This office focuses on market rate multi-family developments and affordable multi-family developments financed by housing tax credits and historic tax credits.



Chief Investment
Officer

Jack Bonnette joined the Brownstone team in 2021 and leads underwriting, financing and capital management activities. Jack has 17+ years experience in all aspects of the multifamily business with direct involvement in 200+ projects and over 10,000 apartment units during tenures at Greystar, Millennia and individual entrepreneurial activities. Jack earned a BS in Ocean Engineering from the U.S. Naval Academy, a MS in Real Estate from the University of Florida and MBA from Harvard Business School.

Completed (18,254 Total Units)



San Diego Creek Apartments (72 Units) Alice, TX	LIHTC
San Gabriel Senior Village (100 Units) Georgetown, TX	LIHTC
Easterling Village (48 Units) Alice, TX	LIHTC
Thomas Ninke Senior Village (80 Units) Victoria, TX	LIHTC
Retama Village (128 Units) McAllen, TX	Mixed Finance - LIHTC & Public Housing
Gulfbreeze Plaza II (148 Units) Port Arthur, TX	CDBG
Bluebonnet Senior Village (36 Units) Alamo, TX	LIHTC
Retama Village Phase II (74 Units) McAllen, TX	Mixed Finance - LIHTC & Public Housing
Sunset Terrace (100 Units) Pharr, TX	Mixed Finance - LIHTC & Public Housing
Bluffs Landing Senior Village (144 Units) Round Rock, TX	LIHTC & HOME
Gulfbreeze Plaza I (86 Units) Port Arthur, TX	CDBG - Public Housing
Creekside Villas (144 Units) Buda, TX	LIHTC & HOME
Villas at Beaumont (36 Units) McAllen, TX	LIHTC
Pearland Senior Village (126 Units) Pearland, TX	LIHTC, TCAP & HOME
Parkview Terrace (100 Units) Pharr, TX	Mixed Finance - Exchange & Public Housing
Heights at Corral (80 Units) Kingsville, TX	Mixed Finance - Exchange & Public Housing
Belmont Senior Village (192 Units) Leander, TX	LIHTC, TCAP & HOME
Citrus Gardens (148 Units) Brownsville, TX	LIHTC & Section 8
Casa Ricardo (60 Units) Kingsville, TX	LIHTC & HOME
Merrit Lakeside (176 Units) Schertz, TX	LIHTC & HOME
Shiloh Crossing (156 Units) Laredo, TX	Market Rate & 221(d)4
Braeburn Village (140 Units) Houston, TX	LIHTC
Gary Street Village (35 Units) Winnsboro, LA	LIHTC & HOME
Aeolian Senior Apartments (60 Units) Vicksburg, MS	LIHTC & Historic Tax Credits
Blooms Apartments (30 Units) Tallulah, LA	LIHTC, HOME, & Historic Tax Credits
The Reserve at Traditions (240 Units) Bryan, TX	Market Rate - Conventional Financing
Merritt Legacy (208 Units) Leander, TX	LIHTC & HOME
Carr Central Apartments (72 Units) Vicksburg, MS	LIHTC & Historic Tax Credits
Gulf Coast Arms (160 Units) Houston, TX	LIHTC
Elm Street Village (34 Units) Tallulah, LA	LIHTC & USDA 538
River Bank Village (152 Units) Laredo, TX	LIHTC
Canton Village (80 Units) Canton, TX	LIHTC, HOME & USDA 538
Austin Village (30 Units) Bastrop, LA	LIHTC & USDA 538
La Esperanza Del Rio (60 Units) Rio Grande City, TX	LIHTC & USDA 538
Preston Apartments (40 Units) Magnolia, AR	LIHTC & USDA 538
Cibolo Crossing (236 Units) Laredo, TX	Market Rate - Conventional Financing
La Esperanza Del Alton (80 Units) Alton, TX	LIHTC & USDA 538
Sunset Terrace Senior Village (80 Units) Pharr, TX	LIHTC
Madison Oaks (60 Units) Winnsboro, TX	LIHTC, HOME & USDA 538
Hawthorne at Traditions (156 Units) Bryan, TX	Market Rate - Conventional Financing
Hawthorne at Pasadena (294 Units) Pasadena, TX	Market Rate - Conventional Financing
Henderson Village (80 Units) Henderson, TX	LIHTC
Merritt Hill Country (80 Units) Dripping Springs, TX	LIHTC & 221(d)(4) - Major Subcontractor
Casa Verde (152 Units) Laredo, TX	LIHTC
Legacy at Lake Charles (268 Units) Lake Charles, LA	Market Rate - Conventional Financing
Taylor Senior Village (112 Units) Mission, TX	LIHTC
Canton High Apartments I and II (80 Units) Canton, MS	LIHTC & Historic Tax Credits
Liberty Village (124 Units) Edinburg, TX	Mixed Finance / LIHTC
Nash Senior Village (100 Units) Nash, TX	LIHTC
Whitehouse Senior Village (72 Units) Whitehouse, TX	LIHTC
Ariza Apartments (266) College Station, TX	Market Rate - Conventional Financing
Lake Park Townhomes (247 Units) Pearland, TX	Market Rate & 221(d)4

Completed



Merritt Heritage (244 Units) Georgetown, TX	LIHTC & 221(d)4
Lumberton Senior Village (56 Units) Lumberton, TX	LIHTC
Merritt Monument (104 Units) Midland, TX	LIHTC & 221(d)4
Legacy 2020 (212 Units) Gonzales, LA	Market Rate - Conventional Financing
Garden Valley (213 Units) Waxahachie, TX	Market Rate & 221(d)4
Las Palomas (122 Units) McAllen, TX	LIHTC
Lancaster Senior Village (144 Units) Houston, TX	LIHTC
Somerset Lofts (120 Units) Houston, TX	LIHTC
Reserve at Pinewood (190 Units) Port Arthur, TX	Market Rate & 221(d)4
Livingston Village (80 Units) Livingston, TX	CDBG - Disaster Recovery
Ariza Corpus Christi (286 Units) Corpus Christi, TX	Market Rate - Conventional Financing
San Juan Mission Villas (102 Units) San Antonio, TX	LIHTC
Blanco Riverwalk (252 Units) San Marcos, TX	Market Rate - Conventional Financing
Willow Creek Manor (128 Units) Alvin, TX	CDBG - Disaster Recovery
Jackson Apartments (120 Units) McAllen, TX	LIHTC
Poinsettia Gardens (150 Units) Brownsville TX	LIHTC
Alders at Rockwall (144 Units) Rockwall TX	Market Rate & 221(d)4
Alders at Magnolia (184 Units) Magnolia TX	Market Rate - Conventional Financing
Henry House at Clift Farms (273 Units) Huntsville AL	Market Rate - Conventional Financing
Windmill Ranch (326 Units) Odessa TX	Market Rate - Conventional Financing
South Rice Apartments (115 Units) Houston TX	LIHTC & CDBG - Disaster Recovery & OZ
Beaumont Senior Village (72 Units) Beaumont TX	CDBG - Disaster Recovery
Residences at Lake Waco (90 Units) Waco TX	LIHTC
Garland Senior Living (122 Units) Garland TX	LIHTC & 221(d)4 & HOME
Hibiscus Village (96 Units) McAllen TX	LIHTC
Hawthorne at Bay Forest (294 Units) La Porte TX	Market Rate - Conventional Financing
Cleburne Trails (288 Units) Cleburne TX	Market Rate - Conventional Financing
Angleton Village (108 Units) Angleton TX	CDBG - Disaster Recovery
Ingleside Village (128 Units) Ingleside TX	CDBG - Disaster Recovery
Alders at Cross Creek Ranch (172 Units) Fulshear, TX	Market Rate & 221(d)4
Regency Lofts (120 Units) Houston TX	LIHTC & CDBG - Disaster Recovery
Dian Street Villas (108 Units) Houston TX	LIHTC & CDBG - Disaster Recovery
Easton Park (320 Units) Austin TX	Market Rate & 221(d)4
Palladium Port Aransas (183 Units) Port Aransas TX	LIHTC & 221(d)4 & HOME
Embree Eastside (516 Units) Garland, TX	HUD 221(d)4
Hamilton at Garden Valley (175 Units) Waxahachie TX	Market Rate - Conventional Financing
Conroe Senior Village, (84 Units) Conroe, TX	CDBG - Disaster Recovery
Ariza Huntsville (316 Units) Huntsville AL	Market Rate - Conventional Financing
Farmhouse 121 (284 Units) Melissa, TX	Market Rate - Conventional Financing
Nathan Village (48 Units) Monroe, LA	LIHTC & CDBG - Disaster Recovery
Opal Point at Kyle (338 Units) Kyle, TX	Market Rate - Conventional Financing
Parker Village (262 Units) Owasso, OK	HUD 221(d)4
The Verge (262 Units) Kyle, TX	Market Rate - Conventional Financing
Ariza Conroe (240 Units) Conroe, TX	Market Rate - Conventional Financing
Virtuo Spring (314 Units) Spring, TX	Market Rate - Conventional Financing
Richmond Senior Village (125 Units) Houston, TX	LIHTC & CDBG - Disaster Recovery
Palladium East Berry (240 Units) Fort Worth, TX	LIHTC / Tax Exempt Private Activity Bonds
Hawthorne at Fairmont (291 Units) La Porte, TX	Market Rate - Conventional Financing
The Dunstan (300 Units) Galveston, TX	Market Rate - Conventional Financing
Ariza Corpus Christi Phase II (240 Units) Corpus Christi, TX	Market Rate - Conventional Financing
Dylan Apartments (249 Units) San Marcos, TX	Market Rate - Conventional Financing
The Fitzgerald (184 Units) Waxahachie, TX	Market Rate - Conventional Financing

Completed



The Foundry (366 Units) Grand Prairie, TX
Liberty Hill (270 Units) Liberty Hill, TX
OST Lofts (130 Units) Houston, TX
Alders at Prosper (188 Units) Prosper, TX
Artesia at Medina Valley (285 Units) San Antonio, TX
Hillside Crossing (108 Units) Laredo, TX
Paxton Place (350 Units) Huntsville, AL
Avanta Painted Tree (276 Units) McKinney, TX
Houston at Ella Boulevard (271 Units) Houston, TX
Avenue Heights (271 Units) Killeen, TX
Avanta - Chisholm Trail (244 Units) Fort Worth, TX
Knoll Street Crossing (271 Units) Houston, TX

Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC & CDBG - Disaster Recovery
Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC
Market Rate – Conventional Financing
Market Rate – Conventional Financing
LIHTC / ARPA
LIHTC
Market Rate – Conventional Financing
LIHTC

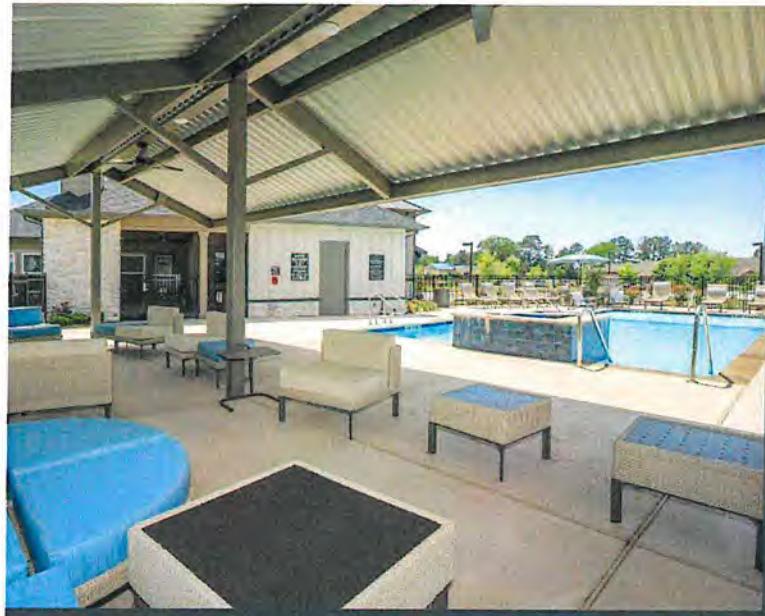


Under Construction (2,724 Total Units)

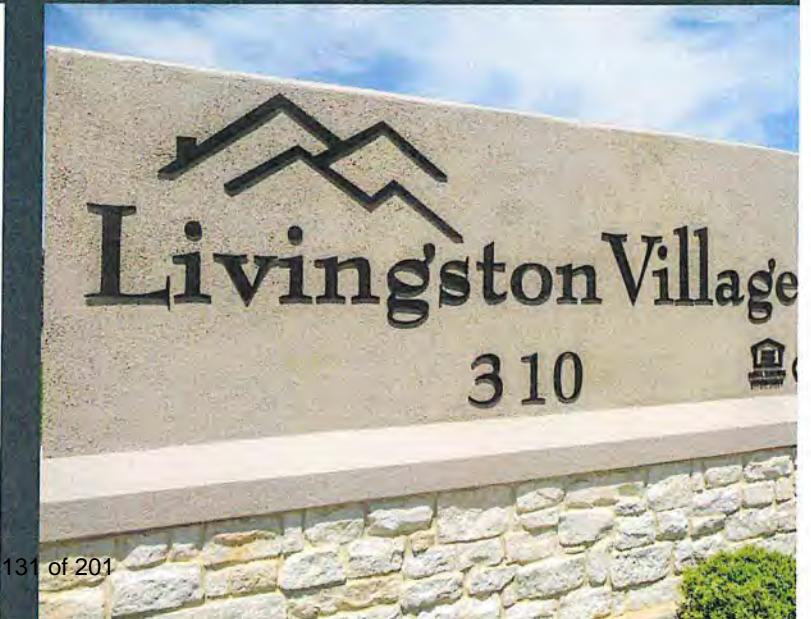


Palladium Crestway (271 Units) San Antonio, TX	LIHTC / Tax Exempt Private Activity Bonds
The Rowan (318 Units) Knoxville, TN	Market Rate – Conventional Financing
Allegra at Cocoa (271 Units) Cocoa, FL	Market Rate – Conventional Financing
Anacua Family Village (271 Units) Mission, TX	LIHTC / GLO
Avanti Legacy Rosewood (271 Units) Laredo, TX	LIHTC
The Depot (271 Units) Celina, TX	Market Rate – Conventional Financing
Palladium San Antonio Military (271 Units) San Antonio, TX	LIHTC / Tax Exempt Bonds / HUD 221 (d)(4)
Allegra at Shreveport (271 Units) Shreveport, LA	CDBG
Palladium Old FM (271 Units) San Antonio, TX	LIHTC / Tax Exempt Bonds / HUD 221 (d)(4)
Palladium Park Row Katy Living (271 Units) Katy, TX	LIHTC / ARPA
Anacua Senior Village (104 Units) Mission, TX	LIHTC / GLO
Pradera at Rayzor Ranch (242 Units) Denton, TX	Market Rate – Conventional Financing
Edison 55 @ Woodforest (165 Units) Montgomery, TX	Market Rate – Conventional Financing





Livingston Village (80 Units) Livingston, TX/ Completed 2020





Whitehouse Senior Village (72 Units) Whitehouse, TX/ Completed 2018





Lumberton Senior Village (56 Units) Lumberton, TX/ Completed 2019





Madison Oaks (60 Units) Winnsboro, TX/ Completed 2017





Nash Senior Village (100 Units) Nash, TX/ Completed 2018





Canton Village (80 Units) Canton, TX/ Completed 2015





Henderson Village (80 Units) Henderson, TX / Completed 2017





Lancaster Senior Village (144 Units) Houston, TX/ Completed 2020





Pearland Senior Village (126 Units) Pearland, TX / Completed 2011





Sample Club Interiors



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FAQs Regarding the Housing Tax Credit Application and Review Process

[Expand All](#) | [Collapse All](#)

What are Housing Tax Credits?

The federal housing tax credit program is a means of directing private capital toward the creation of affordable rental housing. Owners and investors in qualified affordable multifamily residential developments can use the housing tax credits as a dollar-for-dollar reduction of federal income tax liability. The value associated with the housing tax credits allows residences to be leased to qualified families at below market rate rents. The Texas Department of Housing and Community Affairs (TDHCA) is the only entity in the state of Texas with the authority to allocate housing tax credits under this program. To qualify for housing tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units. The credit amount a development may receive depends on the total amount of depreciable capital improvements and the funding sources available to finance the total development cost.

What must an applicant do to apply for housing tax credits?

Developers apply for housing tax credits through an application process administered by TDHCA. This process is fully described in the Qualified Allocation Plan and Rules (QAP) which governs the program's operation. The QAP is revised annually in a process that involves public input, Board approval and ultimately approval by the Governor. Under the competitive HTC program, to be considered for an award of housing tax credits, an application must be submitted to TDHCA during the annual application acceptance period as published in the QAP. All applications must provide the required fee, application and supporting documentation as required by the QAP.

The competition for housing tax credits is very high. Therefore, in addition to submitting an application that meets the minimum threshold, applicants must achieve a high enough score to be competitive to receive an award.

Tax Exempt Bond applications applying for 4% housing tax credits are submitted to the Department once the Reservation of Allocation is issued by the Texas Bond Review Board. It is required under Section 1372 of the Texas Government Code, for Priority 1 and 2 applications to apply for housing tax credits. Priority 3 applications are not required to have housing tax credits; however, most developments are not financially feasible without them.

Does TDHCA have geographical preferences or specific types of developments that it prefers?

Under the competitive HTC program, housing tax credits are allocated in accordance with Section 2306.111 of the Texas Government Code, which requires that the credits be allocated on a regional basis. There are thirteen state service regions; each of the thirteen state service regions is further divided into Rural and Urban/Exurban areas each

of which is targeted to receive a pre-determined amount of the housing tax credits for each year. The amount per area is based on a regional allocation formula which is generated, with public input, by the Housing Resource Center of TDHCA. Upon finalization of the formula, the targeted allocations will be released. Additionally, the HTC Program has several allocations and/or set-asides which it strives to meet: at least 10% of all credits must be awarded to Qualified Nonprofits, at least 15% of each region's credit allocation is targeted to At-Risk Developments and at least 5% of each region's credit allocation is targeted to developments funded by the U.S. Department of Agriculture.

What evaluation criteria is used to review submitted applications?

It is the goal of TDHCA to encourage diversity through broad geographic allocation of housing tax credits within the state, and to promote maximum utilization of the available housing tax credit amount. The criteria utilized to realize this goal includes a point based scoring system (competitive HTC only) and an evaluation of the development's:

- cost and financial feasibility;
- geographic location within the state as compared to other developments applying for housing tax credits;
- impact on the concentration of existing housing tax credit developments and other affordable housing developments within specific markets and sub-markets;
- site conditions;
- development team experience; and
- consistency with the goal of awarding credits to as many different applicants as possible.

Those applications which are deemed to have a high priority based on the review criteria (competitive HTC only) are subject to an underwriting review which evaluates the development's projected construction costs and financial feasibility. Applications which pass the underwriting process and are determined to have the highest priority will be presented to TDHCA's Board of Directors for consideration.

For Tax Exempt Bond developments, the applications are recommended for approval to the Department's Governing Board of Directors based on the underwriting review which evaluates the development's projected construction costs and financial feasibility and the ability of the application to meet the threshold and compliance requirements of the Department.

How is the scoring system used to prioritize the applications? (Competitive HTC only)

The QAP defines a series of point based "Selection Criteria" items. To generate a "Selection Criteria" score, applicants request points for those criteria items for which their development is qualified. These scoring criteria change annually and can be reviewed in the QAP.

While it is a significant factor, an application's score is not the sole determining factor as to whether or not it will be recommended for an award of credits. However, the score serves as one of the primary criteria (as described in the previous section) used to assess how well an application fulfills the program's goals.

Can the public comment on a proposed tax credit development

or on the development of the QAP?

For the competitive HTC program, prior to the award of the credits, TDHCA will hold at least three public hearings in metropolitan and rural areas across the state. The public is encouraged to attend one of these scheduled hearings or to submit written comments to the HTC Program. When submitting comments, the application under discussion should be clearly identified by name, address, and city. Including the TDHCA application identification number in the correspondence is also helpful. Based on the provided comment, an indication of the level of support or opposition for an application will be included in the recommendation documentation presented to TDHCA's Board of Directors.

For Tax Exempt Bond applications which utilize TDHCA as the issuer, the Department will conduct development-specific public hearings in the community in which the development is to be located. The public is encouraged to attend these public hearings or submit written comments to the Department. For tax exempt bond applications which utilize a local issuer, interested individuals are encouraged to contact the Issuer for the public hearing information.

Public hearings are also held for the development of the QAP, which governs the administration of the HTC Program. The public is encouraged to attend or provide written comment. Written comment, on either a specific application or on the QAP, can be sent to: Multifamily Finance Production, P.O. Box 13941, Austin, TX 78711-3941 or transmitted via fax to (512) 475-0764 or (512) 475-3340 or by email to Sharon.Gamble@tdhca.state.tx.us.

How can local residents impact the development process?

Because of their significant long-term financial investment in the development and community, developers in most cases want to work with area citizens and be a good neighbor. Therefore it is not uncommon for developers to make reasonable alterations to the planned development in response to the concerns of area neighbors.

In addition to attending and commenting at public hearings on a particular development such as this, individuals and neighborhood organizations are encouraged to work directly with the developer to gain a better understanding of a particular development. Open community meetings offer an opportunity to ask questions, express concerns, and have a productive dialogue between the developer and community.

What questions should residents ask of the property developer?

Below are some common questions that will help you gain a better understanding of the developer's goals and intentions regarding a proposed property:

- What other developments has the developer built and where are they located?
- What are the developer's long-term goals for the property?
- How will the development fit in with the existing neighborhood?
- Who is the management company and what is its track record?
- What types of supportive services will be provided to residents?
- Who are the proposed tenants and how will they be screened?

What is the minimum percentage of units that must be set aside

for eligible low income tenants?

Each development must include a minimum percentage of units to be set aside for eligible low income tenants. The rent charged for these units is restricted according to federal guidelines which correspond to the household's income level. While rental rates are restricted, they are not subsidized (i.e., Section 8 housing) by the HTC Program. A low income housing development will be eligible to apply for housing tax credits if it meets either of the following criteria:

- a) Twenty percent (20%) or more of the residential units in the project are both rent restricted and occupied by individuals whose income is fifty percent (50%) or less of Area Median Family Income (AMFI);
- b) Forty percent (40%) or more of the residential units in the project are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMFI.

Housing tax credits may only be claimed for the affordable units that have been set aside for participation under the program. Although a developer only needs to set aside a minimum of twenty percent (20%) of a project's units for qualified tenants, applicants will typically set aside between 60% and 100% of the units for scoring purposes and to claim a higher amount of housing tax credits.

In addition to these set aside requirements, under the Bond program there are additional set-asides the development must meet based on the Priority that is assigned by the Texas Bond Review Board.

How are the rent limits calculated?

The rent limits for housing tax credit units are based on the household income level and the number of bedrooms in the unit. These rent and income limits are generated by the U.S. Department of Housing and Urban Development each year. HTC rent limits include an allowance for the cost of utilities (heat, lights, air conditioning, water, sewer, oil or gas). In projects where the owner pays all utilities, no adjustment in the HTC rent limits are needed to determine the maximum rent that can be charged for a housing tax credit unit. In projects where tenants pay all or a portion of their own utilities, the rent established for a housing tax credit unit must not exceed the applicable HTC rent limit for that unit.

The Department can provide interested parties with specific rent limits for their area, or a complete set of income and rent limits can be found on the Department's Web site. Households will be required by the property owner to periodically document their income level so that the owner may continue to claim the housing tax credits for their unit.

How do tax credits benefit the development owner?

Under the federal income tax code, a credit is a dollar-for-dollar reduction in the income tax liability for the investor. It is important to note that only the owners of a housing tax credit property may utilize the benefits of the housing tax credits over time. A credit is subtracted after the amount of tax is calculated. In this form, a credit differs from a deduction or adjustment to income, which is then subtracted from income before the tax rate is applied and the amount of tax is calculated.

Why are developers given an incentive to develop affordable rental housing?

Many private developers and builders concentrate their efforts in larger metropolitan areas and target higher income individuals and families. However, demographic studies show that lower and moderate income individuals and families are the fastest growing segment of our population. As the population grows, so will the need for affordable housing.

How do tax credit developments compare with non-tax credit developments?

Properties that receive housing tax credits must compete with nearby market developments for tenants. The properties are safe, secure, and well maintained. They have amenities similar to other apartment complexes, and may offer swimming pools, community centers and reception areas. Newer developments may include daytime childcare, evening GED classes, on-site medical care and credit counseling. These supportive services are provided without charge to the tenants.

How do "low income/affordable housing" units differ from "housing projects?"

Unlike most publicly-subsidized housing which is designed to assist the elderly, disabled, minimum wage workers or the unemployed, the housing tax credit program does not provide tenants with governmental rent subsidies. It provides equity to build the development which allows the developer to charge lower rents to the tenants. The program's rent and income levels vary from county to county. In Houston, for example, the maximum allowable rent (which includes a utility allowance) for a three bedroom housing tax credit apartment would be \$953. To be eligible to reside in the housing tax credit unit, a family of four's annual income could not exceed \$36,660 at the time they signed the lease. In Lubbock, the maximum allowable rent for a three-bedroom apartment would be \$783 a month. A family of four's annual income could not exceed \$30,120. Tenants must pay their rents in full. Thus, the tenants are most likely working Texans or retirees seeking an affordable place to live.

Who lives in a tax credit development?

Typically, tenants may include: school teachers; police officers; firefighters; mechanics; single parents who are balancing career and family while attending night school; city employees; sales clerks; and retirees. Affordable housing and low income units are quite different from public housing projects.

Are existing developments renovated under the Housing Tax Credit Program?

Many of the apartments built during the boom years of the 1980's which were abandoned and boarded-up during the state's real estate bust, are today fully renovated and leased. Hundreds of sprawling apartment complexes that had for years been both eyesores and occasional drug refuges, now provide thousands of working Texans with quality, affordable housing, including the elderly and persons with disabilities.

Are tax credit properties monitored?

Housing tax credit benefits are lost if a development fails to meet state and federal standards every year for each of the 15 years of the compliance period. Properties are

then monitored for an additional 15 years to maintain affordability.

[Site Policies](#)[Top of Page](#)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS
SUPPORTING THE PROPOSED ORANGE SENIOR VILLAGE HOUSING
COMMUNITY FOR ELDERLY RESIDENTS, TDHCA APPLICATION NUMBER
26206; PROVIDING AN IN-KIND CONTRIBUTION FOR SUCH PROJECT AND
PROVIDING AN EFFECTIVE DATE**

WHEREAS, BAH Orange Senior Village, Ltd. has proposed a development for affordable rental housing at 1704 N 14th Street, Orange, TX 77630 named Orange Senior Village; and

WHEREAS, BAH Orange Senior Village, Ltd. has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs for 2026 Competitive Housing Tax Credits for Orange Senior Village.

NOW, THEREFORE, BE IT RESOLVED

Section 1. That, as provided for in 10 TAC §11.3(c) of the Qualified Allocation Plan, and more specifically Texas Government Code §2306.6703(1)(4), it is expressly acknowledged and confirmed that the City of Orange has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds, and

Section 2. That, the City of Orange hereby supports the proposed Orange Senior Village located at 1704 N 14th Street, Orange, TX 77630, TDHCA Application Number 26206 and confirms that its governing body has voted specifically to approve the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development pursuant to Texas Government Code §2306.6703(a)(4), and

Section 3. That, the City of Orange hereby commits to an in-kind contribution to the Development in the form of either a fee waiver or a reduced building permit fee for the benefit of the Development in the amount of \$500, and

Section 4. That, the City of Orange hereby authorizes the Development to move forward with the application to TDHCA, and

Section 5. That, for and on behalf of the Governing Body, Michael Kunst, City Manager, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

Section 6. That, this resolution shall become effective upon passage by the City Council.

PASSED, APPROVED AND ADOPTED on this the 10th day of February, 2026.

CITY OF ORANGE

Larry Spears Jr. Mayor

ATTEST:

Patricia Anderson, City Secretary

Guy Goodson, City Attorney

memorandum

To: Mike Kunst
From: Guy N. Goodson
Date: February 3, 2026
RE: City of Orange, Texas (the “City”) – Resolution Approving a Subordination Agreement for the Auburn Square Apartments

As the City is aware, in 2024, the Auburn Square Apartments (the “Project”) were approved for sale by Auburn Square, Ltd. to LCDC Holdings LLC by City Resolution 2024-43. The City as a previous member of the HOME Consortium has assumed administrative responsibility for HOME Consortium loans and is required thereby to approve both changes and ownership for properties funded through the HOME Consortium or for changes in the amount of funding requested to which the City loan would be subordinated. The City currently has a HOME Loan with LCDC Holdings LLC as to the Project in the amount of \$530,000 evidenced by a Subordinate Loan. Additionally, the Subordinate Loan of the City is further subordinated to a loan in favor of the Texas Department of Housing & Community Affairs in the amount of \$500,000 (the “TDHCA Subordinate Loan”). LCDC Holdings LLC has secured a commitment for financing in the amount of \$2,100,000 from Texas Mezzanine Fund, Inc. in order to provide funding heretofore and hereafter to be undertaken as to the Project. We have reviewed the proposed Subordination Agreement provided by Texas Mezzanine Fund, Inc. to the City as well as the Subordination Agreement provided by Texas Mezzanine Fund, Inc. to TDHCA and find each to represent correctly the proposal by which Texas Mezzanine Fund, Inc. would provide a first lien to LCDC Holding LLC for rehabilitation of the properties and for payment in full of the prior first lien on the Project secured by LCDC Holdings LLC from First Financial Bank. The City’s approval is needed for the new Subordination Agreement in order for the Project to pay and satisfy its current outstanding senior loan to First Financial Bank and to provide funds necessary and as approved by TDHCA for prior and proposed rehabilitation of the 80-unit affordable housing project.

If TDHCA has approved its Subordination Agreement to be executed concurrently with that of the City, I request that the loan Subordination Agreement with Texas Mezzanine Fund, Inc. and LCDC Holdings LLC as to the Project be approved as requested.

/mgm

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is entered into as of January ____, 2026, by and among the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas ("TDHCA"), TEXAS MEZZANINE FUND, INC., a national banking association (the "Bank"), and LCDC HOLDINGS LLC, a Texas limited liability company ("Borrower") (hereinafter, collectively referred to as the "Parties").

R E C I T A L S:

A. Borrower is the owner of an 80-unit multifamily rental housing development known as Auburn Square Apartments (the "Project") constructed in Vidor, Orange County, Texas on the property, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. Borrower, pursuant to that certain Special Warranty Deed dated on or about even date herewith, to be recorded in the Official Public Records of Real Property of Orange County, Texas (the "Records"), purchased the Project from AUBURN SQUARE LTD., a Texas limited partnership (the "Prior Owner").

B. Pursuant to a HOME Investment Partnerships Program (HOME) Program Multifamily Development Contract No. 1001256, dated to be effective on November 12, 2010, by and between TDHCA and Prior Owner as amended by that certain First Amendment to and Agreement to Comply with HOME Investment Partnerships Program (HOME) Program Multifamily Development Contract No. 1001256, dated to be effective on November 12, 2010 (collectively, the "HOME Contract"), TDHCA made a subordinate mortgage loan for the Project in the amount of \$500,000.00 (such funding is referred to herein as the "HOME Loan Funds"), as evidenced by that certain Subordinate Promissory Note by Prior Owner made payable to TDHCA in the original principal amount of the HOME Loan Funds dated September 30, 2011 (the "Subordinate Note"), which is secured by that certain Subordinate Deed of Trust (with Security Agreement and Assignment of Rents) (the "Subordinate Mortgage") dated as of even date with Subordinate Note, recorded in the Records on October 27, 2011, under Document Number 374315. Prior Owner used the proceeds of the HOME Loan Funds to develop the Project.

C. Borrower, in purchasing the Project, has assumed the obligations of the Subordinate Mortgage, Subordinate Note, and LURA (as hereinafter defined).

D. The Bank has agreed to make a term loan to Borrower in the original amount of \$2,100,000.00 (the "Senior Bank Loan") to partially finance the acquisition of the Project. The Senior Bank Loan is evidenced by a Promissory

Note by Borrower made payable to the Bank in the original principal amount of the Senior Bank Loan dated on or about even date herewith (the "Senior Term Note"), which is secured by a Deed of Trust, Security Agreement and Assignment of Rents dated as of even date with the Senior Term Note, covering the Project, to be recorded in the Records (the "Senior Term Mortgage").

E. The Parties wish to enter into this Agreement to fully set forth the relationship of the HOME Loan Funds to the Senior Bank Loan and other matters of mutual interest to the Parties with respect to the disbursement of the HOME Loan Funds and the Senior Bank Loan for the acquisition of the Project.

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

1. Acknowledgments, Representations, and Consents. TDHCA represents and warrants to the Bank that (i) the HOME Contract, as amended, is in full force and effect (ii) all conditions to TDHCA's obligations set forth in the HOME Contract, as amended, have been satisfied by Borrower or waived by TDHCA, and (iii) the HOME Contract, as amended, constitutes a final unconditional commitment by TDHCA to make the HOME Loan Funds available to Borrower for the Project as hereafter provided subject to the terms and conditions of the Subordinate Note, Subordinate Mortgage, construction loan agreement, and all other documents evidencing, securing or otherwise executed and delivered in connection with the HOME Loan Funds, and the Land Use Restriction Agreement (Multifamily Properties) (the "LURA"), dated on or about the same date as Subordinate Mortgage, and recorded in the Records on October 27, 2011, as Document Number 374308 (collectively, the "Subordinate Loan Documents").

2. Subordination by TDHCA.

(a) TDHCA agrees that to the extent any voluntary or involuntary liens, claims, and security interests, whether by agreement, at law, or in equity, of TDHCA (or any other entity claiming by, through, or under TDHCA) now or hereafter secure the payment and/or performance of the Borrower's obligations under and with respect to the Subordinate Note and the Subordinate Mortgage, or otherwise with respect to the Project (including, without limitation, the liens granted in the Subordinate Mortgage with the exception of the LURA), said liens, claims, and security interests are and shall forever remain junior, subordinate, and inferior, to the liens and security interests of the Bank securing payment of the Senior Term Note and, by its execution hereof, TDHCA hereby evidences said subordination. TDHCA (or its successors in interest) shall not enforce any lien or bring suit for the collection of the Subordinate Note unless and until the Senior Term Note have been paid in full and the Bank has no further funding

commitments under or the Senior Term Note. Specifically exempted from this subordination are enforcement actions taken (other than enforcement of any lien or bringing suit for the collection of the Subordinate Note) (i) under the Subordinate Loan Documents, (ii) under statutory language regarding affordability requirements, (iii) in connection with criminal or fraudulent activity by Borrower or other parties responsible for managing the Project, and/or (iv) administrative action regarding restrictions under the LURA relating to the Project, pursuant to Chapter 2306 of the Texas Government Code.

(b) Payment of any and all amounts now or hereafter owing by Borrower to TDHCA under or with respect to the Subordinate Note, the Subordinate Mortgage, or otherwise with respect to the Project (with the exception of administrative penalties, fees and other amounts required in enforcing the LURA), is subordinate and inferior to the Senior Bank Loan.

(c) The Borrower, the Bank and TDHCA agree that the LURA is superior to the Senior Term Note, Senior Term Mortgage, and the Senior Bank Loan.

3. Notice of TDHCA Loan Default. TDHCA will give the Bank written notice of any default by Borrower, or other circumstance or condition, under and with respect to the Subordinate Loan Documents, or otherwise which TDHCA believes is a basis for not making any further funding of the HOME Loan Funds (or for demanding repayment of amounts theretofore advanced), and shall provide the Bank with thirty (30) days from the date of its receipt of such notice to cure any such default, circumstance, or condition (it being agreed that the Bank has no obligation to TDHCA to cure any such default, circumstance, or condition). Nothing in this subsection (d) shall preclude TDHCA from exercising or enforcing all the rights available to TDHCA under the Subordinate Loan Documents and/or under applicable law to enforce covenants and agreements of Borrower relating to restrictions under the LURA.

4. Notices. Any notice by one (1) Party to the other hereunder shall be in writing and shall be delivered in person or by United States Mail, postage prepaid, certified, return receipt requested. Notice shall be deemed delivered on the date delivered, or if mailed, three (3) days after deposit in the U.S. Mail.

Notice shall be delivered to the following addresses:

To TDHCA: Texas Department of Housing and Community Affairs
221 11th Street
P.O. Box 13941
Austin, Texas 78711-3941
Attn: Asset Management Division

To the Bank: Texas Mezzanine Fund, Inc.
320 S.R.L. Thornton Freeway, Suite 110
Dallas, Texas 75203

To Borrower: LCDC HOLDINGS LLC
3800 Park Lane
Port Arthur, Texas 77642
Attn: Vivian Ballou

The Parties may change their addresses for purposes of notice by giving the other Party ten (10) days' written notice of the address change in the manner hereinabove stated.

5. Miscellaneous.

(a) This Agreement constitutes the entire agreement of the three parties hereto with respect to the subject matter hereof, and supersedes all other prior and contemporaneous written or oral agreements. Any amendment hereto must be in writing executed by the Borrower, TDHCA and the Bank.

(b) Time is of the essence in the performance of the Parties' obligations hereunder.

(c) This Agreement is governed by the laws of the State of Texas.

(d) This Agreement shall be enforceable by and binding upon all successors and assigns of the Bank.

(e) This Agreement shall remain in full force and effect until the Senior Bank Loan has been fully and finally paid and Borrower has no further obligations under the Senior Bank Loan.

(f) This Agreement may be executed in two (2) or more counterparts, and it shall not be necessary that any one (1) counterpart be executed by all of the Parties hereto. Each fully or partially executed counterpart

shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the date first above written.

TDHCA:

TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS,
a public and official agency of the State of Texas

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this _____ day of February, 2026, by _____, _____, duly authorized officer or representative of the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas, on behalf of said agency.

[SEAL]

Notary Public, State of Texas

BANK:

TEXAS MEZZANINE FUND, INC.

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of February, 2026, by _____, _____, duly authorized officer or representative of Texas Mezzanine Fund, Inc., a Texas corporation, on behalf of said corporation.

[SEAL]

Notary Public, State of Texas

BORROWER:

LCDC HOLDINGS, LLC,
a Texas limited liability company

By: Tender Loving Care Center for Children,
a Texas nonprofit corporation,
its Sole Member

By: _____
Vivian Ballou, Executive Director

THE STATE OF TEXAS §
§
CITY OF _____ §

KNOW ALL MEN BY THESE PRESENTS

This instrument was acknowledged before me on this _____ day of February, 2026, by Vivian Ballou as Executive Director of Tender Loving Care Center for Children, a Texas nonprofit corporation, as the Sole Member of LCDC Holdings, LLC, a Texas limited liability company, on behalf of said limited liability company.

[SEAL]

Notary Public, State of Texas

EXHIBIT "A"

**METES AND BOUNDS DESCRIPTION
12.04 ACRES OF LAND
JOHN DAVENPORT SURVEY, ABST. 67
ORANGE COUNTY, TEXAS
BPI-HOU. JOB # 103639-70002
Revised: 08/22/2011**

BEING A 12.04 ACRE TRACT OF LAND LYING IN THE JOHN DAVENPORT SURVEY, ABSTRACT NO. 67, ORANGE COUNTY TEXAS, BEING OUT OF AND PART OF A 0.29 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN WARRANTY DEED RECORDED IN VOLUME 693, PAGE 340 OF THE OFFICIAL PUBLIC RECORDS OF ORANGE COUNTY, A 0.34 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN GENERAL WARRANTY DEED RECORDED IN VOLUME 1003, PAGE 495 OF THE OFFICIAL RECORDS OF ORANGE COUNTY, A 3.348 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN GENERAL WARRANTY DEED RECORDED UNDER ORANGE COUNTY CLERK'S FILE NUMBER 304174 AND A 11.35 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN GENERAL WARRANTY DEED RECORDED UNDER ORANGE COUNTY CLERK'S FILE NUMBER 314152, BEING ALL OF THAT CERTAIN TRACT OF LAND AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED UNDER ORANGE COUNTY CLERK'S FILE NUMBER 370012 AND FURTHER BEING THAT CERTAIN TRACT OF LAND DEPICTED ON THE "PLAT OF AUBURN SQUARE SUBDIVISION" AS RECORDED IN VOLUME 11, PAGE 88 OF THE MAP RECORDS OF ORANGE COUNTY AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

COMMENCING AT A 5/8-INCH IRON ROD WITH CAP "DISHON" (FOUND) IN THE EAST RIGHT-OF-WAY LINE OF CANEY CREEK ROAD, BEING THE NORTHEAST CORNER OF THE REMAINDER OF SAID 0.292 ACRE TRACT, THE NORTHWEST CORNER OF SAID 3.348 ACRE TRACT AND THE SOUTHWEST CORNER OF A 1.02 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN DEED RECORDED IN VOLUME 536, PAGE 478 OF THE OFFICIAL RECORDS OF ORANGE COUNTY;

THENCE S 87°47'44" E, ALONG THE NORTH PROPERTY LINE OF SAID 3.348 ACRE TRACT, A DISTANCE OF 328.58 FEET TO A 5/8-INCH IRON ROD WITH CAP "BURY+PARTNERS" (SET) FOR THE NORTHEAST CORNER OF SAID 3.348 ACRE TRACT, THE NORTHWEST CORNER OF SAID 11.35 ACRE TRACT, THE MOST NORTHERLY NORTHWEST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE S 87°42'30" E, ALONG THE NORTH PROPERTY LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT, AT 796.06 FEET PASSING A 3/4-INCH IRON PIPE (FOUND) FOR THE SOUTHWEST CORNER OF A 0.5 ACRE (CALLED) TRACT AS DESCRIBED IN WARRANTY DEED RECORDED IN VOLUME 579, PAGE 390 OF THE OFFICIAL RECORDS OF ORANGE COUNTY, AND CONTINUING A TOTAL DISTANCE OF 1,003.77 FEET TO A 1-INCH IRON PIPE (FOUND) IN THE WEST LINE OF ASH STREET, BEING THE SOUTHEAST CORNER OF SAID 0.5 ACRE TRACT AND THE NORTHEAST CORNER OF SAID 11.35 ACRE TRACT AND THE HEREIN DESCRIBED TRACT;

THENCE S 00°20'17" E, ALONG THE WEST LINE OF ASH STREET, THE EAST LINE OF SAID 11.35 ACRE TRACT AND THIS TRACT, 480.93 FEET TO A 1-INCH IRON PIPE (FOUND) FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 86°50'48" W, ALONG THE SOUTH LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT A DISTANCE OF 1,089.45 FEET TO A 5/8-INCH IRON ROD WITH CAP "DISHON" (FOUND) FOR THE SOUTHEAST CORNER OF SAID 3.348 ACRE REMAINDER

TRACT, THE SOUTHWEST CORNER OF SAID 11.35 ACRE TRACT AND THE MOST SOUTHERLY SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 10°05'02" E, ALONG THE EAST LINE OF SAID 3.348 ACRE REMAINDER TRACT, THE WEST LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT, A DISTANCE OF 143.05 FEET TO A 1-INCH IRON PIPE WITH CAP "BURY+PARTNERS" (SET) FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 88°49'51" W, OVER AND ACROSS SAID 3.348 ACRE TRACT, AT A DISTANCE OF 302.41 FEET PASSING THE WEST LINE OF SAID 3.348 ACRE TRACT AND THE EAST LINE OF SAID 0.34 ACRE TRACT, FOR THE NORTHEAST CORNER OF THE REMAINDER OF SAID 0.34 ACRE TRACT, CONTINUING ALONG THE NORTH LINE OF SAID 0.34 ACRE REMAINDER TRACT AND THE SOUTH LINE OF THIS TRACT IN ALL A TOTAL DISTANCE OF 372.57 FEET TO A P-K NAIL (SET) IN THE EAST RIGHT-OF-WAY LINE OF HIGHWAY NO. 105 LYING ON A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2,194.10 FEET, A CENTRAL ANGLE OF 01°58'05", A CHORD BEARING AND DISTANCE OF N 04°43'38" E - 75.36 FEET, FOR THE NORTHWEST CORNER OF SAID 0.34 ACRE REMAINDER TRACT AND THE MOST WESTERLY SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE ALONG THE ARC OF SAID CURVE, SAID EAST RIGHT-OF-WAY LINE AND THE WEST LINE OF THIS TRACT A DISTANCE OF 75.36 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID 0.34 ACRE REMAINDER TRACT AND THE SOUTHWEST CORNER OF SAID 0.292 ACRE TRACT;

THENCE N 06°53'40" E, ALONG SAID EAST RIGHT-OF-WAY LINE, THE WEST PROPERTY LINE OF SAID 0.292 ACRE TRACT AND OF THIS TRACT, A DISTANCE OF 5.09 FEET TO A P-K NAIL (SET) FOR THE SOUTHWEST CORNER OF SAID 0.292 ACRE REMAINDER TRACT AND THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 88°49'51" E, ALONG THE SOUTH LINE OF SAID 0.292 ACRE REMAINDER TRACT AND A NORTH LINE OF THIS TRACT, AT A DISTANCE OF 70.27 FEET PASSING THE SOUTHEAST CORNER OF SAID 0.292 ACRE REMAINDER TRACT AND A SOUTHWEST CORNER OF SAID 3.348 ACRE REMAINDER TRACT AND CONTINUING A TOTAL DISTANCE OF 380.03 FEET TO A 1-INCH IRON ROD WITH CAP "BURY+PARTNERS" (SET) IN THE EAST LINE OF SAID 3.348 ACRE TRACT AND THE WEST LINE OF SAID 11.35 ACRE TRACT FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 10°05'02" E, ALONG THE EAST LINE OF SAID 3.348 ACRE REMAINDER TRACT, THE WEST LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT, A DISTANCE OF 243.75 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.04 ACRES OF LAND MORE OR LESS.

FILED FOR RECORD
ORANGE COUNTY CLERK

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is entered into as of February , 2026, by and among the SUBORDINATE LENDER OF ORANGE, TEXAS, a Texas home-rule municipality ("Subordinate Lender"), TEXAS MEZZANINE FUND, INC., a Texas corporation (the "Superior Lender"), and LCDC HOLDINGS LLC, a Texas limited liability company ("Borrower") (hereinafter, collectively referred to as the "Parties").

R E C I T A L S:

A. Borrower is the owner of an 80-unit multifamily rental housing development known as Auburn Square Apartments (the "Project") constructed in Vidor, Orange County, Texas on the property, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. Borrower, pursuant to that certain Special Warranty Deed dated on or about even date herewith, to be recorded in the Official Public Records of Real Property of Orange County, Texas (the "Records"), purchased the Project from AUBURN SQUARE LTD., a Texas limited partnership (the "Prior Owner").

B. Pursuant to a Loan and Security Agreement dated September 29, 2011 (the "Subordinate Loan") by and between Borrower and Subordinate Lender, Subordinate Lender made a subordinate mortgage loan for the Project in the amount of \$530,000.00 (such funding is referred to herein as the "Subordinate Loan Funds"), as evidenced by that certain Subordinate Promissory Note by Prior Owner made payable to Subordinate Lender in the original principal amount of the Subordinate Loan Funds dated September 29, 2011 (the "Subordinate Note"), which is secured by that certain Subordinate Deed of Trust with Security Agreement and Assignment of Rents (the "Subordinate Mortgage") dated September 30, 2011 to Shawn Oubre, Trustee, filed under Document No. 374309 in the Records. Prior Owner used the proceeds of the Subordinate Loan Funds to develop the Project.

C. Borrower, in purchasing the Project, has assumed the obligations of the Subordinate Mortgage, Subordinate Note, and LURA (as hereinafter defined).

D. The Superior Lender has agreed to make a term loan to Borrower in the original amount of \$2,100,000.00 (the "Superior Loan") to partially finance improvements to the Project. The Superior Loan is evidenced by a Promissory Note by Borrower made payable to the Superior Lender in the original principal amount of the Superior Loan dated on or about even date herewith (the "Superior Note"), which is secured by a Deed of Trust, Security Agreement and Assignment

of Rents dated as of even date with the Superior Note, covering the Project, to be recorded in the Records (the "Superior Mortgage").

E. The Parties wish to enter into this Agreement to fully set forth the relationship of the Subordinate Loan Funds to the Superior Loan and other matters of mutual interest to the Parties with respect to the disbursement of the Subordinate Loan Funds and the Superior Loan for the acquisition of the Project.

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

1. Acknowledgments and Representations. The Subordinate Lender represents and warrants to the Bank that (i) the HOME Contract, as amended, is in full force and effect (ii) Subordinate Lender has met its obligations, pursuant to the HOME Contract, (iii) the HOME Contract, as amended, constituted the final unconditional commitment by the Subordinate Lender as to the HOME Loan Funds available for the Project as heretofore provided fully funds and subject to the terms and conditions of the Subordinate Note, Subordinate Mortgage, and all other documents evidencing, securing or otherwise executed and delivered in connection with the HOME Loan Funds, and the Land Use Restriction Agreement (the "LURA") dated on or about the same date as the Subordinate Mortgage and recorded in the Records on October 27, 2011 as Instrument Number 374310 (collectively, the "Subordinate Loan Documents") and (iv) the Subordinate Lender, neither represents, nor may Borrower or Bank infer that Subordinate Lender affirms the satisfaction of any and all conditions of the LURA and/or superior loan obligations of Prior Owner to either Borrower or Bank.

2. Subordination by Subordinate Lender.

(a) Subordinate Lender agrees that to the extent any voluntary or involuntary liens, claims, and security interests, whether by agreement, at law, or in equity, of Subordinate Lender (or any other entity claiming by, through, or under Subordinate Lender) now or hereafter secure the payment and/or performance of the Borrower's obligations under and with respect to the Subordinate Note and the Subordinate Mortgage, or otherwise with respect to the Project (including, without limitation, the liens granted in the Subordinate Mortgage with the exception of the LURA), said liens, claims, and security interests are and shall forever remain junior, subordinate, and inferior, to the liens and security interests of the Superior Lender securing payment of the Superior Note and, by its execution hereof, Subordinate Lender hereby evidences said subordination. Subordinate Lender (or its successors in interest) shall not enforce any lien or bring suit for the collection of the Subordinate Note unless and until the Superior Note have been paid in full and the Superior Lender has no further

funding commitments under or the Superior Note. Specifically exempted from this subordination are enforcement actions taken (other than enforcement of any lien or bringing suit for the collection of the Subordinate Note) (i) under the Subordinate Loan Documents, (ii) under statutory language regarding affordability requirements, (iii) in connection with criminal or fraudulent activity by Borrower or other parties responsible for managing the Project, and/or (iv) administrative action regarding restrictions under the LURA relating to the Project, pursuant to Chapter 2306 of the Texas Government Code.

(b) Payment of any and all amounts now or hereafter owing by Borrower to Subordinate Lender under or with respect to the Subordinate Note, the Subordinate Mortgage, or otherwise with respect to the Project (with the exception of administrative fees due to Subordinate Lender under the Subordinate Loan and administrative penalties, fees and other amounts required in enforcing the LURA), is subordinate and inferior to the Superior Loan.

(c) The Borrower, the Superior Lender and Subordinate Lender agree that the LURA is superior to the Superior Note, Superior Mortgage, and the Superior Loan.

3. Notice of SUBORDINATE LENDER Loan Default. Subordinate Lender will give the Superior Lender written notice of any default by Borrower, or other circumstance or condition, under and with respect to the Subordinate Loan Documents, or otherwise which Subordinate Lender believes is a basis for not making any further funding of the Subordinate Loan Funds (or for demanding repayment of amounts theretofore advanced), and shall provide the Superior Lender with thirty (30) days from the date of its receipt of such notice to cure any such default, circumstance, or condition (it being agreed that the Superior Lender has no obligation to Subordinate Lender to cure any such default, circumstance, or condition). Nothing in this subsection (d) shall preclude Subordinate Lender from exercising or enforcing all the rights available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable law to enforce covenants and agreements of Borrower relating to restrictions under the LURA.

4. Notices. Any notice by one (1) Party to the other hereunder shall be in writing and shall be delivered in person or by United States Mail, postage prepaid, certified, return receipt requested. Notice shall be deemed delivered on the date delivered, or if mailed, three (3) days after deposit in the U.S. Mail.

Notice shall be delivered to the following addresses:

To Subordinate Lender:	City of Orange, Texas 812 N. 16th Street Orange, Texas 77630
To Superior Lender:	Texas Mezzanine Fund, Inc. 320 S.R.L. Thornton Freeway, Suite 110 Dallas, Texas 75203
To Borrower:	LCDC HOLDINGS LLC 3800 Park Lane Port Arthur, Texas 77642 Attn: Vivian Ballou

The Parties may change their addresses for purposes of notice by giving the other Party ten (10) days' written notice of the address change in the manner hereinabove stated.

5. Miscellaneous.

(a) This Agreement constitutes the entire agreement of the three parties hereto with respect to the subject matter hereof, and supersedes all other prior and contemporaneous written or oral agreements. Any amendment hereto must be in writing executed by the Borrower, Subordinate Lender and the Superior Lender.

(b) Time is of the essence in the performance of the Parties' obligations hereunder.

(c) This Agreement is governed by the laws of the State of Texas.

(d) This Agreement shall be enforceable by and binding upon all successors and assigns of the Superior Lender.

(e) This Agreement shall remain in full force and effect until the Superior Loan has been fully and finally paid and Borrower has no further obligations under the Superior Loan.

(f) This Agreement may be executed in two (2) or more counterparts, and it shall not be necessary that any one (1) counterpart be executed by all of the Parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the date first above written.

SUBORDINATE LENDER:

CITY OF ORANGE, TEXAS,
a Texas home-rule municipality

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF ORANGE §

This instrument was acknowledged before me on this _____ day of February, 2026, by _____, _____, duly authorized officer or representative of the City of Orange, Texas, a Texas home-rule municipality, on behalf of said municipality.

[SEAL]

Notary Public, State of Texas

SUPERIOR LENDER:

TEXAS MEZZANINE FUND, INC.

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

KNOW ALL MEN BY THESE PRESENTS

This instrument was acknowledged before me on this _____ day of February, 2026, by _____, _____, duly authorized officer or representative of Texas Mezzanine Fund, Inc., a Texas corporation, on behalf of said corporation.

[SEAL]

Notary Public, State of Texas

BORROWER:

LCDC HOLDINGS, LLC,
a Texas limited liability company

By: Tender Loving Care Center for Children,
a Texas nonprofit corporation,
its Sole Member

By: _____
Vivian Ballou, Executive Director

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

KNOW ALL MEN BY THESE PRESENTS

This instrument was acknowledged before me on this _____ day of February, 2026, by Vivian Ballou as Executive Director of Tender Loving Care Center for Children, a Texas nonprofit corporation, as the Sole Member of LCDC Holdings, LLC, a Texas limited liability company, on behalf of said limited liability company.

[SEAL]

Notary Public, State of Texas

EXHIBIT "A"

**METES AND BOUNDS DESCRIPTION
12.04 ACRES OF LAND
JOHN DAVENPORT SURVEY, ABST. 67
ORANGE COUNTY, TEXAS
BPI-HOU. JOB # 103639-70002**

Revised: 08/22/2011

BEING A 12.04 ACRE TRACT OF LAND LYING IN THE JOHN DAVENPORT SURVEY, ABSTRACT NO. 67, ORANGE COUNTY TEXAS, BEING OUT OF AND PART OF A 0.29 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN WARRANTY DEED RECORDED IN VOLUME 693, PAGE 340 OF THE OFFICIAL PUBLIC RECORDS OF ORANGE COUNTY, A 0.34 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN GENERAL WARRANTY DEED RECORDED IN VOLUME 1003, PAGE 495 OF THE OFFICIAL RECORDS OF ORANGE COUNTY, A 3.348 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN GENERAL WARRANTY DEED RECORDED UNDER ORANGE COUNTY CLERK'S FILE NUMBER 304174 AND A 11.35 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN GENERAL WARRANTY DEED RECORDED UNDER ORANGE COUNTY CLERK'S FILE NUMBER 314152, BEING ALL OF THAT CERTAIN TRACT OF LAND AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED UNDER ORANGE COUNTY CLERK'S FILE NUMBER 370012 AND FURTHER BEING THAT CERTAIN TRACT OF LAND DEPICTED ON THE "PLAT OF AUBURN SQUARE SUBDIVISION" AS RECORDED IN VOLUME 11, PAGE 88 OF THE MAP RECORDS OF ORANGE COUNTY AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 5/8-INCH IRON ROD WITH CAP "DISHON" (FOUND) IN THE EAST RIGHT-OF-WAY LINE OF CANEY CREEK ROAD, BEING THE NORTHEAST CORNER OF THE REMAINDER OF SAID 0.292 ACRE TRACT, THE NORTHWEST CORNER OF SAID 3.348 ACRE TRACT AND THE SOUTHWEST CORNER OF A 1.02 ACRE (CALLED) TRACT OF LAND AS DESCRIBED IN DEED RECORDED IN VOLUME 538, PAGE 478 OF THE OFFICIAL RECORDS OF ORANGE COUNTY;

THENCE S 87°47'44" E, ALONG THE NORTH PROPERTY LINE OF SAID 3.348 ACRE TRACT, A DISTANCE OF 328.58 FEET TO A 5/8-INCH IRON ROD WITH CAP "BURY+PARTNERS" (SET) FOR THE NORTHEAST CORNER OF SAID 3.348 ACRE TRACT, THE NORTHWEST CORNER OF SAID 11.35 ACRE TRACT, THE MOST NORtherly NORTHWEST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE S 87°42'30" E, ALONG THE NORTH PROPERTY LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT, AT 796.06 FEET PASSING A 3/4-INCH IRON PIPE (FOUND) FOR THE SOUTHWEST CORNER OF A 0.5 ACRE (CALLED) TRACT AS DESCRIBED IN WARRANTY DEED RECORDED IN VOLUME 579, PAGE 390 OF THE OFFICIAL RECORDS OF ORANGE COUNTY, AND CONTINUING A TOTAL DISTANCE OF 1,003.77 FEET TO A 1-INCH IRON PIPE (FOUND) IN THE WEST LINE OF ASH STREET, BEING THE SOUTHEAST CORNER OF SAID 0.5 ACRE TRACT AND THE NORTHEAST CORNER OF SAID 11.35 ACRE TRACT AND THE HEREIN DESCRIBED TRACT;

THENCE S 00°20'17" E, ALONG THE WEST LINE OF ASH STREET, THE EAST LINE OF SAID 11.35 ACRE TRACT AND THIS TRACT, 480.93 FEET TO A 1-INCH IRON PIPE (FOUND) FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 86°50'48" W, ALONG THE SOUTH LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT A DISTANCE OF 1,089.45 FEET TO A 5/8-INCH IRON ROD WITH CAP "DISHON" (FOUND) FOR THE SOUTHEAST CORNER OF SAID 3.348 ACRE REMAINDER

TRACT, THE SOUTHWEST CORNER OF SAID 11.35 ACRE TRACT AND THE MOST SOUTHERLY SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 10°05'02" E, ALONG THE EAST LINE OF SAID 3.348 ACRE REMAINDER TRACT, THE WEST LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT, A DISTANCE OF 143.05 FEET TO A 1-INCH IRON PIPE WITH CAP "BURY+PARTNERS" (SET) FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 88°49'51" W, OVER AND ACROSS SAID 3.348 ACRE TRACT, AT A DISTANCE OF 302.41 FEET PASSING THE WEST LINE OF SAID 3.348 ACRE TRACT AND THE EAST LINE OF SAID 0.34 ACRE TRACT, FOR THE NORTHEAST CORNER OF THE REMAINDER OF SAID 0.34 ACRE TRACT, CONTINUING ALONG THE NORTH LINE OF SAID 0.34 ACRE REMAINDER TRACT AND THE SOUTH LINE OF THIS TRACT IN ALL A TOTAL DISTANCE OF 372.57 FEET TO A P-K NAIL (SET) IN THE EAST RIGHT-OF-WAY LINE OF HIGHWAY NO. 105 LYING ON A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2,194.10 FEET, A CENTRAL ANGLE OF 01°58'05", A CHORD BEARING AND DISTANCE OF N 04°43'38" E - 75.36 FEET, FOR THE NORTHWEST CORNER OF SAID 0.34 ACRE REMAINDER TRACT AND THE MOST WESTERLY SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE ALONG THE ARC OF SAID CURVE, SAID EAST RIGHT-OF-WAY LINE AND THE WEST LINE OF THIS TRACT A DISTANCE OF 75.36 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID 0.34 ACRE REMAINDER TRACT AND THE SOUTHWEST CORNER OF SAID 0.292 ACRE TRACT;

THENCE N 06°53'40" E, ALONG SAID EAST RIGHT-OF-WAY LINE, THE WEST PROPERTY LINE OF SAID 0.292 ACRE TRACT AND OF THIS TRACT, A DISTANCE OF 5.09 FEET TO A P-K NAIL (SET) FOR THE SOUTHWEST CORNER OF SAID 0.292 ACRE REMAINDER TRACT AND THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 88°49'51" E, ALONG THE SOUTH LINE OF SAID 0.292 ACRE REMAINDER TRACT AND A NORTH LINE OF THIS TRACT, AT A DISTANCE OF 70.27 FEET PASSING THE SOUTHEAST CORNER OF SAID 0.292 ACRE REMAINDER TRACT AND A SOUTHWEST CORNER OF SAID 3.348 ACRE REMAINDER TRACT AND CONTINUING A TOTAL DISTANCE OF 380.03 FEET TO A 1-INCH IRON ROD WITH CAP "BURY+PARTNERS" (SET) IN THE EAST LINE OF SAID 3.348 ACRE TRACT AND THE WEST LINE OF SAID 11.35 ACRE TRACT FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 10°05'02" E, ALONG THE EAST LINE OF SAID 3.348 ACRE REMAINDER TRACT, THE WEST LINE OF SAID 11.35 ACRE TRACT AND OF THIS TRACT, A DISTANCE OF 243.75 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.04 ACRES OF LAND MORE OR LESS.

FILED FOR RECORD
ORANGE COUNTY CLERK

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS
APPROVING A SUBORDINATION AGREEMENT BY AND BETWEEN THE
CITY OF ORANGE, TEXAS, LCDC HOLDINGS LLC, A TEXAS LIMITED
LIABILITY COMPANY AND TEXAS MEZZANINE FUND, INC., A NATIONAL
BANKING ASSOCIATION, AS TO THE AUBURN SQUARE APARTMENTS**

WHEREAS, the City of Orange, Texas (the “City”) was previously a member of the HOME Consortium which approved the Auburn Square Apartment project (the “Project”) located in Vidor, Orange County, Texas; and

WHEREAS, pursuant to a HOME agreement (the “HOME Contract”), as amended, City on behalf of the Orange Regional HOME Consortium, made a subordinate mortgage loan for the Project in the amount of \$530,000 as evidenced by a loan dated September 30, 2011 (the “Subordinate Loan”) and secured by Subordinate Loan Documents; and

WHEREAS, the Subordinate Loan was subordinated to both the senior lender and to a loan to the Project from the Texas Department of Housing and Community Affairs (“TDHCA”); and

WHEREAS, LCDC Holdings LLC has requested that the City together with TDHCA to subordinate both the Subordinate Loan and the TDHCA loan to a loan by Texas Mezzanine Fund, Inc. to LCDC Holdings LLC in the amount of \$2,100,000; and

WHEREAS, the Borrower, subject to the approval of amended subordination agreements by the City and TCHCA, shall ratify and affirm its obligation under all prior agreements including the Land Use Restriction Agreement and other agreements executed in connection with the Project and shall covenant and agree that all proceeds of the loan from Texas Mezzanine Fund, Inc. have or shall be used solely for purposes authorized for affordable housing units under the regulations of the United States Department of Housing and Urban Development; and

WHEREAS, TDHCA has reviewed the loan and funding request by LCDC Holdings LLC through funds to be provided by Texas Mezzanine Fund, Inc. and determined same to be authorized for funding under the rules of TDHCA and the guidelines under the HOME Investment Partnership Program Multifamily Development Contract #1001256 dated effective November 12, 2010, by and between the prior owner of the Project and TDHCA; and

WHEREAS, the City staff and City Attorney have reviewed the amended Subordination Agreement attached hereto as **Exhibit “A”** and believe that the proposed Subordination Agreement is acceptable to the City.

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

THAT, the Subordination Agreement attached hereto as **Exhibit “A”** be approved by the City Council; and

THAT, the City Manager is authorized to execute the Subordination Agreement as attached hereto; and

THAT, this Resolution shall become effective upon passage by the City Council subject to the receipt of a Subordination Agreement duly executed by and among the Texas Department of Housing and Community Affairs, Texas Mezzanine Fund, Inc. and LCDC Holdings LLC in such amount as determined by TDHCA as compliant with its HOME Contract as to the Project and that the attached Subordination Agreement may be executed as herein stated by the City Manager in the amount as set forth in the Subordination Agreement.

PASSED, APPROVED and ADOPTED on this 10th day of February, 2026.

CITY OF ORANGE, TEXAS

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

APPROVED AS TO FORM:

Guy N. Goodson, City Attorney

MOTION

Motion approving the resignation of Laci Gibbens from the CVB Advisory Board, effective January 27, 2026.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

February 10, 2026

Convention & Visitors Bureau
Department

Memo

Date: January 28, 2026

To: Mike Kunst, City Manager

From: Divon Williams, Deputy CVB Director/Assistant to the City Manager

cc: Jay Trahan, Assistant City Manager/CVB Director

Re: **CVB Board Resignation – Laci Gibbens**

Convention & Visitors Bureau (CVB) Advisory Board member Laci Gibbens has submitted a resignation letter to the CVB due to personal reasons, requesting that it become effective on January 27, 2026.

Please contact me at extension #3344 for additional information.

Convention and Visitors Bureau Board

January 27, 2024

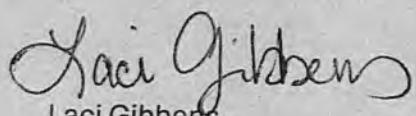
Dear Divon and Members of the Board,

Please accept this letter as my formal resignation from the Convention and Visitors Bureau Board, effective immediately.

It has been a privilege to serve, and I am grateful for the opportunity to contribute to the board's work and support our community. I appreciate the collaboration, dedication, and passion shared by everyone involved.

I remain supportive of the mission of the CVB and wish the board continued success in all its efforts.

Sincerely,


Laci Gibbens

MOTION

Motion appointing or re-appointing _____ to the Convention and Visitors Bureau Advisory Board for a two-year term, effective February 10, 2026 – February 10, 2028.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

February 10, 2026

Convention & Visitors Bureau
Department

Memo

Date: January 28, 2026

To: Mike Kunst, City Manager

From: Divon Williams, Deputy CVB Director/Assistant to the City Manager

cc: Jay Trahan, Assistant City Manager/CVB Director

Re: Consider and possible action on an appointment to the CVB Advisory Board

The CVB Advisory Board consists of the following members:

	<u>Term Expires</u>
Brittney Chandler	7/9/2026
Ronnie A.E. Crockett Sr.	7/9/2026
Rusty Dollar	1/13/2028
Laci Gibbens	2/27/2026
Megan Layne	2/27/2026
Kimberly Manning	9/10/2026
Trisha Spears	5/27/2027

The following have submitted an application for appointment to the CVB Advisory Board:

Megan Layne

Print

Boards and Commissions Application - Submission #3487

Date Submitted: 1/16/2026



Boards and Commissions Application

Thank you for your interest in serving with the City of Orange. Please complete the following application to be considered for appointment to a city board or commission. Ensure all information is accurate and complete. You may also attach a resume, if you desire.

Applications are kept on file for one (1) year.

Board or Commission of Interest

(please check all boards or commissions for which you are applying):

- | | |
|--|---|
| <input type="checkbox"/> Board of Adjustment | <input type="checkbox"/> Historic Preservation Commission |
| <input type="checkbox"/> Citizens Advisory Committee | <input type="checkbox"/> Housing Authority Board |
| <input type="checkbox"/> Civil Service Commission | <input type="checkbox"/> Library Advisory Board |
| <input checked="" type="checkbox"/> Convention and Visitors Bureau Board | <input type="checkbox"/> Planning and Zoning Commission |
| <input type="checkbox"/> Economic Development Corporation | <input type="checkbox"/> Other |

If other, please specify:

THE FOLLOWING INFORMATION WILL BECOME PUBLIC AFTER APPLICATION IS SUBMITTED:

Personal Information

Name

Megan Layne

Date of Birth

4/12/1994

Home Address

1547 Bassett Street

City

Orange

State

Texas

Zip Code

77632

Phone Number

409-920-2230

Email Address

meganlayne22@gmail.com

Voter Registration Number**Years as a Resident of the City of Orange**

32

Availability

Are you available to attend regular meetings during the day?

 Yes No

Are you available to attend regular meetings during the evening?

 Yes No

Are there any conflicts that would affect your participation? If yes, please explain:

Employment and Community Involvement**Current Employer**

Orange County Economic Development Corporation

Profession

Executive Director

Relevant Work Experience

6 Years

Have you previously served on a City of Orange board or commission? If yes, please specify:

Yes, CVB Advisory Board

Do you have experience that qualifies you for service on a particular board or commission (i.e., licenses, degrees, certificates)?

Previous CVB Advisory Board Experience, Professional experience in grant review/allocation for Hotel Occupancy Tax for Orange County, BS Urban and Regional Planning

Community or Volunteer Activities:

Board member Greater Orange Area Chamber of Commerce, Board Member United Way of Orange County, Board Member The Foundation of Southeast Texas, Member Rotary Club of Orange, Member TEDC and IEDC

Qualifications and Statement of Interest

Why are you interested in serving on this board or commission?

Advancing and contributing to the activities of the City of Orange

What skills or experiences make you a strong candidate for this position?

Experience in grant review and allocation for Hotel Occupancy Tax Program, Work as Economic Development Director for Orange County has provided opportunity to support tourism and travel efforts in other parts of the County.

Upload Your Resume (Optional)

No file chosen

Personal References

Name 1

Jessica Hill

Relationship

Colleague/Friend

Address

350 Pine Street Beaumont, Texas

Phone Number

409-540-9330

Email Address

jhil@entergy.com

Name 2

Sydney Carr

Relationship

Personal Friend

Address

Phone Number

409-988-9737

Email Address

sydeynicole_w@yahoo.com

Qualifications for Appointment to City of Orange Boards and Commissions

The City of Orange policy establishes certain qualifications which must be met by all members of city boards and commissions. In addition to any special qualification for service on a particular board, a board member must:

1. Not be delinquent on any City taxes or utilities.
2. Be a qualified City of Orange voter at the time of appointment.
3. Have been a resident of Orange for at least six months before the date of appointment.
4. Have not been finally convicted of a felony.
5. Have not been determined mentally incompetent by a final judgement of court.

By signing below, I affirm that the information provided is accurate to the best of my knowledge. If appointed, I agree to fulfill the responsibilities of the position.

Electronic Signature

Megan E. Layne

Thank you for taking the time to complete this application. It will be helpful to the City Council in making appointments.

MOTION

Motion acknowledging receipt of the City's Quarterly Investment Report for the period ending December 31, 2025.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

February 10, 2026

**City of Orange, Texas
Investment Report
For the Quarter Ending December 31, 2025**

On September 12, 1995, the City Council adopted an investment policy in compliance with recently revised state law. This policy was last reviewed on July 23, 2024, Chapter 2256 Section 023 Subsection (b) of the Government Code requires that the Director of Finance shall prepare an investment report at least quarterly. The investment report must include a management summary and the detail as set forth in the Subsection (b).

Cash and Investment Summary

The following chart shows the change in the City investment portfolio over five quarters. Detailed information for each fund is attached.

<u>Cash and Investment Summary of all Funds</u>	12/31/2025	9/30/2025	6/30/2025	3/31/2025	12/31/2024
Cash/Investments- Purchase Cost (1)	38,625,730	39,644,165	42,164,515	45,315,262	33,715,739
Accrued Book Value (1)	38,625,730	39,644,165	42,164,515	45,315,262	33,715,739
Fair Value (1)	38,625,730	39,644,165	42,164,515	45,315,262	33,715,739
Maturity Value (1)	38,631,980	39,650,415	42,172,390	45,323,137	33,723,614
Average Length to Maturity	32.17	32.11	31.98	31.85	32.48
Annualized Rate of Return-Net of Fees	3.22%	3.92%	3.94%	3.46%	4.18%
<u>Percentage of Total Portfolio</u>					
Treasury Bills	0.00%	0.00%	0.00%	0.00%	0.00%
Certificates of Deposit	0.65%	0.63%	0.59%	0.55%	0.74%
Government Money Market Fund- Inst.	86.97%	88.91%	90.34%	89.65%	86.07%
Interest Bearing Checking - First Financial Bank	0.00%	0.00%	0.00%	0.00%	0.00%

City of Orange, Investment Report, December 31, 2025

<i>Interest Bearing Checking - Wells Fargo Bank</i>	12.38%	10.46%	9.07%	9.80%	13.19
<i>Breakdown of Portfolio by Account Type</i>					
<i>Government Money Market Fund- Inst.</i>	33,592,479	35,246,558	38,092,161	40,623,089	29,019,109
<i>Cash Balances (Covered by Collateral) (2)</i>	4,783,241	4,147,597	3,822,354	4,442,173	4,446,630
<i>CD's (Covered by Collateral)</i>	250,000	250,000	250,000	250,000	250,000
<i>Total Covered by Collateral</i>	38,625,730	39,644,165	42,164,515	45,315,262	33,715,739
<i>Collateral Pledged (Market)</i>	11,000,000	11,000,000	11,000,000	11,000,000	27,561,091

(1) *Cash and Investments - includes all cash accounts and investments.*

(2) *Cash Balances (Covered by Collateral) - includes all cash accounts.*

Performance

The Investment Policy specifies that the portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. As a benchmark we use the average yield rate for six month treasury bills. For the quarter ending December 31, 2025, the average rate of return on six month treasury bills was 3.63%. The City's annualized earnings rate was 3.22% which is slightly less than the average treasury bill rate and slightly less than last quarter. The City always attempts to receive the best rate that fits (1) investment policy provisions for portfolio split and (2) maturity dates to match payments or payrolls. The City's present rate annualized would equate to \$1,241,669 in earnings if we maintained the level of investments and yields we currently have. At the end of fiscal year 2025, the City had actual interest earnings of \$1,531,622.

The interest rate on six-month treasury bills was 3.50% on December 31, 2025, with the average for the quarter being 3.63%. During the last three years we have seen the average quarterly rate fluctuate from a low of 3.63% to a high of 5.29%. For the last twelve months the average six-month rate went from 4.26% to 3.63%. Rates are still on a slight downward trend but remain relatively stable.

<u>Quarter Ending Date</u>	<u>Average Interest Rate Per Quarter</u>	<u>Change</u>
12/31/2022	4.410%	1.490%
3/31/2023	4.750%	0.340%
6/30/2023	5.010%	0.260%
9/30/2023	5.290%	0.280%
12/31/2023	5.230%	-0.060%
3/31/2024	5.07%	-0.160%
6/30/2024	5.15%	0.08%
9/30/2024	4.73%	-0.42%
12/31/2024	4.26%	-0.47%
3/31/2025	4.14%	-0.12%
6/30/2025	4.10%	-0.04%
9/30/2025	3.94%	-0.16%
12/31/2025	3.63%	-0.31%

The 32.17 day average length to maturity, at the end of the quarter, is slightly more than the prior quarter. The City has now completed the first quarter for fiscal year 2026 and the rates are trending downward but remain relatively stable. Per the City's 2018 depository contract, the interest earnings rate was set at the WF Texas Managed Rate, which is set by Wells Fargo based on the T-bill along with other market factors. The current rate for this contract is now 0.48%. The City has earned \$311,394 for this fiscal year.

The City is taking advantage of the still relatively higher rates and utilizing the Wells Fargo Bank sweep account again to acquire better returns. Staff will continue to research various investment options for additional earnings for the future.

Compliance

Beginning October 1, 2022, the City began utilizing the Wells Fargo Sweep account option to earn

City of Orange, Investment Report, December 31, 2025

more interest. The City has some of its funds in interest bearing checking accounts to offset and reduce banking fees. The City also invested in a twelve-month certificate of deposit at First Financial Bank, which renewed in August 2025. This investment is now earning 2.50%, which is slightly less than last year. This rate is more than the interest bearing checking account current rate.

The investment policy specifies that the investments, in order of priority, be (1) suitable for the entity (2) provide for preservation and safety of principal (3) liquid (4) marketable if the need arises (5) diverse types of investments in the portfolio and (6) able to achieve a fair yield.

The City's present investments meet all the requirements. With the setting of percentage factors for portfolio investment types (within our Investment Policy as required by State Law) the City is striving to diversify its investments and still maximize the rate of return. The specific reason for the diversity of a portfolio is to eliminate the risk of loss from over concentration of assets in a specific maturity, specific issuer, or specific class of securities. The City will be evaluating options to obtain instruments backed by the full faith and credit of the federal government and to increase returns. The City's investments are not as diverse as they have been in the past, but the City intends to diversify the portfolio in the future.

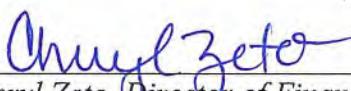
The City is currently in compliance with the Public Funds Investment Act. Although, the City is less diverse within the portfolio than suggested, it is staff's recommendation that this is the best course of action at this time.

The City Council will continue to receive financial information and the investment report on a quarterly basis.

Submitted by City of Orange Designated Investment Officers:



Michael Kunst, City Manager



Cheryl Zeto, Director of Finance

City of Orange, Investment Report, December 31, 2025

MOTION

Motion acknowledging receipt of the Orange Economic Development Corporation Financial Report for the quarter ending December 31, 2025.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

February 10, 2026

Orange Economic Development Corporation
Financial Summary Report
As of December 31, 2025

As of 12-31-25

Revenue Collected (fiscal year to date)	232,772.35
Expenditures (fiscal year to date)	(299,235.62)
Debt Service Payments (fiscal year to date)	-
Excess of Revenue over Expenditures	<u>\$ (66,463.27)</u>
Working Capital (Current assets - Current Liabilities)	\$ 5,994,096.35
Debt Service (due within one year)	<u>(444,450.00)</u>
Available Resources	\$ 5,549,646.35
Assigned to Projects (see project schedule)	(5,461,194.28)
Reserve	-
Unassigned, Available Resources	<u>\$ 88,452.07</u>

Economic Development Corporation
Project Status List as of December 31, 2025

Project Name	Date Approved	Budget Amount	Prior Year Expenditures & Adjustments	FY 2026 Current Year Expenditures	Adjustment/Forfeiture	Outstanding Project Balance	Project Status
Alfred Benesch & Company - UPRR quiet road extension	2/23/2021	30,000.00	(23,403.12)	(402.60)		6,194.28	active
Childs Mfg. & Building Supply, Inc	10/12/2021	300,000.00		(200,000.00)		300,000.00	active
Shoppes of Orange	6/28/2022	200,000.00		(46,222.75)	(3,777.25)	0.00	closed
SAFNX MOB Orange, LLC (formerly NexCore Christus Hospital)	1/14/2025	50,000.00				0.00	closed
Regan Holdings, LLC (Red Gator Rentals)	12/10/2024	120,000.00				120,000.00	active
Newton Core, LLC (Bowling Village Apartments)	1/14/2025	120,000.00				120,000.00	active
Childs Mfg. & Building Supply, Inc- addl cost for curb cut	1/28/2025	50,000.00				50,000.00	active
USG Paper, LLC -year one	1/28/2025	200,000.00				200,000.00	active
USG Paper, LLC -year two	1/28/2025	200,000.00				200,000.00	active
BCS Orange 7B, LLC - 7Brew	6/24/2025	350,000.00		(5,830.34)	(1,669.66)	350,000.00	active
Texas Vending Solutions	2/25/2025	7,500.00				0.00	closed
Bayou Café	6/10/2025	90,000.00	(90,000.00)			0.00	closed
Project CapStone - Retail Center	7/22/2025	2,000,000.00				2,000,000.00	active
Gloria Drive - partial road rehabilitation	8/12/2025	150,000.00				150,000.00	active
I-H-E-B Project at IH-10 and Hwy 87	8/26/2025	1,500,000.00				1,500,000.00	active
Gulf States Industries, LLC (STS Industrial)	12/9/2025	200,000.00				200,000.00	active
Cypresswood FlexPark, LP	12/9/2025	200,000.00				200,000.00	active
Newton Core, LLC (910 12th Street)	12/9/2025	40,000.00				40,000.00	active
Java Java, LLC		25,000.00				25,000.00	active
Reserved for HEB project (Sept 2023)	FY 2023	75,039.79					
Reserved for HEB project (Oct 2023- Sept 2024)	FY 2024	625,331.56					
Reserved for HEB project (Oct 2024- Sept 2025)	FY 2025	628,077.60					
Reserved for HEB project (Oct 2025- Sept 2026)	FY 2026	44,543.30					
		1,372,992.25					
Totals		5,832,500.00	(23,403.12)	(342,455.69)	(5,446.91)	5,461,194.28	



Trial Balance Listing

Through 12/31/25
Detail Listing
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance	Prior Year YTD Balance
Fund 099 - Economic Development Corporation						
ASSETS						
1108.004	Cash - Wells Fargo Debt Service Series 2016 EDC	.00	.00	.00	.00	15,411.35
1108.021	Cash - Wells Fargo EDC 2021 Ref. Bond I&S	101,508.16	32,259.33	.00	133,767.49	170,094.52
1112.001	Cash - Wells Fargo EDC	5,352,760.67	611,284.83	209,653.92	5,754,391.58	4,983,241.48
1119.002	Cash - First Financial Bank EDC	10.00	675.00	.00	685.00	10.00
1126.001	Investments	250,000.00	.00	250,000.00		250,000.00
1135.001	Accounts Receivable	7,973.78	.00	7,973.78	.00	.00
1150.001	Due from Others	402,798.03	.00	402,798.03	.00	.00
1166.001	Prepads	60,142.36	.00	2,642.36	57,500.00	72,500.00
1170.030	Accumulated Depreciation - Pavilion	(624,366.22)	.00	(624,366.22)	(573,729.92)	
1170.031	Accumulated Depreciation - Landscaping, Irrigation, Drives	(404,625.28)	.00	.00	(404,625.28)	(402,845.28)
1170.032	Accumulated Depreciation - Boardwalk	(2,532,780.24)	.00	.00	(2,532,780.24)	(2,327,419.68)
1170.033	Accumulated Depreciation - Restroom Building	(69,682.77)	.00	.00	(69,682.77)	(61,221.94)
1170.034	Accumulated Depreciation - Leasehold Improvements	(9,303.18)	.00	.00	(9,303.18)	(4,495.42)
1875.001	Land	871,059.00	.00	.00	871,059.00	
9175.002	Construction in Progress	23,403.12	.00	.00	23,403.12	365,699.34
2975.030	Pavilion	1,012,726.00	.00	.00	1,012,726.00	404,765.28
2175.031	Landscaping, Irrigation, Drives	404,765.28	.00	.00	404,765.28	6,160,816.66
1175.032	Boardwalk, Bank Stabilization	6,160,816.66	.00	.00	6,160,816.66	169,216.69
1175.033	Restroom Building	169,216.69	.00	.00	169,216.69	18,853.80
1175.034	Leasehold Improvements	38,206.74	.00	.00	38,206.74	
	ASSETS TOTALS	\$11,214,628.80	\$644,219.16	\$623,068.09	\$11,235,779.87	\$11,124,680.88
LIABILITIES AND FUND EQUITY						
LIABILITIES						
2201.001	Accounts Payable	(62,382.88)	289,577.62	367,194.74	(140,000.00)	(767.56)
2206.001	Retainage Payable	.00	.00	.00	.00	(34,891.29)
2208.001	Salaries Payable	(7,737.12)	52,837.74	62,834.96	(11,734.34)	
2220.001	Interest Payable	(17,845.11)	.00	.00	(17,845.11)	.00
2265.015	Compensated Absenses - Current Portion	(23,241.41)	.00	.00	(23,241.41)	(20,413.04)
2266.060	Bonds Payable - EDC Series 2021 Refunding Bonds	(2,370,000.00)	.00	.00	(2,370,000.00)	(23,580.55)
2266.061	Bonds Payable (Current Portion) -EDC 2021 Refunding Bonds	(335,000.00)	.00	.00	(335,000.00)	(2,720,000.00)
2266.062	Bonds Payable - EDC Series 2021 Refunding Bonds- Premium	(410,314.31)	.00	.00	(410,314.31)	(468,930.59)
2266.063	Deferred Loss of EDC 2021 Ref. Bond Issue	18,646.92	.00	.00	18,646.92	21,310.78
2269.001	Compensated Absenses Payable	(3,426.86)	.00	.00	(3,426.86)	(3,476.87)
	LIABILITIES TOTALS	(\$3,211,300.77)	\$342,415.36	\$430,029.70	(\$3,298,915.11)	(\$3,550,749.12)
FUND EQUITY	Invested in Capital Assets Net of Related Debt					
2297.001		.00	.00	.00	(1,942,768.41)	(2,165,803.72)



Trial Balance Listing

Through 12/31/25
Detail Listing
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance	Prior Year YTD Balance
Fund 099 - Economic Development Corporation						
2297.003	FUND EQUITY	(83,663.05)	.00	.00	(83,663.05)	(69,795.23)
2298.001	Restricted for Debt Service	(5,976,896.57)	.00	.00	(5,976,896.57)	(5,393,339.09)
	Net Assets	FUND EQUITY TOTALS	(\$8,003,328.03)	\$0.00	(\$8,003,328.03)	(\$7,628,938.04)
	LIABILITIES AND FUND EQUITY TOTALS	(\$11,214,628.80)	\$342,415.36	\$430,029.70	(\$11,302,243.14)	(\$11,179,687.16)
REVENUES						
3102	Department 000 - Revenue	.00	.00	178,173.21	(178,173.21)	
3141	Sales Tax	.00	.00	54,439.81	(54,439.81)	
3219	Interest Earned	.00	.00	.00	.00	(24.50)
3221	Interest Earnings EDC 2016 Tax Revenue	.00	.00	159.33	(159.33)	(223.10)
	Refunding Bonds					
	Interest Earnings- EDC 2021 Ref. Bond &S	.00	.00	\$232,772.35	(\$232,772.35)	(\$236,813.92)
	Department 000 - Revenue Totals	\$0.00	\$0.00	\$232,772.35	(\$232,772.35)	(\$236,813.92)
	REVENUES TOTALS	\$0.00	\$0.00	\$232,772.35	(\$232,772.35)	(\$236,813.92)
EXPENSES						
19010	Department 999 - Economic Development Corporation	.00	60,434.96	.00	60,434.96	47,175.36
4010	Salaries & Wages	.00	13,481.36	1,156.47	12,324.89	9,886.89
4060	Retirement Contributions	.00	10,569.44	.00	10,569.44	9,359.52
4061	Group Insurance	.00	5,226.73	482.18	4,744.55	3,797.43
4062	Social Security Contr.	.00	71.31	.00	71.31	297.40
4101	Office Supplies	.00	2,400.00	.00	2,400.00	2,100.00
4220	Vehicle Allowances	.00	.00	.00	.00	148.20
4224	Advertising	.00	1,539.11	.00	1,539.11	1,117.21
4230	Electricity Expense	.00	44.92	.00	44.92	.00
4231	Communications Expense	.00	5,385.00	.00	5,385.00	5,560.00
4232	Dues	.00	7,755.30	.00	7,755.30	3,852.72
4243	Legal Expense	.00	186.34	.00	186.34	121.80
4247	Water Utility Expense	.00	1,999.11	675.00	1,324.11	2,894.42
4260	Conference & Training	.00	342,455.69	150,000.00	192,455.69	205,509.25
4331	EDC Capital Projects City of Orange	\$0.00	\$451,549.27	\$152,313.65	\$299,235.62	\$291,820.20
	Department 999 - Economic Development Corporation Totals					
	EXPENSES TOTALS	\$0.00	\$451,549.27	\$152,313.65	\$299,235.62	\$291,820.20
Fund 099 - Economic Development Corporation		\$0.00	\$1,438,183.79	\$1,438,183.79	\$0.00	\$0.00
	Grand Totals	\$0.00	\$1,438,183.79	\$1,438,183.79	\$0.00	\$0.00



Budget Performance Report

Fiscal Year to Date 12/31/25
Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
Fund 099 - Economic Development Corporation										
REVENUE										
3102	Sales Tax	2,450,000.00	.00	2,450,000.00	178,173.21	.00	178,173.21	2,271,826.79	7	2,475,487.92
3141	Interest Earned	180,000.00	.00	180,000.00	17,112.22	.00	54,439.81	125,560.19	30	227,714.46
3219	Interest Earnings EDC 2016 Tax Revenue Refunding Bonds	.00	.00	.00	.00	.00	.00	.00	+++	45.87
3221	Interest Earnings- EDC 2021 Ref. Bond T&S	800.00	.00	800.00	54.52	.00	159.33	640.67	20	1,254.02
3291	Donations & Reimbursements	16,100.00	.00	16,100.00	.00	.00	.00	16,100.00	0	18,360.00
Department 000 - Revenue Totals		\$2,646,900.00	\$0.00	\$2,646,900.00	\$195,339.95	\$0.00	\$232,772.35	\$2,414,127.65	9%	\$2,722,862.27
REVENUE TOTALS		\$2,646,900.00	\$0.00	\$2,646,900.00	\$195,339.95	\$0.00	\$232,772.35	\$2,414,127.65	9%	\$2,722,862.27
EXPENSE										
4673	Department 990 - Non Budgeted Amortization Expense of Bond Premium	.00	.00	.00	.00	.00	.00	.00	.00	(55,952.42)
	Department 990 - Non Budgeted Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	(55,952.42)
Page 1 of 201	Department 998 - EDC - Debt Service									
4653	Interest Expense-EDC Series 2021 Refunding Bonds	109,450.00	.00	109,450.00	.00	.00	.00	109,450.00	0	122,632.07
4658	Bonds Paid EDC Series 2021 Refunding Bonds	335,000.00	.00	335,000.00	.00	.00	.00	335,000.00	0	.00
4663	Service Fees-EDC Series 2021 Refunding Bonds	500.00	.00	500.00	.00	.00	.00	500.00	0	350.00
Department 998 - EDC - Debt Service Totals		\$444,950.00	\$0.00	\$444,950.00	\$0.00	\$0.00	\$0.00	\$444,950.00	0%	\$122,982.07
Department 999 - Economic Development Corporation										
4010	Salaries & Wages	249,884.00	.00	249,884.00	28,757.92	.00	60,434.96	189,449.04	24	230,558.54
4060	Retirement Contributions	48,834.00	.00	48,834.00	5,776.04	.00	12,324.89	36,509.11	25	46,993.77
4061	Group Insurance	31,710.00	.00	31,710.00	2,642.36	.00	10,569.44	21,140.56	33	27,744.96
4062	Social Security Contr.	19,881.00	.00	19,881.00	2,187.77	.00	4,744.55	15,136.45	24	18,525.83
4064	Unemployment Compensation	126.00	.00	126.00	.00	.00	.00	126.00	0	45.00
4101	Office Supplies	750.00	.00	750.00	2.99	.00	71.31	678.69	10	1,067.04
4117	Postage	100.00	.00	100.00	.00	.00	.00	100.00	0	11.95
4125	Equipment	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	1,096.05
4140	Donation to principal City	.00	.00	.00	.00	.00	.00	.00	+++	565,592.00
4220	Vehicle Allowances	9,600.00	.00	9,600.00	800.00	.00	2,400.00	7,200.00	25	8,400.00
4221	Rentals	.00	.00	.00	.00	.00	.00	.00	+++	15,000.00
4222	Special Services	2,000.00	.00	2,000.00	.00	.00	.00	2,000.00	0	.00
4224	Advertising	2,000.00	.00	2,000.00	.00	.00	.00	2,000.00	0	1,030.20
4230	Electricity Expense	8,000.00	.00	8,000.00	389.57	4,667.33	1,539.11	1,793.56	78	4,777.38
4231	Communications Expense	1,000.00	.00	1,000.00	.00	(2.99)	44.92	958.07	4	8.97
4232	Dues	10,000.00	.00	10,000.00	.00	.00	5,385.00	4,615.00	54	9,160.00
4243	Legal Expense	35,000.00	.00	35,000.00	1,237.50	.00	7,755.30	27,244.70	22	27,297.72
4247	Water Utility Expense	2,000.00	.00	2,000.00	62.72	.00	186.34	1,813.66	9	669.90
4250	Audit Expense	10,000.00	.00	10,000.00	.00	.00	10,000.00	0	9,880.00	
4251	Consultant Expense	10,000.00	.00	10,000.00	.00	.00	10,000.00	0	.00	



Budget Performance Report

Fiscal Year to Date 12/31/25
Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	Encumbrances	YTD Transactions	Budget - YTD % Used/ Rec'd	Prior Year Total
Fund 099 - Economic Development Corporation									
EXPENSE									
4260	Department 999 - Economic Development Corporation	10,000.00	.00	10,000.00	39.27	.00	1,324.11	8,675.89	13 6,538.87
4270	Conference & Training	185,000.00	.00	185,000.00	.00	.00	.00	185,000.00	0 135,000.00
4328	City of Orange Staff Reimbursement	150,000.00	.00	150,000.00	.00	.00	.00	150,000.00	0 .00
4330	Other Capital Outlay	.00	.00	.00	.00	.00	.00	.00	.00
4331	EDC Economic Development Projects	3,000,000.00	.00	3,000,000.00	290,000.00	155,791.68	192,455.69	2,651,752.63	12 901,000.00
4590	EDC Capital Projects City of Orange	.00	.00	.00	.00	.00	.00	.00	.00
	Depreciation - Buildings EDC	.00	.00	.00	.00	.00	.00	.00	.00
	Department 999 - Economic Development Corporation	\$3,786,885.00	\$0.00	\$3,786,885.00	\$331,896.14	\$160,456.02	\$299,235.62	\$3,327,193.36	12% \$2,281,442.63
	Totals	\$4,231,835.00	\$0.00	\$4,231,835.00	\$331,896.14	\$160,456.02	\$299,235.62	\$3,772,143.36	11% \$2,348,472.28
Fund 099 - Economic Development Corporation Totals									
REVENUE									
4,231,835.00	REVENUE TOTALS	2,646,900.00	.00	2,646,900.00	195,339.95	.00	232,772.35	2,414,127.65	9% 2,722,862.27
	EXPENSE TOTALS	4,231,835.00	.00	4,231,835.00	331,896.14	160,456.02	299,235.62	3,772,143.36	11% 2,348,472.28
Fund 099 - Economic Development Corporation Totals									
Grand Totals									
REVENUE TOTALS									
2,646,900.00	REVENUE TOTALS	2,646,900.00	.00	2,646,900.00	195,339.95	.00	232,772.35	2,414,127.65	9% 2,722,862.27
EXPENSE TOTALS									
4,231,835.00	EXPENSE TOTALS	4,231,835.00	.00	4,231,835.00	331,896.14	160,456.02	299,235.62	3,772,143.36	11% 2,348,472.28
Grand Totals									
(\$1,584,935.00)		\$0.00	(\$1,584,935.00)	(\$1,584,935.00)	(\$136,556.19)	(\$160,456.02)	(\$66,463.27)	(\$1,358,015.71)	\$374,389.99

Payment Register

From Payment Date: 10/1/2025 - To Payment Date: 12/31/2025

Number EDC Operating - EDC Operating Account Check	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
4064	10/09/2025	Reconciled		10/23/2025	Accounts Payable	GERMER PLLC	\$3,822.50	\$3,822.50	\$0.00
4065	10/16/2025	Reconciled		10/31/2025	Accounts Payable	CITY OF ORANGE	\$60.90	\$60.90	\$0.00
4066	10/16/2025	Reconciled		11/03/2025	Accounts Payable	ENTERGY	\$83.83	\$83.83	\$0.00
4068	10/23/2025	Reconciled		11/05/2025	Accounts Payable	NexCore Companies LLC	\$46,222.75	\$46,222.75	\$0.00
4069	10/23/2025	Reconciled		11/19/2025	Accounts Payable	ORANGE COUNTY ECONOMIC DEVELOPMENT CORPORATION	\$5,000.00	\$5,000.00	\$0.00
4070	10/23/2025	Reconciled		10/31/2025	Accounts Payable	T Johnson Industries, Inc.	\$54,470.00	\$54,470.00	\$0.00
4071	10/30/2025	Reconciled		11/06/2025	Accounts Payable	CITY OF ORANGE EMPLOYEE BENEFIT TRUST	\$3,207.78	\$3,207.78	\$0.00
4072	10/30/2025	Reconciled		11/10/2025	Accounts Payable	ENTERGY	\$594.24	\$594.24	\$0.00
4073	10/30/2025	Reconciled		11/12/2025	Accounts Payable	GERMER PLLC	\$3,482.50	\$3,482.50	\$0.00
4074	11/13/2025	Reconciled		11/20/2025	Accounts Payable	CITY OF ORANGE	\$62.72	\$62.72	\$0.00
4075	11/13/2025	Reconciled		11/18/2025	Accounts Payable	JAY TRAHAN	\$647.00	\$647.00	\$0.00
4078	11/20/2025	Reconciled		12/01/2025	Accounts Payable	ENTERGY	\$413.31	\$413.31	\$0.00
4080	11/26/2025	Reconciled		12/09/2025	Accounts Payable	AT&T Mobility	\$46.70	\$46.70	\$0.00
4081	11/26/2025	Reconciled		12/05/2025	Accounts Payable	GERMER PLLC	\$6,517.80	\$6,517.80	\$0.00
4082	12/15/2025	Reconciled		12/23/2025	Accounts Payable	CITY OF ORANGE EMPLOYEE BENEFIT TRUST	\$3,207.78	\$3,207.78	\$0.00
Page 4083	12/31/2025	Open			Accounts Payable	CITY OF ORANGE EMPLOYEE BENEFIT TRUST	\$3,207.78		
12/18/2025	12/29/2025	Reconciled		12/29/2025	Accounts Payable	ENTERGY	\$389.57	\$389.57	\$0.00
12/18/2025	12/29/2025	Reconciled		12/29/2025	Accounts Payable	GERMER PLLC	\$1,237.50	\$1,237.50	\$0.00
12/18/2025	Open				Accounts Payable	UNION PACIFIC RAILROAD COMPANY	\$402.60		

Payment Register

City of Orange, TX

From Payment Date: 10/1/2025 - To Payment Date: 12/31/2025

MOTION

Motion acknowledging receipt of the Orange Economic Development Corporation Investment Report for the quarter ending December 31, 2025.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

February 10, 2026

Orange Economic Development Corporation

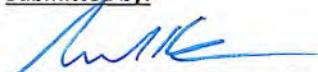
Investment Report

For the Quarter Ended December 31, 2025

	Current Quarter 12/31/2025	Prior Quarter 9/30/2025		
Investments:				
Investment Purchase Cost	\$250,000.00		\$250,000.00	
Accrued Book Value	\$250,000.00		\$250,000.00	
Present Market Value	\$250,000.00		\$25,000.00	
Maturity Value	\$256,250.00		\$256,250.00	
Purchase Date	8/13/2025		8/13/2025	
Maturity Date	8/13/2026		8/13/2026	
Yield - %	2.50%		2.50%	
Earnings on Investments at Maturity	\$6,250.00		\$6,250.00	
Annualized Earnings	\$6,250.00		\$6,250.00	
Average Length to Maturity	365		365	
Average Rate of Return	2.50%		2.50%	
Quarterly Trust Fee	\$0.00		\$0.00	
Annualized Rate of Return - Net	2.50%		2.50%	
Cash & Cash Equivalents:				
Cash - Demand Accounts	\$254,119.80		\$0.00	
Government Money Market Fund - Inst.	\$5,634,724.21		\$5,446,687.30	
Collateral Pledged (Market) for Demand Accounts & FDIC	\$500,000.00		\$500,000.00	
Quarterly Interest Earned on Demand Accounts	\$54,599.14		\$57,896.12	
Average Monthly Cash Balance	\$6,019,828.82		\$5,940,804.44	
Average Annualized Earnings on Demand Accounts	\$218,996.55		\$232,220.70	
Average Annualized Rate for Demand Accounts	3.64%		3.91%	
Average Annualized Rate of Return - Adj.	3.59%		3.85%	
Breakdown by Account Type:				
Demand Account (checking)	\$254,119.80	4.14%	\$0.00	0.00%
Government Money Market Fund - Inst.	\$5,634,724.21	91.79%	\$5,446,687.30	95.61%
Certificates of Deposit	\$250,000.00	4.07%	\$250,000.00	4.39%
Total of Cash & Investments	\$6,138,844.01		\$5,696,687.30	
Breakdown by Issuer:				
Wells Fargo Bank	\$254,119.80	4.14%	\$0.00	0.00%
Wells Fargo Asset Management	\$5,634,724.21	91.79%	\$5,446,687.30	95.61%
First Financial Bank	\$250,000.00	4.07%	\$250,000.00	4.39%
Total Cash & Investments	\$6,138,844.01		\$5,696,687.30	
Breakdown by Maturity:				
Less than 90 days	\$5,888,844.01	95.93%	\$5,446,687.30	95.61%
90 days to 180 days	\$0.00	0.00%	\$0.00	0.00%
181 days to 365 days	\$250,000.00	4.07%	\$250,000.00	4.39%
Total Cash & Investments	\$6,138,844.01		\$5,696,687.30	

The Orange Economic Development Corporation is currently in compliance with the Public Funds Investment Act. The EDC Board will continue to receive quarterly investment reports.

Submitted by:



Mike Kunst, City Manager



Cheryl Zeto, Finance Director

MOTION

Motion to approve the placement of a Peace Pole from the Rotary Club of Orange, Texas at Sunset Park at a mutually agreed upon location. The City of Orange agrees to install and maintain the pole for a reasonable period.

Larry Spears Jr., Mayor

ATTEST:

Patricia Anderson, City Secretary

February 10, 2026

Rotary Club of Orange, TX.

Mike Kunst
City Manager
City of Orange
Orange, Texas

Dear Mr. Kunst,

On behalf of Rotary and in support of our shared commitment to community pride and public service, I am writing to formally request permission to install a **Rotary Peace Pole** at **Sunset Park**, specifically near the **south side parking area**.

As we discussed during our recent site visit, the location was reviewed in person by **you, Suzie Davis (Rotary Committee Chair), and me**, and we all agreed it is a perfect place for this display. The Peace Pole will serve as a visible and lasting message of unity and goodwill for our residents and visitors.

The Peace Pole will display the message:

“May Peace Prevail on Earth”

in four languages that reflect the diversity of our community and region:

- **English**
- **Spanish**
- **French**
- **Vietnamese**

In addition, during our discussion, it was understood that the City of Orange would accept responsibility for the maintenance and upkeep of the Peace Pole for a reasonable period, ensuring it remains a positive, well-kept feature of Sunset Park for years to come.

If approved, we will coordinate with the appropriate city departments to ensure the installation is completed safely, professionally, and in a manner consistent with city standards.

Thank you for your time and for your continued support of projects that strengthen community spirit and promote peace. Please let me know if you would like any additional details, documentation, or a sketch of the proposed placement.

Respectfully,

Paul Dickerson
409-233-9204
paul@orangestationer.com

President / Rotary Club of Orange 2025-2026



With this Peace Pole planted in Timore-Leste, there is now a Peace Pole in EVERY COUNTRY on earth!

The Global Rotary Peace Pole Project

History of Peace Poles

It is believed that there have been over 200,000 peace poles planted over the years. The first poles were planted in Ishikawa, Japan after the bombing of Hiroshima in WWll. The message of "May Peace Prevail on Earth" has resonated on every continent and in every major city in the world.

Why Plant a Peace Pole?

Planting a Peace Pole is a way of bringing communities together to inspire, awaken and uplift the human consciousness. It is an uplifting project for any community, organization or your home. Peace Poles are now recognized as the most prominent international symbol and monument to peace. They remind us to think, speak and act in the spirit of peace and harmony. They stand as a silent visual for peace to prevail on our planet.

There is now a Peace Pole in EVERY COUNTRY on Earth

The District 5100 Rotary Peace Pole Project

Three year ago, on the International Day of Peace, Rotary District 5100 set out to plant 100 Peace Poles in Northern Oregon and Southern Washington. In actuality, 128 Peace Poles were planted that day. At the end of 2023, over 500 Peace Poles have been installed.

The Peace Pole Ceremony



An important part of the Peace Pole planting is the Peace Pole Ceremony. The ceremonial gathering brings the community together and can include interfaith peace activities, concerts, tree plantings, exhibitions, speeches, picnics and activities for children.

Larry Strober

Rotary Peace Pole Project
lsstrober@gmail.com

(415) 720-8262



Rotary International President **Stephanie A. Urchick - 2024-2025**

