

William A. 'Bert' Miller, III
Mayor
Bernie Gessner
Mayor Pro-Tem
Josh M. FultzCouncilmember



James Harris
Councilmember
Pattie Pederson
Councilmember

**NOTICE OF MEETING OF THE GOVERNING BODY OF THE
CITY OF NAVASOTA, TEXAS
FEBRUARY 12, 2024**

Notice is hereby given that a Special Meeting of the governing body of the City of Navasota will be held on the 12th of February, 2024 at 4:30 PM at the City Hall in the City Council Chambers, Room No. 161, located at 200 E. McAlpine Street, Navasota, Texas 77868, at which time the following subjects will be considered, to wit:

To watch the City Council meeting live please visit the City of Navasota's Youtube here: <https://www.youtube.com/channel/UCltnx7BQt0TCIYJRiZ14g5w>

- 1 Call to Order.
- 2 Workshop discussion regarding developer partnership with Navasota ISD and City of Navasota. [Jason Weeks, City Manager]
- 3 Workshop discussion regarding the need for a future change order related to the 2020 Utility & Street Capital Improvement Project. [Jon MacKay, Graduate Engineer]
- 4 Adjourn.

DATED THIS

/JW/

BY: JASON WEEKS, CITY MANAGER

I, the undersigned authority, do hereby certify that the above notice of meeting of the governing body of the CITY OF NAVASOTA, is a true and correct copy of said notice and that I posted a true and correct copy of said notice in the glass bulletin board, in the foyer, on the south side of the Municipal Building as well as in the bulletin board on the north side of the Municipal Building of the City of Navasota, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted on at 12:00 AM and will remain posted continuously for at least 72 hours preceding the scheduled time of said meeting. Agendas may be viewed at www.navasotatx.gov.

The City Council reserves the right to convene in Executive Session at any time deemed necessary for the consideration of confidential matters under the Texas Government Code, Sections 551.071-551.089.

DATED THIS

/SMH/

BY: SUSIE M. HOMEYER, CITY SECRETARY

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (936) 825-6475 OR (936) 825-6408 OR BY FAX AT (936) 825-2403.



REQUEST FOR CITY COUNCIL WORKSHOP AGENDA ITEM #2

<p>Agenda Date Requested: <u>February 12, 2024</u></p> <p>Requested By: <u>Jason Weeks, City Manager</u></p> <p>Department: <u>Administration</u></p> <p><input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance</p> <p>Exhibits: <u>Presentation</u></p>	<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th colspan="2" style="text-align: center; padding: 5px;">Appropriation</th></tr></thead><tbody><tr><td style="padding: 5px;">Source of Funds:</td><td style="padding: 5px;"><u>N/A</u></td></tr><tr><td style="padding: 5px;">Account Number:</td><td style="padding: 5px;"><u>N/A</u></td></tr><tr><td style="padding: 5px;">Amount Budgeted:</td><td style="padding: 5px;"><u>N/A</u></td></tr><tr><td style="padding: 5px;">Amount Requested:</td><td style="padding: 5px;"><u>N/A</u></td></tr><tr><td style="padding: 5px;">Budgeted Item:</td><td style="padding: 5px;"><input type="radio"/> Yes <input checked="" type="radio"/> No</td></tr></tbody></table>	Appropriation		Source of Funds:	<u>N/A</u>	Account Number:	<u>N/A</u>	Amount Budgeted:	<u>N/A</u>	Amount Requested:	<u>N/A</u>	Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No
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Source of Funds:	<u>N/A</u>												
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Amount Budgeted:	<u>N/A</u>												
Amount Requested:	<u>N/A</u>												
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No												

WORKSHOP AGENDA ITEM #2

Workshop discussion regarding developer partnership with Navasota ISD and City of Navasota.

SUMMARY & RECOMMENDATION

Kept Property Group (“Developer”) has approached the City of Navasota and Navasota ISD proposing a rental development near the corner of Wades Way and Stacey Street on NISD property. The City and NISD leadership have agreed that affordable rental properties are needed in the community to accommodate NISD and City employees as well as other Navasota Chamber of Commerce members.

The Developer is seeking a public-private partnership to address some of the urgent needs for affordable housing in Navasota. To be able to bring this type of housing amenity to Navasota, the Developer has been creative in developing a funding system that would lead to a win-win for NISD/City and the Developer. The land is owned by NISD, and they do not plan to utilize this property in the future. Additionally, some of this land is located in the flood plain and would need to be remediated prior to building living structures and the other portion is in the floodway, which no residential type structures can be built.

The plan is for the Developer to build approximately 21 one-to-two-bedroom units on Stacey Street and at the corner of Stacey and Wades Way. They are asking for tax abatements, waiving of fees, and rental guarantees to assist in offsetting the development costs of the project. The Developer will be attending this meeting to present their proposal to the City Council at the workshop. Additionally, they met with the NISD Board on January 22nd and presented to the Board of Trustees their development proposal.

ACTION REQUIRED BY CITY COUNCIL

Receive presentation from developer and engage in discussions with developer about proposed development.

Approved for the City Council meeting agenda.



Jason B. Weeks, City Manager

2/6/24

Date



Hillside Cottages Development Proposal

Prepared By:

Jesse Durden

979.429.0425

jesse.durden@caprocktx.com

DISCLAIMER

THIS IS A CONFIDENTIAL SUBMISSION INTENDED SOLEY FOR DISCUSSION RELATED TO PROVIDING THE DEVELOPMENT INCENTIVES FOR THE PROJECT DESCRIBED HEREIN. BY YOUR RECEIPT OF THIS PROPOSAL, YOU AGREE THAT THIS SUBMISSION AND THE INFORMATION CONTAINED HEREIN, TOGETHER WITH ANY OTHER ADDITIONAL INFORMATION SUBMITTED TO YOU, IS OF A CONFIDENTIAL NATURE. BY YOUR RECEIPT OF THIS CONFIDENTIAL SUBMISSION, YOU AGREE THAT YOU WILL HOLD AND TREAT IT IN THE STRICTEST OF CONFIDENCE, AND THAT YOU WILL NOT, DIRECTLY, OR INDIRECTLY, DISCLOSE OR PERMIT ANYONE ELSE TO DISCLOSE THIS SUBMISSION OR ANY PART OF ITS CONTENTS TO ANY OTHER PERSON, FIRM OR ENTITY WITHOUT PRIOR AUTHORIZATION FROM KEPT PROPERTY GROUP. BY YOUR RECEIPT OF THIS SUBMISSION, YOU AGREE THAT YOU WILL NOT USE OR PERMIT TO BE USED THIS MEMORANDUM OR ANY PART OF THE CONTENTS IN ANY FASHION OR MANNER DETRIMENTAL TO, OR IN CONFLICT WITH, THE INTERESTS OF KEPT PROPERTY GROUP. KEPT PROPERTY GROUP HAS PREPARED THIS CONFIDENTIAL SUBMISSION WHICH CONTAINS BRIEF, SELECTED INFORMATION PERTAINING TO THE BUSINESS AND AFFAIRS OF THE PROPOSED PROJECT. IT DOES NOT PURPORT TO BE ALL-INCLUSIVE OR TO CONTAIN ALL OF THE INFORMATION THAT YOU MAY DESIRE. KEPT PROPERTY GROUP MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THIS CONFIDENTIAL SUBMISSION OR ANY OF ITS CONTENTS, AND NO LEGAL LIABILITY IS ASSUMED OR TO BE IMPLIED, BY KEPT PROPERTY GROUP WITH RESPECT THERETO. THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR INFORMATIONAL PURPOSES TO ASSIST AN INTERESTED PARTY IN DETERMINING WHETHER TO PROCEED WITH AN IN-DEPTH INVESTIGATION OF THIS OPPORTUNITY.

FOR ADDITIONAL INFORMATION REGARDING THIS OPPORTUNITY, PLEASE CONTACT THE UNDERSIGNED:

KEPT PROPERTY GROUP, LLC

Jesse Durden

1555 Greens Prairie Rd

College Station, TX 77845

Phone: 979-492-0425

jesse.durden@caprocktx.com

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Dr. Stu Musick
Navasota Independent School District
PO Box 511 Navasota, Texas 77868
VIA Email at musicks@navasotaisd.org

Dear Dr. Musick,

I am pleased to present Kept Property Group's ("KPG") proposal for the development of Hillside Cottages, located on NISD's property near the corner of Wades Way and Stacey Street. Attached are the detailed plans encompassing the acquisition process, the development strategy, and the proposed lease opportunity tailored for Navasota ISD.

At Kept Property Group, we are passionate about innovation, and we recognize the pivotal role that public-private partnerships play in addressing the challenge of providing affordable housing in rural areas with limited housing options. Our proposal is designed to offer Navasota a unique opportunity to attract and retain valuable educators through housing solutions. By partnering with Kept Property Group, Navasota ISD stands to significantly enhance the quality of teaching within the District, while also helping to address the critical issue of teacher retention.

In summary, our public-private partnership presents a promising solution to the urgent need for affordable housing in Navasota. By collaborating with Kept Property Group, Navasota ISD can elevate the quality of the education it provides, generate new revenue through property taxes, while also addressing the housing needs of its educators and staff. We believe the benefits of this partnership extend beyond the school district to benefit the community, ensuring a stronger and more sustainable future for Navasota.

We are eager to discuss this proposal further and explore how this partnership can bring lasting benefits to Navasota ISD and the greater Navasota community. Thank you for considering our proposal, and we look forward to the opportunity to collaborate on a successful and mutually beneficial endeavor.

Sincerely,

Jesse Durden
President

Kept Property Group is excited to present this proposal for the development of Hillside Cottages. This package outlines the guidelines under which the property will be used for the development, construction and lease of up to 21 cottages for the Navasota Independent School District and the City of Navasota.

Public-private partnerships are at the forefront of innovation, addressing the challenge of providing available and affordable housing in rural areas where housing is scarce. These partnerships offer public entities, such as the Navasota Independent School District and the City of Navasota, an opportunity to attract and retain teachers and staff who had to seek employment elsewhere due to the lack of housing within city limits. Moreover, these collaborations enable taxing entities to capitalize on previously untaxed properties. Additionally, the cost of entry for most public entities is low, as they already possess the necessary resource: land.

This package outlines our plan to execute a residential development containing 21 units with many of the units available for long-term lease at below market rates.

The land located at the corner of Wades Way and Stacey Street is currently vacant and owned by the Navasota Independent School District.

Our development team has extensive experience in real estate development and construction. We believe this project presents a unique partnership which will aid the community by providing new, well-built, attractive, and affordable housing for its teachers and staff.

We appreciate your consideration and look forward to moving through the approval process and to begin construction.

Meeting The Needs of NISD:

Housing affordability and availability remain pervasive issues across the United States. As stated by Becky Pringle, President of the National Education Association, many teachers cannot afford to live where they work, adversely affecting the quality of students' education and leading to faster burnout and turnover within school districts. By engaging in a private-public partnership with Kept Property Group to provide specialized housing, Navasota ISD can ensure the attraction and retention of quality educators for the District. Offering subsidized housing to new employees especially young ones, allows them to live in the same community where they work, reducing travel time and expense, and allowing an even greater focus on meeting the educational needs of the community.

Benefits for Taxing Entities:

Public-private partnerships empower taxing entities to capitalize on previously untapped property tax collection opportunities. By transferring this property owned by Navasota ISD to Kept Property Group, taxing entities would then be able to collect their respective property taxes annually. For example, if KPG received a full tax abatement on 12 units leased by the City of Navasota or Navasota ISD, taxing entities could still collect approximately \$38,000 annually in property taxes on the remaining units constructed and sold or rented at fair market value. The annual increase in land value also benefits the taxing entities, further boosting property tax revenue over time.

Cost of Entry:

The cost of entry for Navasota ISD is not prohibitive. According to the Navasota ISD website, the starting salary for a teacher is \$50,000, while the land to be transferred to Kept Property Group is approximately valued at \$120,000—equivalent to 2.4 times one single teacher's salary. Spending the equivalent of two teachers' salaries to potentially hire and house ten new teachers represents a low opportunity cost, especially considering the property is already owned by the school district.

Kept Property Group is led by commercial and residential development experts who've spent many years building local relationships, executing successful development plans, and delivering one-of-a-kind projects. Kept Property Group is determined to redefine the art of residential development in Southeast Texas and the Texas Hill Country.

There truly is an art to planning communities with character, movement and heart. The foundation of the community isn't only about constructing homes. More than ever, people are yearning to build relationships with each other and enjoy the outdoors.

All of our communities, each uniquely crafted, are thoroughly planned and provide desirable attributes that make choosing that community an easy decision. Our communities have prime locations and ample amenities.

With each project we take on, our goal is to create lasting and meaningful communities for all generations.





FEBRUARY 2024

EXECUTIVE DEVELOPMENT AND
INCENTIVE AGREEMENT



MARCH 2024

PROCURE PROPERTY



JUNE 2024

RECEIVE DEVELOPMENT PERMITS



JULY 2024

LAND DEVELOPMENT AND UTILITY
CONNECTIONS



AUGUST 2024

BEGIN UNIT CONSTRUCTION



DECEMBER 2024

UNIT CONSTRUCTION COMPLETE



JANUARY 2025

FINAL INSPECTIONS COMPLETE
AND UNITS READY FOR MOVE-IN

Incentive #1:

As previously mentioned, this project presents a unique opportunity to aid Navasota Independent School District's teachers and staff members. That being said, this project's below-market rent rates cannot be achieved without the subject property being transferred to Kept Property Group, LLC at no cost.

Incentive #2:

As we construct and complete these 21 units, both the land value and real property value will increase dramatically. We are asking for a full tax abatement on the units to be leased by the Navasota Independent School District and/or the City of Navasota, both during construction and once complete.

Incentive #3:

We respectfully request waivers of all city and county fees related to platting, building permits, water taps, and other related fees applicable to building a project of this nature.

EXHIBIT 1: LOI DRAFT



Date

Dr. Stu Musick
Navasota Independent School District
PO Box 511 Navasota, Texas 77868

VIA Email at musicks@navasotaisd.org

**RE: LETTER OF INTENT TO DEVELOP APPROXIMATELY 3.3 ACRES CONTAINING THE PARCELS LISTED IN
"EXHIBIT A" FOR THE PURPOSE OF PROVIDING RESIDENTIAL HOUSING WITH UNITS TO BE
LEASED BY THE NAVASOTA INDEPENDENT SCHOOL DISTRICT AS WELL AS THE CITY OF
NAVASOTA.**

Dr. Musick:

I am pleased to present this Letter of Intent ("LOI") to outline the basic terms upon which my company, **Kept Property Group, LLC** ("Developer"), will develop parcels and construct 24 single family residences contained on approximately 3.3 acres of the property located at teh Corner of Wades Way and Stacey Street.

This letter is intended only to reflect the general intent of the parties and is non-binding on either party.

Landlord **Kept Property Group, LLC, and /or Assigns.**

Tenant: **Navasota Independent School District and/or the City of Navasota**

Guarantor: The Navasota Independent School District and/or the City of Navasota shall guarantee the lease of a minimum of 10 units for the first 10 years. The total amount of these personal guarantees shall be reduced by each timely base rent payment.

Permitted Use: Housing for Navasota Independent School District and the City of Navasota staff and employees.

Premises: Approximately 10,200 square feet of residential living space distributed amongst 10 units. 5 units shall contain one bedroom, one and one-half bathroom and 5 units shall contain two bedrooms and two bathrooms.

Property: Defined as Tenant's Premises, Common Areas and Parking Areas on the to be-developed civil Site Plan for the 10 designated units.

Premises Delivery Date: Premises Delivery shall occur within Three Hundred Sixty-Five (365) days from Execution of a Development and Incentive Agreement between KPG and NISD.

Rent Commencement Date: Thirty (30) days following the Premises Delivery Date.

Base Lease Term: 10 (10) years

Options: One (1) extension term of Five (5) years, to be exercised by written notice Ninety (90) days prior to the end of the then current term. A fair market rate will be negotiated at that time.

Base Annual Minimum Rent: Base rent shall be calculated utilizing comparable rental rates as well as adjustments for use and location. The annual rental rate shall increase by 10% or fair market value for years 6-10.

Using these values, the corresponding base rent rates would be:

<u>Year(s)</u>	<u>Yearly Rate Per Unit</u>
1-5	\$17,400 TBD
6-10	\$19,140 TBD

Tenant shall pay for all Common Area Maintenance, Property Management Fees, Property Taxes and Property Insurance for the Premises in a timely manner. Tenant shall provide Landlord proof of timely payment for Property Taxes and Insurance.

Delivery of Landlord's Plans:

Landlord shall deliver to Tenant, within Ten (10) days of the date of the execution of this Letter of Intent, plans for the construction of the Premises.

Tenant's Work:

None.

Utilities:

Landlord shall provide a separate meter/service for all of Tenant's utilities. Fees such as tap fees and meter fees for the initial construction of the Premises shall be waived. Utility deposits and other usage fees are the sole cost of the Tenant. Utility accounts during construction are to be owned and paid for by Landlord. Garbage fees shall be Tenant's responsibility.

Landlord's Maintenance:

Landlord shall maintain all exterior parts of the building and landscaping.

Exclusive Use & Restriction:

TBD

Expiration of Proposal:

This proposal shall expire four weeks from the date of this Letter.

Please note, this Letter is not a contract between the parties and the terms and conditions set forth herein shall not constitute a final or binding agreement between them until and unless said parties have executed a formal legal document. If the above proposal is deemed acceptable, please indicate so by authorizing this document in the below designated area.

We look forward to working with you. If you have any questions please feel free to contact me at 979.255.8987.

Sincerely,



Jesse Durden
President

Kept Property Group, LLC

AGREED AND ACCEPTED:

LANDLORD:

Kept Property Group, LLC and/or its Assigns
By: _____
Name: Jesse Durden, Manager
Date: _____

TENANT:

Navasota Independent School District
By: _____
Dr. Stu Musick
Date: _____

EXHIBIT 2: PARCELS TO BE DEVELOPED

EXHIBIT 2 – PARCELS TO BE DEVELOPED

- Parcel 1 – R21225 (CEDAR BROOK SEC 2, LOT 1)
- Parcel 2 – R21226 (CEDAR BROOK SEC 2, LOT 2)
- Parcel 3 – R21227 (CEDAR BROOK SEC 2, LOT 3)
- Parcel 4 – R21228 (CEDAR BROOK SEC 2, LOT 4)
- Parcel 5 – R21229 (CEDAR BROOK SEC 2, LOT 5)
- Parcel 6 – R21230 (CEDAR BROOK SEC 2, LOT 6)
- Parcel 7 – R21231 (CEDAR BROOK SEC 2, LOT 7)
- Parcel 8 – R21232 (CEDAR BROOK SEC 2, LOT 8)
- Parcel 9 – R21233 (CEDAR BROOK SEC 2, LOT 9)
- Parcel 10 – R21234 (CEDAR BROOK SEC 2, LOT 10)
- Parcel 11 – R2135 (CEDAR BROOK SEC 2, LOT 11)
- Parcel 12 – R21236 (CEDAR BROOK SEC 2, LOT 12)
- Parcel 13 – R21237 (CEDAR BROOK SEC 2, LOT 13)
- Parcel 14 – R21238 (CEDAR BROOK SEC 2, LOT 14)
- Parcel 15 – R21239 (CEDAR BROOK SEC 2, LOT 15)

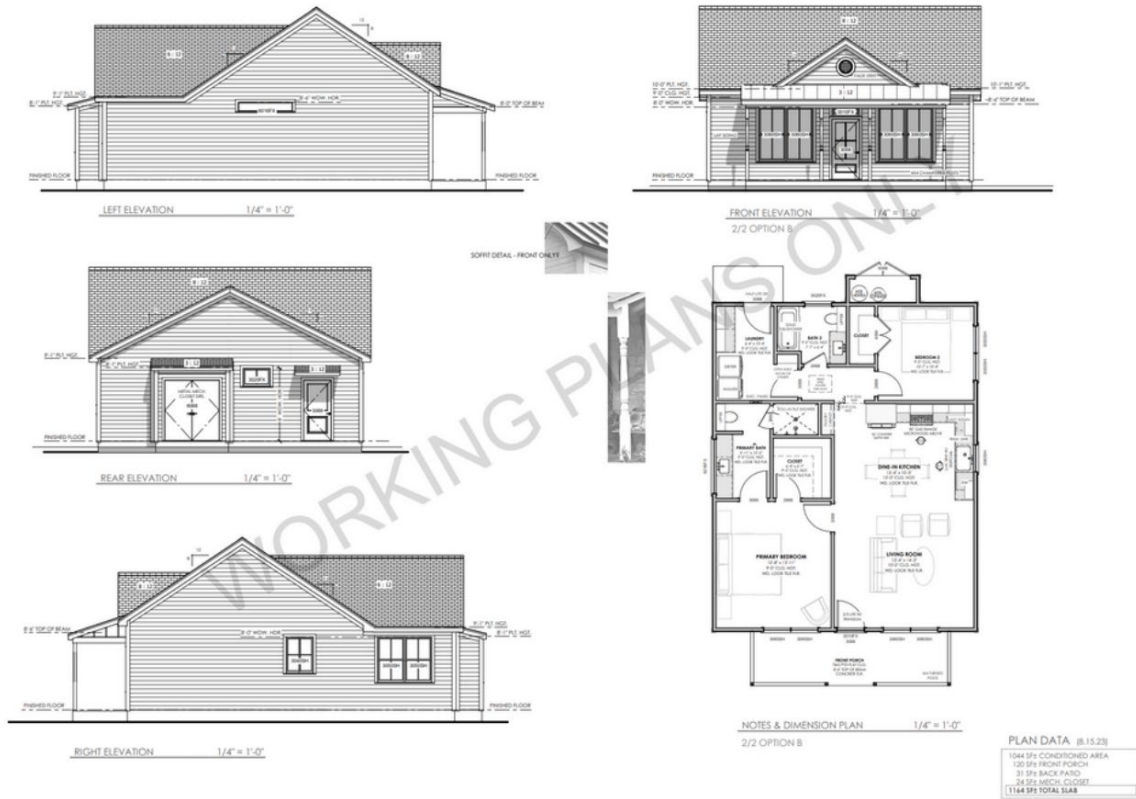


EXHIBIT 3: PRELIMINARY SITE PLAN



EXHIBIT 4:
EXAMPLES OF PREVIOUS
CONSTRUCTION AND
UNIT LAYOUT

EXHIBIT 4 – EXAMPLES OF PREVIOUS CONSTRUCTION AND UNIT LAYOUT





NOTES & DIMENSION PLAN
1/1.5 OPTION B
1/4" = 1'-0"

PLAN DATA (82323)	
1011 SF± CONDITIONED AREA	
91 SF± FRONT PORCH	
38 SF± BACK PORCH	
32 SF± MECH. CLOSET	
1172 SF± TOTAL SLAB	

Kept PROPERTY GROUP



REQUEST FOR CITY COUNCIL WORKSHOP AGENDA ITEM #3

Agenda Date Requested: <u>February 12, 2024</u>	Appropriation
Requested By: <u>Jon MacKay, Grad. Engineer</u>	Source of Funds: <u>N/A</u>
Department: <u>Public Works</u>	Account Number: <u>N/A</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted: <u>N/A</u>
	Amount Requested: <u>N/A</u>
	Budgeted Item: <input type="radio"/> Yes <input checked="" type="radio"/> No

Exhibits: None

WORKSHOP AGENDA ITEM #3

Workshop discussion regarding the need for a future change order related to the 2020 Utility & Street Capital Improvement Project.

SUMMARY & RECOMMENDATION

The 2020 Utility & Street Capital Improvement Project (CIP) needs to make contract change orders to add valves and stops into the old water pipes. Staff wanted to update the council on this future request to allow the City Council the opportunity to learn about how and why we're doing this and the cost impacts this will have on the total project. This large CIP project has found a mixture of undocumented connections in intersections, buried/abandoned valves, and broken valves in the system. To keep progress going to paving, staff need to get this work scheduled quickly. Therefore, staff want to bring a workshop item to Council on February 12th to answer any questions you may have. If there are no concerns, staff will bring this change order request forward at a future Council meeting as an action item.

ACTION REQUIRED BY CITY COUNCIL

Discussion about future change order needed for the Utility & Street CIP Project.

Approved for the City Council meeting agenda.


Jason B. Weeks, City Manager

2/6/24

Date