

RICHARD WARREN, PRESIDENT

MIKE COOKSLEY, VICE-PRESIDENT

JAY MARTIN, BOARD MEMBER

CHUCK ENGELKEN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER

RANDY WOODARD, BOARD MEMBER

NANCY OJEDA, BOARD MEMBER

CITY OF LA PORTE DEVELOPMENT CORPORATION MEETING AGENDA

Notice is hereby given of a meeting of the City of La Porte Development Corporation to be held on July 7, 2015, at the City Hall Council Chambers, 604 W. Fairmont Parkway, La Porte, Texas, beginning at 5:00 PM to consider the following items of business:

- 1. CALL TO ORDER**
- 2. AUTHORIZATIONS**
 - (a) Consider approval or other action regarding minutes of the meeting of the La Porte Development Corporation Board held on June 1, 2015 - P. Fogarty
- 3. DISCUSSION OR OTHER ACTION**
 - (a) Discussion and possible action regarding the use of Workforce Development Funds - S. Livingston
 - (b) Discussion and possible action regarding the current state of retail development, and future opportunities for retail development - S. Livingston
 - (c) Discussion and possible action regarding expansion of the boundaries of the La Porte Enhancement Grant Program and transferring \$107,669.00 from the La Porte Development Corporation General Fund Balance to Capital Improvement Projects Account 015-9892-993 - S. Livingston
 - (d) Discussion and possible action regarding the proposed budget for La Porte Development Corporation Board for Fiscal Year 2015-2016 - S. Livingston
 - (e) Discussion and possible action regarding additional incentive programs - S. Livingston
- 4. SET DATE FOR NEXT MEETING**
- 5. STAFF REPORTS**
 - (a) Receive Financial Report - M. Dolby
- 6. Board member comments regarding matters appearing on agenda; Recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.**
- 7. Adjourn**

The La Porte Development Corporation Board reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551,

of the Texas Government Code (the Texas open meetings laws).

In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.

CERTIFICATION

I certify that a copy of the July 7, 2015, agenda of items to be considered by the Board of the La Porte Development Corporation was placed on the City Hall Bulletin Board on June 30, 2015.

Patrice Fogarty

Patrice Fogarty, City Secretary

RICHARD WARREN, PRESIDENT
MIKE COOKSLEY, VICE PRESIDENT
CHUCK ENGELKEN, BOARD MEMBER
JAY MARTIN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER
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NANCY OJEDA, BOARD MEMBER

MINUTES OF LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF JUNE 1, 2015

The City of La Porte Development Corporation Board met on **June 1, 2015**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at **5:00 p.m.** to consider the following items of business:

1. CALL TO ORDER

President Richard Warren called the meeting to order at 5:00 p.m. The following members of the La Porte Development Corporation Board were present: Board members Martin, Ojeda, Clausen, Engelken and Woodard. Absent: Vice-President Cooksley. Staff Present: Corby Alexander, Patrice Fogarty, Scott Livingston, Michael Dolby, Traci Leach, and Clark Askins.

2. AUTHORIZATIONS

(a) Consider approval or other action of minutes of the meeting of the La Porte Development Corporation Board held on May 13, 2015 – S. Harris

Board member Engelken moved to approve the minutes of the meeting of the La Porte Development Corporation Board held on May 13, 2015. Board member Clausen seconded. **MOTION PASSED.**

Ayes:	President Warren, Board members Woodard, Ojeda, Engelken, Clausen and Martin
Nays:	None
Absent:	Vice-President Cooksley

(b) Consider approval or other action regarding a development agreement with "Gantstein Esquire, LLC.", for an amount not to exceed \$300,000.00 and authorizing Board President Richard Warren to sign and execute such economic development incentive agreement – S. Livingston

Economic Development Coordinator Scott Livingston presented a summary and two options for a development agreement.

Board member Woodard asked why Board members are being presented the two options if terms of a development agreement in an amount not to exceed \$300,000.00 had been previously agreed upon. Economic Development Coordinator Scott Livingston advised the past practice has been for the Board to approve the project; the project is then presented to City Council; and at a later date, the agreement comes back to the Board to be authorized and executed. Mr. Livingston also advised City Council has

requested to see the terms of the development agreement before authorizing the expenditures for the project. Board member Woodard asked if the second option being presented is acceptable to Gantstein Esquire, LLC. Mr. Livingston responded no. Board member Woodard asked if the second option is a request from City Council. City Manager Corby Alexander clarified City Council was not comfortable authorizing the expenditure before viewing the actual terms of the development agreement, and the second option is not a request of City Council.

Board member Woodard moved to accept and approve Option A for a development agreement with "Gantstein Esquire, LLC." in an amount not to exceed \$300,000.00, and authorized Board President Richard Warren to sign and execute the economic development incentive agreement. President Warren seconded. **MOTION PASSED.**

Ayes:	President Warren, Board members Woodard, Engelken, Clausen and Martin
Nays:	Board member Ojeda
Absent:	Vice-President Cooksley

Board member Ojeda commented she does not like either Option A or B and disagrees with the section that states, "No payment will be made for annual taxable retail sales which are less than \$3.75 million." Board member Ojeda commented \$3.75 million is a very high number with the economy being unpredictable and also advised she supports the full pro-rata scheme, and is in favor of the Pipeline Grill project.

3. **DISCUSSION OR OTHER ACTION**

(a) Discussion or other action authorizing staff to submit any proposed revisions and/or amendments to the Bylaws of the La Porte Development Corporation to the La Porte City Council for approval – S. Livingston

Economic Development Coordinator Scott Livingston presented a summary.

Board member Woodard suggested a workshop meeting to discuss the current bylaws.

City Manager Corby Alexander asked Board members to consider forwarding any input pertaining to changes and/or additions to the bylaws within the next two weeks to staff so an outline of suggested changes can be prepared.

Board member Clausen suggested Board members review the bylaws; send items that may need to be changed to Corby Alexander or Scott Livingston for a list/outline, and staff can propose paragraphs to speed the process along.

City Secretary Patrice Fogarty advised Board members she will forward the latest signed copy of bylaws for their review.

(b) Discussion or other action authorizing staff to document rules and/or a policy for La Porte Development Corporation meeting norms, which the La Porte Development Corporation Board may wish to adopt – S. Livingston

Economic Development Coordinator Scott Livingston presented a summary.

Board member Ojeda proposed establishing guidelines for meeting standards that will enhance productivity during future meetings.

Board member Engelken commented the Board should be following Robert Rules of Order. Board member Ojeda commented she does not feel the rules express how to act courteously and respectfully during a meeting. Board member Ojeda also added City Secretary Patrice Fogarty would be a benefit to the Board by speaking and addressing Robert Rules of Order. Ms. Fogarty advised she will be willing to do so. Board Member Ojeda stated the issue is not so much how to conduct a meeting, but the focus should be on meeting decorum.

4. SET DATE FOR NEXT MEETING – S. Livingston

Board members set the next meeting date tentatively for Tuesday, July 7, 2015, at 5:00 p.m.

5. STAFF REPORT

(a) Receive Financial Report – M. Dolby

Finance Director Michael Dolby was absent from the meeting. Economic Development Coordinator Scott Livingston provided the Financial Report that was presented at the last meeting.

6. BOARD MEMBER COMMENTS regarding matters appearing on agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.

Board member Ojeda asked Economic Development Coordinator Scott Livingston if he researched the legality of unused workforce funds for possible scholarships. Mr. Livingston advised the information will be provided at the next meeting; and Assistant City Attorney Clark Askins stated he is researching it.

President Warren thanked everyone for attending the meeting.

7. ADJOURN

There being no further business, Board member Engelken moved to adjourn the meeting at 5:53 p.m. Board member Woodard seconded. **MOTION PASSED.**

Respectfully submitted,

Patrice Fogarty, City Secretary

Passed and approved on this 7th day of July, 2015.

President Richard Warren

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>July 7, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><u>Appropriation</u></td> </tr> <tr> <td>Source of Funds:</td> <td><u>LPDC Fund Balance</u></td> </tr> <tr> <td>Account Number:</td> <td><u>038-6030-565-9997</u></td> </tr> <tr> <td>Amount Budgeted:</td> <td><u>50,000</u></td> </tr> <tr> <td>Amount Requested:</td> <td></td> </tr> <tr> <td>Budgeted Item:</td> <td><input type="radio"/> YES <input type="radio"/> NO</td> </tr> </table>	<u>Appropriation</u>		Source of Funds:	<u>LPDC Fund Balance</u>	Account Number:	<u>038-6030-565-9997</u>	Amount Budgeted:	<u>50,000</u>	Amount Requested:		Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO
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Amount Budgeted:	<u>50,000</u>												
Amount Requested:													
Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO												

Exhibits:

1. Local Government Code Chapter 501
2. Local Government Code Chapter 505

SUMMARY & RECOMMENDATIONS

Over the past two years, the Board has allocated funding for Workforce Development. This is an area of need that has been expressed by industry partners and other economic development partners throughout the Houston Port region. Last month the topic was introduced as to whether or not the Board could use economic development workforce development to award “scholarships” to citizens of La Porte and/or employees of La Porte businesses to obtain “primary job training”.

Chapters 501-505 of the Local Government Code (“LGC”), which govern economic development corporations, do not use the word “scholarship”. Furthermore, these chapters do not expressly authorize the granting of funds – including through a designated project – for the payment of tuition and related schooling costs directly to individuals. Therefore, state law governing the operation of economic development corporations does **not** appear to allow the La Pore Development Corporation to award funds as “scholarships” to an individual to pay for tuition, room, and/or board expenses. Funds for “primary job training” may be used in the following two (2) ways: (1) Fund “business enterprises” that are hosting, paying for the primary job training, or conducting the job training for new and/or retained employees, and/or (2) Fund the support of “primary job training facilities for use by institutions of higher education”.

The LGC offers only two (2) pathways to offer funding for “workforce development” and/or “primary job training”. These are:

(1) LGC 501.101(K) allows funds for a “project” which “includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are . . . for the creation or retention of primary jobs . . . and are found by the board of directors to be required or suitable for the development, retention, or expansion of **primary job training facilities for use by institutions of higher education**” (emphasis added). LGC 501.101 (K) speaks in terms of “primary job training *facilities*”, which are “*used by the institution of higher education*”. In this scenario the **school** would have to be the recipient of the funds, and the focus is on the funding of the facilities, not a particular person’s education expenses; and

(2) LGC 501.102 and 501.162 (which is incorporated by LGC 505.151 specifically for Type B Corps) authorizes projects for “job training required or suitable for the promotion of development and expansion of **business enterprises** . . .”, but only where the job training is “offered through a business enterprise” that has “. . . committed in writing to . . . create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area or increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area.” When working under LGC 501.102 and 501.162, project funds for “primary job training” must be paid to the “**business enterprise**” that is

hosting, paying for the primary job training, or conducting the job training for the new or retained employees.

Therefore, the Board has several different venues through which workforce development could be supported. Staff will be available to discuss either option.

Action Required by the La Porte Development Corporation:

Discussion and possible action to provide staff with direction regarding the desired use of workforce development funds, which have been included in the proposed budget.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 501. PROVISIONS GOVERNING DEVELOPMENT CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 501.001. SHORT TITLE. This subtitle may be cited as the Development Corporation Act.

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

Sec. 501.002. DEFINITIONS. In this subtitle:

(1) "Authorizing unit" means the unit that authorizes the creation of a corporation under this subtitle.

(2) "Board of directors" means the board of directors of a corporation.

(3) "Bonds" includes evidences of indebtedness, including bonds and notes.

(4) "Corporate headquarters facilities" means buildings proposed for construction or occupancy as the principal office for a business enterprise's administrative and management services.

(5) "Corporation" means a corporation organized under this subtitle.

(6) "Cost," with respect to a project, has the meaning assigned by Section [501.152](#).

(7) "County alliance" means two or more counties that jointly authorize the creation of a corporation under this subtitle.

(8) "District" means a conservation and reclamation district established under Section [59](#), Article XVI, Texas Constitution.

(9) "Economic development office" means the Texas Economic Development and Tourism Office within the office of the governor.

(10) "Governing body" means the commissioners court of a county or the governing body of a municipality or district.

(11) "Institution of higher education" has the meaning assigned by Section [61.003](#), Education Code.

(12) "Primary job" means:

(A) a job that is:

(i) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and

(ii) included in one of the following sectors of the North American Industry Classification System (NAICS):

NAICS Sector #	Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211-213	Mining
221	Utilities
311-339	Manufacturing
42	Wholesale Trade
48-49	Transportation and Warehousing
51 (excluding 512131 and 512132)	Information (excluding motion picture theaters and drive-in motion picture theaters)
523-525	Securities, Commodity Contracts, and Other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts, and Other Financial Vehicles
5413, 5415, 5416, 5417, and 5419	Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific, and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises
56142	Telephone Call Centers
922140	Correctional Institutions; or

(B) a job that is included in North American Industry Classification System (NAICS) sector number 928110, National Security, for the corresponding index entries for Armed Forces, Army, Navy, Air Force, Marine Corps, and Military Bases.

(13) "Project" means a project specified as such under Subchapter C.

(14) "Resolution" means a resolution, order, ordinance, or other official action by the governing body of a unit.

(15) "Type A corporation" means a corporation governed by Chapter 504.

(16) "Type B corporation" means a corporation governed by Chapter 505.

(17) "Unit" means a municipality, county, or district that may create and use a corporation under this subtitle.

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

Sec. 501.003. WHO MAY BE USER. The following may be a user under this subtitle:

(1) an individual, a partnership, a corporation, or any other private entity organized for profit or not for profit; or

(2) a municipality, county, district, other political subdivision, public entity, or agency of this state or the federal government.

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

1, 2009.

Sec. 501.004. LEGISLATIVE FINDINGS; CONSTRUCTION OF SUBTITLE. (a) The legislature finds that:

(1) the present and prospective right to gainful employment and the general welfare of the people of this state require as a public purpose the promotion and development of new and expanded business enterprises and of job training;

(2) the existence, development, and expansion of business, commerce, industry, higher education, and job training are essential to the economic growth of this state and to the full employment, welfare, and prosperity of residents of this state;

(3) the assistance provided by corporations in promoting higher education opportunities encourages and fosters the development and diversification of the economy of this state and the elimination of unemployment and underemployment in this state;

(4) the means authorized by this subtitle and the assistance provided by this subtitle, especially with respect to financing, are in the public interest and serve a public purpose of this state in promoting the welfare of the residents of this state economically by securing and retaining business enterprises and as a result maintaining a higher level of employment, economic activity, and stability;

(5) community industrial development corporations in this state have invested substantial money in successful industrial development projects and have experienced difficulty in undertaking additional industrial development projects because of the partial inadequacy of the community industrial development corporations' money or money potentially available from local subscription sources and the limitations of local financial institutions in providing additional and sufficiently large first mortgage loans; and

(6) communities in this state have been at a critical disadvantage in competing with communities in other states for the location or expansion of business enterprises because of the availability and prevalent use in all other states of financing and other special incentives, and, for that reason, the issuance of revenue bonds under this subtitle by a corporation on behalf of political subdivisions of this state for the promotion and development of new and expanded business enterprises to provide and encourage employment and the public welfare is in the public interest and is a public purpose.

(b) This subtitle shall be construed in conformity with the intention of the legislature expressed in this section.

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

1, 2009.

Sec. 501.005. ADOPTION OF ALTERNATE PROCEDURE. If a court holds that a procedure under this subtitle violates the federal or state constitution, a corporation by resolution may provide an alternate procedure that conforms to the constitution.

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

Sec. 501.006. USE OF CORPORATION TO FINANCE PROJECT. A unit may use a corporation to issue bonds on the unit's behalf to finance the cost of a project, including a project in a federally designated empowerment zone or enterprise community or in an enterprise zone designated under Chapter 2303, Government Code, to promote and develop new and expanded business enterprises for the promotion and encouragement of employment and the public welfare.

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

Sec. 501.007. LENDING CREDIT OR GRANTING PUBLIC MONEY. (a) Except as provided by Subsection (b), a unit may not lend its credit or grant public money or another thing of value in aid of a corporation.

(b) A municipality may grant public money to a corporation under a contract authorized by Section 380.002.

(c) The grants, loans, expenditures, and tax exemptions authorized by this subtitle in connection with a project and authorized by a corporation in accordance with this subtitle constitute the making of loans or grants of public money or constitute other actions authorized by Section 52-a, Article III, Texas Constitution.

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. 15.011(a), eff. September 1, 2009.

Sec. 501.008. LIMITATION ON FINANCIAL OBLIGATION. A corporation may not incur a financial obligation that cannot be paid from:

- (1) bond proceeds;
- (2) revenue realized from the lease or sale of a project;
- (3) revenue realized from a loan made by the corporation to wholly or

partly finance or refinance a project; or

(4) money granted under a contract with a municipality under Section 380.002.

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

Sec. 501.009. POLICE POWERS NOT AFFECTED. This subtitle does not deprive this state or a governmental subdivision of this state of its police powers over a corporation's property and does not impair any police power over the property that is otherwise provided by law to any official or agency of this state or its governmental subdivisions.

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

Sec. 501.010. DELEGATION OF UNIT'S SOVEREIGN POWERS PROHIBITED. A unit may not delegate to a corporation any of the unit's attributes of sovereignty, including the power to tax, the power of eminent domain, and the police power.

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

Sec. 501.011. REFERENCE TO ARTICLES OF INCORPORATION OR CERTIFICATE OF FORMATION. (a) With respect to a corporation created under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) before January 1, 2006, a reference in any law of this state or in the corporation's governing documents to "articles of incorporation" means, for purposes of this subtitle, the corporation's certificate of formation.

(b) With respect to a corporation that is created under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) before January 1, 2006, and continues to operate under articles of incorporation, a reference in this subtitle or any other law of this state or in the corporation's governing documents to "certificate of formation" means the corporation's articles of incorporation.

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

SUBCHAPTER B. CREATION AND OPERATION OF CORPORATION

Sec. 501.051. AUTHORITY TO CREATE. (a) Three or more individuals who are qualified voters of a unit may file with the unit's governing body a written

application requesting the unit to authorize creation of a corporation to act on behalf of the unit. The governing body may not charge a filing fee for the application.

(b) A corporation may be created only if the governing body of the unit by resolution:

(1) determines that the creation of the corporation is advisable; and

(2) approves the certificate of formation proposed to be used in organizing the corporation.

(c) A unit may authorize the creation of one or more corporations if the resolution authorizing the creation of each corporation specifies the public purpose of the unit to be furthered by the corporation. The specified public purpose must be limited to the promotion and development under this subtitle of enterprises to promote and encourage employment and the public welfare.

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

Sec. 501.052. NONMEMBER, NONSTOCK FORM OF CORPORATION. A corporation is a nonmember, nonstock corporation.

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

Sec. 501.053. CORPORATION NONPROFIT; NET EARNINGS. (a) A corporation is nonprofit, and the corporation's net earnings remaining after payment of its expenses may not benefit an individual, firm, or corporation, except as provided by Subsection (b).

(b) If the board of directors determines that sufficient provision has been made for the full payment of the corporation's expenses, bonds, and other obligations, any net earnings of the corporation subsequently accruing shall be paid to the corporation's authorizing unit.

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

Sec. 501.054. GENERAL POWERS, PRIVILEGES, AND FUNCTIONS. (a) A corporation has the powers, privileges, and functions of a nonprofit corporation incorporated under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) or formed under the Texas Nonprofit Corporation Law, as described by Section [1.008](#), Business Organizations Code. To the extent that the provisions governing powers, privileges, and functions of a nonprofit corporation under those laws are in conflict with or inconsistent

with provisions of this subtitle governing powers, privileges, and functions of a nonprofit corporation, the provisions of this subtitle prevail.

(b) A corporation:

(1) has all powers incidental to or necessary for the performance of the powers provided by Sections [501.059](#), [501.060](#), [501.064](#), 501.153-501.155, [501.159](#), [501.201\(a\)](#), [501.208](#), [501.209](#), [501.214](#), and [501.402](#); and

(2) with respect to a project, may exercise all powers necessary or appropriate to effect a purpose for which the corporation is organized, subject to the control of the governing body of the corporation's authorizing unit.

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

Sec. 501.055. CONSTITUTED AUTHORITY OR INSTRUMENTALITY. (a) A corporation is a constituted authority and an instrumentality, within the meaning of the United States Department of the Treasury regulations and the Internal Revenue Service rulings adopted under Section 103, Internal Revenue Code of 1986, as amended, including regulations and rulings adopted under Section 103, Internal Revenue Code of 1954, and may act on behalf of the corporation's authorizing unit for the specific public purpose authorized by the unit.

(b) A corporation is not a political subdivision or a political corporation for purposes of the laws of this state, including Section [52](#), Article III, Texas Constitution.

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

Sec. 501.056. CONTENTS OF CERTIFICATE OF FORMATION. The certificate of formation of a corporation must state:

(1) the name of the corporation;

(2) that the corporation is a nonprofit corporation;

(3) the duration of the corporation, which may be perpetual;

(4) the specific purpose for which the corporation is organized and may issue bonds on behalf of the unit;

(5) that the corporation has no members and is a nonstock corporation;

(6) any provision consistent with law for the regulation of the corporation's internal affairs, including any provision required or permitted by this subtitle to be stated in the bylaws;

(7) the street address of the corporation's initial registered office and the name of the corporation's initial registered agent at that address;

- (8) the number of directors of the initial board of directors and the name and address of each initial director;
- (9) the name and street address of each organizer; and
- (10) that the unit has:
 - (A) by resolution specifically authorized the corporation to act on the unit's behalf to further the public purpose stated in the resolution and the certificate of formation; and
 - (B) approved the certificate of formation.

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

Sec. 501.057. FILING OF CERTIFICATE OF FORMATION AND DELIVERY OF CERTIFICATE EVIDENCING FILING. (a) If the unit's governing body adopts a resolution under Section 501.051, the certificate of formation may be filed as provided by this section.

(b) Three originals of the certificate of formation shall be delivered to the secretary of state. If the secretary of state determines that the certificate of formation conforms to this subchapter, the secretary of state shall:

- (1) endorse the word "Filed" and the date of the filing on each original certificate of formation;
- (2) file one of the original certificates of formation in the secretary of state's office;
- (3) issue two certificates evidencing the filing of the certificate of formation;
- (4) attach to each certificate evidencing the filing of the certificate of formation an original of the certificate of formation; and
- (5) deliver a certificate evidencing the filing of the certificate of formation and the attached certificate of formation to:
 - (A) the organizers or the organizers' representatives; and
 - (B) the governing body of:
 - (i) the corporation's authorizing unit; or
 - (ii) any county in the county alliance that authorized the creation of the corporation, for a county alliance corporation.

(c) The governing body of a county to which a certificate evidencing the filing of the certificate of formation and the attached certificate of formation are delivered under Subsection (b)(5)(B)(ii) shall provide photocopies of the certificate evidencing the filing of the certificate of formation and the attached certificate of formation to each other member of the county alliance.

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

Sec. 501.058. EFFECT OF ISSUANCE OF CERTIFICATE EVIDENCING FILING. (a) A corporation's existence begins when the certificate evidencing the filing of its certificate of formation is issued.

(b) After the issuance of the certificate evidencing the filing of the certificate of formation, the formation of the corporation may not be contested for any reason.

(c) A certificate evidencing the filing of the certificate of formation is conclusive evidence that:

- (1) the organizers and the unit have performed all conditions precedent for the formation of the corporation; and
- (2) the corporation is formed under this subtitle.

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

Sec. 501.059. CORPORATE SEAL. A corporation may have a corporate seal and with respect to a project may impress, affix, or otherwise reproduce the seal or a facsimile of the seal on an instrument required to be executed by the corporation's appropriate officers.

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

Sec. 501.060. MAY SUE AND BE SUED. With respect to a project, a corporation may sue, be sued, complain, and defend in the corporation's name.

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

Sec. 501.061. CORPORATION'S ORGANIZATION NOT RESTRICTED. Except as provided by this subtitle, no proceeding, notice, or approval is required for the organization of a corporation.

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

Sec. 501.062. BOARD OF DIRECTORS. (a) All of the powers of a corporation are vested in a board of directors consisting of three or more directors appointed by the governing body of the corporation's authorizing unit.

(b) A director serves for a term of not more than six years.

(c) The governing body of the corporation's authorizing unit may remove a director for cause or at will.

(d) A director serves without compensation, but is entitled to reimbursement for actual expenses incurred in the performance of the director's duties under this subtitle.

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

Sec. 501.063. ORGANIZATIONAL MEETING. (a) After issuance of the certificate evidencing the filing of the certificate of formation, the board of directors named in the certificate of formation shall hold an organizational meeting in this state to adopt bylaws and elect officers and for other purposes.

(b) Not later than the third day before the date of the meeting, the organizers who call the meeting shall give notice by mail of the time and place of the meeting to each director named in the certificate of formation.

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

Sec. 501.064. BYLAWS. (a) A corporation may adopt and amend bylaws for the administration and regulation of the corporation's affairs.

(b) The board of directors shall adopt a corporation's initial bylaws.

(c) The bylaws and each amendment of the bylaws must:

(1) be consistent with state law and with the certificate of formation of the corporation; and

(2) be approved by resolution of the governing body of the corporation's authorizing unit.

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

Sec. 501.065. OFFICERS. (a) A corporation has the following officers:

(1) a president;

(2) at least one vice president;

(3) a secretary;

(4) a treasurer; and

(5) other officers or assistant officers considered necessary.

(b) An officer of the corporation is elected or appointed at the time, in the manner, and for the term prescribed by the certificate of formation or bylaws, except that an officer's term may not exceed three years. In the

absence of provisions in the certificate of formation or the bylaws prescribing the selection or terms of officers, the board of directors shall annually elect or appoint officers.

(c) A person may hold more than one office, except that the same person may not hold the offices of president and secretary.

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

Sec. 501.066. INDEMNIFICATION. (a) In this section, "director or officer" includes a former director or officer.

(b) Except as provided by Subsection (d), a corporation may indemnify a director or officer of the corporation for necessary expenses and costs, including attorney's fees, actually incurred by the director or officer in connection with a claim asserted against the director or officer, by action in court or another forum, by reason of the director's or officer's being or having been a director or officer of the corporation.

(c) Except as provided by Subsection (d), if a corporation has not fully indemnified a director or officer under Subsection (b), the court in a proceeding in which a claim is asserted against the director or officer or a court having jurisdiction over an action brought by the director or officer on a claim for indemnity may assess indemnity against the corporation or the corporation's receiver or trustee. The assessment must equal the amount that the director or officer paid to satisfy the judgment or compromise the claim, including attorney's fees and not including any amount paid to the corporation, to the extent that:

- (1) the amount paid was actually and necessarily incurred; and
- (2) the court considers the amount paid reasonable and equitable.

(d) A corporation may not indemnify a director or officer for a matter in which the director or officer is guilty of negligence or misconduct. A court may assess indemnity against the corporation only if the court finds that the director or officer was not guilty of negligence or misconduct in the matter for which indemnity is sought.

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

Sec. 501.067. INSURANCE AND BENEFITS. (a) Notwithstanding any law to the contrary and with the consent of the corporation's authorizing unit, a corporation may obtain:

- (1) health benefits coverage, liability coverage, workers'

compensation coverage, and property coverage under the authorizing unit's insurance policies, through self-funded coverage, or under coverage provided under an interlocal agreement with a political subdivision; or

(2) retirement benefits under a retirement program the authorizing unit participates in or operates.

(b) Health benefits coverage may be extended to the corporation's directors and employees, and to the dependents of the directors and employees.

(c) Workers' compensation benefits may be extended to the corporation's directors, employees, and volunteers.

(d) Liability coverage may be extended to protect the corporation and the corporation's directors and employees.

(e) Retirement benefits may be extended to the corporation's employees.

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

Sec. 501.068. BOARD MEETINGS; NOTICE OF MEETING. (a) A board of directors may hold a regular meeting in this state with or without notice as prescribed by the corporation's bylaws.

(b) A board of directors may hold a special meeting with notice as prescribed by the corporation's bylaws.

(c) A director's attendance at a board meeting constitutes a waiver of notice of the meeting, unless the director attends the meeting for the express purpose of objecting to the transaction of any business at the meeting because the meeting has not been lawfully called or convened.

(d) Unless required by the corporation's bylaws, notice or waiver of notice of a board meeting is not required to specify the business to be transacted at the meeting or the purpose of the meeting.

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

Sec. 501.069. WAIVER OF NOTICE. If a notice is required to be given to a director of a corporation under this subtitle or the corporation's certificate of formation or bylaws, a written waiver of the notice signed by the person entitled to the notice is equivalent to giving the required notice. The waiver may be given before or after the time that would have been stated in the notice.

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

Sec. 501.070. ACTION OF BOARD; QUORUM. (a) A quorum of a board of

directors is the lesser of:

(1) a majority of the number of directors:

(A) established by the corporation's bylaws; or

(B) stated in the corporation's certificate of formation, if the

bylaws do not establish the number of directors; or

(2) the number of directors, not less than three, established as a quorum by the certificate of formation or bylaws.

(b) The act of a majority of the directors present at a meeting at which a quorum is present is an act of the board of directors, unless the act of a larger number is required by the certificate of formation or bylaws of the corporation.

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

Sec. 501.071. ACTION WITHOUT MEETING. (a) An action that may be taken at a meeting of a board of directors, including an action required by this subtitle to be taken at a meeting, may be taken without a meeting if each director signs a written consent providing the action to be taken.

(b) The consent has the same effect as a unanimous vote and may be stated as such in a document filed with the secretary of state under this subtitle.

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

Sec. 501.072. OPEN MEETINGS AND PUBLIC INFORMATION. A board of directors is subject to the open meetings law, Chapter 551, Government Code, and the public information law, Chapter 552, Government Code.

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

Sec. 501.073. SUPERVISION BY AUTHORIZING UNIT. (a) The corporation's authorizing unit will approve all programs and expenditures of a corporation and annually review any financial statements of the corporation.

(b) A corporation's authorizing unit is entitled to access to the corporation's books and records at all times.

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

Sec. 501.074. PURCHASING. A corporation may use the reverse auction

procedure defined by Section 2155.062(d), Government Code, for purchasing.

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

Sec. 501.075. EXEMPTION FROM TAXATION. (a) The activities of a corporation affect all the residents of the corporation's authorizing unit by the corporation's assuming to a material extent what otherwise might be an obligation or duty of the authorizing unit, and therefore the corporation is an institution of purely public charity within the tax exemption of Section 2, Article VIII, Texas Constitution.

(b) A corporation is exempt from the tax imposed by Chapter 171, Tax Code, only if the corporation is exempted by that chapter.

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

SUBCHAPTER C. AUTHORIZED PROJECTS

Sec. 501.101. PROJECTS RELATED TO CREATION OR RETENTION OF PRIMARY JOBS. In this subtitle, "project" includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are:

- (1) for the creation or retention of primary jobs; and
- (2) found by the board of directors to be required or suitable for the development, retention, or expansion of:

- (A) manufacturing and industrial facilities;
- (B) research and development facilities;
- (C) military facilities, including closed or realigned military

bases;

(D) transportation facilities, including airports, hangars, railports, rail switching facilities, maintenance and repair facilities, cargo facilities, related infrastructure located on or adjacent to an airport or railport facility, marine ports, inland ports, mass commuting facilities, and parking facilities;

- (E) sewage or solid waste disposal facilities;
- (F) recycling facilities;
- (G) air or water pollution control facilities;
- (H) facilities for furnishing water to the public;
- (I) distribution centers;
- (J) small warehouse facilities capable of serving as decentralized storage and distribution centers;
- (K) primary job training facilities for use by institutions of

higher education; or

(L) regional or national corporate headquarters facilities.

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. 15.012(a), eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 150 (S.B. 2052), Sec. 1, eff. September 1, 2009.

Sec. 501.102. PROJECTS RELATED TO CERTAIN JOB TRAINING. In this subtitle, "project" includes job training required or suitable for the promotion of development and expansion of business enterprises and other enterprises described by this subtitle, as provided by Section 501.162.

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

Sec. 501.103. CERTAIN INFRASTRUCTURE IMPROVEMENT PROJECTS. In this subtitle, "project" includes expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to:

(1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements;

(2) telecommunications and Internet improvements; or

(3) beach remediation along the Gulf of Mexico.

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

Sec. 501.104. PROJECTS RELATED TO CERTAIN MILITARY BASES OR MISSIONS. In this subtitle, "project" includes the infrastructure, improvements, land acquisition, buildings, or expenditures that:

(1) are for the creation or retention of primary jobs or jobs that are included in North American Industry Classification System (NAICS) sector number 926120, Regulation and Administration of Transportation Programs, for the corresponding index entry for Coast Guard (except the Coast Guard Academy); and

(2) are found by the board of directors to be required or suitable for:

(A) promoting or supporting a military base in active use to

prevent the possible future closure or realignment of the base;

(B) attracting new military missions to a military base in active use; or

(C) redeveloping a military base that has been closed or realigned, including a military base closed or realigned according to the recommendation of the Defense Base Closure and Realignment Commission under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687 note).

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

Sec. 501.105. CAREER CENTER PROJECTS OUTSIDE OF JUNIOR COLLEGE DISTRICT. In this subtitle, "project" includes the land, buildings, equipment, facilities, improvements, and expenditures found by the board of directors to be required or suitable for use for a career center, if the area to be benefited by the career center is not located in the taxing jurisdiction of a junior college district.

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

Sec. 501.106. AIRPORT FACILITIES OR OTHER PROJECTS BY CORPORATIONS AUTHORIZED BY CERTAIN BORDER MUNICIPALITIES. (a) This section applies only to a corporation authorized to be created by a municipality, any part of which is located within 25 miles of an international border.

(b) For a corporation to which this section applies, in this subtitle, "project" includes the land, buildings, facilities, infrastructure, and improvements that:

(1) the corporation's board of directors finds are required or suitable for the development or expansion of airport facilities; or

(2) are undertaken by the corporation if the municipality that authorized the creation of the corporation has, at the time the corporation approves the project as provided by this subtitle:

(A) a population of less than 50,000; or

(B) an average rate of unemployment that is greater than the state average rate of unemployment during the most recent 12-month period for which data is available that precedes the date the project is approved.

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

Sec. 501.107. INFRASTRUCTURE PROJECTS BY CORPORATIONS AUTHORIZED BY

MUNICIPALITIES IN CERTAIN BORDER COUNTIES. (a) This section applies only to a corporation that:

(1) is authorized to be created by a municipality wholly or partly located in a county that:

(A) is bordered by the Rio Grande;

(B) has a population of at least 500,000; and

(C) has wholly or partly within its boundaries at least four municipalities each of which has a population of at least 25,000; and

(2) does not support a project, as defined by this subchapter, with sales and use tax revenue collected under Chapter 504 or 505.

(b) For a corporation to which this section applies, in this subtitle, "project" includes expenditures found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, including airports, ports, and sewer or solid waste disposal facilities.

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

For expiration of this section, see Subsection (c).

Sec. 501.108. INFRASTRUCTURE IMPROVEMENT PROJECTS BY CORPORATIONS AUTHORIZED BY CERTAIN COASTAL MUNICIPALITIES. (a) This section applies only to a corporation the creation of which was authorized by a municipality that:

(1) has a population of 10,000 or more;

(2) is located in a county bordering the Gulf of Mexico or the Gulf Intracoastal Waterway; and

(3) has, or is included in a metropolitan statistical area of this state that has, an unemployment rate that averaged at least two percent above the state average for the most recent two consecutive years for which statistics are available.

(b) For a corporation to which this section applies, "project" includes expenditures found by the board of directors to be required or suitable for infrastructure improvements necessary to develop and revitalize areas in the corporation's authorizing municipality, including:

(1) streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, and related improvements;

(2) telecommunications, data, or Internet improvements; or

(3) facilities designed to remediate, mitigate, or control erosion, including coastal erosion along the Gulf of Mexico or the Gulf Intracoastal

Waterway.

(c) This section expires September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1281 (H.B. 1966), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. CORPORATE POWERS AND LIMITATIONS RELATING TO PROJECTS

Sec. 501.151. AUTHORITY TO FINANCE PROJECT. A corporation is a constituted authority for the purpose of financing one or more projects.

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

Sec. 501.152. DEFINITION OF COST WITH RESPECT TO PROJECT. In this subtitle, "cost," with respect to a project, means the cost of the acquisition, cleanup, construction, reconstruction, improvement, or expansion of a project, including:

- (1) the cost of acquiring all land, rights-of-way, property rights, easements, and interests;
- (2) the cost of all machinery and equipment;
- (3) financing charges;
- (4) the cost of inventory, raw materials, and other supplies;
- (5) research and development costs;
- (6) interest accruing before and during construction and until the first anniversary of the date the construction is completed, regardless of whether capitalized;
- (7) necessary reserve funds;
- (8) the cost of estimates, including estimates of cost and revenue;
- (9) the cost of engineering or legal services;
- (10) the cost of plans, specifications, or surveys;
- (11) other expenses necessary or incident to determining the feasibility and practicability of acquiring, cleaning, constructing, reconstructing, improving, and expanding the project;
- (12) administrative expenses; and
- (13) other expenditures necessary or incident to:
 - (A) acquiring, cleaning, constructing, reconstructing, improving, and expanding the project;
 - (B) placing the project in operation; and
 - (C) financing or refinancing the project, including refunding any outstanding obligations, mortgages, or advances issued, made, or given by a person for a cost described by this section.

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

Sec. 501.153. LEASE OR SALE OF PROJECT. (a) A corporation may:

(1) lease all or any part of a project to a user, for the rental and on the terms that the corporation's board of directors considers advisable and not in conflict with this subtitle; or

(2) sell, by installment payments or otherwise, and convey all or any part of a project to a user for the purchase price and on the terms the corporation's board of directors considers advisable and not in conflict with this subtitle.

(b) A corporation may grant a lessee an option to purchase all or any part of a project when all bonds of the corporation delivered to provide those facilities have been paid or provision has been made for the bonds' final payment. This subsection is procedurally exclusive for authority to convey or grant an option to purchase all or part of a project, and reference to another law is not required.

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

Sec. 501.154. CONVEYANCE OF PROPERTY TO INSTITUTION OF HIGHER EDUCATION.

With respect to a project, a corporation may donate, exchange, convey, sell, or lease land, improvements, or any other interest in real property, fixtures, furnishings, equipment, or personal property to an institution of higher education for a legal purpose of the institution, on the terms the corporation's board of directors considers advisable and not in conflict with this subtitle.

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

Sec. 501.155. LOAN TO FINANCE PROJECT. (a) A corporation may make a secured or unsecured loan to a user for the purpose of providing temporary or permanent financing or refinancing of all or part of the cost of a project, including the refunding of an outstanding obligation, mortgage, or advance issued, made, or given by a person for the cost of a project.

(b) For a loan made under this section, a corporation may charge and collect interest on the terms the corporation's board of directors considers advisable and not in conflict with this subtitle.

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

1, 2009.

Sec. 501.156. AGREEMENT MUST BENEFIT CORPORATION. An agreement relating to a project must be for the benefit of the corporation.

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

Sec. 501.157. DEFAULT ON AGREEMENT; ENFORCEMENT. An agreement relating to a project must provide that if a default occurs in the payment of the principal of or the interest or premium on the bonds or in the performance of any agreement contained in a proceeding, mortgage, or instrument, the payment or performance may be enforced by:

(1) mandamus; or

(2) the appointment of a receiver in equity with the power to:

(A) charge and collect rents, purchase price payments, and loan payments; and

(B) apply the revenue from the project in accordance with the resolution, mortgage, or instrument.

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

Sec. 501.158. PERFORMANCE AGREEMENTS. (a) A corporation may not provide a direct incentive to or make an expenditure on behalf of a business enterprise under a project as defined by Subchapter C of this chapter or by Subchapter D, Chapter 505, unless the corporation enters into a performance agreement with the business enterprise.

(b) A performance agreement between a corporation and business enterprise must:

(1) provide, at a minimum, for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by the corporation under the agreement; and

(2) specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement.

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

Sec. 501.159. POWERS CONCERNING PROJECTS; JURISDICTION. (a) A

corporation may acquire, by construction, devise, purchase, gift, lease, or otherwise, or any one or more of those methods and may construct, improve, maintain, equip, and furnish one or more projects undertaken by another corporation or located within this state, including within the coastal waters of this state, and within or partially within the limits of the authorizing unit of the corporation or within the limits of another unit, if the governing body of the other corporation or the unit requests the corporation to exercise its powers within that unit.

(b) A corporation may recover the costs of an investment under Subsection (a) from a unit or another corporation under a contract with a limited or unlimited duration.

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

Sec. 501.160. OWNING OR OPERATING PROJECT AS BUSINESS. (a) Except as provided by Subsection (d), a corporation may not own or operate a project as a business other than:

- (1) as a lessor, seller, or lender; or
- (2) according to the requirements of any trust agreement securing the credit transaction.

(b) The user under a lease, sale, or loan agreement relating to a project is considered the owner of the project for purposes of ad valorem taxes, sales and use taxes, or any other taxes imposed by this state or a political subdivision of this state.

(c) Purchasing and holding a mortgage, deed of trust, or other security interest or contracting for the servicing of a mortgage, deed of trust, or other security interest is not considered the operation of a project.

(d) A corporation has all the powers necessary to own and operate a project as a business if the project is a military installation or military facility that has been closed or realigned, including a military installation or facility closed or realigned under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687 note), as amended.

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

Sec. 501.161. CERTAIN ECONOMIC INCENTIVES PROHIBITED. (a) In this section, "related party" means a person who owns at least 80 percent of the business enterprise to which the sales and use tax would be rebated as part of an economic incentive.

(b) Notwithstanding any other provision of this subtitle, a corporation may not offer to provide an economic incentive for a business enterprise whose business consists primarily of purchasing taxable items using a resale certificate and then reselling those items to a related party.

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

Sec. 501.162. USE OF TAX REVENUE FOR JOB TRAINING. A corporation may spend tax revenue received under this subtitle for job training offered through a business enterprise only if the business enterprise has committed in writing to:

- (1) create new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area; or
- (2) increase its payroll to pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area.

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

Text of section as added by Acts 2013, 83rd Leg., R.S., Ch. 1283 (H.B. [1967](#)),
Sec. 1

For text of section as added by Acts 2013, 83rd Leg., R.S., Ch. 1295 (H.B. [2473](#)), Sec. 1, see other Sec. 501.163.

Sec. 501.163. USE OF TAX REVENUE FOR JOB-RELATED SKILLS TRAINING BY CERTAIN CORPORATIONS. (a) This section applies only to a corporation the creation of which was authorized by a municipality that:

- (1) has a population of 10,000 or more;
- (2) is located in a county bordering the Gulf of Mexico or the Gulf Intracoastal Waterway; and
- (3) has, or is included in a metropolitan statistical area of this state that has, an unemployment rate that averaged at least two percent above the state average for the most recent two consecutive years for which statistics are available.

(b) A corporation may spend tax revenue received under this subtitle for job training that consists of:

- (1) providing job-related life skills sufficient to enable an unemployed individual to obtain employment; and
- (2) providing job training skills sufficient to enable an unemployed individual to obtain employment.

(c) A corporation to which this section applies may contract with any person to provide the job training authorized under this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1283 (H.B. 1967), Sec. 1, eff. June 14, 2013.

Text of section as added by Acts 2013, 83rd Leg., R.S., Ch. 1295 (H.B. 2473),
Sec. 1

For text of section as added by Acts 2013, 83rd Leg., R.S., Ch. 1283 (H.B. 1967), Sec. 1, see other Sec. 501.163.

For expiration of this section, see Subsection (c).

Sec. 501.163. USE OF TAX REVENUE FOR HOUSING FACILITIES FOR PUBLIC STATE COLLEGES. (a) In this section:

(1) "Housing facility" has the meaning assigned by Section 53.02, Education Code.

(2) "Public state college" has the meaning assigned by Section 61.003, Education Code.

(b) A corporation may spend tax revenue received under this subtitle for expenditures that are for the development or construction of housing facilities on or adjacent to the campus of a public state college.

(c) This section expires September 1, 2017.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1295 (H.B. 2473), Sec. 1, eff. June 14, 2013.

SUBCHAPTER E. CORPORATE POWERS AND LIMITATIONS RELATING TO BONDS

Sec. 501.201. AUTHORITY TO ISSUE BONDS. (a) A corporation may issue bonds to defray all or part of the cost of a project, regardless of whether the bonds are wholly or partly exempt from federal income taxation.

(b) Except as limited by this subtitle or rules and guidelines of the economic development office, a corporation has full authority with respect to bonds.

(c) Except as otherwise provided by this subtitle, a corporation may issue bonds under this subtitle without obtaining the consent or approval of any department, division, or agency of this state, other than the attorney general under Chapter 1202, Government Code.

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

Sec. 501.202. TERMS. Bonds issued by a corporation must be dated and must mature in not more than 40 years.

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

Sec. 501.203. SECURITIES COMMISSIONER PERMIT TO SELL SECURITIES REQUIRED. A corporation may not sell or offer for sale bonds or other securities until the securities commissioner grants a permit authorizing the corporation to offer and sell the bonds or other securities under the registration provisions of The Securities Act (Article 581-1 et seq., Vernon's Texas Civil Statutes), except as exempted from registration by rule or order of the State Securities Board. Appeal from an adverse decision of the securities commissioner or the State Securities Board is under the administrative procedure law, Chapter 2001, Government Code. The substantial evidence rule applies in an appeal under this subsection.

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

Sec. 501.204. AUTHORIZING UNIT'S APPROVAL OF BONDS. (a) A corporation may not deliver bonds, including refunding bonds, unless the governing body of the corporation's authorizing unit adopts a resolution, not earlier than the 60th day before the date the bonds are delivered, specifically approving the corporation's resolution providing for the issuance of the bonds.

(b) If the corporation is authorized to be created by a county alliance, the resolution required by Subsection (a) must be adopted by the commissioners courts of at least three-fifths of the members of the county alliance.

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

Sec. 501.205. BOND COUNSEL AND FINANCIAL ADVISORS. Bond counsel and financial advisors participating in a bond issue must be mutually acceptable to the corporation and the user.

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

Sec. 501.206. MONEY USED TO PAY BONDS. The principal of and interest on bonds issued by a corporation are payable only from the money provided for that payment and from the revenue of the project or projects for which the bonds were

authorized.

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

Sec. 501.207. BONDS NOT DEBT OF STATE OR AUTHORIZING UNIT. (a) Bonds issued under this subtitle are not a debt or pledge of the faith and credit of this state, the authorizing unit of the corporation issuing the bonds, or any other political corporation, subdivision, or agency of this state.

(b) The revenue bonds issued under this subtitle must contain on their face a statement to the effect that:

(1) neither this state, the authorizing unit of the corporation issuing the bonds, nor any other political corporation, subdivision, or agency of this state is obligated to pay the principal of or the interest on the bonds; and

(2) neither the faith and credit nor the taxing power of this state, the authorizing unit of the corporation issuing the bonds, or any other political corporation, subdivision, or agency of this state is pledged to the payment of the principal of or the interest on the bonds.

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

Sec. 501.208. BOND SECURITY; DEFAULT. (a) The principal of and interest on any bonds issued by a corporation shall be secured by a pledge of the revenues and receipts derived by the corporation from the lease or sale of the project financed by the bonds or from the loan made by the corporation with respect to the project financed or refinanced by the bonds.

(b) As security for the payment of the principal of and interest on any bonds issued by a corporation and any agreements made in connection with the issuance of bonds, the corporation may:

(1) mortgage and pledge any or all of the corporation's projects or any part of a project, including the project financed or refinanced and any enlargements of and additions to the project, owned before or acquired after the time of the mortgage or pledge; and

(2) assign any mortgage and repledge any security conveyed to the corporation to secure any loan made by the corporation, and pledge the revenues and receipts from the assigned mortgage or security.

(c) The resolution authorizing the issuance of bonds and any mortgage covering all or part of the project financed may include any agreement or provision that the board of directors considers advisable and not in conflict

with this subtitle and that relates to:

- (1) the maintenance of the project covered by the bonds or mortgage;
- (2) the fixing and collection of rents;
- (3) purchase price payments;
- (4) loan payments;
- (5) the creation and maintenance of special funds from those revenues;

or

- (6) the rights and remedies available in the event of a default.

(d) A mortgage to secure bonds may also provide that, in the event of a default in the payment of the bonds or a violation of another agreement contained in the mortgage, the mortgage may be foreclosed and the mortgaged property may be sold in any manner permitted by law. The mortgage may provide that a trustee under the mortgage or the holder of any of the bonds secured by the mortgage may purchase property at a foreclosure sale if the trustee or holder is the highest bidder.

(e) A pledge, agreement, or mortgage made for the benefit or security of any of the corporation's bonds continues in effect until the principal of and interest on the bonds benefited or secured by the pledge, agreement, or mortgage have been fully paid.

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

Sec. 501.209. TRUST AGREEMENT. (a) Bonds issued under this subtitle may be secured by a trust agreement between the corporation and a trust company or bank having the powers of a trust company. The trust company or bank may be located in or outside of this state.

(b) The trust agreement may:

- (1) pledge or assign the lease, sale, or loan revenues to be received with respect to a project from a lessee, purchaser, or borrower for the payment of the principal of and interest and any premium on the bonds as the bonds become due and payable;
- (2) provide for the creation and maintenance of reserves for a purpose described by Subdivision (1);
- (3) state the rights and remedies of the bondholders and the trustee;
- (4) restrict the individual right of action by bondholders in a manner that is customary in trust agreements or trust indentures securing bonds and debentures of private corporations; and
- (5) include any additional provision that the corporation considers reasonable and proper for the security of the bondholders.

(c) The trust agreement or a resolution approving the issuance of the

bonds may provide for the protection and enforcement of the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants providing the duties relating to:

(1) the acquisition of property and the construction, improvement, maintenance, repair, operation, and insurance of the project in connection with which the bonds are authorized; and

(2) the custody, protection, and application of all money.

(d) A bank or trust company incorporated under the laws of this state that acts as depository of the bond proceeds or of revenues may furnish indemnifying bonds or pledge securities as required by the corporation.

(e) All expenses incurred in carrying out the trust agreement may be treated as a part of the cost of operating the project.

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

Sec. 501.210. FINANCIAL ASSURANCE OR RESPONSIBILITY REQUIREMENTS FOR CERTAIN PROJECTS. (a) The resolution or mortgage described by Section 501.208(c) may contain any agreement or provision for satisfying the financial assurance or responsibility requirements applicable to a project for which a permit is required under Chapter 361, Health and Safety Code, or Chapter 27, Water Code, including a requirement relating to construction, proper operation, liability coverage, emergency response capability, well plugging, closure, and post-closure care.

(b) Evidence of the passage of a resolution by a governing body approving or agreeing to approve the issuance of bonds for the purpose of satisfying the financial assurance or responsibility requirements applicable to the project is an adequate demonstration that sufficient financial resources will be available to comply with all existing financial assurance or responsibility requirements.

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

Sec. 501.211. USE OF BOND PROCEEDS. (a) The proceeds of the bonds of each issue shall be:

(1) used to pay or make a loan in the amount of all or part of the cost of the project or projects for which the bonds were authorized; and

(2) disbursed in the manner and under any restrictions provided in the resolution authorizing the issuance of the bonds or in any trust agreement securing the bonds.

(b) Bond proceeds may be used to:

- (1) pay all costs incurred in issuing the bonds;
- (2) pay interest on the bonds for any time determined by the board of directors of the corporation issuing the bonds; and
- (3) establish reserve funds and sinking funds for the bonds.

(c) If the proceeds of the bonds of any series issued for a project exceed the cost of the project for which the bonds were issued, the surplus shall be:

- (1) deposited to the credit of the sinking fund for the bonds; or
- (2) used to purchase bonds in the open market.

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

Sec. 501.212. INTERIM BONDS. (a) Before the preparation of definitive bonds, the corporation may, under like restrictions, issue interim bonds that may be exchanged for definitive bonds when the definitive bonds are executed and available for delivery.

(b) The corporation may issue interim bonds with or without coupons.

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

Sec. 501.213. REFUNDING BONDS. (a) A corporation may provide by resolution for the issuance of refunding bonds:

(1) to refund outstanding bonds issued under this subtitle for a project, including the payment of any redemption premium on the bonds and the interest accrued or to accrue to the date of redemption; and

(2) if considered advisable by the corporation, additionally to finance improvements, extensions, or enlargements to the project for which the bonds being refunded were issued or for another project.

(b) The provisions of this subtitle relating to other bonds govern the issuance, maturities, and other details of the refunding bonds, the rights of the holders of the refunding bonds, and the rights, duties, and obligations of the corporation with respect to the same to the extent those provisions may be applicable.

(c) The corporation may issue the refunding bonds in exchange for outstanding bonds or may sell the refunding bonds and use the proceeds to redeem outstanding bonds.

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

Sec. 501.214. SALE OR EXCHANGE OF BONDS. With respect to a project, a

corporation may:

- (1) sell bonds; or
- (2) exchange bonds for property, labor, services, material, or equipment comprising a project or incidental to the acquisition of a project.

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

SUBCHAPTER F. ADMINISTRATION BY ECONOMIC DEVELOPMENT OFFICE

Sec. 501.251. STATE STANDARDS FOR PROJECT ELIGIBILITY. The economic development office shall adopt rules providing minimum standards for project eligibility.

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

Sec. 501.252. STATE STANDARDS AND GUIDELINES FOR LEASE, SALE, OR LOAN AGREEMENTS. (a) The economic development office shall adopt rules:

- (1) providing minimum standards for lease, sale, and loan agreements entered into under this subtitle; and
- (2) providing guidelines with respect to the business experience, financial resources, and responsibilities of the lessee, purchaser, or borrower under a lease, sale, or loan agreement entered into under this subtitle.

(b) The economic development office may adopt rules governing the terms of a loan made by a corporation to a bank or other lending institution the proceeds of which are reloaned as permanent or temporary financing of a project.

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

Sec. 501.253. RULES FOR SMALL BUSINESS PROGRAMS. The economic development office shall adopt rules governing programs for small businesses receiving loans guaranteed wholly or partly by the United States Small Business Administration or another federal agency.

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

Sec. 501.254. FILING OF RULES AND GUIDELINES WITH SECRETARY OF STATE. Rules and guidelines adopted by the economic development office and amendments to the rules and guidelines take effect only after the filing of the rules and guidelines or amendments with the secretary of state.

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

Sec. 501.255. APPROVAL OF LEASE, SALE, OR LOAN AGREEMENT. (a) A lease, sale, or loan agreement entered into under this subtitle must be approved by the economic development office. The economic development office may not approve an agreement unless the office affirmatively finds that the project sought to be financed furthers the public purposes of this subtitle.

(b) The corporation may appeal an adverse ruling or decision of the economic development office under Subsection (a) to a district court of Travis County. The substantial evidence rule applies in an appeal under this subsection.

(c) A corporation:

(1) may enter into a lease, sale, or loan agreement under this subtitle without obtaining the consent or approval of any department, division, or agency of this state except as otherwise provided by this subtitle; and

(2) has full authority with respect to a lease, sale, or loan agreement, except as limited by this subtitle or by rules and guidelines of the economic development office.

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

Sec. 501.256. APPROVAL OF BONDS BY ECONOMIC DEVELOPMENT OFFICE. (a) A corporation may submit a transcript of proceedings in connection with the issuance of bonds to the economic development office and request that the office approve the bonds. A corporation shall include a nonrefundable filing fee with the request. The office shall set the amount of the fee at a reasonable amount that is not less than \$500 or more than \$25,000.

(b) If the economic development office refuses to approve the bond issue solely on the basis of law, the corporation may seek a writ of mandamus from the Texas Supreme Court, and for this purpose the executive director of the economic development office is considered a state officer under Section [22.002](#), Government Code.

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

Sec. 501.257. FILING OF FEE SCHEDULE AND BOND PROCEDURES. The economic development office by rule shall require a corporation to file fee schedules and bond procedures.

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

Sec. 501.258. DELEGATION OF AUTHORITY. The economic development office may delegate to the executive director of the office the authority to approve a lease, sale, or loan agreement made under this subtitle or bonds issued by a corporation or any documents submitted as provided in this subtitle.

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

SUBCHAPTER G. AMENDMENT OR RESTATEMENT OF
CERTIFICATE OF FORMATION

Sec. 501.301. AMENDMENT BY BOARD OF DIRECTORS. (a) The board of directors of a corporation at any time may file with the governing body of the corporation's authorizing unit a written application requesting that the authorizing unit approve an amendment to the certificate of formation.

(b) The application must specify the proposed amendment. The board of directors shall amend the certificate of formation in accordance with this subchapter if the governing body of the authorizing unit by resolution:

- (1) determines that it is advisable to adopt the amendment;
- (2) authorizes the adoption of the amendment; and
- (3) approves the form of the amendment.

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

Sec. 501.302. AMENDMENT BY UNIT. The governing body of the authorizing unit of a corporation, at the unit's sole discretion, may in accordance with this subchapter amend the corporation's certificate of formation at any time by:

- (1) adopting the amendment by resolution; and
- (2) delivering the certificate of amendment to the secretary of state.

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

Sec. 501.303. AMENDMENT TO COUNTY ALLIANCE CORPORATION'S CERTIFICATE OF FORMATION. An amendment to the certificate of formation of a county alliance corporation may not be adopted unless approved by the governing body of each member of the county alliance that authorized the creation of the corporation.

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

Sec. 501.304. CONTENTS OF CERTIFICATE OF AMENDMENT. The certificate of amendment must:

(1) state the name of the corporation;

(2) if the amendment alters a provision of the certificate of formation, identify by reference or describe the altered provision and include the provision's text as amended;

(3) if the amendment is an addition to the certificate of formation, state that fact and include the text of each provision added; and

(4) state that the amendment was adopted or approved by the governing body of the authorizing unit and give the date the governing body adopted or approved the amendment.

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

Sec. 501.305. EXECUTION AND VERIFICATION OF CERTIFICATE OF AMENDMENT. (a)

A certificate of amendment shall be executed:

(1) on behalf of the corporation by the president or a vice president of the corporation and by the secretary or an assistant secretary of the corporation; or

(2) by the presiding officer of the governing body of the corporation's authorizing unit and by the secretary or clerk of the governing body.

(b) One of the officers who signs the certificate of amendment shall verify the certificate of amendment.

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

Sec. 501.306. DELIVERY AND FILING OF CERTIFICATE OF AMENDMENT. (a) Three originals of the certificate of amendment shall be delivered to the secretary of state.

(b) If the secretary of state determines that the certificate of amendment conforms to this subchapter and on receipt of a \$25 fee, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the certificate of amendment;

(2) file one of the original certificates of amendment in the

secretary of state's office;

(3) issue two certificates evidencing the filing of the certificate of amendment;

(4) attach to each certificate evidencing the filing of the certificate of amendment; and

(5) deliver a certificate evidencing the filing of the certificate of amendment and the attached certificate of amendment to:

(A) the corporation or the corporation's representative; and

(B) the governing body of the corporation's authorizing unit.

(c) On the issuance of the certificate evidencing the filing of the certificate of amendment, the amendment becomes effective and the certificate of formation is amended accordingly.

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

Sec. 501.307. SUITS OR RIGHTS NOT AFFECTED. (a) An amendment to a corporation's certificate of formation does not affect:

(1) any existing cause of action in favor of or against the corporation;

(2) any pending suit to which the corporation is a party; or

(3) the existing rights of any person.

(b) If a corporation's name is changed by amendment to the certificate of formation, a suit brought by or against the corporation under its former name does not abate for that reason.

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

Sec. 501.308. RESTATED CERTIFICATE OF FORMATION. A corporation may authorize, execute, and file a restated certificate of formation by following the procedure to amend the certificate of formation provided by this subchapter, including obtaining the approval of the governing body of the corporation's authorizing unit.

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

Sec. 501.309. RESTATEMENT WITHOUT ADDITIONAL AMENDMENT. (a) A corporation may, without making any additional amendment, restate the entire text of the certificate of formation as amended or supplemented by all certificates evidencing the filing of a certificate of amendment previously

issued by the secretary of state.

(b) The introductory paragraph of a restatement under this section must contain a statement that the restatement:

- (1) accurately copies the certificate of formation and all amendments to the certificate of formation that are in effect; and
- (2) does not contain any change to the certificate of formation.

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

Sec. 501.310. RESTATEMENT WITH ADDITIONAL AMENDMENT. (a) A corporation may:

- (1) restate the entire text of the certificate of formation as amended or supplemented by all certificates evidencing the filing of a certificate of amendment previously issued by the secretary of state; and
- (2) as part of the restatement, make additional amendments to the certificate of formation.

(b) A restatement under this section must:

- (1) state that each additional amendment to the certificate of formation conforms to this subtitle;
- (2) contain any statement required by this subtitle for the certificate of amendment, except that the full text of an additional amendment is not required to be set out other than in the restatement itself;
- (3) contain a statement that:
 - (A) the restatement is an accurate copy of the certificate of formation and all amendments to the certificate of formation that are in effect and all additional amendments made to the certificate of formation; and
 - (B) the restatement does not contain any other change to the certificate of formation; and
- (4) restate the text of the entire certificate of formation as amended or supplemented by all certificates evidencing the filing of a certificate of amendment previously issued by the secretary of state and as additionally amended by the restated certificate of formation.

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

Sec. 501.311. CHANGE IN CERTAIN INFORMATION NOT AMENDMENT. For purposes of restating the certificate of formation under Sections 501.309 and 501.310, substituting the current number, names, and addresses of the directors for similar information of the initial board of directors or omitting the name and

address of each organizer is not an amendment to or change in the certificate of formation.

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

Sec. 501.312. EXECUTION AND VERIFICATION OF RESTATED CERTIFICATE OF FORMATION. (a) Originals of the restated certificate of formation shall be executed on behalf of the corporation by the president or a vice president of the corporation and by the secretary or an assistant secretary of the corporation.

(b) One of the officers who signs the restated certificate of formation shall verify the restated certificate.

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

Sec. 501.313. DELIVERY AND FILING OF RESTATED CERTIFICATE OF FORMATION. (a) Three originals of the restated certificate of formation shall be delivered to the secretary of state.

(b) If the secretary of state determines that the restated certificate of formation conforms to law and on receipt of a \$25 fee, the secretary of state shall:

- (1) endorse the word "Filed" and the date of the filing on each original of the restated certificate of formation;
- (2) file one of the original restated certificates of formation in the secretary of state's office;
- (3) issue two certificates evidencing the filing of the restated certificate of formation;
- (4) attach to each certificate evidencing the filing of the restated certificate of formation an original of the restated certificate of formation; and
- (5) deliver a certificate evidencing the filing of the restated certificate of formation and the attached restated certificate of formation to:
 - (A) the corporation or the corporation's representative; and
 - (B) the governing body of:
 - (i) the corporation's authorizing unit; or
 - (ii) any county in the county alliance that authorized the creation of the corporation, for a county alliance corporation.

(c) The governing body of a county to which a certificate evidencing the filing of the restated certificate of formation and the attached restated

certificate of formation are delivered under Subsection (b)(5)(B)(ii) shall provide photocopies of the certificate evidencing the filing of the restated certificate of formation and the attached restated certificate of formation to each other member of the county alliance.

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

Sec. 501.314. EFFECT OF ISSUANCE OF CERTIFICATE EVIDENCING FILING OF RESTATED CERTIFICATE OF FORMATION. On the issuance of the certificate evidencing the filing of the restated certificate of formation by the secretary of state:

- (1) the original certificate of formation and all amendments to the original certificate of formation are superseded; and
- (2) the restated certificate of formation becomes the certificate of formation of the corporation.

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

SUBCHAPTER H. REGISTERED OFFICE AND AGENT; SERVICE OF PROCESS

Sec. 501.351. REGISTERED OFFICE AND AGENT. (a) A corporation shall continuously maintain in this state a registered office and registered agent.

(b) A corporation's registered office may, but is not required to be, the same as the corporation's principal office.

(c) A corporation's registered agent may be:

- (1) an individual who is a resident of this state and whose business office is the same as the corporation's registered office; or
- (2) a domestic or foreign for-profit or nonprofit corporation that:
 - (A) is authorized to transact business or to conduct affairs in this state; and
 - (B) has a principal or business office that is the same as the corporation's registered office.

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

Sec. 501.352. CHANGE OF REGISTERED OFFICE OR AGENT. (a) A corporation may change its registered office or registered agent by filing in the office of the secretary of state a statement declaring:

- (1) the name of the corporation;

(2) the postal mailing address of the corporation's registered office at the time of filing;

(3) the postal address to which the registered office is to be changed, if the postal mailing address of the corporation's registered office is to be changed;

(4) the name of the corporation's registered agent at the time of filing;

(5) the name of the corporation's successor registered agent, if the corporation's registered agent is to be changed;

(6) that the postal mailing address of the corporation's registered office and the postal mailing address of the business office of the corporation's registered agent as changed will be the same; and

(7) that the change was authorized by:

(A) the corporation's board of directors; or

(B) an officer of the corporation authorized by the corporation's board of directors to make the change.

(b) Two originals of the statement shall be:

(1) executed on behalf of the corporation by the president or a vice president of the corporation;

(2) verified by the executing officer; and

(3) delivered to the secretary of state.

(c) If the secretary of state determines that the statement conforms to this section and on receipt of a \$25 fee, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the statement;

(2) file one of the original statements in the secretary of state's office; and

(3) return the other original statement to the corporation or the corporation's representative.

(d) A change made by the statement becomes effective on the filing of the statement by the secretary of state.

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

Sec. 501.353. RESIGNATION OF REGISTERED AGENT. (a) A corporation's registered agent may resign by:

(1) giving written notice to the corporation at the corporation's last known address; and

(2) giving three originals of the written notice to the secretary of state not later than the 10th day after the date the notice is mailed or

delivered to the corporation.

(b) The notice of resignation must include:

(1) the corporation's last known address;

(2) a statement that written notice of the resignation was given to the corporation; and

(3) the date on which the written notice of resignation was given to the corporation.

(c) If the secretary of state determines that the notice of resignation conforms to this section, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the notice of resignation;

(2) file one of the original notices of resignation in the secretary of state's office;

(3) return one original notice of resignation to the resigning registered agent; and

(4) return one original notice of resignation to the corporation at the corporation's last known address shown in the notice.

(d) The appointment of a registered agent terminates on the 31st day after the date the secretary of state receives the notice of resignation that complies with this section.

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

Sec. 501.354. AGENTS FOR SERVICE. (a) The president, each vice president, and the registered agent of a corporation are the corporation's agents on whom a process, notice, or demand required or permitted by law to be served on the corporation may be served.

(b) If a corporation does not appoint or maintain a registered agent in this state or if the corporation's registered agent cannot with reasonable diligence be found at the registered office, the secretary of state is an agent of the corporation on whom a process, notice, or demand described by Subsection (a) may be served.

(c) Service of a process, notice, or demand on the secretary of state is made by delivering two copies of the process, notice, or demand to the secretary of state, the deputy secretary of state, or a clerk in charge of the corporation department of the secretary of state's office. The secretary of state shall immediately forward by registered mail one copy of the process, notice, or demand to the corporation at the corporation's registered office.

(d) Service made on the secretary of state under this section is returnable not earlier than the 30th day after the date of service.

(e) The secretary of state shall keep a record of each process, notice, and demand served on the secretary of state under this subtitle and shall include in the record the time of the service and the secretary of state's action in response to the service.

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

SUBCHAPTER I. ALTERATION OR TERMINATION OF CORPORATION

Sec. 501.401. ALTERATION OR TERMINATION BY AUTHORIZING UNIT. (a) At any time a corporation's authorizing unit, in its sole discretion, may in accordance with this subtitle:

(1) alter the corporation's structure, organization, programs, or activities; or

(2) terminate the existence of the corporation.

(b) The authority of an authorizing unit under this section is limited only by the law of this state on the impairment of contracts entered into by the corporation.

(c) An authorizing unit may make an alteration or may terminate the corporation's existence only by a written resolution of the authorizing unit's governing body.

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

Sec. 501.402. TERMINATION OF CORPORATION ON COMPLETION OF PURPOSE. The board of directors of a corporation, with the approval by written resolution of the corporation's authorizing unit, shall terminate the corporation's existence as provided by this subtitle if the board by resolution determines that:

(1) the purposes for which the corporation was formed have been substantially fulfilled; and

(2) all bonds issued by the corporation have been fully paid.

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

Sec. 501.403. EXECUTION OF CERTIFICATE OF TERMINATION. A certificate of termination shall be executed:

(1) on behalf of the corporation by the president or a vice president of the corporation and by the secretary or an assistant secretary of the corporation; or

(2) by the presiding officer of the governing body of the corporation's authorizing unit and the secretary or clerk of the governing body.

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

Sec. 501.404. DELIVERY AND FILING OF CERTIFICATE OF TERMINATION. (a) Three originals of the certificate of termination shall be delivered to the secretary of state.

(b) If the secretary of state determines that the certificate of termination conforms to this subtitle and on receipt of a \$25 fee, the secretary of state shall:

(1) endorse the word "Filed" and the date of the filing on each original of the certificate of termination;

(2) file one of the original certificates of termination in the secretary of state's office;

(3) issue two certificates evidencing the filing of the certificate of termination;

(4) attach to each certificate evidencing the filing of the certificate of termination an original of the certificate of termination; and

(5) deliver a certificate evidencing the filing of the certificate of termination and the attached certificate of termination to:

(A) the representative of the terminated corporation; and

(B) the governing body of the terminated corporation's authorizing unit.

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

Sec. 501.405. EFFECT OF ISSUANCE OF CERTIFICATE EVIDENCING FILING OF CERTIFICATE OF TERMINATION. The corporate existence ends on the issuance of the certificate evidencing the filing of the certificate of termination except for the purpose of:

(1) any suit or other proceeding; and

(2) appropriate corporate action by a director or officer under this subtitle.

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

Sec. 501.406. ASSETS ON TERMINATION. On termination the title to all funds and property owned by the corporation is transferred to the corporation's

authorizing unit.

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

Sec. 501.407. TERMINATION WITH TRANSFER OF ASSETS TO TYPE A CORPORATION. On approval of the governing bodies of each unit and corporation involved, a corporation that is not a Type A corporation may transfer all of the corporation's assets to a Type A corporation and terminate its existence as provided by this subtitle.

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

SUBCHAPTER J. HURRICANE IKE DISASTER RELIEF

Sec. 501.451. APPLICABILITY. This subchapter applies only to a corporation the creation of which was authorized by a unit wholly or partly located in the Hurricane Ike disaster area, as defined by Section 704, Heartland Disaster Tax Relief Act of 2008 (Pub. L. No. 110-343).

Added by Acts 2009, 81st Leg., R.S., Ch. 991 (H.B. 3854), Sec. 1, eff. June 19, 2009.

Sec. 501.452. PROJECTS RELATED TO HURRICANE IKE DISASTER AREA. For a corporation to which this subchapter applies, in this subtitle, "project":

(1) includes an undertaking the costs of which are eligible to be paid from the proceeds of qualified Hurricane Ike disaster area bonds under Section 704, Heartland Disaster Tax Relief Act of 2008 (Pub. L. No. 110-343); and

(2) does not include:

(A) a qualified residential rental project, as defined by Section 142(d), Internal Revenue Code of 1986; or

(B) a project the costs of which are payable from qualified mortgage bonds, as defined by Section 143, Internal Revenue Code of 1986.

Added by Acts 2009, 81st Leg., R.S., Ch. 991 (H.B. 3854), Sec. 1, eff. June 19, 2009.

Sec. 501.453. PROJECTS NOT ADMINISTERED BY ECONOMIC DEVELOPMENT OFFICE. A project authorized under this subchapter and bonds issued to pay all or part of the cost of a project under this subchapter are not subject to the requirements of Subchapter F.

Added by Acts 2009, 81st Leg., R.S., Ch. 991 (H.B. 3854), Sec. 1, eff. June 19, 2009.

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 505. TYPE B CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 505.001. DEFINITION. In this chapter, "authorizing municipality" means the municipality that authorizes the creation of a Type B corporation.

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

Sec. 505.002. APPLICABILITY OF CHAPTER. This chapter applies only to:

(1) a municipality:

(A) that is located in a county with a population of 500,000 or more; and

(B) in which the combined rate of all sales and use taxes imposed by the municipality, this state, and other political subdivisions of this state having territory in the municipality does not exceed 8.25 percent on the date of any election held under or made applicable to this chapter;

(2) a municipality:

(A) that has a population of 400,000 or more;

(B) that is located in more than one county; and

(C) in which the combined rate of all sales and use taxes imposed by the municipality, this state, and other political subdivisions of this state having territory in the municipality, including taxes imposed under this chapter, does not exceed 8.25 percent; or

(3) a municipality to which Chapter 504 applies.

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

Sec. 505.003. AUTHORITY TO CREATE CORPORATION. (a) A municipality may authorize the creation under this subtitle of a Type B corporation.

(b) A municipality may not authorize the creation of more than one Type B corporation.

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

1, 2009.

Sec. 505.004. CONTENTS OF CERTIFICATE OF FORMATION. The certificate of formation of a Type B corporation:

- (1) must state that the corporation is governed by this chapter; and
- (2) may include in the corporation's name any word or phrase the authorizing municipality specifies.

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

Sec. 505.005. CORPORATION NOT SUBJECT TO CERTAIN PROVISIONS. Sections 501.203, 501.205, 501.251-501.254, 501.255(a) and (b), 501.256, and 501.257 do not apply to a corporation under this chapter.

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

SUBCHAPTER B. GOVERNANCE OF CORPORATION

Sec. 505.051. BOARD OF DIRECTORS. (a) The board of directors of a Type B corporation consists of seven directors.

(b) A director is appointed by the governing body of the authorizing municipality for a two-year term.

(c) A director may be removed by the governing body of the authorizing municipality at any time without cause.

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

Sec. 505.052. RESTRICTION ON BOARD MEMBERSHIP. (a) Each director of a Type B corporation authorized to be created by a municipality with a population of 20,000 or more must be a resident of the municipality.

(b) Each director of a Type B corporation authorized to be created by a municipality with a population of less than 20,000 must:

- (1) be a resident of the municipality;
- (2) be a resident of the county in which the major part of the area of the municipality is located; or
- (3) reside:
 - (A) within 10 miles of the municipality's boundaries; and
 - (B) in a county bordering the county in which most of the area of the municipality is located.

(c) Three directors of a Type B corporation must be persons who are not employees, officers, or members of the governing body of the authorizing municipality.

(d) Notwithstanding Subsections (a)-(c), if a municipality terminates a Type A corporation's existence and authorizes the creation of a Type B corporation, a person serving as a director of the Type A corporation at the time of termination may serve on the board of directors of the Type B corporation.

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

Sec. 505.053. OFFICERS. The board of directors of a Type B corporation shall appoint:

- (1) a president;
- (2) a secretary; and
- (3) other officers of the corporation the governing body of the authorizing municipality considers necessary.

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

Sec. 505.054. QUORUM. A majority of the entire membership of the board of directors of a Type B corporation is a quorum.

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

Sec. 505.055. LOCATION OF BOARD MEETINGS. (a) Except as provided by Subsection (b), the board of directors of a Type B corporation shall conduct all meetings within the boundaries of the authorizing municipality.

(b) If the authorizing municipality is located in a county with a population of less than 30,000, the board of directors of a Type B corporation may conduct a board meeting within the boundaries of the county.

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

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 473 (H.B. 479), Sec. 2, eff. June 17, 2011.

Sec. 505.056. RESTRICTIONS ON REGISTERED AGENT AND OFFICE. (a) The registered agent of a Type B corporation must be an individual who is a resident

of this state.

(b) The registered office of a Type B corporation must be located within the boundaries of the authorizing municipality.

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 505.101. APPLICABILITY OF OTHER LAW; CONFLICTS. A Type B corporation has the powers granted by this chapter and by other chapters of this subtitle and is subject to the limitations of a corporation created under another provision of this subtitle. To the extent of a conflict between this chapter and another provision of this subtitle, this chapter prevails.

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

Sec. 505.102. CONTRACT WITH OTHER PRIVATE CORPORATION. A Type B corporation may contract with another private corporation to:

- (1) carry out an industrial development program or objective; or
- (2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by this subtitle.

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

Sec. 505.103. LIMITATION ON USE OF REVENUES FOR PROMOTIONAL PURPOSES. A Type B corporation may spend not more than 10 percent of the corporate revenues for promotional purposes.

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

Sec. 505.104. BOND REPAYMENT. (a) Bonds or other obligations that mature in 30 years or less and that are issued to pay the costs of projects of a type added to the definition of "project" by Subchapter D may be made payable from any source of funds available to the Type B corporation, including the proceeds of a sales and use tax imposed under this chapter.

(b) Bonds or other obligations that by their terms are payable from the tax proceeds:

- (1) may not be paid wholly or partly from any property taxes imposed

or to be imposed by the authorizing municipality; and

(2) are not a debt of and do not give rise to a claim for payment against the authorizing municipality, except as to sales and use tax revenue held by the municipality and required under this chapter to be delivered to the Type B corporation.

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

Sec. 505.1041. APPRAISAL REQUIRED BEFORE PURCHASE OF PROPERTY WITH BOND PROCEEDS. A Type B corporation may not purchase property for a project wholly or partly with bond proceeds until the corporation obtains an independent appraisal of the property's market value.

Added by Acts 2011, 82nd Leg., R.S., Ch. 719 (H.B. 782), Sec. 2, eff. September 1, 2011.

Sec. 505.105. EMINENT DOMAIN. A Type B corporation may exercise the power of eminent domain only:

(1) on approval of the action by the governing body of the authorizing municipality; and

(2) in accordance with and subject to the laws applicable to the authorizing municipality.

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

Sec. 505.106. LIABILITY. (a) The following are not liable for damages arising from the performance of a governmental function of a Type B corporation or the authorizing municipality:

(1) the corporation;

(2) a director of the corporation;

(3) the municipality;

(4) a member of the governing body of the municipality; or

(5) an employee of the corporation or municipality.

(b) For purposes of Chapter 101, Civil Practice and Remedies Code, a Type B corporation is a governmental unit and the corporation's actions are governmental functions.

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

SUBCHAPTER D. AUTHORIZED PROJECTS

Sec. 505.151. AUTHORIZED PROJECTS. In this chapter, "project" means land, buildings, equipment, facilities, expenditures, and improvements included in the definition of "project" under Chapter 501, including:

- (1) job training as provided by Section 501.162; and
- (2) recycling facilities.

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

Sec. 505.152. PROJECTS RELATED TO RECREATIONAL OR COMMUNITY FACILITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section.

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

Sec. 505.153. PROJECTS RELATED TO AFFORDABLE HOUSING. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the promotion of development and expansion of affordable housing, as described by 42 U.S.C. Section 12745.

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

Sec. 505.154. PROJECTS RELATED TO WATER SUPPLY FACILITIES AND WATER CONSERVATION PROGRAMS. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for:

- (1) the development or improvement of water supply facilities, including dams, transmission lines, well field developments, and other water supply alternatives; or

(2) the development and institution of water conservation programs, including incentives to install water-saving plumbing fixtures, educational programs, brush control programs, and programs to replace malfunctioning or leaking water lines and other water facilities.

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

Sec. 505.155. PROJECTS RELATED TO BUSINESS ENTERPRISES THAT CREATE OR RETAIN PRIMARY JOBS. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to promote or develop new or expanded business enterprises that create or retain primary jobs, including:

(1) a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally owned improvements, and any improvements or facilities related to a project described by this subdivision; and

(2) any other project that the board of directors in the board's discretion determines promotes or develops new or expanded business enterprises that create or retain primary jobs.

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

Sec. 505.156. PROJECTS RELATED TO BUSINESS ENTERPRISES IN CERTAIN MUNICIPALITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the development, retention, or expansion of business enterprises if the project is undertaken by a Type B corporation authorized to be created by a municipality:

(1) that has not for each of the preceding two fiscal years received more than \$50,000 in revenues from sales and use taxes imposed under this chapter; and

(2) the governing body of which has authorized the project by adopting a resolution only after giving the resolution at least two separate readings conducted at least one week apart.

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

Sec. 505.1561. PROJECTS RELATED TO AIRPORT FACILITIES IN CERTAIN MUNICIPALITIES. For purposes of this chapter, "project" includes land,

buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the development or expansion of airport or railport facilities, including hangars, maintenance and repair facilities, cargo facilities, and related infrastructure located on or adjacent to an airport or railport facility, if the project is undertaken by a Type B corporation authorized to be created by a municipality:

(1) that enters into a development agreement with an entity in which the entity acquires a leasehold or other possessory interest from the corporation and is authorized to sublease the entity's interest for other projects authorized by Sections [505.151](#) through [505.156](#); and

(2) the governing body of which has authorized the development agreement by adopting a resolution at a meeting called as authorized by law.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 15.014(a), eff. September 1, 2009.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 150 (S.B. [2052](#)), Sec. 2, eff. September 1, 2009.

Sec. 505.157. PROJECTS RELATED TO BUSINESS ENTERPRISES IN LANDLOCKED COMMUNITIES. (a) In this section, "landlocked community" means a municipality that:

(1) is wholly or partly located in a county with a population of two million or more; and

(2) has within its municipal limits and extraterritorial jurisdiction less than 100 acres that can be used for the development of manufacturing or industrial facilities in accordance with the municipality's zoning laws or land use restrictions.

(b) For a landlocked community that authorizes or has authorized the creation of a Type B corporation, "project" also includes expenditures found by the board of directors to be required for the promotion of new or expanded business enterprises in the landlocked community.

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

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.

Sec. 505.160. ELECTION REQUIRED FOR PROJECT; PETITION. (a) A Type B corporation may undertake a project under this chapter unless, not later than the 60th day after the date notice of the specific project or general type of project is first published, the governing body of the authorizing municipality receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the specific project or general type of project is undertaken.

(b) The governing body of the authorizing municipality is not required to hold an election after the submission of a petition under Subsection (a) if the voters of the municipality have previously approved the undertaking of the specific project or general type of project:

(1) at an election ordered for that purpose by the governing body of the municipality; or

(2) in conjunction with another election required under this chapter.

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

Sec. 505.161. PUBLIC PURPOSE DESIGNATION; EXEMPTION FROM TAXATION. (a)

The legislature finds for all constitutional and statutory purposes that:

(1) a project of the type added to the definition of "project" by this subchapter is owned, used, and held for a public purpose for and on behalf of the municipality that authorized the creation of the Type B corporation; and

(2) except as otherwise provided by this section, Section 501.160 of this subtitle and Section 25.07(a), Tax Code, do not apply to a leasehold or other possessory interest granted by a Type B corporation during the period the corporation owns projects on behalf of the authorizing municipality.

(b) A project is exempt from ad valorem taxation under Section 11.11, Tax Code, for the period described by Subsection (a)(2) of this section.

(c) This subsection applies only if the voters of the authorizing municipality of a Type B corporation have not approved the adoption of a sales and use tax for the benefit of the corporation under Section 505.251. An ownership, leasehold, or other possessory interest of a person other than the corporation in real property constituting a project of the corporation described by this section:

(1) is subject to ad valorem taxation under Section 25.07(a), Tax Code; or

(2) if the interest was created under an agreement entered into by the corporation before September 1, 1999, is covered by the provisions of the law codified by this section that govern ad valorem taxation of the ownership, leasehold, or other possessory interest that were in effect on the date the agreement was executed.

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

SUBCHAPTER E. SPORTS VENUE PROJECTS AND RELATED INFRASTRUCTURE

Sec. 505.201. DEFINITIONS. In this subchapter:

(1) "Related infrastructure" has the meaning assigned by Section 334.001.

(2) "Sports venue" means an arena, coliseum, stadium, or other type of area or facility that is primarily used or is planned for primary use for one or more professional or amateur sports or athletics events and for which a fee is charged or is planned to be charged for admission to the sports or athletics events, other than occasional civic, charitable, or promotional events. The term does not include an arena, coliseum, stadium, or other type of area or facility that is or will be owned and operated by a state-supported institution of higher education.

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

Sec. 505.202. ELECTION: USE OF TAX PROCEEDS FOR SPORTS VENUE PROJECTS.

(a) An authorizing municipality may submit to the voters of the municipality a ballot proposition that authorizes the Type B corporation to use the sales and use tax, including any amount previously authorized and collected, for a specific sports venue project, including related infrastructure, or for a specific category of sports venue projects, including related infrastructure.

(b) The project or category of projects described by Subsection (a) must be clearly described on the ballot so that a voter is able to discern the limits of the specific project or category of projects authorized by the proposition. If maintenance and operating costs of an otherwise authorized facility are to be paid from the sales and use tax, the ballot language must clearly state that fact.

(c) The authorizing municipality may submit the ballot proposition at:

(1) an election held under another provision of this subtitle, including the election at which the proposition to initially approve the adoption of a sales and use tax for the benefit of the Type B corporation is submitted; or

(2) a separate election to be held on a uniform election date.

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

Sec. 505.203. PUBLIC HEARING PRECEDING ELECTION. Before an election may be held under Section 505.202, a public hearing must be held in the authorizing municipality to inform the municipality's residents of the cost and impact of the project or category of projects. At least 30 days before the date set for the hearing, notice of the date, time, place, and subject of the hearing must be published each week until the date of the hearing in a newspaper with general circulation in the municipality in which the project is located.

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

Sec. 505.204. LIMITATION ON SUBSEQUENT ELECTION. If a majority of the voters voting on the issue do not approve a specific sports venue project or a specific category of sports venue projects at an election under Section 505.202, another election concerning the same project or category of projects may not be held before the first anniversary of the date of the most recent election

disapproving the project or category of projects.

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

Sec. 505.205. SUBSEQUENT APPROVAL OF ADDITIONAL PROJECTS. Prior approval of a specific sports venue project at an election or completion of a specific sports venue project approved at an election does not prevent an authorizing municipality from seeking voter approval of an additional project or category of projects under this subchapter to be funded from the same sales and use tax that is used to fund the previously approved sports venue project.

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

Sec. 505.206. EFFECT OF SUBCHAPTER ON ELECTION AUTHORITY. This subchapter does not affect an authorizing municipality's authority to call an election under this chapter to impose a sales and use tax for any purpose authorized by this chapter after the sales and use tax described by this subchapter is, in accordance with Section 505.258, no longer collected.

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

SUBCHAPTER F. SALES AND USE TAX

Sec. 505.251. TAX AUTHORIZED. The governing body of the authorizing municipality by ordinance may adopt a sales and use tax for the benefit of a Type B corporation if the tax is approved by a majority of the voters of the municipality voting at an election held for that purpose in accordance with Chapter 321, Tax Code.

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

Sec. 505.252. SALES TAX. (a) If the authorizing municipality adopts the tax under Section 505.251, a tax is imposed on the receipts from the sale at retail of taxable items within the municipality at the rate approved at the election.

(b) The rate of a tax adopted under this chapter must be equal to one-eighth, one-fourth, three-eighths, or one-half of one percent.

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

1, 2009.

Sec. 505.253. USE TAX. (a) If the authorizing municipality adopts the tax under Section [505.251](#), an excise tax is imposed on the use, storage, or other consumption within the municipality of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective within the municipality.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the sales and use tax and is applied to the sale price of the tangible personal property.

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

Sec. 505.254. SPECIFICATION OF TAX RATE ON BALLOT. In an election held to adopt the sales and use tax under this chapter, the ballot proposition must specify the rate of the tax to be adopted.

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

Sec. 505.255. ADOPTION OF TAX AT ELECTION TO REDUCE OR ABOLISH TAX FOR TYPE A CORPORATION. A municipality that holds an election to reduce the rate of or abolish a tax imposed under Chapter 504 may in the same proposition or in a separate proposition on the same ballot adopt a tax under this chapter.

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

Sec. 505.256. APPLICABILITY OF TAX CODE. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, collection, and remittance of the sales and use tax, except as inconsistent with this chapter.

(b) Except as provided by this subsection, the tax imposed under this chapter takes effect as provided by Section [321.102\(a\)](#), Tax Code. If an election is held under this chapter at the same time an election is held to impose or change the rate of the additional municipal sales and use tax, the tax under this chapter and the imposition or change in rate of the additional municipal sales and use tax take effect as provided by Section [321.102\(b\)](#), Tax Code.

(c) After the effective date of the taxes imposed under this chapter, the adoption of a sales and use tax or the attempted adoption of a sales and use tax by the authorizing municipality or another taxing jurisdiction having territory

in the municipality does not impair the taxes imposed under this chapter.

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

Sec. 505.2565. LIMITATION ON DURATION OF TAX. (a) At an election held under Section 505.251, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the period for imposition of a sales and use tax.

(b) An authorizing municipality that has imposed a tax for a limited time under this section may extend the period of the tax's imposition or reimpose the tax only if the extension or reimposition is approved by a majority of the voters of the municipality voting at an election held for that purpose in the same manner as an election held under Section 504.257.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.016(a), eff. September 1, 2009.

Sec. 505.257. REDUCTION OF TAX WITHIN REGIONAL TRANSPORTATION AUTHORITY. Notwithstanding any other provision of this chapter, a tax imposed under this chapter by an authorizing municipality that is located within the territorial limits of a regional transportation authority and that has been added to the territory of the authority under Section 452.6025, Transportation Code, is subject to reduction in the manner prescribed by Section 452.6025, Transportation Code.

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

Sec. 505.2575. LIMITED SALES AND USE TAX FOR SPECIFIC PROJECT. (a) At an election held under Section 505.251, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the use of the sales and use tax to a specific project.

(b) A Type B corporation created to perform a specific project as provided by this section may retain its corporate existence and perform any other project approved by the voters of the authorizing municipality at an election held for that purpose in the same manner as Section 504.260 provides for an election held under Section 504.251. Before spending money to undertake a project, a Type B corporation shall hold a public hearing as otherwise provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.016(a), eff.

September 1, 2009.

Sec. 505.258. CESSATION OF COLLECTION OF TAXES. A sales and use tax imposed under this chapter may not be collected after the last day of the first calendar quarter that occurs after the Type B corporation notifies the comptroller that:

- (1) all bonds or other obligations of the corporation, including any refunding bonds, payable wholly or partly from the proceeds of the sales and use tax imposed under this chapter, have been paid in full; or
- (2) the total amount, exclusive of guaranteed interest, necessary to pay in full the bonds and other obligations has been set aside in a trust account dedicated to the payment of the bonds and other obligations.

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

Sec. 505.259. ELECTION REQUIREMENT FOR CERTAIN MUNICIPALITIES. The election requirement under Section [505.251](#) is satisfied and another election is not required if the voters of the authorizing municipality approved the imposition of an additional one-half cent sales and use tax at an election held before March 28, 1991, under an ordinance calling the election that:

- (1) was published in a newspaper of general circulation in the municipality at least 14 days before the date of the election; and
- (2) expressly stated that the election was being held in anticipation of the enactment of enabling and implementing legislation without further elections.

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

SUBCHAPTER G. USE OF TAX PROCEEDS

Sec. 505.301. DELIVERY OF TAX PROCEEDS. On the authorizing municipality's receipt from the comptroller of the proceeds of the sales and use tax imposed under this chapter, the authorizing municipality shall deliver the proceeds to the Type B corporation.

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

Sec. 505.302. PAYMENT OF PROJECT COSTS, BONDS, OR OTHER OBLIGATIONS. The proceeds of the sales and use tax imposed under this chapter may be used to:

- (1) pay the costs of projects of the types added to the definition of "project" by Subchapter D; or
- (2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the Type B corporation to:
 - (A) pay the costs of the projects; or
 - (B) refund bonds or other obligations issued to pay the costs of projects.

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

Sec. 505.303. PAYMENT OF MAINTENANCE AND OPERATING COSTS; ELECTION. (a) The costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project.

(b) The proceeds of taxes may be used to pay the maintenance and operating costs of a project, unless not later than the 60th day after the date notice of the specific use of the tax proceeds is first published, the governing body of the authorizing municipality of the Type B corporation undertaking the project receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the tax proceeds may be used to pay the maintenance and operating costs of a project.

(c) The governing body of the authorizing municipality is not required to hold an election after the submission of a petition under Subsection (b) if the voters of the municipality have previously approved at an election ordered for that purpose by the governing body or in conjunction with another election required under this chapter that:

(1) the costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project; and

(2) the tax proceeds may be used to pay the maintenance and operating costs of a project.

(d) An authorizing municipality is not required to hold an election under this section if the municipality:

(1) is located in a county with a population of more than 1.3 million; and

(2) has held before February 1, 1993, an election under this chapter at which the additional sales tax was approved.

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

Sec. 505.304. PAYMENT FOR CERTAIN WATER-RELATED PROJECTS: ELECTION REQUIRED. (a) A Type B corporation may not use proceeds from the sales and use tax to undertake a project described by Section 505.154 unless the use of tax proceeds for that purpose is authorized by a majority of the voters voting at an election held in the municipality for that purpose.

(b) The ballot in an election held under this section shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for infrastructure relating to _____ (insert water supply facilities or water conservation programs, as appropriate)."

(c) An election held under this section may be authorized by the governing body of an authorizing municipality subsequent to an earlier election authorized under Section 505.251.

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

Sec. 505.305. PAYMENT FOR CLEANUP OF CONTAMINATED PROPERTY; ELECTION. (a) The economic development office, with the assistance of the Texas Commission on Environmental Quality, may encourage a Type B corporation to use proceeds from the sales and use tax imposed under this chapter for the cleanup of contaminated property.

(b) Notwithstanding any other provision of this chapter, a Type B corporation may use proceeds from the sales and use tax for the cleanup of contaminated property only if the use of tax proceeds for that purpose is authorized by a majority of the voters voting at an election held in the authorizing municipality for that purpose. The ballot in an election held under this subsection shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for the cleanup of contaminated property."

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

SUBCHAPTER H. TERMINATION OF CORPORATION

Sec. 505.351. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a Type B corporation created on or after September 1, 1999.

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

Sec. 505.352. ELECTION TO TERMINATE EXISTENCE OF CORPORATION ON PETITION.

(a) The governing body of an authorizing municipality shall order an election on the termination of the existence of the Type B corporation on receipt of a petition requesting the election that is signed by at least 10 percent of the registered voters of the municipality.

(b) The authorizing municipality shall hold the election on the first available uniform election date that occurs after the time required by Section 3.005, Election Code.

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

Sec. 505.353. BALLOT. The ballot for an election held under Section 505.352 shall be printed to permit voting for or against the proposition: "Termination of the _____ (name of corporation)."

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

Sec. 505.354. TERMINATION OF EXISTENCE OF CORPORATION. (a) If a majority of the votes cast at an election held under Section 505.352 approve the termination, the Type B corporation shall:

(1) continue operations only as necessary to meet the obligations the corporation incurred before the date of the election, including paying the principal of and interest on the corporation's bonds; and

(2) liquidate the corporation's assets and apply the proceeds to satisfy the corporation's obligations, to the extent practicable.

(b) After the Type B corporation has satisfied all of the corporation's obligations, any remaining assets of the corporation shall be transferred to the authorizing municipality, and the existence of the corporation is terminated.

(c) The authorizing municipality shall promptly notify the comptroller and the secretary of state of the date the existence of a Type B corporation is terminated under this subchapter.

(d) A tax imposed under this chapter may not be collected after the last day of the first calendar quarter that begins after the authorizing municipality provides notice under Subsection (c).

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

Sec. 505.355. ELECTION REJECTING TERMINATION. If less than a majority of the votes cast at an election held under Section 505.352 approve the termination, Section 505.354 has no effect.

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

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>July 7, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;"><u>Appropriation</u></td> <td></td> </tr> <tr> <td>Source of Funds:</td> <td><u>N/A</u></td> </tr> <tr> <td>Account Number:</td> <td></td> </tr> <tr> <td>Amount Budgeted:</td> <td></td> </tr> <tr> <td>Amount Requested:</td> <td></td> </tr> <tr> <td>Budgeted Item:</td> <td><input type="radio"/> YES <input type="radio"/> NO</td> </tr> </table>	<u>Appropriation</u>		Source of Funds:	<u>N/A</u>	Account Number:		Amount Budgeted:		Amount Requested:		Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO
<u>Appropriation</u>													
Source of Funds:	<u>N/A</u>												
Account Number:													
Amount Budgeted:													
Amount Requested:													
Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO												

Exhibits:

- 1. ICSC Meeting Schedule/Contacts**
- 2. Abbreviated ICSC Program**
- 3. ICSC Marketing Materials**
- 4. Site Plan for the Junction at Deer Park**
- 5. Chambers Town Center Site Plan**
- 6. La Porte Retail & Restaurant Development Map**
- 7. La Porte Town Center, Primary Site Plan, June 16, 2015**

SUMMARY & RECOMMENDATIONS

The purpose of this item is to update the Board on the recent ICSC Show and discuss some lessons learned as a result of this most recent show, as well as the City’s efforts the past several years regarding retail recruitment. For two (2) months leading up to the ICSC Show, staff contacted over sixty (60) developers, retailers, and prospective restaurants. Staff also advertised in both the April and May issues of Texas Real Estate Business and REDNews. REDNews distributed additional issues at the ICSC Show in Las Vegas.

Board Directors Richard Warren and Nancy Ojeda “worked the floor” with staff and either met with or made direct contact with more than fifty (50) developers, retailers, hoteliers, investors, and prospective restaurants at the show. Staff continues to follow up on many of the meetings which were made at the show in May.

In addition to the annual ICSC retail conference, ED staff has been pursuing national retail for at least five (5) years. National retail is coming closer to La Porte, but we’re still experiencing significant retail leakage to Deer Park, Pasadena, Baytown, and Seabrook. Below are some observations and bullet points for consideration/discussion regarding current retail development opportunities in La Porte:

- The site selection decision process for new retail store/restaurant development is being driven by the retailers/restaurants, rather than the brokers and/or developers.
- As a result of recently unveiled retail developments, we have increased competition for national retail development.
 - Please note the site plan for the Junction at Deer Park
 - Please note the site plan for the Chambers Town Center in Baytown
- Most locations in La Porte have suffered from a lack of interest from national retailers due to sparse population and proximity to both dense industrial areas and the Bay.
- Much of the national retail that has come to La Porte is centered around Walmart:
 - Carl’s Junior

- 10,000 sf of new retail next to Discount Tire
- 17,000 sf Aldi
- Carl's Junior, Aldi, the retailers in the 10,000 sf retail strip center next to Discount Tire, and the retailers in Rob Johnson's development are examples of the current national retail that the City has been able to attract to La Porte.
- There are some limited opportunities for national retail development in La Porte,
 - Note the Retail/Restaurant Development Map,
 - Opportunity to work with the new owners of the Port Crossing Commerce Center to promote retail opportunities on the west side of the development;
 - 2.72 acres in front of the new Hampton Inn & Suites,
 - Waterfront development opportunities
 - 7.5 acres of city-owned property
 - Privately owned 45 acres of land across from the golf course
 - Spencer Hwy between Underwood Road to the Bridge near the Court Building
 - Northern corners of W. Fairmont Parkway and Canada Road.

However, it appears that the City's "best" opportunity for attracting more restaurants and even retail has been among local/regional operators and entrepreneurs such as Las Hadas, Casa Anita's, El Toro, Gringo's, Mainly Drinks, Main 101, Pipeline Grill, Antonio's Grill, Tony's Barbecue, King's BBQ, and all the other restaurants in town. While pursuing national retail, the City may be overlooking the niche of retail/restaurant businesses for which La Porte is best and uniquely positioned and capable of supporting. Therefore, notwithstanding the opportunities listed above to pursue national retailer, it may be time to shift part of the focus to reach out to, attract to La Porte, and support local and regional entrepreneurs and small businesses.

The Board will have additional opportunities to discuss this topic during the economic development strategic plan discussions.

Action Required by the La Porte Development Corporation:

None.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

Monday, 18 May 2015

11:00 am: Firehouse Restaurant Group @ South Hall - 210 Q Street

Mike McCown

Area Representative

Houston Restaurant Group LLC

Firehouse Subs Houston/Central Texas

mmccown@firehousesubs.com | FirehouseSubs.com

(832) 877-6538 (m)

Afternoon (Anytime): Chain Links Booth @ South Hall - 266 Q Street

Mike Lucido

Director of Real Estate

ALDI Inc. Rosenberg Division

15915 Katy Freeway, STE 650

Houston, TX 77094

(281) 492-2173 (m)

6:00 pm -- **Container Park** (Note: Meet at the large Praying Mantis!)

707 Fremont Street; Downtown Las Vegas

www.containerpark.com

www.google.com/maps/dir/Las+Vegas+Convention+Center,+3150+Paradise+Rd,+Las+Vegas,+NV+89109,+United+States/707+Fremont+St,+Las+Vegas,+NV+89101/@36.1466942,-115.1527008,16z/am=t/data=!4m14!4m13!1m5!1m1!1s0x80c8c46640af22e7:0xa93a4afe2fe7b046!2m2!1d-115.152001!2d36.131805!1m5!1m1!1s0x80c8c37434df9017:0x43592ccdb73571c1!2m2!1d-115.138142!2d36.1679035!5i2

David C. Miles

Heritage Land Partners, LLC

Libby Cadillo

Sperry Van Ness

Tuesday, 19 May 2015

Anytime:

North Hall - 2656

Travis Alvarado

Starbucks Coffee Company

South Hall - 423 N Street

Jacqueline R. Tapella

Sally Beauty Supply

All Other Cold Call Meetings

- Exhibitors I plan to visit: <http://recon2015.mapyourshow.com/shared-agenda.cfm?guid=8D3C8205-62C5-4378-8CFE-17FA0CCCC62C>
- Digital map of the show floors that show the highlighted location of each exhibitor in the list above. Go to “Facility Overview” and select either “North Hall”, “South Upper Hall”, or “Central Hall”. This information will also communicate with the **ICSC Mobile App** I describe in “Logistics for ICSC”.

http://www.mapyourshow.com/shows/index.cfm?show_id=recon2015&alt_entry=true&curr_pri=facility&&userid=77F4A630-BFC7-EBF7-593EF4340D4FAC8B&lang=EN&locale=EN

SAVED EXHIBITORS (45)

▲	Exhibitor Name	◆	Booth(s)
	Ascena Retail Group, Inc.		S332N
	Avison Young		C1756
	Calkain Companies		S326R
	Carlson Rezidor Hotel Group		N2564
	Catherines		S332N
	CATO Fashions		S478N
	ChainLinks Retail Advisors, Inc.		S266Q, S276Q
	Colliers International		S236Q
	Dressbarn		S332N
	Falcon Realty Advisors		C1201
	Firehouse Restaurant Group, Inc.		S210Q
	GameStop, Inc.		S3635
	Great Clips Inc.		S341R
	Johnny Rockets		C2143
	Keypoint Partners, LLC		S3667
	KW Commercial		C2111
	Le Duff America, Inc.		C2038
	Marcus & Millichap		S246Q
	Marriott International, Inc.		S470N, S474N
	Maurices		S332N
	NAI Global		S255Q
	National Stores Inc.		S471Q
	Newmark Grubb Knight Frank		C155L
	NewMarket Commercial Real Estate Advisors		S266Q

Northwest Atlantic	C160F
Panda Restaurant Group, Inc.	S480Q
Peet's Coffee & Tea	C2238
Reata Real Estate Services, LP	S349S
Sally Beauty Holdings, Inc.	S423N
Sport Clips, Inc.	S4610
SRS Real Estate Partners	S224Q
Starbucks Coffee Company	N2656
Stream Realty Partners, L.P.	N2367
TCN Worldwide	C1652
The Home Depot Inc.	C1837
The Retail Connection	S243Q
The Weitzman Group/Cencor Realty Services	C1264
Transwestern	C132F
Vista Equities Group	C2121
Waterman Steele Real Estate Advisors	C189H
Wulfe & Co.	C1268
Wyndham Hotel Group	S470Q
Xfinity	C2363
Yogurtland Franchising Inc	S353S
Zenex USA	130

After the Show:

Starbucks -- Travis Alvarado @ tralvara@starbucks.com
Tuesday Morning -- Jonathann Hicks @ Edge Realty Partners

PROGRAM AT-A-GLANCE

SUNDAY, MAY 17 – Professional Development Day

SPECIALTY	
	8:00 am – 5:00 pm Registration
	8:45 – 10:30 am Global Delegates Networking Breakfast and Leadership Summit <i>By invitation only</i>
■ ■	9:30 – 10:45 am Cold Calling and Prospecting For New Business
	10:30 – 11:45 am Volunteer Appreciation Brunch with Distinguished Trustee Service Award <i>By invitation only</i>
■	11:00 am – 12:30 pm Increase Your Sales and Profits with Powerful Negotiation
■ ■ ■	Increasing Income Through Superior Customer Experience
■ ■	High-Performance and Sustainability in Retail Facility Management
■ ■	Reinvention: Property Redevelopment and Repositioning
■	Driving Revenue from Social Campaigns
	12:45 – 1:00 pm 2015 VIVA “Best of the Best” Awards Presentation
■	1:00 – 2:00 pm Keynote and Opening Session – Peyton Manning
■	2:30 – 3:30 pm Blockbuster Session – John C. Maxwell
■ ■	2:30 – 3:45 pm The Mall as a Retail Medium
■ ■ ■ ■	2:30 – 4:00 pm Omni-Channel Presence and Personalization
	3:00 – 5:00 pm Volunteer Leadership Orientation <i>By invitation only</i>
■ ■	4:00 – 5:15 pm Specialty Leasing & Deal Making
■ ■ ■	4:00 – 5:30 pm Retail Real Estate Market and Feasibility Analysis
■ ■	Introductory Training in ARGUS®
■ ■ ■	Maximizing Productivity – Enhancing Shopping Experiences
■ ■ ■	Essential Restaurant Fundamentals and Leasing Strategies
	5:30 – 7:00 pm U.S. MAXI Awards Ceremony
	6:00 – 9:30 pm ICSC Foundation Gala Dinner
	7:30 – 9:30 pm Opening Reception

MONDAY, MAY 18

	7:00 am – 5:00 pm Registration
■	7:00 – 8:00 am Tax Update Breakfast
	8:00 am – 5:00 pm Leasing Mall / Marketplace Mall / SPREE RECon
■	9:00 – 10:30 am CMD Global Certification Brief
■ ■ ■	Luxury Retail Consumer Trends – Worldwide and in Your Neighborhood
■	10:00 – 11:00 am Capital Markets
■ ■	Successful Strategies to Attract and Retain Downtown Retailers
■	11:00 am – 12:30 pm CDP Global Certification Brief
■	11:15 am – 12:15 pm Blockbuster Session – Executive Women in Retail Real Estate

SPECIALTY	
■	12:30 – 2:00 pm Lunch and Keynote Presentation – Stefan Larsson
■	2:30 – 3:30 pm Blockbuster Session – Commander Rorke T. Denver
	3:30 – 5:00 pm Cities of the World Reception
■ ■	CRX Global Certification Brief
■ ■ ■	New Rules for Consumer Engagement in the SoLoMo Revolution
■	New Priorities in Asset Management
■ ■	4:00 – 5:00 pm Broker-ology: Retail Broker Best Practices
	4:15 – 4:30 pm Annual Meeting of Members
■	5:30 – 7:00 pm Fortune Tellers Reception and Researcher Award Ceremony
	5:30 – 7:30 pm Diversity Reception
	5:30 – 8:30 pm SPREE RECon Cocktail Reception
	8:00 – 11:00 pm Latin American Reception <i>By invitation only</i>

TUESDAY, MAY 19

	6:30 am – 5:00 pm Registration
	7:00 – 8:30 am Meet the Trustees Breakfast
	8:00 am – 5:00 pm Leasing Mall / Marketplace Mall / SPREE RECon
■	9:00 – 10:30 am CSM Global Certification Brief
■ ■ ■ ■	The Economics of a Lease: Developer and Retailer Perspectives
■	9:30 – 11:00 am Envision 2020 Town Hall Meeting
■	10:00 – 11:00 am Advanced Leasing Techniques – Enhancing Your Shopping Center
■	11:00 am – 12:30 pm CLS Global Certification Brief
■	Getting Compensation and Benefits Right in Today's Evolving Marketplace
■	11:15 am – 12:15 pm Blockbuster Session – Erik Qualman
■	12:30 – 2:00 pm Lunch and Keynote Presentation – Michael R. Francis
■ ■	2:30 – 3:30 pm The Continuing Conversation in Social Media
■	The Mall of the Future
■	3:30 – 5:00 pm Management Strategies to Thrive in a New Era of Retailing
■ ■	Optimizing Tenant Mix for Downtown Business Districts
■ ■ ■	4:00 – 5:00 pm Quantum Leap: Deal Making in the 21st Century Using Current Technologies

WEDNESDAY, MAY 20

	7:00 am – 2:00 pm Registration
	8:00 am – 2:00 pm Leasing Mall / Marketplace Mall / SPREE RECon

La Porte Town Center

380,000 TRADE AREA POPULATION WITH AN AVG. HOUSEHOLD INCOME OF \$72,000
TEXAS-SIZED OPPORTUNITIES FOR RETAIL, RESTAURANTS, AND ENTERTAINMENT!

HOUSTON SHIP CHANNEL

SH 225

FRED HARTMAN BRIDGE

instant access:
DOWNLOAD OUR
INFORMATION PACKET
RIGHT TO YOUR PHONE



want to talk opportunities?
SCOTT D. LIVINGSTON
ECONOMIC DEVELOPMENT COORDINATOR
281-470-5016
LIVINGSTONS@LAPORTETX.GOV

SH 146

LA PORTE
TOWN CENTER

BAY FOREST GOLF COURSE

GALVESTON BAY

more than a business venture...



LIFE. BY THE BAY.

gateway to INDEPENDENCE
and TEXAS-SIZED opportunities



WWW.LAPORTETX.GOV



OVERVIEW

La Porte is located in Harris County, Texas, approximately 26 driving miles from Downtown Houston.

La Porte benefits from being located on the western edge of Galveston Bay. La Porte is also home to the San Jacinto Monument and the Battleship Texas which combined are the destination of over 500,000 visitors per year. La Porte also has the only public beach in Harris County, Sylvan Beach.

La Porte has higher incomes than its Primary Trade Area (PTA). The La Porte median income in 2012 was \$53,917 and is expected to grow to \$60,765 by 2017, a 13% increase.

RETAIL OPPORTUNITIES

RETAIL PRIMARY TRADE AREA STATISTICS

OVERVIEW	YR	PTA	CITY	1 MILE	3 MILES	5 MILES
Population	2012	382,969	34,056	2,630	28,922	65,637
	2017	403,956	35,607	2,844	30,526	68,689
Median Age	2012	33.9	34.8	34.8	35.3	34.8
Median HH Income	2012	\$53,917	\$59,337	\$70,204	\$60,488	\$62,274
	2017	\$60,765	\$64,938	\$74,765	\$65,899	\$68,675

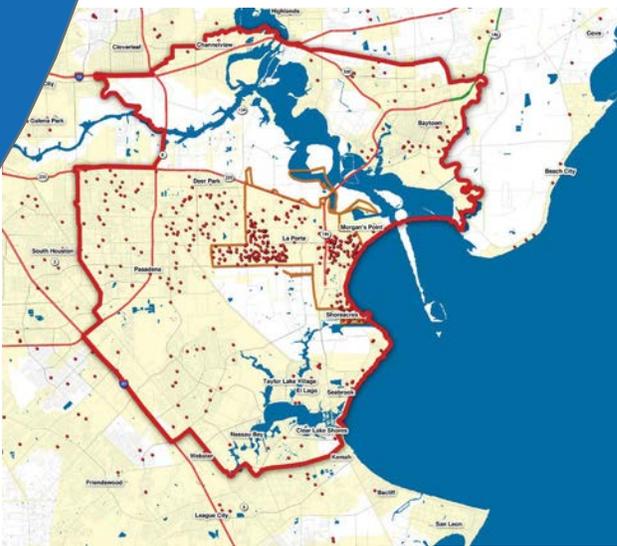
TRAFFIC COUNTS	VPD	EDUCATION (PTA)	2012
Hwy 146, n of Fairmont Pkwy	17,428	College Graduate	30.9%
Fairmont Pkwy, w of Hwy 146	26,789	Some College, no Degree	24.9%
Spencer Hwy, w of Hwy 146	17,428	High School Graduate	24.3%
		Less than High School	20.0%

INCOME (PTA)	2012	2017
Average Household	\$72,023	\$80,794
Median Household	\$53,917	\$60,765
Per Capita	\$26,270	\$29,337

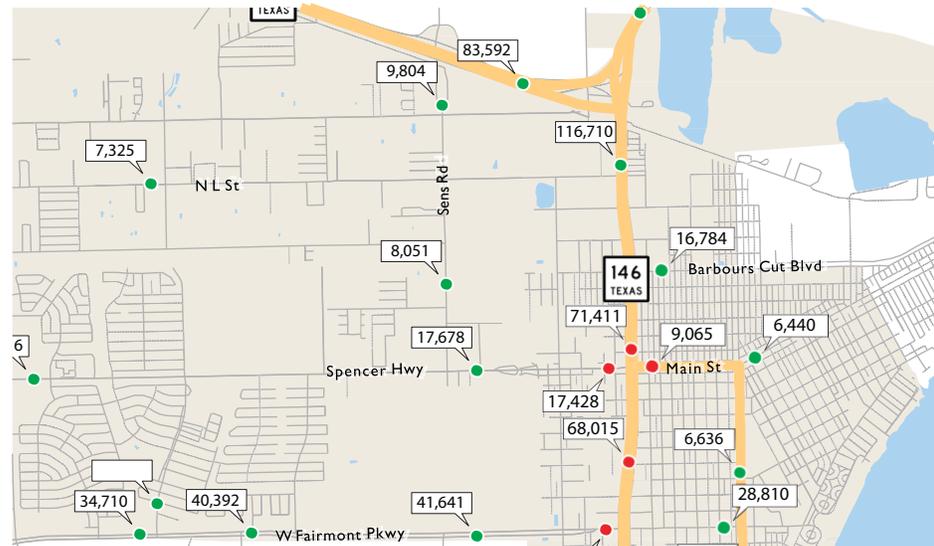
AGE GROUPS (PTA) 2012

0 - 9 years	15.0%
10 - 14 years	7.6%
15 - 19 years	7.3%
20 - 24 years	7.3%
25 - 34 years	14.3%
35 - 44 years	13.0%
45 - 54 years	14.1%
55 and older	24.4%

RACE (PTA)	2012	2017
White Alone	74.0%	72.9%
Black Alone	5.9%	5.9%
Amer. Indian Alone	0.7%	0.7%
Asian Alone	4.1%	4.4%
Pacific Islander Alone	0.1%	0.1%
Some Other Race	12.2%	12.8%
Two or More Races	3.0%	3.3%
Hispanic (Any Race)	40.3%	43.0%



PRIMARY TRADE AREA MAP



TRAFFIC COUNT MAP



CONTACT INFORMATION:

City of La Porte
604 W. Fairmont Pkwy
La Porte, TX 77571
(281) 470-5016

prepared by:



5307 Mockingbird Lane • 5th Floor • Dallas, Texas 75206 • catalystcommercial.net

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Texas Building Resource Guide Edition

May 2014

In this issue:

LaPorte Holds Promise for Retailers

REDNews Interviews MIMCO, Inc

Retail Development & Rightsizing

Take Off Your Rose Colored Glasses

REDNews

FOR 100,000+ CRE BROKERS, INVESTORS & DEVELOPERS



La Porte, Texas
WHERE LAND MEETS OPPORTUNITY



Growth in American Oil & Gas Production and International Trade Fuels Opportunities for New Retail Development in La Porte, Texas



Scott D. Livingston
Economic Development

The Gateway City: La Porte, Texas holds promise for retailers.

In 1889 French settlers gave La Porte, Texas its name because of its proximity to the entrance of what is known today as the Houston Ship Channel. "La Porte", translated into English means "Gateway", which is the Gateway to the Houston Ship Channel and the Port of Houston, both of which are iconic symbols of the Houston Region's international trade and commerce. La Porte also sits at the center of the 2nd largest petrochemical and refining complex in the world, which is an integral part of the United States' economic recovery and shift toward independence from foreign oil.

Technological advances in fracking and natural gas extraction from shale rock formations has generated a boom in the U.S. energy industry.¹ Over \$35 billion of new capital investment along the Houston Ship Channel in oil & gas refining and petrochemical production is creating over 111,000 new direct jobs, 154,000 indirect jobs, and spinoff investment in Manufacturing, international trade, and office/warehouse development.² Since Princess and Norwegian Cruise Lines began offering cruises from the newly opened Houston Bayport Cruise Terminal, tourism is also growing! More than \$2.34 billion of industrial investment, and an additional \$1.5 billion of anticipated investment by the end of 2014 in La Porte, is fuelling opportunities for new retail and restaurant development!

Over \$337 million in retail sales and 500,000 square feet of retail space are needed to address the pent-up and unmet demand for today's new retail and restaurant development in La Porte's primary trade area today. This scenario offers many and varied opportunities for retailers, restaurants, developers, and tenant representatives in La Porte. La Porte's primary trade area includes a population of 380,000, a daytime employment population of 154,000, an average household income of \$72,000, and access to 6 million tourists. As home of the San Jacinto Monument, San Jacinto Battleground where Texas won its battle for independence from Mexico in 1836, Battleship Texas, and Sylvan Beach, La Porte possesses a rich heritage and a unique place in Texas history.



The discovery of shale gas and the resulting drop in U.S. natural gas prices has changed the global dynamics of the petrochemical industry. U.S. production of petrochemicals, plastics, and other chemical products from natural gas and natural gas liquids will significantly increase, and U.S. petro-chemical exports from Texas will not be a short term phenomenon.³ With the opening of the expanded Panama Canal in 2016, both the Port of Houston and Houston Ship Channel will continue to play a major role in international trade.⁴ The expanding new economy based upon domestic oil & gas production and international trade is here to stay.

La Porte welcomes the opportunity to partner with retailers, restaurants, developers, and tenant representatives to develop new retail and restaurant projects in La Porte, Texas. To receive a free map and information which highlights the retail and restaurant development opportunities in La Porte, please contact Scott D. Livingston at LivingstonS@laportetx.gov.

- 1 "Billions Planned in Ship Channel Projects due to Shale Boom", Houston Business Journal, 18 Oct. 2013.
- 2 "Houston Port Region Investment Survey Shows Strong Private Investment, Construction Employment Through 2015", Port of Houston Bureau, Jan. 2013.
- 3 "Houston's Chemical Reaction - Shale Gas Powers Industrial Boom", Tierra Grande, July 2013.
- 4 "Port Inspires Industrial Development in La Porte and Deer Park", Houston Business Journal, 4 Feb. 2014.



"More than \$2.34 billion of industrial investment, and an additional \$1.5 billion of anticipated investment by the end of 2014 in La Porte, Texas, is fuelling opportunities for new retail and restaurant development!"



"Over \$337 million in retail sales and 500,000 square feet of retail space are needed to address the pent up and unmet demand for new retail and restaurant development in the market today."

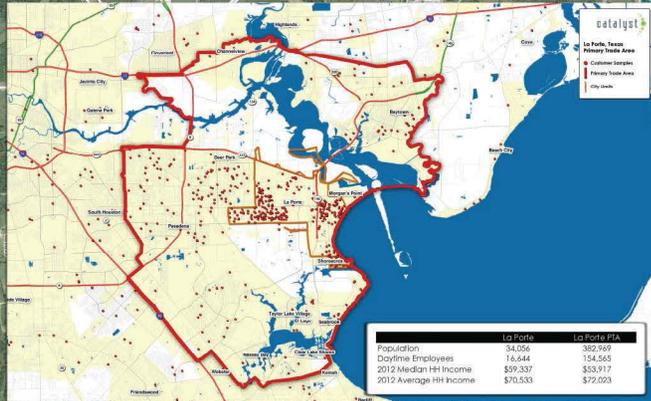
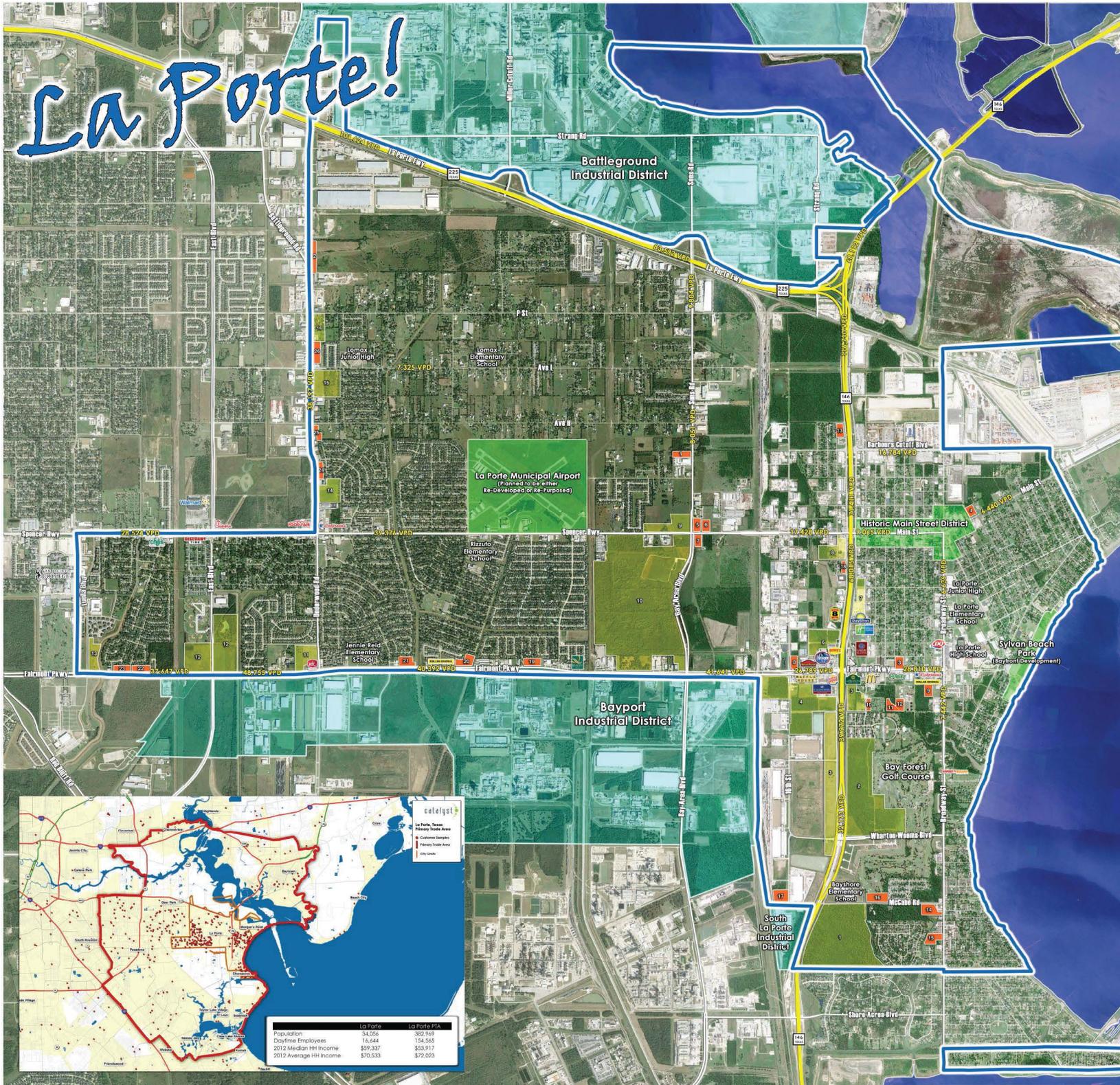
FOR MORE INFORMATION:
www.laportetx.gov/opportunities

La Porte!



604 W. Fairmont Pkwy
La Porte, Texas 77571
(281) 470-5016

- City Boundaries
- Development Tracts < 5 acres
 1. 2.7 Acres
 2. 4.2 Acres
 3. 2.4 Acres
 4. 2.1 Acres
 5. 2.4 Acres
 6. 2.4 Acres
 7. 1.9 Acres
 8. 2.3 Acres
 9. 2.4 Acres
 10. 1.1 Acres
 11. 2.3 Acres
 12. 2.3 Acres
 13. 2.4 Acres
 14. 4.5 Acres
 15. 3.7 Acres
 16. 5.0 Acres
 17. 5.0 Acres
 18. 1.1 Acres
 19. 3.1 Acres
 20. 3.8 Acres
 21. 3.4 Acres
 22. 2.7 Acres
 23. 2.7 Acres
 24. 2.5 Acres
 25. 1.9 Acres
 26. 4.3 Acres
 - Development Tracts > 5 acres
 1. 107.7 Acres
 2. 95.2 Acres
 3. 42.8 Acres
 4. 58.7 Acres
 5. 12.8 Acres
 6. 14.9 Acres
 7. 8.9 Acres
 8. 11.4 Acres
 9. 15.7 Acres
 10. 278.8 Acres
 11. 12.7 Acres
 12. 57.9 Acres
 13. 7.7 Acres
 14. 12.0 Acres
 15. 18.8 Acres
 16. 9.5 Acres

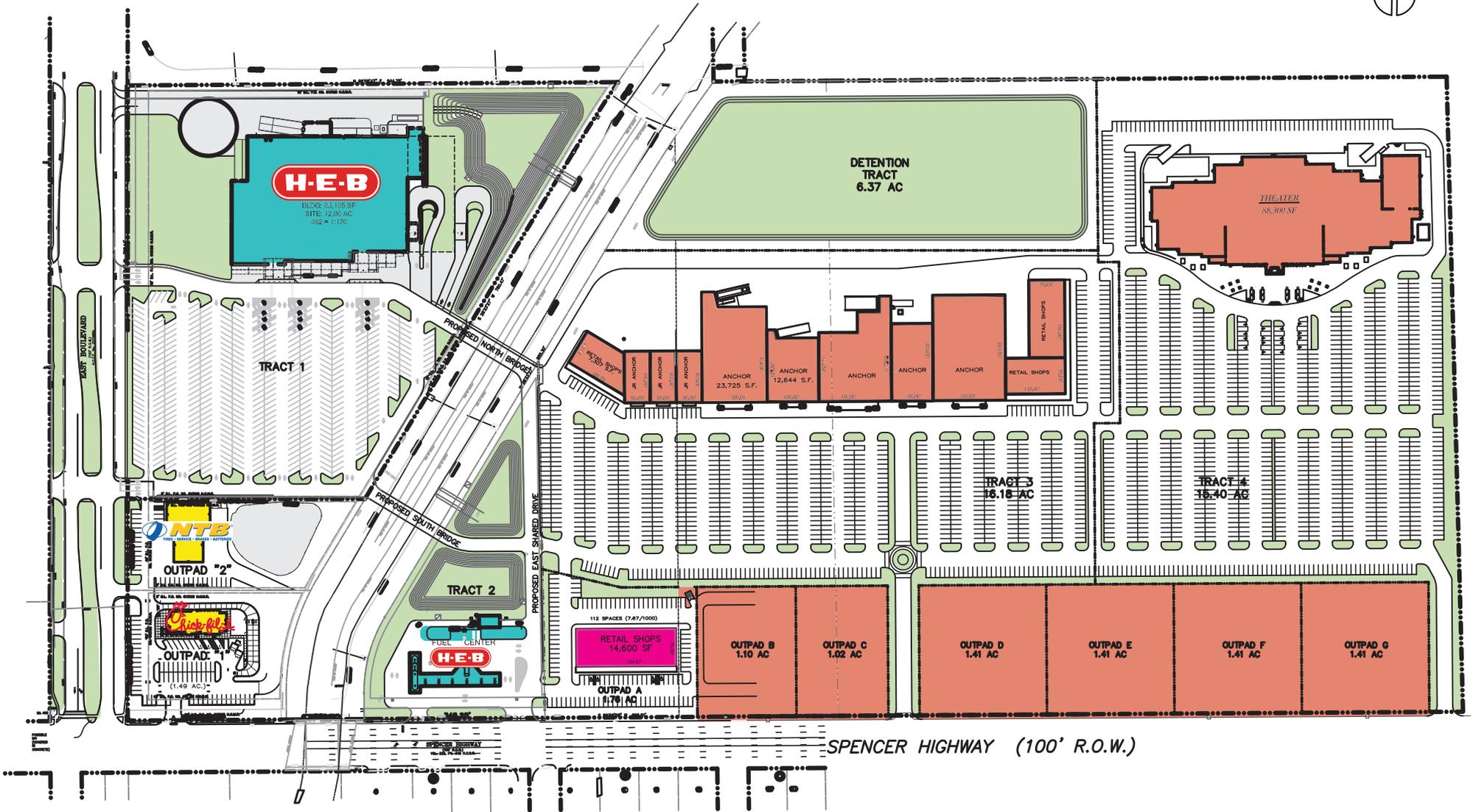


Aerial Date: April 2013
Last Updated: October 2013



The Junction at Deer Park

Deer Park, Texas 77536



La Porte!



604 W. Fairmont Pkwy
La Porte, Texas 77571
(281) 470-5016

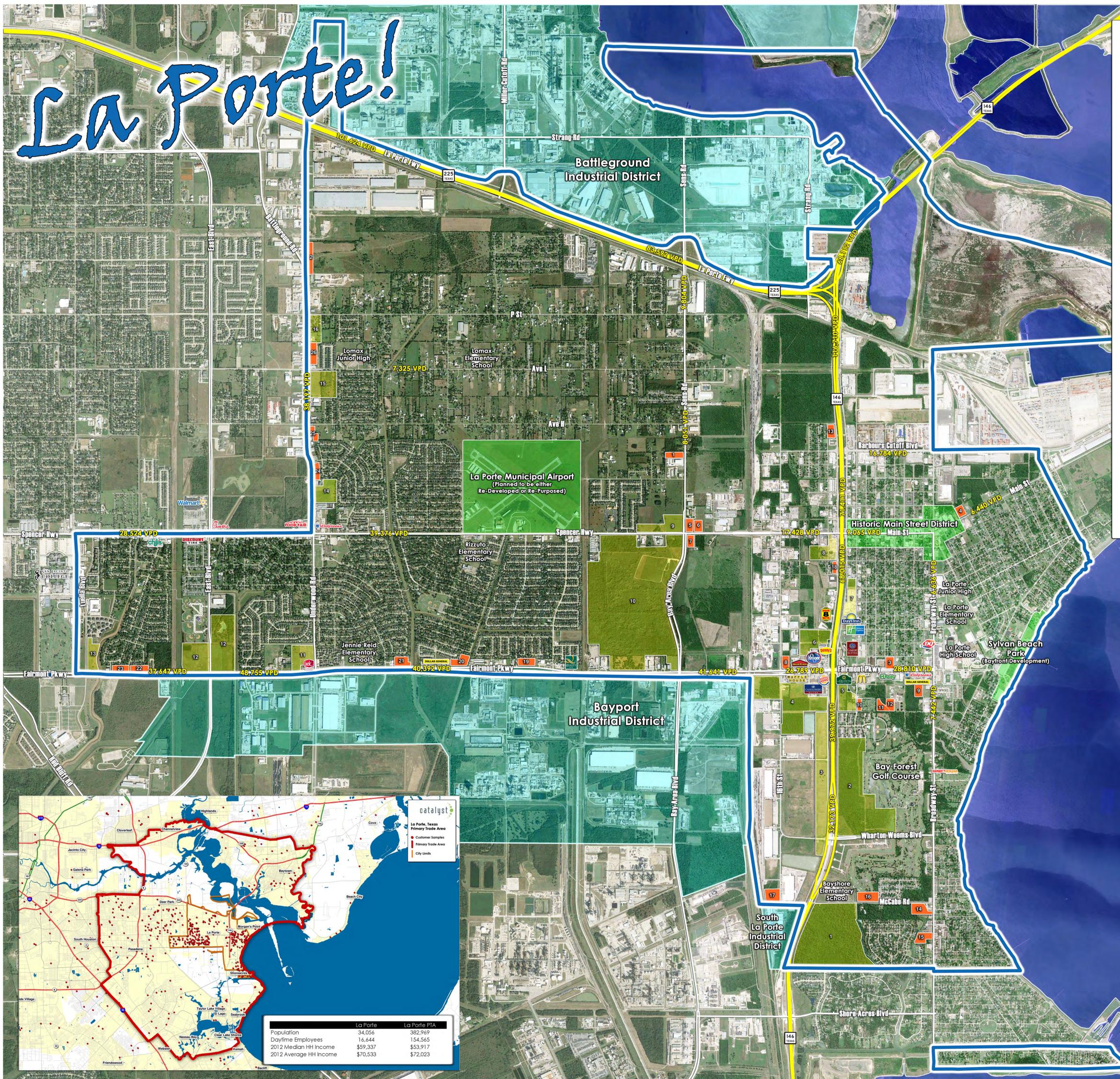
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26. 4.3 Acres

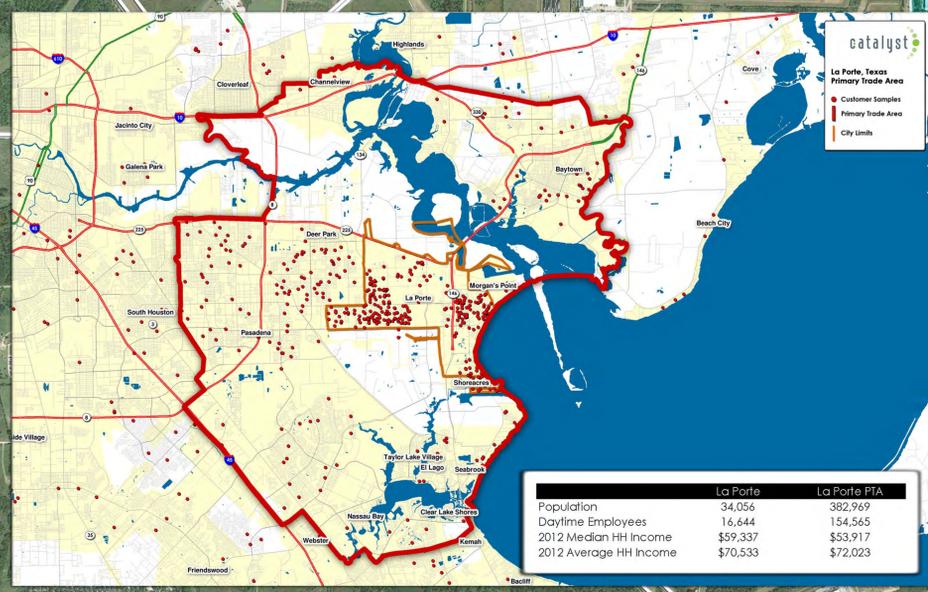
Development Tracts > 5 acres

1. 107.7 Acres
2. 95.2 Acres
3. 42.8 Acres
4. 58.7 Acres
5. 12.8 Acres
6. 14.9 Acres
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13. 7.7 Acres
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15. 18.8 Acres
16. 9.5 Acres



La Porte Municipal Airport
(Planned to be either Re-Developed or Re-Purposed)

Sylvan Beach Park
(Bayport Development)



Aerial Date: April 2013
Last Updated: October 2013
0 1/4 mile



CONCEPT LAPORTE TOWN CENTER

338,000 SF RETAIL BIG BOX, JR. ANCHORS, SMALL SHOPS
(10) RESTAURANT, MOTOR BANK OUTPARCELS, OTHER

80,000 SF PROFESSIONAL OFFICE AND MEDICAL
(1) FULL SERVICE HOTEL WITH CONFERENCE CENTER

30,000 SF FAMILY ENTERTAINMENT CENTER

30,000 SF CINEPLEX RESTAURANT

3 ACRE/1 ACRE EVENT PARK AND LAWN
INCLUDES AMPHITHEATRE, KIOSKS, ENTERTAINMENT CENTER,

(1) FESTIVAL AREA, AND WATER FEATURES
(1) OVERLOOK FOR THE CAUSEWAY, GOLF COURSE, BAY

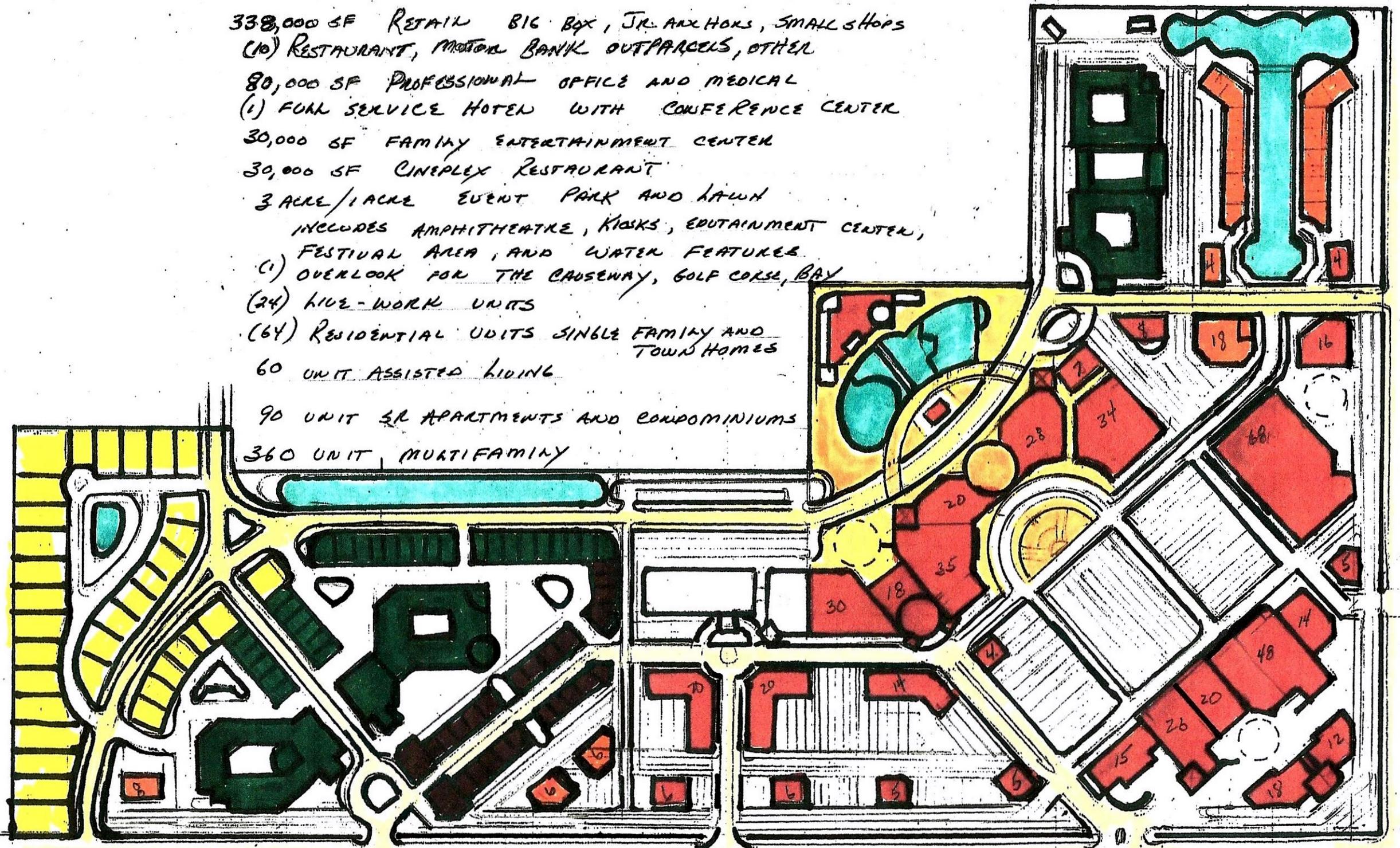
(24) HIGH-WORK UNITS

(64) RESIDENTIAL UNITS SINGLE FAMILY AND TOWN HOMES

60 UNIT ASSISTED LIVING

90 UNIT SR APARTMENTS AND CONDOMINIUMS

360 UNIT MULTIFAMILY



FOR CONTINUED IMPROVEMENT SUBJECT TO CHANGE
WITHOUT NOTICE

FOR PLANNING ONLY
CONFIDENTIAL
ALL RIGHTS RESERVED

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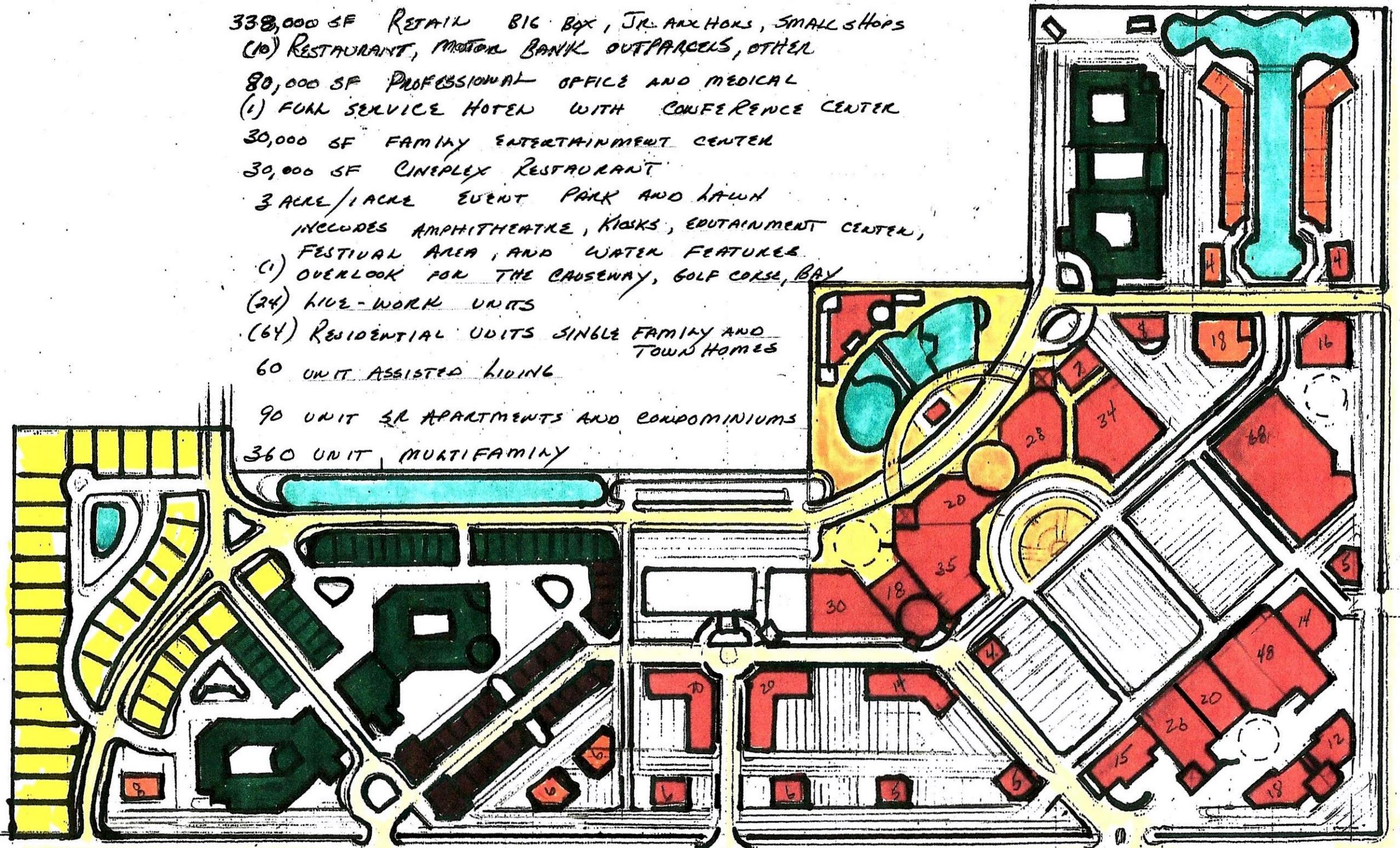
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ALL RIGHTS RESERVED

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>July 7, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><u>Appropriation</u></td> </tr> <tr> <td>Source of Funds:</td> <td><u>LPDC Fund Balance</u></td> </tr> <tr> <td>Account Number:</td> <td><u>015-9892-993</u></td> </tr> <tr> <td>Amount Budgeted:</td> <td><u>200,000</u></td> </tr> <tr> <td>Amount Requested:</td> <td></td> </tr> <tr> <td>Budgeted Item:</td> <td><input type="radio"/> YES <input type="radio"/> NO</td> </tr> </table>	<u>Appropriation</u>		Source of Funds:	<u>LPDC Fund Balance</u>	Account Number:	<u>015-9892-993</u>	Amount Budgeted:	<u>200,000</u>	Amount Requested:		Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO
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Amount Budgeted:	<u>200,000</u>												
Amount Requested:													
Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO												

Exhibits:

- 1. Enhancement Grant Guidelines - Current**
- 2. Enhancement Grant Guidelines - Revised**
- 3. Maps of the Expanded Program Area**
- 4. City of La Porte's Local Bidder Preference Policy**
- 5. Pages from the City Strategic Plan 2013-2017**

SUMMARY & RECOMMENDATIONS

Since the inception of the La Porte Enhancement Grant Program, the eligibility requirements of the program have not been amended. The Board did amend the program to add the stipulation regarding applicants obtaining three quotes for the proposed work and expand of the eligible areas to include S. Broadway to Fairmont Parkway. The Board expressed an interest in discussing the Program requirements and potentially making changes to the program. The issues raised include:

- Discussion of whether parking lot construction, repair, resurfacing, and striping are eligible for reimbursement as part of a projects; and
- Incorporation of the City of La Porte’s Local Bidder Preference Policy, and
- In accordance with the City of La Porte’s Purchasing Policy, eliminating the requirement that multiple bids be required for each eligible component s less than a total \$2,000, of which 50% or \$1,000 would be a reimbursable expense.

Staff continues to promote the La Porte Enhancement Grant Program to businesses on both Main Street and S. Broadway. However, in light of the City Council’s 5 Year Strategic Plan and the need for re-development and the elimination of blight in other areas of La Porte, staff requests that the 4B Board consider expanding the boundaries of the La Porte Enhancement Grant Program to include the following areas of the City of La Porte:

- W. Main Street/Spencer Hwy from SH 146 to the railroad tracks,
- Southeast corner of Farrington Drive and Spencer Hwy,
- Northern corners of Myrtle Creek and Spencer Hwy, and
- Southern corners of Underwood Road and Spencer Hwy.

Note: For specific boundary limits, please note the enclosed maps for this section.

The reasons for expanding the areas of the La Porte Enhancement Grant Program to include three (3) intersections on Spencer Hwy, as opposed to including the entire corridor along the Spencer Hwy, are as follows:

- Enhancing these intersections would do much to beautify the Spencer Hwy corridor.
- Development at these intersections is much older than development between the intersections along Spencer Hwy.
- Enhancement of the commercial property at the intersections would encourage new development and beautification of the areas between the intersections along Spencer Hwy.
- At a later date, the areas between the intersections along Spencer Hwy could be added to the Enhancement Grant Program.
- The expanded area does not include the section of Spencer Hwy west of the intersection of Underwood Road because this area may be redeveloped in response to the new retail development taking place on the north side of Spencer Hwy.

In order to fund the expanded area of the La Porte Enhancement Grant Program, please consider adding additional capital to the fund that supports the program. All capital that funds the La Porte Enhancement Grant Program is reserved in CIP Account #015-9892-993 and to which is also referred as Project 993 “Façade Grant”.

Staff recommends adding at least \$107,669 to this account to bring the total, after considering payments to the three existing projects (Eagle Energy, LaFitte’s Cajun Station, and the Oak Center), to \$250,000.

Action Required by the La Porte Development Corporation:

1. Discussion and possible action to expand the boundaries of the La Porte Enhancement Grant Program to include:
 - W. Main Street/Spencer Hwy from SH 146 to the railroad tracks,
 - Southeast corner of Farrington Drive and Spencer Hwy,
 - Northern corners of Myrtle Creek and Spencer Hwy, and
 - Southern corners of Underwood Road and Spencer Hwy.

2. Discussion and possible action to transfer \$107,669 from the LPDC’s General Fund Balance to **CIP Account #015-9892-993**.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date



LA PORTE ENHANCEMENT GRANT PROGRAM

The La Porte Enhancement Grant Program, which is sponsored by the La Porte Development Corporation, offers matching grants to businesses which are located in the La Porte Enhancement Grant District. A map of the La Porte Enhancement Grant District is provided in the full explanation of the program.

Eligible improvements of the EGP include facade renovation, beautification projects, and new awnings, canopies, porches, and signage. A single owner of multiple properties may apply for grant funds for each property owned, but each matching grant must be for more than \$2,500 and less than \$25,000 per property. Each program application will be evaluated on a case-by-case basis.

Interested business owners are welcome to complete the enclosed application form. Please deliver applications to the following address:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571

Please contact Scott D. Livingston at livingstons@laportetx.gov or 281/470-5016, if you have any questions about the La Porte Enhancement Grant Program.

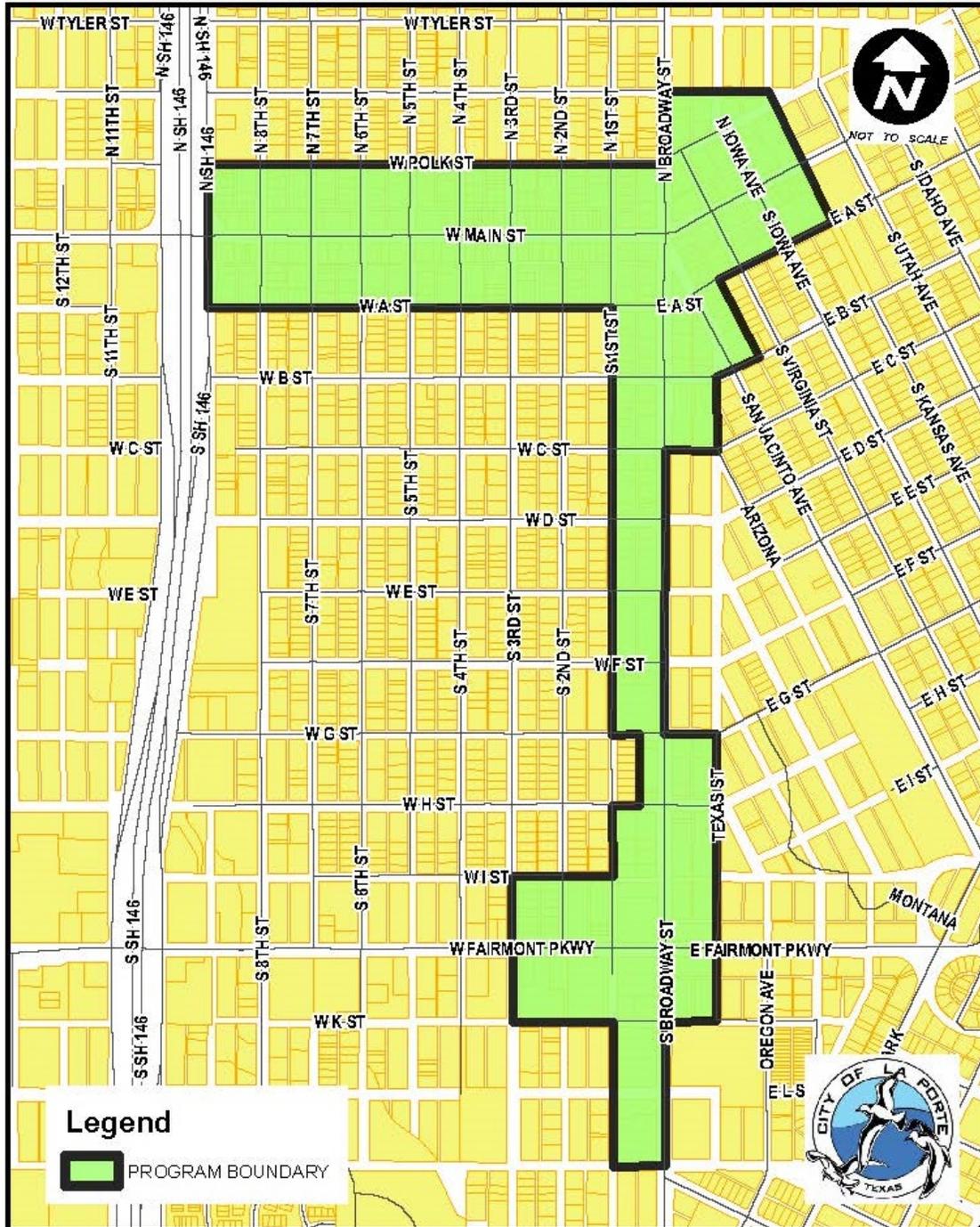
Sincerely,

A handwritten signature in blue ink that reads "Scott D. Livingston".

Scott D. Livingston
Economic Development Coordinator
City of La Porte

La Porte Enhancement Grant Program

The La Porte Enhancement Grant Program provides matching funds to enhance and/or beautify businesses in the La Porte Enhancement Grant District which is outlined with a **bold black line** below.



ELIGIBLE PROJECTS

Business owners may be eligible for a reimbursement grant of funds used to enhance and/or beautify their businesses. The following types of projects are eligible for reimbursement grants:

- **Façade Rehabilitation/Enhancement**
This includes work done on existing structures, such as removing non-historic/added facades, re-pointing brick or replacing mortar joints, replacing or restoring cornices, removing paint from brick, replacing windows, restoring transom windows, repairing facades, etc.
- **New Awnings, Canopies, Porches and Signage**
This includes replacing, adding, or repairing awnings, canopies, porches and signs. Signs may include signboards, projecting signs, pedestrian signage, window signs, hanging signs, and awning/canopy signs.
- **Beautification Projects**
This may include public art, landscaping, and other beautification projects as approved by the Enhancement Grant Evaluation Committee (EGEC).

PROGRAM GUIDELINES

1. Grant funds are available only for exterior work on commercial property and building facades that are visible from public streets in the La Porte Enhancement Grant District.
2. In general, grants offered to businesses are intended to support project to renovate or convert existing structures to their original historic condition.
3. Grants will be processed and considered for award on a first-come, first-served basis until funds are depleted or until the program ends, whichever comes first.
4. Grants will **not** be awarded for work that has already been started or completed, or for work that is covered by insurance. If desired work is above and beyond what insurance will pay, and is, therefore, considered an upgrade and enhancement in the opinion of the EGEC, it may be eligible for grant funds.
5. Grants will **not** be awarded to any Applicant that owes any delinquent indebtedness* to the City of La Porte or the La Porte Development Corporation (LPDC).

***“Delinquent Indebtedness” shall mean any indebtedness due and owing to the City of La Porte or the La Porte Development Corporation, including but not limited to, ad valorem taxes on real and personal property, which property is in fact owned by and is legally subject to taxation, whether or not the same may have been properly rendered to the tax assessor-collector by any person. Such term shall also include, but not be limited to, charges for penalties, interest and costs on any such ad valorem taxes; charges for water, sewer, garbage and other services rendered or goods furnished by the City of La Porte or the La Porte Development Corporation to any person; and any other manner of indebtedness to the City of La Porte or the La Porte Development Corporation, now existing or which may hereafter be created by any person. No such indebtedness shall be considered “delinquent” until the time for its current payment under the various ordinances of the City of La Porte, or state statutes, or contractual agreement, shall have expired, without payment having been made.*

6. Each grant will be awarded on a reimbursement basis once completed work has been verified by the EGEC to be compliant with the plans proposed in the approved application. Any deviation from the approved project may result in the total or partial withdrawal of the grant.
7. Each enhancement grant application will be subject to review by the EGEC, and approval from the LPDC. The review criteria include the following:
 - The project demonstrates a significant improvement over the existing situation,
 - The project will add to the beautification of Main Street and/or Broadway,
 - The project will enhance Main Street and/or Broadway's appeal to new businesses and visitors,
 - The project will complement the surrounding buildings, and
 - The project will add value to the City of La Porte.
8. Grant applications and awards may be made in any of the reimbursable activities described above and may be combined for any single property or project.
9. An applicant is defined as an owner, tenant, or combination thereof, who occupies space in an eligible property within the La Porte Enhancement Grant District. A single owner of multiple properties may apply for grant funds for each property owned, but the matching grant must be for more than \$2,500 and less than \$25,000 per property in a three (3) year period.

APPLICATION PROCESS

1. Determine eligibility: Discuss project plans with the Economic Development Coordinator, and the Coordinator will set up a pre-development meeting with the EGEC.
2. Complete the application and sign the agreement form. Each grant application must include the following:
 - a. A **scale drawing** by the project architect or design professional of all the work to be completed.
 - b. **Samples** -- i.e. paint samples, fabric swatches, sign material, etc. -- that will enable the EGEC to envision the finished project.
 - c. **Three (3) itemized work estimates** on all project work from contractors or project architects. Self-contracted work will be reimbursed for actual legitimate expenses, excluding labor.

- d. **Photographs** of the building's exterior. The Applicant shall be required to provide before and after photographs of the building before the reimbursement grant can be awarded. For the initial application, "before" photographs will suffice, but "after" photographs of the completed project must be submitted before the grant may be considered for reimbursement.
3. Return the completed application form, with all applicable items, to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571

4. The application will undergo an approval process, which includes but is not limited to the following:
 - a. Each project must meet current building standards and codes, as well as building permit requirements.
 - b. The EGEC will only consider applications that have been properly and fully completed, and which contain all information requested in the application and/or by the committee.
 - c. All itemized work estimates submitted by the Applicant must be dated no earlier than ninety (90) days prior to the Application request. Bids shall be submitted on the contractor's or project architect's letterhead and shall contain the contractor's name, address, and telephone number and shall itemize the bid in a manner that allows the EGEC to determine the bid components and authenticity of the bid.
 - d. Applications receiving approval by the EGEC shall commence construction described in the application within ninety (90) days from the date that the enhancement grant is approved. Each Applicant must complete the construction described in the Application within one (1) year from the date that the grant is approved. If the Applicant cannot meet this timeline, then the Applicant may submit a written request for an extension of the commencement date or completion date provided the extension request is made prior to the ninety (90) day or one (1) year time limit. The EGEC shall not be obligated to grant an extension, but it may do so for good cause determined solely by the members of the Committee. The extensions, if granted, shall be for the term and for the conditions determined exclusively by the EGEC. Denial of an extension request may not be appealed.
 - e. As a condition of this grant Application, the Applicant consents, and shall allow, the EGEC to request city inspections to determine that the grant, if awarded, will not be used for construction on any building that is not in compliance with the City Municipal

Codes and Ordinances that are applicable to the construction contemplated in the application.

- f. The EGEC and LPDC shall have sole discretion in awarding grants. They shall award grants considering the amount requested, grant funds available, the guidelines of the grant program, condition of the building in which the grant funds will be used, economic impact, other grant requests, the type and nature of the construction, and the proposed construction results considering the grant program.
 - g. No Applicant has a proprietary right to receive grant funds. The EGEC shall consider any application within its discretionary authority to determine what grant amount would be in the best interest of the grant program.
 - h. The Applicant shall be required to furnish “before” photographs of the building’s exterior, and any other site locations that are included as part of the application request. The applicant shall also provide “after” photographs once the construction has been completed, as a condition of final grant disbursement.
 - i. The EGEC has the final discretion with regard to funding and reserves the right to recommend modifications or reject any project or elements of any project.
5. Reimbursement. When the entire enhancement grant project has been completed, the Applicant shall present the Economic Development Office with the following:
 - a. Copies of all paid invoices, including copies of cancelled checks and/or credit card receipts for a single payment reimbursement of the approved funding, and
 - b. Photographs of all completed work.
 6. When the project has been reviewed and signed off by the EGEC and their recommendations have been presented and approved by the LPDC, a reimbursement check will be issued.

La Porte Enhancement Grant Application

Please print clearly. Please submit a completed application to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Pkwy
La Porte, TX 77571

APPLICANT INFORMATION:

APPLICATION DATE: _____

Applicant Name

Business Name

Physical Business Address

Business Owner (if different from applicant)

Mailing Address

Contact Phone

Email Address

TYPE OF WORK (*check all that apply*):

Façade Rehabilitation/Enhancement

Awnings/Signage

Beautification

Other (*describe*): _____

DETAILS OF PLANNED IMPROVEMENTS (*attach additional pages if necessary*):

Please list the name of each Contractor and/or Project Architect and the Total Amount of each bid. Please, also, attach the original proposals and work estimates:

CONTRACTOR/PROJECT ARCHITECT	TOTAL AMOUNT
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____

BUDGET DETAIL

PROJECT EXPENDITURES	FUNDS REQUESTED	FUNDS APPLIED	TOTAL
Façade Rehab	\$ _____	\$ _____	\$ _____
Awnings/Signage	\$ _____	\$ _____	\$ _____
Beautification	\$ _____	\$ _____	\$ _____
Other (list):	\$ _____	\$ _____	\$ _____
Other (list):	\$ _____	\$ _____	\$ _____
TOTALS	\$ _____	\$ _____	\$ _____

Total estimated cost of proposed project: \$ _____

Amount requested (up to 50% of total cost, \$2,500 to \$25,000): \$ _____

Please attach color samples, model numbers (for windows, doors, etc.), photos, scale drawing, and other illustrations of work to be completed. Please include as much detail as possible.

Your signature on this application certifies that you understand and agree with the following statements:
 I have met with the EGE and I fully understand the Enhancement Grant procedures and details established. I intend to use these grant funds for the renovation projects, as spelled out in the application. I have not received, nor will I receive insurance monies for this revitalization project OR I have disclosed all pertinent insurance information.

I understand that if I am awarded an Enhancement Grant, any deviation from the approved project may result in the partial or total withdrawal of the grant funds. If I am awarded a reimbursement grant for façade, awning, signage, beautification, or other approved work, alterations should not be made within five (5) years from construction; otherwise I may be required to reimburse the La Porte Development Corporation immediately for the full amount of the grant.

APPLICANT SIGNATURE

DATE



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Please contact Scott D. Livingston at livingstons@laportetx.gov or 281/470-5016, if you have any questions about the La Porte Enhancement Grant Program.

Sincerely,

A handwritten signature in blue ink that reads "Scott D. Livingston". The signature is written in a cursive style with a large, prominent initial "S".

Scott D. Livingston
Economic Development Coordinator City of La
Porte

LA PORTE BY THE BAY

604 W. Fairmont Parkway La Porte, Texas 77571 281/470-5016

ELIGIBLE PROJECTS

Business owners may be eligible for a reimbursement grant of funds used to enhance and/or beautify their businesses. The following types of projects are eligible for reimbursement grants:

- **Façade Rehabilitation/Enhancement**
Eligible projects include work done on existing structures, such as removing non-historic/added facades, re-pointing brick or replacing mortar joints, replacing or restoring cornices, removing paint from brick, replacing windows, restoring transom windows, repairing facades, etc.
- **New Awnings, Canopies, Porches, and Signage**
Eligible projects include replacing, adding, or repairing awnings, canopies, porches and signs. Signs may include signboards, projecting signs, pedestrian signage, window signs, hanging signs, and awning/canopy signs.
- **Beautification Projects**
Eligible projects include public art, landscaping, and other beautification projects as approved by the Enhancement Grant Evaluation Committee (EGEC).
- **Parking Lots**
Eligible projects include new parking lot construction, parking lot paving, parking lot re-surfacing, parking space striping/painting, new parking blocks, old parking block removal, and other projects as approved by the EGEC.

PROGRAM GUIDELINES

1. Grant funds are available only for exterior work on commercial property and building facades that are visible from public streets in the La Porte Enhancement Grant District.
2. In general, grants offered to businesses are intended to support project to renovate or convert existing structures to their original historic condition.
3. Grants will be processed and considered for award on a first-come, first-served basis until funds are depleted or until the program ends, whichever comes first.
4. Grants will not be awarded for work that has already been started or completed, or for work that is covered by insurance. If desired work is above and beyond what insurance will pay, and is, therefore, considered an upgrade and enhancement in the opinion of the EGEC, it may be eligible for grant funds.
5. Grants will not be awarded to any Applicant that owes any delinquent indebtedness* to the City of La Porte or the La Porte Development Corporation (LPDC).

BUSINESS. BY THE BAY.

**“Delinquent Indebtedness” shall mean any indebtedness due and owing to the City of La Porte or the La Porte Development Corporation, including but not limited to, ad valorem taxes on real and personal property, which property is in fact owned by and is legally subject to taxation, whether or not the same may have been properly rendered to the tax assessor-collector by any person. Such term shall also include, but not be limited to, charges for penalties, interest and costs on any such ad valorem taxes; charges for water, sewer, garbage and other services rendered or goods furnished by the City of La Porte or the La Porte Development Corporation to any person; and any other manner of indebtedness to the City of La Porte or the La Porte Development Corporation, now existing or which may hereafter be created by any person. No such indebtedness shall be considered “delinquent” until the time for its current payment under the various ordinances of the City of La Porte, or state statutes, or contractual agreement, shall have expired, without payment having been made.*

6. Each grant will be awarded on a reimbursement basis once completed work has been verified by the EGEC to be compliant with the plans proposed in the approved application. Any deviation from the approved project may result in the total or partial withdrawal of the grant.
7. Each enhancement grant application will be subject to review by the EGEC, and approval from the LPDC. The review criteria include the following:
 - The project demonstrates a significant improvement over the existing situation,
 - The project will add to the beautification of Main Street and/or Broadway,
 - The project will enhance Main Street and/or Broadway’s appeal to new businesses and visitors,
 - The project will complement the surrounding buildings, and
 - The project will add value to the City of La Porte.
8. Grant applications and awards may be made in any of the reimbursable activities described above and may be combined for any single property or project.
9. An applicant is defined as an owner, tenant, or combination thereof, who occupies space in an eligible property within the La Porte Enhancement Grant District. A single owner of multiple properties may apply for grant funds for each property owned, but the matching grant must be for more than \$2,500 and less than \$25,000 per property in a three (3) year period.
10. Preference will be given to all local bids for work that qualifies under the current form of the City of La Porte’s Local Bidder Preference Policy at the time the project is approved by the Board.
11. Multiple bids are **not** required for each eligible project that is less than a total \$2,000, of which 50% or \$1,000 would be a reimbursable expense, as per the City of La Porte’s Purchasing Policy.

APPLICATION PROCESS

1. Determine eligibility: Discuss project plans with the Economic Development Coordinator, and the Coordinator will set up a pre-development meeting with the EGEC.
2. Complete the application and sign the agreement form. Each grant application must include the following:
 - a. A scale drawing by the project architect or design professional of all the work to be completed.
 - b. Samples -- i.e. paint samples, fabric swatches, sign material, etc. -- that will enable the EGEC to envision the finished project.
 - c. Three (3) itemized work estimates on all project work from contractors or project architects. Self-contracted work will be reimbursed for actual legitimate expenses, excluding labor.
 - d. Photographs of the building's exterior. The Applicant shall be required to provide before and after photographs of the building before the reimbursement grant can be awarded. For the initial application, "before" photographs will suffice, but "after" photographs of the completed project must be submitted before the grant may be considered for reimbursement.
3. Return the completed application form, with all applicable items, to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway La Porte, TX
77571
LivingstonS@laportetx.gov

4. The application will undergo an approval process, which includes but is not limited to the following:
 - a. Each project must meet current building standards and codes, as well as building permit requirements.
 - b. The EGEC will only consider applications that have been properly and fully completed, and which contain all information requested in the application and/or by the committee.
 - c. All itemized work estimates submitted by the Applicant must be dated no earlier than

ninety (90) days prior to the Application request. Bids shall be submitted on the contractor's or

project architect's letterhead and shall contain the contractor's name, address, and telephone number and shall itemize the bid in a manner that allows the EGEC to determine the bid components and authenticity of the bid.

- d. Applications receiving approval by the EGEC shall commence construction described in the application within ninety (90) days from the date that the enhancement grant is approved. Each Applicant must complete the construction described in the Application within one (1) year from the date that the grant is approved. If the Applicant cannot meet this timeline, then the Applicant may submit a written request for an extension of the commencement date or completion date provided the extension request is made prior to the ninety (90) day or one (1) year time limit. The EGEC shall not be obligated to grant an extension, but it may do so for good cause determined solely by the members of the Committee. The extensions, if granted, shall be for the term and for the conditions determined exclusively by the EGEC. Denial of an extension request may not be appealed.
 - e. As a condition of this grant Application, the Applicant consents, and shall allow, the EGEC to request city inspections to determine that the grant, if awarded, will not be used for construction on any building that is not in compliance with the City Municipal Codes and Ordinances that are applicable to the construction contemplated in the application.
 - f. The EGEC and LPDC shall have sole discretion in awarding grants. They shall award grants considering the amount requested, grant funds available, the guidelines of the grant program, condition of the building in which the grant funds will be used, economic impact, other grant requests, the type and nature of the construction, and the proposed construction results considering the grant program.
 - g. No Applicant has a proprietary right to receive grant funds. The EGEC shall consider any application within its discretionary authority to determine what grant amount would be in the best interest of the grant program.
 - h. The Applicant shall be required to furnish "before" photographs of the building's exterior, and any other site locations that are included as part of the application request. The applicant shall also provide "after" photographs once the construction has been completed, as a condition of final grant disbursement.
 - i. The EGEC has the final discretion with regard to funding and reserves the right to recommend modifications or reject any project or elements of any project.
5. Reimbursement. When the entire enhancement grant project has been completed, the Applicant shall present the Economic Development Office with the following:
- a. Copies of all paid invoices, including copies of cancelled checks and/or credit card receipts for a single payment reimbursement of the approved funding, and
 - b. Photographs of all completed work.

BUSINESS. BY THE BAY.

6. When the project has been reviewed and signed off by the EGEK and their recommendations have been presented and approved by the LPDC, a reimbursement check will be issued.

La Porte Enhancement Grant Application

Please print clearly. Please submit a completed application to:

Scott D. Livingston
Economic Development Coordinator City of La
Porte
604 W. Fairmont Pkwy La Porte, TX
77571

APPLICANT INFORMATION:

APPLICATION DATE: _____

Applicant Name _____

Business Name _____

Physical Business Address _____

Business Owner (if different from applicant) _____

Mailing Address _____

Contact Phone _____

Email Address _____

TYPE OF WORK (*check all that apply*):

Façade Rehabilitation/Enhancement

Awnings/Signage

Beautification

Other (*describe*): _____

DETAILS OF PLANNED IMPROVEMENTS (*attach additional pages if necessary*):

Please list the name of each Contractor and/or Project Architect and the Total Amount of each bid. Please, also, attach the original proposals and work estimates:

CONTRACTOR/PROJECT ARCHITECT	TOTAL AMOUNT
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____

BUDGET DETAIL

PROJECT EXPENDITURES	FUNDS REQUESTED	FUNDS APPLIED	TOTAL
Façade Rehab	\$ _____	\$ _____	\$ _____
Awnings/Signage	\$ _____	\$ _____	\$ _____
Beautification	\$ _____	\$ _____	\$ _____
Other (list):	\$ _____	\$ _____	\$ _____
Other (list):	\$ _____	\$ _____	\$ _____
TOTALS	\$ _____	\$ _____	\$ _____

Total estimated cost of proposed project: \$ _____

Amount requested (up to 50% of total cost, \$2,500 to \$25,000): \$ _____

Please attach color samples, model numbers (for windows, doors, etc.), photos, scale drawing, and other illustrations of work to be completed. Please include as much detail as possible.

Your signature on this application certifies that you understand and agree with the following statements:

I have met with the EGEN and I fully understand the Enhancement Grant procedures and details established. I intend to use these grant funds for the renovation projects, as spelled out in the application. I have not received, nor will I receive insurance monies for this revitalization project OR I have disclosed all pertinent insurance information.

I understand that if I am awarded an Enhancement Grant, any deviation from the approved project may result in the partial or total withdrawal of the grant funds. If I am awarded a reimbursement grant for façade, awning, signage, beautification, or other approved work, alterations should not be made within five (5) years from construction; otherwise I may be required to reimburse the La Porte Development Corporation immediately for the full amount of the grant.

APPLICANT SIGNATURE

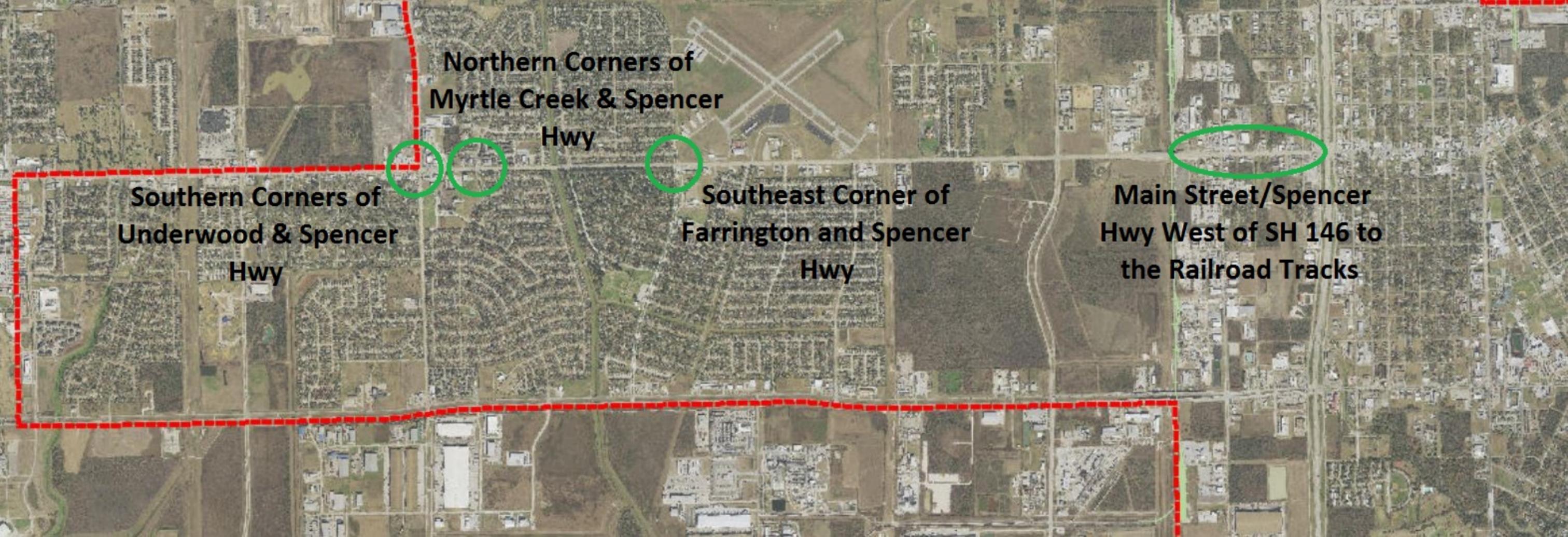
DATE

**Northern Corners of
Myrtle Creek & Spencer
Hwy**

**Southern Corners of
Underwood & Spencer
Hwy**

**Southeast Corner of
Farrington and Spencer
Hwy**

**Main Street/Spencer
Hwy West of SH 146 to
the Railroad Tracks**



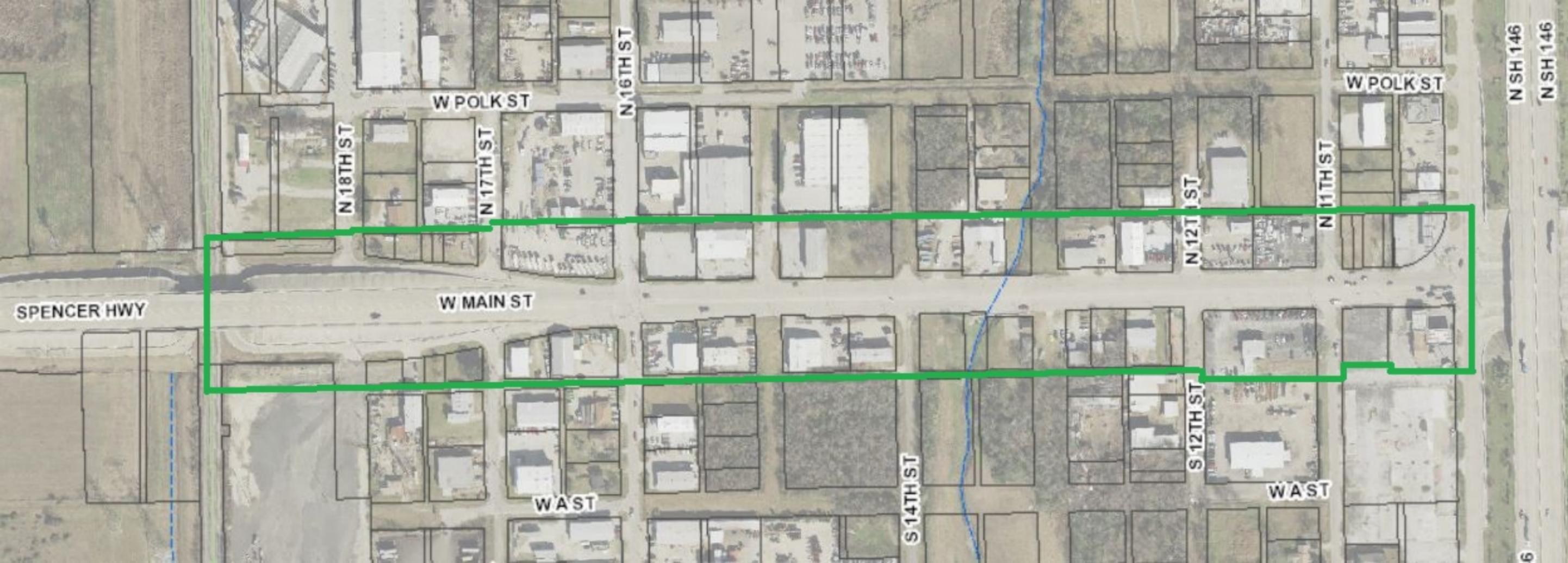


Myrtle Creek & Spencer Hwy

Underwood & Spencer Hwy

Farrington & Spencer Hwy

Main Street/Spencer Hwy West of SH 146



N 18TH ST

W POLK ST

N 16TH ST

W POLK ST

N 17TH ST

N 12TH ST

N 11TH ST

SPENCER HWY

W MAIN ST

NSH 146

NSH 146

W 1ST ST

S 14TH ST

S 12TH ST

W 1ST ST

Farrington Dr

Spencer Hwy

Logo Imprint



La Porte EMS

Sonic Drive In



Express Lane Food Store



Pipeline Grill

Spencer Hwy



Subway 🍴

Little Caesars Pizza 🍴

Walgreens 🛒

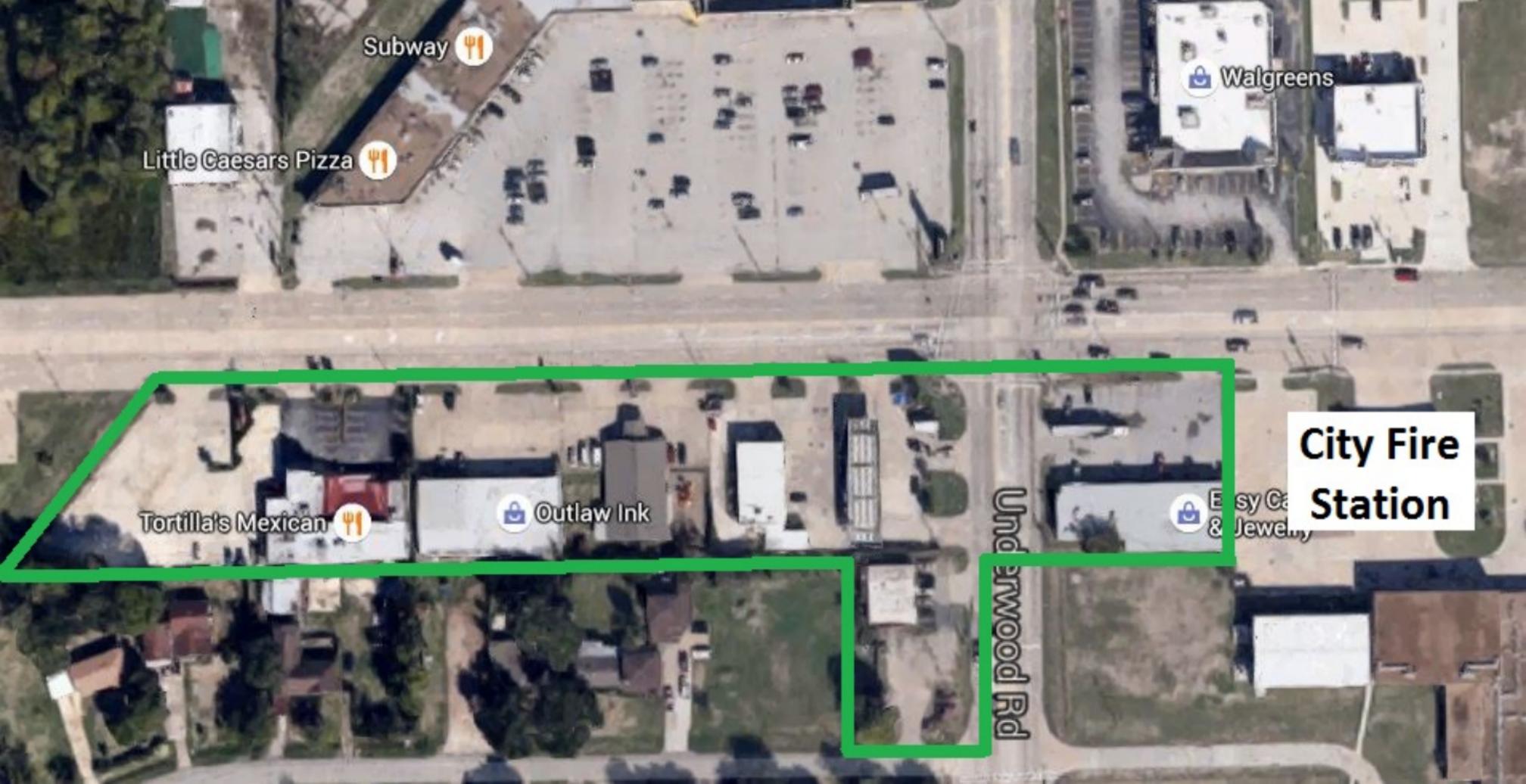
**City Fire
Station**

Tortilla's Mexican 🍴

Outlaw Ink 🛒

Easy Cash & Jewelry 🛒

Underwood Rd



CITY OF LA PORTE, TEXAS

LOCAL BIDDER PREFERENCE POLICY

Purpose:

The purpose of the policy is to implement Sections 271.905 and 271.9051 of the Texas Local Government Code allowing for "Consideration of Bidder's Principal Place of Business" in the award of competitively bid contracts, and to adopt similar guidelines for award of quotes for purchases not subject to bidding requirements under state law, for the acquisition of certain goods and services.

Procedure:

1. Scope

- a. This policy applies to the purchase of real property, personal property that is not affixed to real property, or services, including construction services, through submission of Competitive Bids for purchases of more than fifty thousand dollars (\$50,000.00), or in the case of purchases between twenty-five thousand dollars (\$25,000.00) and fifty thousand dollars (\$50,000.00), the submission of quotes.

2. Definitions:

- i. Lowest Responsible Bid/Quote - Price is the single determinant factor when awarding a bid or quote to a responsible vendor.
- ii. Principal Place of Business – business that is headquartered in and has an established place of business in the incorporated limits of the City of La Porte, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted. A location utilized as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed as a principal place of business.

3. Criteria for Award of Bid

- a. In contracts for the purchase of real property or personal property that is not affixed to real property, if the city receives one or more competitive bids from a vendor that is a local business and whose bid is within three percent (3%) of the lowest bid price received by the city from a bidder that is not a local

business, the city may enter into a contract in an amount equal to or greater than five hundred thousand dollars (\$500,000.00) with:

(1) the lowest bidder; or

(2) the local bidder that has a principal place of business in La Porte, as defined herein, provided the La Porte City Council determines, in writing, that awarding to the local bidder offers the city the best combination of contract price and economic development opportunities.

In cases where a low bidder's submission is below \$500,000.00, but where one or more competitive bids equal to or exceeding \$500,000.00 are received from a vendor that is a local business and which are within three percent (3%) of the low bidder's submission, then in that event the local bid or bids shall be entitled to consideration for local preference under this section, along with the low bid.

- b. In contracts for the purchase of real property, personal property that is not affixed to real property, or services, if the city receives one or more competitive bids from a vendor that is a local business and whose bid is within five percent (5%) of the lowest bid price received by the city from a bidder that is not a local business, the city may enter into a contract for an amount greater than fifty thousand dollars (\$50,000.00) but less than five hundred thousand dollars (\$500,000.00), or in the case of construction services, a contract greater than fifty thousand dollars (\$50,000.00) but less than one hundred thousand dollars (\$100,000.00), with:

(1) the lowest bidder; or

(2) the local bidder that has a principal place of business in La Porte, as defined herein, provided the La Porte City Council determines, in writing, that awarding to the local bidder offers the city the best combination of contract price and economic development opportunities.

In cases where a low bidder's submission is equal to or below \$50,000.00, but where one or more competitive bids exceeding \$50,000.00 are received from a vendor that is a local business and which are within five percent (5%) of the low bidder's submission, then in that event the local bid or bids shall be entitled to consideration for local preference under this section, along with the low bid.

A bid for construction services received from a vendor that is a local business that is in the amount of \$100,000.00 or more shall not be entitled to

consideration for local preference under this policy, regardless of whether the local bid is within five percent (5%) of the low bidder's submission.

The chart below is a summary of the criteria for Lowest Responsible Bids, for local business bidders:

LGC 271.9051	LGC 271.905
5% price differential	3% price differential
Construction bids greater than \$50,000 but less than \$100,000 All other bids, including services, greater than \$50,000 but less than \$500,000	All other bids, excluding construction and services, equal to or greater than \$500,000.

1. Criteria for Award of Quote

In contracts for the purchase of real property, personal property that is not affixed to real property, or services, if the city receives one or more quotes from a vendor that is a local business and whose quote is within five percent (5%) of the lowest quote received by the city from a vendor that is not a local business, the city may enter into a contract for an amount between twenty-five thousand dollars (\$25,000.00) and fifty thousand dollars (\$50,000.00) with:

- (1) the vendor submitting the lowest quote; or
- (2) the local vendor that has a principal place of business in La Porte, as defined herein, provided the La Porte City Council determines, in writing, that awarding to the local vendor offers the city the best combination of contract price and economic development opportunities.

In cases where a low bidder's submission is equal to or below \$25,000.00, but where one or more quotes exceeding \$25,000.00 are received from a vendor that

is a local business and which are within five percent (5%) of the low bidder's submission, then in that event the local quote or quotes shall be entitled to consideration for local preference under this section, along with the low quote.

2. Local Bidder Preference Consideration Application

- a. A new Local Bidder Preference Consideration Application form must be submitted with each competitive bid or quote submission by the due date.
- b. This application serves to ensure the qualifications of the vendor submitting a bid or quote and in the case of purchases of more than fifty-five thousand dollars (\$50,000.00), serves as the basis for meeting the state law requirement that the governing body find in writing, that a bidder is a local bidder.
- c. Vendors seeking local preference must meet all specifications and requirements contained in the bid documents or request for quotes.

3. Exceptions

- a. This policy does not apply to purchases obtained through a Request for Qualifications (RFQ), Request for Proposals (RFP), bids involving Federal funds, Cooperative Purchases, Emergencies or Inter-local Agreements, or purchases for services subject to the Professional Services Procurement Act, Texas Government Code Chapter 2254.
- b. Bids received for contracts relating to telecommunication or information services are ineligible for consideration under this local preference policy, for purchases greater than fifty thousand dollars (\$50,000.00) but less than five hundred thousand dollars (\$500,000.00).

4. The City Council may award a competitively bid contract to the lowest responsible bidder, local bidder consistent with this policy and state law, or reject all bids, and likewise, may award a quote to the lowest responsible vendor, local vendor consistent with this policy, or reject all quotes.

2013 Strategic Plan Quarterly Update: Q3 2013

STRATEGIC PLAN GOALS AND OBJECTIVES

COUNCIL GOAL NO. 4: ENCOURAGE ECONOMIC/RETAIL DEVELOPMENT

4a Increase retail business

Offer incentives to retail similar to those offered to industrial (retail zones)

ID incentives that may be used to attract new retail development/re-development

Implement a broader, more robust program to attract new retail development by using the new retail incentives

Dress up facades on Broadway shopping centers

Meet with owners of shopping centers

ID ways to strengthen and broaden the Program

Review, promote, and implement a broader, more robust Enhancement Grant Program

Remove obstacles to building permits/site inspections for business improvement/new business

Implement recommendation from Planning Audit to streamline these processes

Implement commercial courtesy walk-through for potential remodels

4b Promote opportunities for retail on Spencer

Create a development map of available properties

Implement findings of the Catalyst Retail Study

Get involved with HCREN, BACREN, ICSC, SIOR, ACRP, AND CCIM events to promote La Porte

Market to brokers, developers, and end users

COUNCIL GOAL NO. 6: REVITALIZE SH 146 & ELIMINATE BLIGHT

6a Promote greenfield tract development along SH 146 by facilitating contact, providing information, and offering incentives to development types consistent with our industry/market

Target retail & office users that cater to our industry types for a campus-style development park

Create a development map of available properties

Implement findings from Catalyst Retail Study

Get involved with HCREN, BACREN, ICSC, SIOR, ACRP, AND CCIM events to promote La Porte

<u>STRATEGIC PLAN GOALS AND OBJECTIVES</u>	
	Market to brokers, developers, and end users
	Create abatement programs/EDC incentives and infrastructure inputs consistent with needs of applicants
	Survey active and prospective customers
	Identify and document the commonly sought or needed incentives and infrastructure inputs needed to attract new retail development/redevelopment
	Create a plan to put the necessary infrastructure inputs into place that will attract new retail development and redevelopment
	Production of data (census, current demographic stats, BDG, etc) for use of customers in decision-making process
	Market our City to ICSC and site selector consultants
	Create a development map of available properties
	Implement findings from Catalyst Retail Study
	Get involved with HCREN, BACREN, ICSC, SIOR, ACRP, AND CCIM events to promote La Porte
	Market to brokers, developers, and end users
6b	Promote revitalization and development (where appropriate) along SH 146, Main Street, and Broadway by facilitating contact, providing information, and offering incentives to development types consistent with our industry/market
	Target code enforcement on said thoroughfares through a "carrot versus stick" approach to blight
	Create abatement program/ED incentives and infrastructure inputs consistent with needs of applicants
	Survey active and prospective customers
	Identify and document the commonly sought or needed incentives and infrastructure inputs needed to attract new retail development/redevelopment
	Create a plan to put the necessary infrastructure inputs into place that will attract new retail development and redevelopment
	Market the City at ICSC and Site Selector Consultants
	Create a development map of available properties and marketing collateral
	Implement findings from Catalyst Retail Study
	Get involved with HCREN, BACREN, ICSC, SIOR, ACRP, AND CCIM events to promote La Porte
	Market to brokers, developers, and end users

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>July 7, 2015</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: right; padding-right: 10px;"><u>Appropriation</u></td> <td></td> </tr> <tr> <td style="padding-right: 10px;">Source of Funds:</td> <td><u>4B Board</u></td> </tr> <tr> <td style="padding-right: 10px;">Account Number:</td> <td></td> </tr> <tr> <td style="padding-right: 10px;">Amount Budgeted:</td> <td></td> </tr> <tr> <td style="padding-right: 10px;">Amount Requested:</td> <td></td> </tr> <tr> <td style="padding-right: 10px;">Budgeted Item:</td> <td><input type="radio"/> YES <input type="radio"/> NO</td> </tr> </table>	<u>Appropriation</u>		Source of Funds:	<u>4B Board</u>	Account Number:		Amount Budgeted:		Amount Requested:		Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO
<u>Appropriation</u>													
Source of Funds:	<u>4B Board</u>												
Account Number:													
Amount Budgeted:													
Amount Requested:													
Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO												

Exhibits:

- 1. CM Approved Budget for FY 2015-2016**
- 2. Adopted Budget for FY 2014-2015**

SUMMARY & RECOMMENDATIONS

Staff met with representatives of the Finance Department, Assistant City Manager, and City Manager on 15 June 2015 to discuss the proposed budget for the La Porte Development Corporation. On the same day the City Manager made some changes and then approved the enclosed form of the proposed budget for FY 2015 - 2016.

Please note the following:

- The figures for “Personnel Expenses” in Accounts #10-10 to 10-90 on page #1 are provided by the Finance Department.
- The figures for “Special Programs” in Account #99-97 on page #5 are provided by the Finance Department.
- The figures for Debt Service in Account #90-04 on page #5 are also provided by the Finance Department.
- The Finance Department requested that the EDC pay for the EDC’s portion of a city-wide contract for the annual “SUTA & STARS Reporting Fees” in Account #038-6030-565.50-07 for Other Professional Services. The SUTA Fees are 35% of new sales tax revenues as a result of MuniService’s audits. The STARS Reporting Fees is for a tax analysis and reporting service provided by MuniServices.
- The amount of expenditures proposed in the Proposed Budget for FY 2015-2016 is \$1,038,974, which is \$379,637 less than the current fiscal year.

Other noteworthy items include the following:

- Account #90-04 for “Debt Service” decreased by \$403,149,
- Account #50-07 for “Other Professional Services” decreased by \$10,000 to seek Certification as an Accredited Economic Development Corporation. (Note: We have to formulate a Strategic Plan, which will take most of the next fiscal year, before we can seek certification as an AEDO.)
- Account #50-07 for “Other Professional Services” was increased by \$20,000 to obtain outside assistance in building Board, Council, and community consensus regarding which projects and the priorities of the

projects that should be included in the Economic Development Strategic Plan.

- \$50,000 has been set aside for “Workforce Training Incentives” in account #038-6030-565.99-97. Staff is in early discussion with both Albemarle and AMPAC Fine Chemicals regarding interest in applying to the ED Board for assistance for anticipated costs for “primary job training”.
- The Board may wish to consider transferring additional funds to replenish, and perhaps increase, the amount of funds which are available to support the La Porte Enhancement Grant Program. All capital that funds the La Porte Enhancement Grant Program is reserved in CIP Account #015-9892-993 and to which is also referred as Project 993 “Façade Grant”. The current balance available is \$209,091. Outstanding grant commitments for approved projects are as follows:

Eagle Energy Resources, LLC	-	\$25,000.00
Lafitte Cajun Station	-	\$25,000.00
The Oak Center	-	\$16,759.93

Assuming each Enhancement Grant Project receives a full reimbursement of the committed grant funds, the remaining balance in the Enhancement Grant Account would be approximately \$142,331. Therefore, in order to replenish and fund the expanded area of the La Porte Enhancement Grant Program, please consider adding at least \$107,669 to this account to bring the total, after considering payments to the three existing projects, to \$250,000.

Action Required by the La Porte Development Corporation:

Discussion and possible action regarding the proposed budget of the La Porte Development Corporation for FY 2015-2016.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	LAST YEARS ACTUALS	BUDGET 2014-15	ESTIMATE 2014-15	REQUESTED 2015-16	CITY MANAGER ADJUSTMENTS	CITY MANAGER REVIEW
FUND 038 SECTION 4B SALES TAX							
DEPT 60 ADMINISTRATION							
DIV 30 SECTION 4B SALES TAX							
038-6030-565.10-10	REGULAR EARNINGS	49,645	72,271	71,744	73,008	0	73,008
038-6030-565.10-12	SICK BUY BACK	0	0	0	0	0	0
038-6030-565.10-20	OVERTIME	32	0	0	0	0	0
038-6030-565.10-30	CERTIFICATION	9	0	0	0	0	0
038-6030-565.10-35	LONGEVITY	96	139	66	66	0	66
038-6030-565.10-60	FICA	3,647	5,400	5,488	5,442	0	5,442
038-6030-565.10-65	RETIREMENT	8,521	12,395	12,304	11,886	0	11,886
038-6030-565.10-80	INSURANCE - MEDICAL	7,817	10,423	10,423	10,423	0	10,423
038-6030-565.10-81	INSURANCE - LIFE	23	20	20	20	0	20
038-6030-565.10-90	OTHER BENEFITS	0	0	0	1,200	0	1,200
LEVEL	TEXT			TEXT	AMT		
16CM	BAY FOREST GOLF COURSE RESIDENT MEMBERSHIP				1,200		
					1,200		
038-6030-565.20-01	OFFICE	120	200	200	200	0	200
LEVEL	TEXT			TEXT	AMT		
16CM	BINDERS, COPY PAPER, PENS, WHITE OUT, TAPE, ETC.				200		
					200		
038-6030-565.20-02	POSTAGE	373	2,000	2,000	2,000	0	2,000
LEVEL	TEXT			TEXT	AMT		
16CM	ENHANCEMENT GRANT PROMOTION (2 MAIL OUTS)				1,000		
	* PRESENTATIONS, PROPOSALS, REPORTS, ETC.				1,000		
					2,000		
038-6030-565.20-15	OTHER SUPPLIES	1,067	800	1,000	1,000	0	1,000
LEVEL	TEXT			TEXT	AMT		

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	LAST YEARS ACTUALS	BUDGET 2014-15	ESTIMATE 2014-15	REQUESTED 2015-16	CITY MANAGER ADJUSTMENTS	CITY MANAGER REVIEW
FUND 038	SECTION 4B SALES TAX						
DEPT 60	ADMINISTRATION						
DIV 30	SECTION 4B SALES TAX						
16CM	MEALS FOR TIRZ MEETINGS			500			
	*						
	MEALS FOR ECONOMIC DEVELOPMENT BOARD MEETINGS			500			
				1,000			
038-6030-565.30-01	MEMBERS & SUBSCRIPTIONS	41,129	45,000	45,500	44,500	0	44,500
LEVEL	TEXT			TEXT	AMT		
16CM	BAY AREA HOUSTON ECONOMIC PARTNERSHIP (BAHEP)				20,000		
	*						
	TEXAS ECONOMIC DEVELOPMENT CORP. (TEDC)				500		
	*						
	INTERNATIONAL COUNCIL SHOPPING CENTERS (ICSC)				100		
	*						
	BAYTRAN				2,500		
	*						
	ECONOMIC ALLIANCE HOUSTON PORT REGION				20,000		
	*						
	MISC (PROFESSIONAL ORGANIZATIONS, DUES, SUBSCRIPTIONS)				400		
	*						
	TEXAS DOWNTOWN ASSOCIATION				500		
	*						
	INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL				500		
					44,500		
038-6030-565.30-20	TRAINING/SEMINARS	20,029	10,500	10,500	13,500	0	13,500
LEVEL	TEXT			TEXT	AMT		
15ES	TRAINING & SEMINAR				14,500		
	**						
	CMA				4,000-		
					10,500		
LEVEL	TEXT			TEXT	AMT		
16CM	MILEAGE				2,000		
	*						
	INTERNATIONAL EC. DEV. COUNCIL ANNUAL CONFERENCE				2,000		
	*						
	LOCAL SMALL BUSINESS TRAINING				2,000		
	*						
	LOCAL VENDOR OUTREACH				1,000		

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	LAST YEARS ACTUALS	BUDGET 2014-15	ESTIMATE 2014-15	REQUESTED 2015-16	CITY MANAGER ADJUSTMENTS	CITY MANAGER REVIEW
FUND 038 SECTION 4B SALES TAX DEPT 60 ADMINISTRATION DIV 30 SECTION 4B SALES TAX							
	* TEXAS EC. DEV. COUNCIL ANNUAL CONFERENCE			1,500			
	* ED SALES TAX 2015			500			
	* MISC. PROFESSIONAL TRAINING			2,000			
	* BAHEP, ALLIANCE, GHP, BAYTRAN, ETC.			1,000			
	* TEXAS DOWNTOWN ASSOCIATION ANNUAL CONFERENCE			1,500			
				13,500			
038-6030-565.40-11	BUILDING	0	0	0	0	0	0
038-6030-565.40-55	COMPUTER SOFTWARE	0	0	0	0	0	0
038-6030-565.40-60	TECHNOLOGY LEASE FEES	0	0	0	0	0	0
038-6030-565.40-65	COMPUTER MAINTENANCE FEES	0	0	0	0	0	0
038-6030-565.50-01	ACCOUNTING	5,000	5,000	5,000	5,000	0	5,000
LEVEL	TEXT			TEXT	AMT		
16CM	AUDIT SERVICES				5,000		
					5,000		
038-6030-565.50-03	LEGAL	4,367	10,000	10,000	10,000	0	10,000
LEVEL	TEXT			TEXT	AMT		
16CM	LEGAL SERVICES FOR ECONOMIC DEVELOPMENT MATTERS				10,000		
					10,000		
038-6030-565.50-05	PERSONNEL SERVICES	0	0	0	0	0	0
038-6030-565.50-07	OTHER PROFESSIONAL SERVIC	0	6,305	8,000	38,000	10,000-	28,000
LEVEL	TEXT			TEXT	AMT		
16CM	CITY WIDE INTERNET MAINTENANCE FEE				4,500		
	* WEBSITE UPGRADES				1,500		
	* 						

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	LAST YEARS ACTUALS	BUDGET 2014-15	ESTIMATE 2014-15	REQUESTED 2015-16	CITY MANAGER ADJUSTMENTS	CITY MANAGER REVIEW
FUND 038	SECTION 4B SALES TAX						
DEPT 60	ADMINISTRATION						
DIV 30	SECTION 4B SALES TAX						
	SUTA AND STARS FEES			2,000			
	* ACCREDITED ECONOMIC DEVELOPMENT ORG. CERTIFICATION			10,000			
	* STRATEGIC PLANNING FOR ED			20,000			
	** CMA			10,000-			
				28,000			
038-6030-565.50-12	PROPERTY RESALE MAINT	0	0	0	0	0	0
038-6030-565.60-02	PRINTING & REPRODUCTION	5,716	10,000	3,000	3,000	0	3,000
LEVEL	TEXT			TEXT	AMT		
16CM	ENHANCEMENT GRANT PROMOTION (TWICE A YEAR)				2,000		
	* OTHER				1,000		
					3,000		
038-6030-565.60-05	ADVERTISING	45,868	47,695	47,695	50,000	0	50,000
LEVEL	TEXT			TEXT	AMT		
15ES	ADVERTISING				48,000		
	** CMA				305-		
					47,695		
LEVEL	TEXT			TEXT	AMT		
16CM	TEXAS TREAL ESTATE BUSINESS				8,000		
	* GHP'S ED GUIDE				4,000		
	* TRAVEL				2,000		
	* HBJ				15,000		
	* RED NEWS				13,000		
	* PROMOTIONAL GIVE-AWAYS				2,000		
	* BUSINESS MEETINGS NETWORKING				2,000		
	*						

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	LAST YEARS ACTUALS	BUDGET 2014-15	ESTIMATE 2014-15	REQUESTED 2015-16	CITY MANAGER ADJUSTMENTS	CITY MANAGER REVIEW
FUND 038 SECTION 4B SALES TAX DEPT 60 ADMINISTRATION DIV 30 SECTION 4B SALES TAX OTHER ADVERTISING OPPORTUNITIES				4,000 50,000			
038-6030-565.60-10	JANITORIAL SERVICES	0	0	0	0	0	0
038-6030-565.60-40	TRADE SHOWS	0	11,000	11,000	11,000	0	11,000
LEVEL 16CM	TEXT INTERNATIONAL COUNCIL OF SHOPPING CENTERS (ICSC) * ICSC DALLAS JULY OR AUSTIN RETAIL LIVE AUGUST * ISCS RECON			TEXT AMT 2,500 2,500 6,000 11,000			
038-6030-565.70-01	ELECTRICAL	0	0	0	0	0	0
038-6030-565.70-02	NATURAL GAS	0	0	0	0	0	0
038-6030-565.70-04	WATER	2,876	0	0	0	0	0
038-6030-565.70-05	MISC UTILITIES	0	0	0	0	0	0
038-6030-565.80-31	LAND ACQUISITIONS	0	0	0	0	0	0
038-6030-565.90-50	CONTINGENCY	0	0	0	0	0	0
038-6030-565.99-97	REQ FOR SPECIAL PROGRAMS	481,500	185,646	185,646	85,672	2,389	88,061
LEVEL 16CM	TEXT MERIT * HARRIS COUNTY BUS SERVICE/SPLIT WITH COMMUNITY INV * WORKFORCE TRAINING INCENTIVES			TEXT AMT 2,561 35,500 50,000 88,061			
038-6030-565.99-99	REQ FOR NEW POSITION	0	0	0	0	0	0
038-6030-680.90-03	ADMN TRANS TO FUND 003	0	0	0	0	0	0
038-6030-680.90-04	ADMN TRANS TO FUND 004	948,545	1,083,817	1,083,817	680,668	0	680,668

BUDGET PREPARATION WORKSHEET
RESULTS OF DEPARTMENT REVIEW WITH CITY MANAGER

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	LAST YEARS ACTUALS	BUDGET 2014-15	ESTIMATE 2014-15	REQUESTED 2015-16	CITY MANAGER ADJUSTMENTS	CITY MANAGER REVIEW
FUND 038	SECTION 4B SALES TAX						
	DEPT 60 ADMINISTRATION						
	DIV 30 SECTION 4B SALES TAX						
038-6030-680.90-15	ADMN TRANS TO FUND 015	177,000	0	0	0	0	0
038-6030-680.90-33	TRANSFER TO ST MAINT FUND	0	0	0	0	0	0

*	SECTION 4B SALES TAX	1,803,380	1,518,611	1,513,403	1,046,585	7,611-	1,038,974

**	ADMINISTRATION	1,803,380	1,518,611	1,513,403	1,046,585	7,611-	1,038,974

***	SECTION 4B SALES TAX	1,803,380	1,518,611	1,513,403	1,046,585	7,611-	1,038,974

		1,803,380	1,518,611	1,513,403	1,046,585	7,611-	1,038,974

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	BUDGET 2013-14	ESTIMATE 2013-14	ADOPTED BUDGET
FUND 038 SECTION 4B SALES TAX DEPT 60 ADMINISTRATION DIV 30 SECTION 4B SALES TAX						
038-6030-565.10-10	REGULAR EARNINGS	40,141	36,370	49,618	51,460	72,046
LEVEL	TEXT					
15AD	ORIGINAL				51,460	
	MOVE 25% OF ECONOMIC DEVELOPMENT COORDINATOR TO 4B				20,586	
					72,046	
038-6030-565.10-20	OVERTIME	399	44	0	32	0
038-6030-565.10-30	CERTIFICATION	0	0	0	9	0
038-6030-565.10-35	LONGEVITY	82	365	181	85	139
038-6030-565.10-60	FICA	3,068	2,744	3,692	3,808	5,383
LEVEL	TEXT					
15AD	ORIGINAL				3,808	
	MOVE 25% OF ECONOMIC DEVELOPMENT COORDINATOR TO 4B				1,575	
					5,383	
038-6030-565.10-65	RETIREMENT	7,070	6,363	8,544	8,825	12,356
LEVEL	TEXT					
15AD	ORIGINAL				8,825	
	MOVE 25% OF ECONOMIC DEVELOPMENT COORDINATOR TO 4B				3,531	
					12,356	
038-6030-565.10-80	INSURANCE - MEDICAL	6,086	7,817	7,817	7,817	10,423
LEVEL	TEXT					
15AD	ORIGINAL				7,817	
	MOVE 25% OF ECONOMIC DEVELOPMENT COORDINATOR TO 4B				2,606	
					10,423	
038-6030-565.10-81	INSURANCE - LIFE	19	23	20	20	20
038-6030-565.20-01	OFFICE	12	150	200	200	200
LEVEL	TEXT					
15AD	BINDERS, COPY PAPER, PENS, WHITE OUT, TAPE,					

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	BUDGET 2013-14	ESTIMATE 2013-14	ADOPTED BUDGET
FUND 038	SECTION 4B SALES TAX					
DEPT 60	ADMINISTRATION					
DIV 30	SECTION 4B SALES TAX					
	POST IT'S, HIGHLIGHTER, BINDER TABS, FILE FOLDERS, ECONOMIC DEVELOPMENT GUIDE BINDERS			200 200		
038-6030-565.20-02	POSTAGE	220	13	2,000	2,000	2,000
LEVEL	TEXT			TEXT	AMT	
15AD	ENHANCEMENT GRANT PROMOTION (2 MAIL OUTS) * PRESENTATIONS, PROPOSALS, REPORTS, ETC. *				1,000 1,000 2,000	
038-6030-565.20-15	OTHER SUPPLIES	2,503	1,567	800	800	800
LEVEL	TEXT			TEXT	AMT	
15AD	MEALS FOR TIRZ MEETINGS * MEALS FOR ECONOMIC DELVELOPMENT BOARD MEETINGS * SPONSORSHIP OF MEETING LUNCHESES				500 200 100 800	
038-6030-565.30-01	MEMBERS & SUBSCRIPTIONS	20,535	45,293	43,500	43,500	45,000
LEVEL	TEXT			TEXT	AMT	
15AD	BAY AREA HOUSTON ECONOMIC PARTNERSHIP (BAHEP) * TEXAN ECONOMIC DEVELOPMENT CORP. (TEDC) * INTERNATIONAL COUNCIL SHOPPING CENTERS (ICSC) * BAYTRAN * ECONOMIC ALLIANCE HOUSTON PORT REGION * MISC (PROFESSIONAL ORGANIZATIONS, DUES, SUBSCRIPTIONS) * TEXAS DOWNTOWN ASSOCIATION * BAY FOREST GOLF				20,000 500 100 2,500 20,000 400 500 1,000	

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	BUDGET 2013-14	ESTIMATE 2013-14	ADOPTED BUDGET
FUND 038 SECTION 4B SALES TAX						
DEPT 60 ADMINISTRATION						
DIV 30 SECTION 4B SALES TAX						
			45,000			
038-6030-565.30-20	TRAINING/SEMINARS	3,453	9,983	22,500	22,500	10,500
LEVEL	TEXT			TEXT	AMT	
15AD	MILEAGE				4,000	
	*					
	TEXAS ECONOMIC DEVELOPEMENT COUNCIL ANNUAL CONF				1,500	
	*					
	ED SALES TAX 2015				500	
	*					
	MISC PROFEESIONAL TRAINING				2,000	
	*					
	BAHEP, ALLIANCE, GHP, BAYTRAN, ETC.				1,000	
	*					
	TEXAS DOWNTOWN ASSOCIATION ANNUAL CONFERENCE				1,500	
	*					
			10,500			
038-6030-565.40-11	BUILDING	720	0	0	0	0
038-6030-565.50-01	ACCOUNTING	5,000	5,000	5,000	5,000	5,000
LEVEL	TEXT			TEXT	AMT	
15AD	AUDIT SERVICES				5,000	
					5,000	
038-6030-565.50-03	LEGAL	13,141	5,549	10,000	10,000	10,000
LEVEL	TEXT			TEXT	AMT	
15AD	LEGAL SERVICES FOR ECONOMIC DEVELOPMENT MATTERS				10,000	
					10,000	
038-6030-565.50-07	OTHER PROFESSIONAL SERVIC	10,062	33,232	35,500	5,500	6,000
LEVEL	TEXT			TEXT	AMT	
15AD	CITY WIDE INTERNET MAINTENANCE FEE				4,500	
	*					
	WEBSITE UPGRADES				1,500	
	*					
			6,000			

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	BUDGET 2013-14	ESTIMATE 2013-14	ADOPTED BUDGET
FUND 038 SECTION 4B SALES TAX DEPT 60 ADMINISTRATION DIV 30 SECTION 4B SALES TAX						
038-6030-565.60-02	PRINTING & REPRODUCTION	0	3,024	10,500	10,500	10,000
LEVEL	TEXT		TEXT	AMT		
15AD	ECONOMIC DEVELOPMENT NEWSLETTER			1,000		
	* ENHANCEMENT GRANT PROMOTION (TWICE A YR)			2,000		
	* DEVELOPMENT MAPS			3,500		
	* BUSINESS BY THE BAY BROCHURE			1,000		
	* POSTER FOR DEVELOPMENT			1,000		
	* MISC ECONOMIC DEVELOPMENT BROCHURES			1,500		
				10,000		
038-6030-565.60-05	ADVERTISING	22,777	26,103	41,000	41,000	48,000
LEVEL	TEXT		TEXT	AMT		
15AD	TEXAS REAL ESTATE BUSINESS			6,000		
	* GHP'S ED GUIDE			4,000		
	* TRAVEL			2,000		
	* HBJ			15,000		
	* RED NEWS			15,000		
	* PROMOTIONAL GIVAWAYS			2,000		
	* BUSINESS MEETINGS NETWORKING			2,000		
	* OTHER ADVERTISING OPPORTUNITIES			4,000		
	* CMA - TRAVEL MOVE TO 3020			2,000-		
				48,000		
038-6030-565.60-10	JANITORIAL SERVICES	2,965	593-	0	0	0
038-6030-565.60-40	TRADE SHOWS	0	0	0	0	11,000

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	BUDGET 2013-14	ESTIMATE 2013-14	ADOPTED BUDGET
FUND 038 SECTION 4B SALES TAX						
DEPT 60 ADMINISTRATION						
DIV 30 SECTION 4B SALES TAX						
LEVEL	TEXT					
15AD	INTERNATIONAL COUNCIL OF SHOPPING CENTERS (ICSC)					
	ANNUAL CONFERENCE NOV 2014				2,500	
	*					
	ICSC DALLAS JULY 2015				2,500	
	*					
	ICSC RECON 2015				6,000	
					11,000	
038-6030-565.70-01	ELECTRICAL	4,625	0	0	0	0
038-6030-565.70-02	NATURAL GAS	211	0	0	0	0
038-6030-565.70-04	WATER	3,889	4,775	0	0	0
038-6030-565.80-31	LAND ACQUISITIONS	23,900	0	0	0	0
038-6030-565.99-97	REQ FOR SPECIAL PROGRAMS	0	412,332	100,927	291,927	85,927
LEVEL	TEXT					
15AD	MERIT				427	
	*					
	HARRIS COUNTY BUS SERVICE				35,500	
	*					
	WORKFORCE TRAINING INCENTIVES				50,000	
					85,927	
038-6030-680.90-04	ADMN TRANS TO FUND 004	660,338	410,061	948,545	948,545	1,083,817
038-6030-680.90-15	ADMN TRANS TO FUND 015	970,000	695,000	177,000	177,000	0
*	SECTION 4B SALES TAX	1,801,216	1,705,215	1,467,344	1,630,528	1,418,611
**	ADMINISTRATION	1,801,216	1,705,215	1,467,344	1,630,528	1,418,611
***	SECTION 4B SALES TAX	1,801,216	1,705,215	1,467,344	1,630,528	1,418,611
		1,801,216	1,705,215	1,467,344	1,630,528	1,418,611

Recommended Model/Program for New Projects

10 Year Payback Model with Primary Job Value

The purpose of this current program is to **promote the development of new or expanded business enterprises** according to the extent of the parameters allowed in Texas Local Government Code Chapter 501.103. The information provided in this section is intended to establish firmer guidelines and/or a policy regarding the use of this tool to assign “value” and offer economic development incentives to a broader range of projects, **including retail, restaurant, and industrial projects** inside the city limits of La Porte. While staff’s goal is to create a “catch-all” model that may be used to assign “value” and a maximum, corresponding amount of incentive to every project, invariably some projects will require special attention and consideration.

The version of the 10 year payback model used for ACT Independent Turbo Services, Inc. said that a project may receive up to the total amount of property and sales tax revenues for 10 years. Therefore, ACT Turbo received a commitment of \$426,000. Another version of the 10 year payback model, which was used for the Pipeline Grill, said that a project may receive up to the total amount of property and sales tax revenues for 10 years, provided the total amount awarded was **not** more than **25%** of the project’s total capital expenditure. The Pipeline Grill’s 10 year payback sum was approximately \$850,000. 25% of the total, anticipated amount of capital expenditures (i.e. \$1.2 million) to complete the project was \$300,000. Therefore, the Pipeline Grill received the lesser amount of \$300,000. If the same 10 year payback model that was used on the Pipeline Grill had also been used on ACT Turbo, ACT Turbo still would have received the same amount. ACT Turbo’s 10 year payback sum was \$426,000, which is less than \$1.65 million (i.e. 25% of \$6.6 million of capital expenditure). Therefore, the maximum that ACT Turbo could (and did) receive would be the lesser amount of \$426,000.

Therefore, to provide consistency for use with future projects, the Board may wish to consider codifying the current 10 year payback model and re-state it as follows:

“A project may receive up to the **lesser** amount of either (a) the total actual amount of property and sales tax revenues that it is expected to generate (or actually generates) for 10 years, plus a calculated value for “primary jobs”, or (b) **25%** of the project’s total capital expenditure for infrastructure, as defined by Texas Local Government Code Chapter 501.103, and/or “primary job training” expenses, which may assist to create “primary jobs”, as defined by Texas Local Government Code Chapters 501.002 and 501.162.”

Notwithstanding the purpose of this program in accordance with Texas Local Government Code Chapter 501.103, a direct result of this new program will be to encourage new commercial development and/or redevelopment of older commercial properties throughout the City of La Porte. Staff proposes that all projects that wish to apply for a development grant under the terms of this program must also adhere to each of the following criteria:

- (1) Only the portion of the project, if any, that meets the requirement of the “but for” clause will be considered. (Note: In other words, never give more than the Board has to give.)
- (2) Only the minimum amount of financial assistance required to bring the project to fruition will be considered.
- (3) A strict, narrow focus will be maintained for using funds on “infrastructure”, “site improvements”, “related improvements”, and “primary job training”.
- (4) The incremental tax revenues, including both property and sales tax revenues, to be generated by each project, which may be verified in the quarterly and annual STARS Reports, will be included in the model.
- (5) The value of number of new jobs associated with each project will be assigned a value and included in the model as follows:
 - a. A value of **0.15** per job will be assigned for higher paying, white collar, engineering, engineering design, or executive “**primary jobs**”.
 - b. A value of **0.125** per job will be assigned to highly skilled positions for a process technician and/or advanced manufacturing “**primary jobs**”.
 - c. A value of **0.10** per job will be assigned to skilled “**primary jobs**”.
 - d. A value of **0.075** per job will be assigned to unskilled “**primary jobs**”, and
 - e. A value of **0** per job will be assigned to “**non-primary jobs**”.
- (6) **The ED Board and/or City Council will retain discretion to award any lesser or greater amount to any given project.**

Below are some possible future uses of the 10 year payback model:

Example #1: A hypothetical, 5,000 square foot restaurant costs \$2.5 million to construct, and it is projected to generate \$5 million in new, annual retail sales. According to the model, this project may receive up to **\$625,000**. 25% of \$2.5 million is \$625,000, which is less than the 10 year payback sum of \$1.2 million. This maximum estimate does **not** include the additional limitations imposed by bullets #1-6 above.

Example #2: A hypothetical, 135,000 square foot retail store costs \$20 million to construct, and it projects to generate \$25 million in annual retail sales. According to the model, this project may receive up to \$5 million. 25% of \$20 million is \$5 million, which is less than the 10 year payback sum of \$6.5 million. This maximum estimate does **not** include the additional limitations imposed by bullets #1-6 above.

Example #3: \$17 million investment for industrial expansion inside the city limits of La Porte. The number of new jobs included with the industrial expansion accelerate the payback and decrease the number of years in the payback model. According to the model, this project may receive up to \$1.66 million. The 10 year payback sum of \$1.66 million is less than 25% of the total capital expenditure, which is \$4.25 million. This maximum estimate does **not** include the additional limitations imposed by bullets #1-6 above.

For detailed information regarding the formulas used in this analysis, please refer to the enclosed file called “10 Year Payback w Job Values”.

Staff would be responsible for screening each applicant according to the minimum, established qualifications. Staff would also be responsible for calculating the estimated value of an

economic development incentive for this project. Approval for each project would require an economic development agreement, plus approval by both the ED Board and the City Council.

Recommended Model/Program for Existing Businesses

Catalytic Projects

The purpose of program is to **promote the development of new or expanded business enterprises** according to the extent of the parameters allowed in Texas Local Government Code Chapter 501.103. A direct result of this new program will be to encourage the investment of private business capital to **redevelop** and improve **existing, commercial properties** in highly visible areas of the city, which are clustered around the following areas and intersections of the City of La Porte:

- Intersection of W. Fairmont Pkwy and S. Broadway,
- Intersection of 5 Points,
- Main Street District,
- Intersection of W. Main Street/Spencer Hwy and SH 146,
- Southeast corner of Farrington Drive and Spencer Hwy,
- Northern corners of Myrtle Creek and Spencer Hwy,
- Southern corners of Underwood Road and Spencer Hwy, and
- Any other areas of the ED Board and La Porte City Council might wish to consider.

Eligible projects under this program would include everything in the La Porte Enhancement Grant Program, plus everything allowed in Texas Local Government Code Chapter 501.103. The proposed payment or reimbursable payment schedule would be based upon the factors below. **Please note that the remaining information in this section, and especially the details regarding how to rate each of the ten categories on a scale of 0 to 5, is not 100% complete.** Per the Board's request, staff's created this model/program for the Board to consider to assign new value to projects. As compared to all the other programs/models in this agenda item, this one is the most complex. **Based upon feedback from the Board, staff's intent is to revise and finalize the full details of this program/model for approval of the Board at a future meeting date.**

- Each applicant should meet at least one (1) of the following qualifications:
 - (1) **Capital investment/expenditure** that results in at least a **25%** increase in commercial property and/or sales tax revenues, *or*
 - (2) **Capital investment/expenditure** that results in at least a **20%** increase in the number of full time and/or part time employees, *or*
 - (3) **Capital investment/expenditure** that is equal to or greater than **25%** of the current taxable, appraised value of the commercial property.
- **Ten** categories as follows:

- (1) Number of Years that the Business has been in the Community,
(Note: This item is intended to be irrespective of how many times the business has relocated within the community. This essentially rewards the business for staying and expanding in the community, as opposed to leaving the community.)
- (2) Multiplier Impact of the Project to Catalyze Additional Investment,
- (3) Priority Value of the Project,
- (4) Percentage Increase in the Number of New Jobs,
- (5) Payback Period in Years,
- (6) Amount of Capital Investment as % of Taxable, Appraised Value
- (7) Degree of Beautification and Removal of Blight,
- (8) Location of the Project,
- (9) Degree of Desirability of the Expanded or New Business, and
- (10) Age of the Building in Years.

- **0-5** points scored for each of the ten categories, for a maximum score of 50 points,
- **\$7,500** offered for each point scored, and
- A maximum project award of either **\$375,000** or **50%** of the total capital expenditure.

More specifically, each of the ten (10) categories *could* be evaluated and scored as follows:

- Number of Years that the Business has been in the Community
(**0** = Fewer than 10; **1** = 10-15; **2** = 16-20; **3** = 21-25; **4** = 26-30; **5** = 30 or more)
- Multiplier Impact of the Project to Catalyze Additional Investment
(**0** = Insignificant; **1** = Somewhat Significant; **2** = More Significant; **3** = Even More Significant; **4** = Very Significant; **5** = Most Significant)
- Priority Value of the Project
(**0** = Not a Priority; **1** = Low; **2** = Lower Middle; **3** = Middle; **4** = Higher; **5** = Highest)
- Percentage Increase in the Number of New Jobs,
(**0** = Less than 20%; **1** = 21-40%; **2** = 41-60%; **3** = 61-80%; **4** = 81-99%; **5** = 100% or More)
- Payback Period in Years
(**0** = More than 10 yrs; **1** = 9 yrs; **2** = 8 yrs; **3** = 7 yrs; **4** = 6 yrs; **5** = 5 or fewer years)
- Amount of Capital Investment as % of Taxable, Appraised Value
(**0** = Less than 25%; **1** = 26-40%; **2** = 41-60%; **3** = 61-80%; **4** = 81-99%; **5** = 100% or More)
- Degree of Beautification and Removal of Blight
(**0** = Insignificant; **1** = Somewhat Significant; **2** = More Significant; **3** = Even More Significant; **4** = Very Significant; **5** = Most Significant)

- Location of the Project
(0 = Insignificant; 1 = Somewhat Significant; 2 = More Significant; 3 = Even More Significant; 4 = Very Significant; 5 = Most Significant)
- Degree of Desirability of the Expanded or New Business
(0 = Insignificant; 1 = Somewhat Significant; 2 = More Significant; 3 = Even More Significant; 4 = Very Significant; 5 = Most Significant)
- Age of the Building in Years
(0 = Fewer than 10; 1 = 10-15; 2 = 16-20; 3 = 21-25; 4 = 26-30; 5 = 30 or more)

For a sample of the table to compute the score for each project, please refer to the enclosed files called “Catalytic Project Evaluation “ and “Catalytic Project Program - Summary Eval Form”.

Staff would be responsible for screening each applicant according to the minimum, established qualifications. The members of the ED Board would be responsible for scoring each project. Board members and/or staff would average the scores assigned by each Board Member to assign a final score to each project. Approval for each project would require an economic development agreement, plus approval by both the ED Board and the City Council.

Other Possible Programs/Models

Enhancement Grant PLUS

The purpose of program is to **promote the development of new or expanded business enterprises** according to the extent of the parameters allowed in Texas Local Government Code Chapter 501.103. A direct result of this new program will be to encourage the investment of private business capital to **redevelop** and improve **existing, commercial properties** in highly visible areas of the city, which are clustered around the following areas and intersections of the City of La Porte:

- Intersection of W. Fairmont Pkwy and S. Broadway,
- Intersection of 5 Points,
- Main Street District,
- Intersection of W. Main Street/Spencer Hwy and SH 146,
- Southeast corner of Farrington Drive and Spencer Hwy,
- Northern corners of Myrtle Creek and Spencer Hwy,
- Southern corners of Underwood Road and Spencer Hwy, and
- Any other areas of the ED Board and La Porte City Council might wish to consider.

Eligible projects under this program would include everything in the La Porte Enhancement Grant Program, plus everything allowed in Local Government Code Chapter 501.103. The proposed payment or reimbursable payment schedule would be as follows:

<u>Total Expenditure on Eligible Projects</u>	<u>Percentage of Reimbursement</u>	<u>Maximum Payment</u>
\$800,001 - \$1 million	25%	\$250,000
\$600,001 - \$800,000	25%	\$200,000
\$400,001 - \$600,000	30%	\$180,000
\$200,001 - \$400,000	35%	\$140,000
\$100,001 - \$200,000	40%	\$80,000
\$51,000 - \$100,000	45%	\$45,000

The levels reflected in the table above assume that we will receive decreasing numbers of applications as one moves to increasing levels of expenditure. Since 20% of \$1 million is \$200,000 and 25% of \$800,000, a commercial property owner has no incentive to spend an additional \$200,000 on his/her property. Therefore, the rate of 25% was maintained for sums between \$800,001 and \$1 million. Any project greater than \$1 million in expenditure would have to accept \$250,000 or apply through another program.

Staff would be responsible for screening each applicant according to the minimum, established qualifications. Staff would also be responsible for calculating the estimated value of an economic development incentive for this project. According to the current form of the corporation’s by-laws, approval for each project would require an executive development agreement, plus approval by both the ED Board and the City Council.

Evaluating Projects according to Priorities

The ED Board has the authority to award economic development incentives to encourage a wide variety of projects in the interest of the City of La Porte. Staff can include the community’s priorities as a factor of consideration in any model/program that the Board might wish to use to assign value to a project and offer an economic development incentive. In order to do this, however, staff needs the Board to give it direction regarding the priority of many, competing, and dissimilar projects.

Staff assigned prioritized values, from a maximum of **10** to a minimum of **1**, based upon his understanding of the City Council and 4B Board’s values for various types of projects:

- New Retail/Restaurant Development (Higher Quality) 10
- Retail or Restaurant Re-Development/Blight Removal (Higher Quality) 9

Quality Waterfront Development	8
Projects on Main Street	7
New Retail/Restaurant Development (Lower Quality)	6
Retail or Restaurant Re-Development/Blight Removal/EHG (Lower Quality)	6
Industry - NEW Development (Higher Quality)	5
NEW Office/HQ Development	4
NEW Office/Regional Development	4
Industry - NEW Development (Lower Quality)	3
Industry - RETENTION/EXPANSION (Higher Quality)	3
Industry - RETENTION/EXPANSION (Lower Quality)	2
Airport Re-Development	1

Other possible projects: Infrastructure Improvements on Main Street, Infrastructure Improvements on S. Broadway, Quality of Life Projects (waterpark, Lomax Arena, etc.)

Please consider the following:

- Should these competing projects be re-prioritized?
- Should the community's priorities be reflected in the new programs/models?

Action Required by the La Porte Development Corporation Board:

Discussion and possible action to offer new, additional incentive programs that will promote the development of new or expanded business enterprises and encourage new commercial investment that will redevelop and revitalize older areas of the City of La Porte.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

La Porte Development Corporation Project Score Card

<u>Project Name</u>	<u>Added Taxable Value</u>	<u>10 Year PILOT or Tax Revenue</u>	<u># of Full Time Jobs</u>	<u># of Part Time/Coop Positions</u>	<u>Actual or Est. Grant Award</u>	<u>Raw Payback Period (Years)</u> ⁶	<u>Adj. Payback Period for # of Jobs (Years)</u> ⁷	<u>Raw 10 Year ROI</u> ¹⁰	<u>Adj. 10 Year ROI for # of Jobs</u> ¹²
Project Nebula, Unit #1	\$250 million	\$6,603,000	24	0	\$300,000	0.85	-2.75	2101%	2461%
Project Nebula, Unit #2	\$500 million	\$13,206,000	60	0	\$700,000	0.99	-8.01	1787%	2687%
InterGulf Corporation	\$2.1 million	\$149,100	30	0	\$450,000	30.18	25.68	-67%	383%
Rob Johnson	\$6 million	\$843,750 ²	10	0	\$106,000	1.26	1.26 ⁸	696%	696% ¹³
Pipeline Grill	\$656,728	\$846,628 ¹⁵	100	0	\$300,000	3.54	3.54	182%	182%
Fischer's Hardware	\$1,500,000 ¹⁶	\$210,500 ¹⁷	8	4	\$350,000	16.63	16.63	-40%	-40%
El Toro	\$2,000,000 ¹⁶	\$342,000 ¹⁷	8	4	\$300,000	8.77	8.77	14%	14%
Former Kroger	\$1,000,000 ¹⁶	\$471,000 ¹⁷	8	4	\$400,000	8.49	8.49	18%	18%
Brewery (Lease)	\$500,000	\$585,500	12	4	\$300,000	5.12	1.32		
Brewery (Purchase)	\$500,000	\$105,500	12	4	\$300,000	28.44	24.24		
NEC	\$500,000	\$75,500	5	5	\$150,000	19.87	19.87		
Southern Komfort	\$500,000	\$135,500	5	5	\$125,000	9.23	9.23		
Richard Industrial Group	\$500,000	\$10,650 ³	75	0	\$15,000	4.23	-7.02 ⁷	-29% ¹¹	1096% ¹²
Sector 23	\$8 million ¹	\$497,000	35 ⁴	0	\$175,000	3.52	0.02 ⁹	184%	534% ¹⁴
ACT Independent Turbo	\$6 million	\$426,000	60	5 ⁵	\$426,000	10.00	0.25 ⁷	0%	975% ¹²

Notes:

1. Based upon estimated from information provided, so far, by Alton Ogden.
2. Estimated sales of \$2 million results in estimated sales tax of \$2 million x 2%, or \$40,000. Annual sales tax of \$40,000 is included in the figure.
3. The term for this project is three (3) years as opposed to ten (10) years.
4. This assumption is based upon **15** buildings, **3** employees per building, minus **10** employees for a development agreement estimate.
5. Staff's estimate of the number of "Career Preparation" (i.e. Coop) positions to be offered by ACT to LPISD students.
6. Grant Award/Annual PILOT or Tax Revenue.
7. Grant Award/Annual PILOT or Tax Revenue - (# of Full Time Positions x **0.15**) - (# of Coop Positions x **0.15**); the arbitrary assigned value for each full time job is "0.15".
8. Grant Award/Annual PILOT or Tax Revenue - (# of Full Time Positions x **0**) - (# of Coop Positions x **0**); the arbitrary assigned value for each full time job is "0".
9. Grant Award/Annual PILOT or Tax Revenue - (# of Full Time Positions x **0.1**) - (# of Coop Positions x **0.1**); the arbitrary assigned value for each full time job is "0.1".
10. ((Annual Property Tax Revenues - Grant Award)/Grant Award) x 100
11. The term and ROI for this project is three (3) years as opposed to ten (10) years; project was an industrial "attraction", rather than an "expansion "or "relocation".
12. ((Annual PILOT or Tax Revenue - Grant Award)/Grant Award + (# of Full Time Positions x **0.15**) + (# of Coop Positions x **0.15**)) x 100
13. ((Annual PILOT or Tax Revenue - Grant Award)/Grant Award + (# of Full Time Positions x **0**) + (# of Coop Positions x **0**)) x 100
14. ((Annual PILOT or Tax Revenue - Grant Award)/Grant Award + (# of Full Time Positions x **0.10**) + (# of Coop Positions x **0.10**)) x 100
15. ((\$4 million x 2%) + \$4,662.77) x 10
16. Even though the project principals estimated that the increase in the taxable value would only increase by 20%, for the purposes of this analysis, staff assumed that the taxable value of the property would increase by \$800,000, the full amount of the proposed project costs.
17. (((Fischers NEW, Projected Taxable Retail Sales - Fischers CURRENT Taxable Retail Sales) x 2%) + (Additional taxable value of \$800 ,000 at the city's tax rate)) X 10

**Catalytic Project Program
Application Evaluation**

EVALUATOR: _____

EVALUATION DATE: _____

TOTAL POINTS AWARDED (50 points possible): _____

Applicant Information

APPLICATION DATE: _____

BUSINESS NAME: _____

CONTACT NAME: _____

BUSINESS ADDRESS: _____

PHONE: _____ EMAIL: _____

Please evaluate the application for the above-named business, using the following criteria. For each item, please rate the project being proposed using a scale of 1 to 5, where 1 means that the applicant has not met the criteria in any way, and 5 means that the applicant has met the criteria completely. Please circle the appropriate response for each item.

1. Number of Years that the Business has been in the Community
(0 = Fewer than 10; 1 = 10-15; 2 = 16-20; 3 = 21-25; 4 = 26-30; 5 = 30 or more)

1 2 3 4 5

2. Multiplier Impact of the Project to Catalyze Additional Investment
(0 = Insignificant; 1 = Somewhat Significant; 2 = More Significant; 3 = Even More Significant; 4 = Very Significant; 5 = Most Significant)

1 2 3 4 5

3. Priority Value of the Project
(0 = Not a Priority; 1 = Low; 2 = Lower Middle; 3 = Middle; 4 = Higher; 5 = Highest)

1 2 3 4 5

BUSINESS. BY THE BAY.

4. Percentage Increase in the Number of New Jobs
(0 = Less than 20%; 1 = 21-40%; 2 = 41-60%; 3 = 61-80%; 4 = 81-99%; 5 = 100% or More)

1 2 3 4 5

5. Payback Period in Years
(0 = More than 10 yrs; 1 = 9 yrs; 2 = 8 yrs; 3 = 7 yrs; 4 = 6 yrs; 5 = 5 or fewer years)

1 2 3 4 5

6. Amount of Capital Investment as % of Taxable, Appraised Value
(0 = Less than 25%; 1 = 26-40%; 2 = 41-60%; 3 = 61-80%; 4 = 81-99%; 5 = 100% or More)

1 2 3 4 5

7. Degree of Beautification and Removal of Blight
(0 = Insignificant; 1 = Somewhat Significant; 2 = More Significant; 3 = Even More Significant; 4 = Very Significant; 5 = Most Significant)

1 2 3 4 5

8. Location of the Project
(0 = Insignificant; 1 = Somewhat Significant; 2 = More Significant; 3 = Even More Significant; 4 = Very Significant; 5 = Most Significant)

1 2 3 4 5

9. Degree of Desirability of the Expanded or New Business
(0 = Insignificant; 1 = Somewhat Significant; 2 = More Significant; 3 = Even More Significant; 4 = Very Significant; 5 = Most Significant)

1 2 3 4 5

10. Age of the Property in Years
(0 = Fewer than 10; 1 = 10-15; 2 = 16-20; 3 = 21-25; 4 = 26-30; 5 = 30 or more)

1 2 3 4 5

Catalytic Project Program Application Evaluation Summary

Application Date: _____ Initial Review Date: _____

Business Name: _____

Contact Name: _____

Business Address: _____

Phone: _____

E-Mail: _____

Criteria	Total Score	# of Evaluations	Average Score
Number of Years that the Business has been in the Community			
Multiplier Impact of the Project to Catalyze Additional Investment			
Priority Value of the Project			
Percentage Increase in the Number of New Jobs			
Payback Period in Years			
Amount of Capital Investment as % of Taxable, Appraised Value			
Degree of Beautification and Removal of Blight			
Location of the Project			
Degree of Desirability of the Expanded or New Business			
Age of the Property in Years			
Total Average Score (out of 50)			