

RICHARD WARREN, PRESIDENT

SHELLEY FULLER, BOARD MEMBER

JAY MARTIN, BOARD MEMBER

CHUCK ENGELKEN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER

RANDY WOODARD, BOARD MEMBER

NANCY OJEDA, VICE-PRESIDENT/b>

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 25, 2016, 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. **CONSENT AGENDA** *(All consent agenda items are considered routine by the La Porte Development Corporation Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member requests an item be removed and considered separately)*
 - (a) Consider approval or other action regarding minutes of the meeting held on June 27, 2016 - P. Fogarty
 - (b) Financial Report- M. Dolby
3. **DISCUSSION AND POSSIBLE ACTION**
 - (a) Discussion and possible action regarding the proposed budget for La Porte Development Corporation Board for Fiscal Year 2016-2017- T. Leach
4. **SET DATE FOR NEXT MEETING - T. Leach**
5. **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.**
6. **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 25, 2016, agenda of items to be considered by the Board of the La Porte Development Corporation was placed on the City Hall Bulletin Board on July 19, 2016.

Patrice Fogarty

Patrice Fogarty, City Secretary

RICHARD WARREN, PRESIDENT
NANCY OJEDA, VICE-PRESIDENT
CHUCK ENGELKEN, BOARD MEMBER
JAY MARTIN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER
RANDY WOODARD, BOARD MEMBER
SHELLEY FULLER, BOARD MEMBER

MINUTES OF LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF JUNE 27, 2016

The City of La Porte Development Corporation Board met on **June 27, 2016**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, 77571, 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 5:00p.m. The following members of the La Porte Development Corporation Board were present: Board members Fuller, Clausen, Martin, Engelken and Ojeda. Staff Present: Corby Alexander, Patrice Fogarty and Clark Askins. Absent: Board member Woodard.

2. CONSENT *(All consent agenda items are considered routine by the La Porte Development Corporation Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board member requests an item be removed and considered separately.)*

(a) Consider approval or other action regarding minutes of the La Porte Development Corporation Board meeting held on May 23, 2016 – P. Fogarty

(b) Financial Report – M. Dolby

Board member Clausen moved to approve the Consent Agenda items pursuant to staff recommendations. Board member Ojeda seconded. **MOTION PASSED UNANIMOUSLY 6/0. Board member Woodard was absent.**

3. PUBLIC HEARING AND ASSOCIATED MATTERS

(a) Public hearing to receive comments regarding proposed project of the La Porte Development Corporation in amount not to exceed \$230,000 to award an economic incentive to Northern Safety Company, Inc. for promotion of expanded business enterprises, including consolidation of operations at 359 Pike Court in La Porte, Texas; consider approval or other action authorizing La Porte Development Corporation project in amount not to exceed \$230,000 for Northern Safety Company, Inc. for promotion of expanded business enterprises, including consolidation of operations at 359 Pike Court in La Porte, Texas and authorizing Board President Richard Warren to execute a Development Agreement with Northern Safety Company, Inc. in connection with such project - T. Leach

The public hearing opened at 5:03 p.m. City Manager Corby Alexander presented a summary. Louis Garcia, President of Northern Safety Company, Inc., provided information on the company.

There being no public comments, the public hearing closed at 5:10 p.m.

Board member Clausen moved to authorize a La Porte Development Corporation project in an amount not to exceed \$230,000 for Northern Safety Company, Inc., for promotion of expanded business enterprises, including consolidation of operations at 359 Pike Court in La Porte, Texas and authorizing Board President Richard Warren to execute a Development Agreement with Northern Safety Company, Inc., in connection with such project. Board member Fuller seconded. **MOTION PASSED UNANIMOUSLY 6/0. Board member Woodard was absent.**

4. AUTHORIZATIONS

(a) Consider approval or other action authorizing Staff to execute payment in the amount of \$75,000.00 to ACT Independent Turbo Services, Inc., in accordance with terms of incentive agreement – T. Leach

City Manager Corby Alexander presented a summary.

Board member Martin moved to authorize Staff to execute the 1st payment in the amount of \$75,000.00 to ACT Independent Turbo Services, Inc., in accordance with the terms of the incentive agreement. Board member Ojeda seconded. **MOTION PASSED UNANIMOUSLY 6/0. Board member Woodard was absent.**

(b) Consider approval or other action authorizing Board President Richard Warren to sign and execute a development agreement with Margaret Lindsey Russell for an enhancement grant project in an amount not to exceed \$25,000.00 for property located at 1026 S. 8th Street La Porte, Texas – T. Leach

No action was taken as this item was removed from consideration upon the request of applicant.

5. SET DATE FOR NEXT MEETING

Board members set the next meeting date for Monday, July 25, 2016, at 5:00 p.m.

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 about former Economic Development Coordinator Scott Livingston's certification and the oversight of a state organization providing the service to assure the Board is operating correctly. City Manager Corby Alexander advised he will update Board members on Mr. Livingston's vacancy and the airport study.

7. ADJOURN

There being no further business, Board member Engelken moved to adjourn the meeting at 5:24 p.m. Board member Fuller seconded. **MOTION PASSED UNANIMOUSLY 6/0.** Board member Woodard was absent.

Respectfully submitted,

Patrice Fogarty, City Secretary

Passed and approved on this 25th day of July, 2016.

President Richard Warren

This is an Unaudited Statement.

**City of La Porte
La Porte Development Corporation (038) Fund Summary
(Section 4B Sales Tax)**

	Previous Report	FY 2015-16	FY 2014-15
Unaudited Beginning Fund Balance 9/30	\$ 4,544,417	\$ 4,544,417	\$ 3,213,390
Plus Year to Date Revenues:			
1/2 Cent Sales Tax	601,324	1,341,870	1,468,799
Transfers-In	-	-	175,000
Interest Income	5,016	12,766	6,012
Total Revenues	<u>606,340</u>	<u>1,354,636</u>	<u>1,649,811</u>
Equals Total Resources	5,150,757	5,899,053	4,863,201
Less Year to Date Expenditures:			
Payroll	38,855	75,392	72,773
Supplies	942	1,198	1,110
Services & Charges (Memberships, Training, Advertising, Legal, Utilities)	74,080	108,234	108,103
Incentive Grants	100,000	105,000	88,000
Debt Service Transfer *	283,612	510,501	812,863
Total Expenditures	<u>497,489</u>	<u>800,325</u>	<u>1,082,849</u>
Estimated Year to Date Fund Balance as of 6/30/2016	\$ 4,653,268	\$ 5,098,728	\$ 3,780,352
Commitments			
Pipeline Grill		\$ 200,000	
Fischer's Hardware		120,000	
Richard Industrial Group		10,000	
ACT Independent Turbo Service, Inc.		436,000	
Debt Service Reserve		<u>1,083,817</u>	
		\$ 1,849,817	
Adjusted Year to Date Fund Balance		\$ 3,248,911	
Projection Through Year End			
Adjusted Year to Date Fund Balance		\$ 3,248,911	
Plus: Estimated Sales Tax		1,008,130	
Less: Estimated Operational Costs		(173,982)	
Less: Debt Service Transfers		<u>(170,167)</u>	
Projected Year End Fund Balance		\$ 3,912,892	

Sales tax revenues for Fiscal Year 2016 are estimated to be \$2,350,000.

Previously Funded Projects (Funding in Fund 015 - General CIP Fund)

	Budget	Expenditures	Balance
Façade Grants	407,669	149,788	257,881
Commitment - Lawrance W. Maher Jr. Family Trust		17,046	17,046
Available Balance	<u>407,669</u>	<u>166,834</u>	<u>240,835</u>

**Debt Service Payments for Library, Bay Area Boulevard & Canada Road and Ballfields.*

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>July 25, 2016</u> Requested By: _____ Department: <u>Administration</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<p style="text-align: center;"><u>Appropriation</u></p> Source of Funds: _____ Account Number: _____ Amount Budgeted: _____ Amount Requested: _____ Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
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Exhibits:

1. Proposed FY17 Budget

SUMMARY & RECOMMENDATIONS

The proposed FY17 La Porte Development Corporation Budget is presented tonight for the Boards' consideration. The proposed budget is \$873,338 greater than last year's budget. The following is a list of the major changes included the proposed budget:

- Decreased Training/Seminars (30-20) \$9,000 to reflect staff vacancy. Once a new ED Coordinator is hired, he/she will be able to program in desired training based on specific needs.
- Decreased Other Professional Services (50-07) \$21,500. Strategic planning and website upgrades were not needed in the upcoming fiscal year.
- Decreased Trade Shows (60-40) \$4,000 reflect staff vacancy. Once a new ED Coordinator is hired, he/she will be able to program in desired trade shows.
- Increased Transfer to Fund 015 (90-15) \$642,331 to fund the following capital projects:
 - Restroom/Pavilion at Five Points
 - Additional parking at Pecan Park
- Increased Request for Special Programs (99-97) \$256,791 to fund incentive payments pursuant to approved development agreements with Pipeline Grill, Richard Industrial Group, Fischer's Hardware, and ACT Turbo. Previously, incentive payments were earmarked as "Commitments" in the monthly reports to the Board, but were not formally integrated into the annual budget.

The next step in the budget process is the budget workshops with the City Council on August 8-10, 2016. Should the Board desire to change any of the items in the Development Corporation's proposed budget, staff will incorporate those modifications during the presentation to the Council for consideration.

Action Required by the La Porte Development Corporation:

Provide staff with feedback regarding the proposed FY2016-2017 La Porte Development Corporation budget.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

City of La Porte
La Porte Development Corporation (038) Fund Summary
(Section 4B Sales Tax)

<i>Beginning Fund Balance 9/30/15</i>		\$	4,516,912
Plus Estimated 15-16 Revenues			2,360,000
Less 15-16 Expenditures and Commitments			
Debt Payments	680,668		
Economic Development Operations	771,276		
Total Expenditures	1,451,944		1,451,944
<i>Estimated Fund Balance 9/30/16</i>			5,424,968
Plus 16-17 Revenues:			
1/2 Cent Sales Tax	2,212,500		
Interest Income	8,500		
Total Revenues	2,221,000		2,221,000
<i>Equals Total Resources</i>			7,645,968
Less 16-17 Expenditures:			
Economic Development Operations	600,234		
Debt Service Transfer *	685,247		
Transfer to General CIP Fund	750,000		
Total Expenditures	2,035,481		2,035,481
<i>Ending Fund Balance 9/30/17</i>		\$	5,610,487

	Estimated 2015-16	Projected 2016-17	
Revenues	\$ 2,360,000	\$ 2,221,000	
Expenditures & Commitments	1,451,944	2,035,481	
Revenues over Expenditures	\$ 908,056	\$ 185,519	

**Debt Service Payments for Library, Bay Area Boulevard & Canada Road and Ballfields.*

FY16 Adopted Budget

FY16 Year End Budget (adjusted based on actuals)

BUDGET PREPARATION WORKSHEET
RESULTS OF DEPARTMENT REVIEW WITH CITY MANAGER

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FISCAL YEAR 2014-15	ADJUSTED BUDGET	ESTIMATE 2015-16	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	75,827	73,008	71,877	72,689
038-6030-565.10-12	SICK BUY BACK	0	0	0	0
038-6030-565.10-20	OVERTIME	0	0	0	0
038-6030-565.10-30	CERTIFICATION	0	0	0	0
038-6030-565.10-35	LONGEVITY	129	66	132	180
038-6030-565.10-55	TERMINATION PAY (S/V)	0	0	0	0
038-6030-565.10-60	FICA	5,666	5,442	5,359	5,385
038-6030-565.10-65	RETIREMENT	12,506	11,886	11,632	11,485
038-6030-565.10-80	INSURANCE - MEDICAL	10,423	10,423	10,423	10,423
038-6030-565.10-81	INSURANCE - LIFE	29	20	32	20
038-6030-565.10-90	OTHER BENEFITS	0	1,200	950	0
038-6030-565.20-01	OFFICE	79	200	200	200
038-6030-565.20-02	POSTAGE	140	2,000	1,000	1,000
038-6030-565.20-15	OTHER SUPPLIES	1,370	1,000	1,500	1,000
038-6030-565.30-01	MEMBERS & SUBSCRIPTIONS	44,666	44,500	44,500	43,500
038-6030-565.30-20	TRAINING/SEMINARS	8,556	13,500	6,441	4,500
038-6030-565.40-11	BUILDING	0	0	0	0
038-6030-565.40-55	COMPUTER SOFTWARE	0	0	0	0
038-6030-565.40-60	TECHNOLOGY LEASE FEES	0	0	0	0
038-6030-565.40-65	COMPUTER MAINTENANCE FEES	0	0	0	0
038-6030-565.50-01	ACCOUNTING	5,000	5,000	5,000	5,000
038-6030-565.50-03	LEGAL	9,904	10,000	10,000	10,000
038-6030-565.50-05	PERSONNEL SERVICES	0	0	0	0

Proposed FY17 Budget

Decreased to allow new ED Coordinator determine training needs

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FISCAL YEAR 2014-15	ADJUSTED BUDGET	ESTIMATE 2015-16	CITY MANAGER REVIEW
FUND 038 SECTION 4B SALES TAX DEPT 60 ADMINISTRATION DIV 30 SECTION 4B SALES TAX					
038-6030-565.50-07	OTHER PROFESSIONAL SERVIC	6,305	28,000	28,000	16,500
038-6030-565.50-12	PROPERTY RESALE MAINT	0	0	0	0
038-6030-565.60-02	PRINTING & REPRODUCTION	498	3,000	500	500
038-6030-565.60-05	ADVERTISING	45,715	50,000	50,000	49,500
038-6030-565.60-10	JANITORIAL SERVICES	0	0	0	0
038-6030-565.60-40	TRADE SHOWS	8,828	11,000	2,500	8,000
038-6030-565.70-01	ELECTRICAL	0	0	0	0
038-6030-565.70-02	NATURAL GAS	0	0	0	0
038-6030-565.70-04	WATER	0	0	0	0
038-6030-565.70-05	MISC UTILITIES	0	0	0	0
038-6030-565.80-31	LAND ACQUISITIONS	0	0	0	0
038-6030-565.90-50	CONTINGENCY	0	0	0	0
038-6030-565.99-97	REQ FOR SPECIAL PROGRAMS	123,957	103,561	413,561	360,352
038-6030-565.99-99	REQ FOR NEW POSITION	0	0	0	0
038-6030-680.90-03	ADMN TRANS TO FUND 003	0	0	0	0
038-6030-680.90-04	ADMN TRANS TO FUND 004	1,083,817	680,668	680,668	685,247
038-6030-680.90-15	ADMN TRANS TO FUND 015	0	107,669	107,669	750,000
038-6030-680.90-33	TRANSFER TO ST MAINT FUND	0	0	0	0
* SECTION 4B SALES TAX		1,443,415	1,162,143	1,451,944	2,035,481
DIV 63 HOTEL/MOTEL OPERATIONS					
038-6063-680.90-15	ADMN TRANS TO FUND 015	0	0	0	0
* HOTEL/MOTEL OPERATIONS		0	0	0	0
** ADMINISTRATION		1,443,415	1,162,143	1,451,944	2,035,481
DEPT 98 CP					

Decreased because there was no need to budget for Strategic Planning services and website upgrades

Decreased to allow new ED Coordinator to determine which shows to participate in

Previously did not budget for incentive payments due based on existing development agreements

Funding for additional parking at Pecan Park and Restroom/Pavilion at Five Points