

RICHARD WARREN, PRESIDENT

MIKE CLAUSEN, BOARD MEMBER

SHELLEY FULLER, BOARD MEMBER

RANDY WOODARD, BOARD MEMBER

VENESSA GUERRERO, BOARD MEMBER

NANCY OJEDA, VICE-PRESIDENT

CHUCK ENGELKEN, 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 January 9, 2017, 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 December 12, 2016 - P. Fogarty
  - (b) Consider approval or other action authorizing Staff to execute payment in the amount of \$166,000.00 to ACT Independent Turbo Services, Inc., in accordance with terms of incentive agreement - T. Leach
  - (c) Financial Report - M. Dolby
3. **PUBLIC HEARING AND ASSOCIATED MATTERS**
  - (a) Public Hearing to receive comments regarding proposed projects of the La Porte Development Corporation for: 1) decorative fencing at Wharton Weems at the Golf Course, in the amount of \$250, 000.00; 2) beautification along Spencer Highway, in the amount of \$340,200.00; and 3) Community Cooperation Projects, in the amount of \$10,000.00; consider approval or other action authorizing projects of the La Porte Development Corporation in the amount of \$250,000.00 for decorative fencing at Wharton Weems at the Golf Course; \$340,200.00 for beautification along Spencer Highway; and \$10,000.00 for Community Cooperation Projects - T. Leach
4. **AUTHORIZATIONS**
  - (a) Consider approval or other action authorizing President Richard Warren to sign a letter advocating the Texas Legislature to change language of Section 505.258(1) of the Local Government Code to allow the La Porte Development Corporation to continue to collect sales taxes as long as bonds, projects or other obligations of the Corporation exist - T. Leach
5. **SET DATE FOR NEXT 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.

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 January 9, 2017 , agenda of items to be considered by the Board of the La Porte Development Corporation was placed on the City Hall Bulletin Board on January 3, 2017.

*Patrice Fogarty*

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Patrice Fogarty, City Secretary

RICHARD WARREN, PRESIDENT  
NANCY OJEDA, VICE-PRESIDENT  
CHUCK ENGELKEN, BOARD MEMBER  
VENESSA GUERRERO, BOARD  
MEMBER



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

## MINUTES OF LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF DECEMBER 12, 2016

The City of La Porte Development Corporation Board met on **December 12, 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 5:00 p.m. The following members of the La Porte Development Corporation Board were present: Board members Fuller, Engelken, Guerrero, Woodard, Clausen, and Ojeda. Staff Present: Corby Alexander, Traci Leach, Patrice Fogarty and Clark Askins.

### 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 October 24, 2016 – P. Fogarty

(b) Consider approval or other action authorizing Staff to execute payment in the amount of \$2,868.50 to Deborah S. Bernay, O.D. (dba La Porte Vision Center) for completion of enhancement grant project, in accordance with terms of incentive agreement – T. Leach

Board member Clausen moved to approve the Consent Agenda items pursuant to staff recommendations. Board member Woodard seconded. **MOTION PASSED UNANIMOUSLY 7/0.**

### 3. PUBLIC HEARING AND ASSOCIATED MATTERS

(a) Public hearing to receive comments regarding proposed projects providing for designation of 1) \$350,000.00 for parking spaces at Pecan Park; 2) \$400,000.00 for restroom/Pavilion at Five Points and 3) \$229,665.00 for Enhancement Grant Program; consider approval or other action authorizing projects of the La Porte Development Corporation in the amount of \$350,000.00 for parking spaces at Pecan Park; \$400,000.00 for restroom/Pavilion at Five Points and \$229,665.00 for Enhancement Grant Program – T. Leach

The public hearing opened at 5:01 p.m.

Assistant City Manager Traci Leach presented a summary.

Board member Woodard asked if the proposed parking spaces at Pecan Park are concrete or asphalt. Assistant City Manager Traci Leach responded concrete. Board member Woodard asked if funds

have already been spent for restrooms at Five Points. Ms. Leach responded yes, either \$11,000.00 or \$17,000.00 has been spent. Board member Woodard asked Ms. Leach to explain the concept of the restroom/Pavilion at Five Points. Ms. Leach advised, an open air 60X40' covered multipurpose structure with electrical, fans, and restrooms.

There being no public comments, the public hearing closed at 5:12 p.m.

Board member Clausen moved to authorize a project of the La Porte Development Corporation in the amount of \$350,000.00 for parking spaces at Pecan Park. Board member Woodard seconded. **MOTION PASSED UNANIMOUSLY 7/0.**

Board member Clausen moved to authorize a project of the La Porte Development Corporation in the amount of \$400,000.00 for restrooms/pavilion at Five Points. Vice-President Ojeda a seconded. **MOTION PASSED 6/1.**

Ayes:	President Warren, Vice-President Ojeda, Board members Fuller, Clausen, Engelken and Guerrero
Nays:	Board member Woodard
Absent:	None

Board member Clausen moved to authorize a project of the La Porte Development Corporation in the amount of \$229,665.00 for the Enhancement Grant Program. Board member Woodard seconded. **MOTION PASSED UNANIMOUSLY 7/0.**

#### 4. AUTHORIZATIONS

- (a) Consider approval or other action amending the Enhancement Grant Program to include a requirement that City of La Porte businesses be included in the quotation process for applicable projects – T. Leach

Assistant City Manager Traci Leach presented a summary.

Vice-President Ojeda requested the La Porte-Bayshore Chamber of Commerce listings be included in the quotation process.

Board member Woodard moved to amend the Enhancement Grant Program to include a requirement that City of La Porte businesses be included in the quotation process for applicable projects as written. Board member Fuller seconded. **MOTION PASSED UNANIMOUSLY 7/0.**

#### 5. SET DATE FOR NEXT MEETING

Board members set the next meeting date for Monday, January 9, 2017, 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 Engelken requested an update on the status of hiring an Economic Development Coordinator. City Manager Corby Alexander reported interviews were conducted with one potential candidate; but the background check was unacceptable. Therefore, the recruiting process begins again.

President Warren wished everyone a Merry Christmas and a Happy New Year.

7. **ADJOURN**

There being no further business, Board member Engelken moved to adjourn the meeting at 5:30 p.m. Board member Clausen seconded the motion. **MOTION PASSED UNANIMOUSLY 7/0.**

Respectfully submitted,

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Patrice Fogarty, City Secretary

Passed and approved on this the 9<sup>th</sup> day of January, 2017.

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President Richard Warren



**Approved for the La Porte Development Corporation Agenda**

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**Corby D. Alexander, City Manager**

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**Date**

**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE LA PORTE DEVELOPMENT CORPORATION, AND A.C.T. INDEPENDENT TURBO SERVICES, A DELAWARE CORPORATION, FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS**

THIS AGREEMENT made by and entered into this 17th day of November, 2014, between the La Porte Development Corporation, a Type B non-profit corporation operating under authority of Texas Local Government Code Chapters 501 and 505, hereinafter "LPDC", and A.C.T. Independent Turbo Services, Inc., a Delaware Corporation, hereinafter referred to as "Recipient."

**WITNESSETH:**

WHEREAS, the voters of the City of La Porte authorized the levying of additional sales tax within the City for promotion of economic development and the LPDC is authorized to use such tax revenues for certain qualifying projects and other economic development related purposes; and

WHEREAS, Recipient is a Delaware based corporation that specializes in industrial gas turbine machine overhaul and repair, and which employs positions classified as primary jobs, as the term "primary jobs" is defined in Chapter 501 of the Texas Local Government Code; and

WHEREAS, Recipient leases space adjacent to Hobby Airport in Houston, Texas at which is located its primary business facilities, but also leases a secondary facility in La Porte, Texas; and

WHEREAS, Recipient wishes to consolidate its current business operations by transferring its Houston, Texas, based facilities and employees to its existing La Porte, Texas, site, where it will construct a network of office and industrial buildings to accommodate increasing business demand, creating an estimated increase to the tax base valuation in La Porte of \$6,000,000.00, and which operation is anticipated to employ an estimated seventy-five (75) personnel; and

WHEREAS, Recipient has requested that LPDC provide financial incentives towards the proposed consolidation of Recipient's business operations at its La Porte, Texas site, under a qualifying project of the LPDC for the creation and retention of primary jobs, as authorized by Texas Local Government Code Chapters 501 and 505, and it is the desire of LPDC to assist in the funding of same, finding that such expenditures will contribute to 1) the creation or retention of primary jobs, and 2) will be suitable for the development, retention, or expansion of manufacturing and industrial facilities, as well as regional or national corporate headquarters facilities.

WHEREAS, Texas law and the by-laws of the LPDC require that certain expenditures and projects by the LPDC be approved by the governing body of the City; and whereas the LPDC Board has duly approved such project and the expenditures for same have been authorized by the La Porte City Council; and

NOW THEREFORE, in consideration of the covenants and conditions stated herein, and in consideration of the mutual benefits that will accrue to each of the parties hereof, as well as to the citizens of the City of La Porte, Texas, the parties have agreed and do hereby agree as follows:

## ARTICLE I

In consideration of Recipient consolidating its business operations at its La Porte, Texas site, which proposal was considered in that certain public hearing authorizing a proposed project for the expenditure of LPDC funds for the creation and retention of primary jobs and the development, retention, or expansion of manufacturing and industrial facilities, held before the LPDC on September 22, 2014, LPDC agrees to provide Recipient an incentive package consisting of cash payments in a total sum not to exceed \$426,000.00, to be distributed in three increments of \$75,000.00, \$185,000.00, and \$166,000.00, with each distribution conditioned on the attainment of certain performance thresholds, more specifically outlined as follows:

- 1) A cash incentive payment in an amount equal to \$75,000.00 will be distributed to Recipient by LPDC, upon receipt by LPDC of proof of Certificate of Occupancy issued by the City of La Porte, Texas to Recipient for completion of each of the following improvements: a) business office building and b) industrial manufacturing/repair building. However, in no case will the \$75,000.00 payment be made by LPDC if a copy of a Certificate of Occupancy issued for a business office building and an industrial manufacturing/repair building is not delivered to and received by LPDC by June 1, 2016. In the case that proof of Certificate of Occupancy for each of the aforementioned buildings is presented to LPDC on or before said June 1, 2016 deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days after receipt of proof of the Certificate of Occupancy by LPDC from Recipient. Upon verification of the completion of the aforementioned buildings, as reflected by formal vote of the LPDC Board of Directors that Recipient has satisfied the requirements of this paragraph, LPDC will then remit the \$75,000.00 to Recipient within a period not to exceed thirty (30) days.
  
- 2) A cash incentive payment in an amount equal to \$185,000.00 will be distributed to Recipient by LPDC, upon receipt of documentation that Recipient employs a minimum of seventy-five (75) full-time individuals as employees, all of which are permanently located at the La Porte site. However, in no case will the \$185,000.00 payment be made by LPDC if proof of the employment of a minimum of seventy-five (75) full-time individuals is not delivered to and received by LPDC by September 30, 2016. Proof of employment, for purposes of this agreement, shall be established by submission to LPDC, by the said September 30,

2016 deadline, of a) copies of Recipient's 941 Report to the Internal Revenue Service and C3 Report to the Texas Workforce Commission for each employee (but with social security numbers of each employee redacted) and b) a notarized statement executed by Recipient's Board of Directors affirming that seventy-five (75) employees are employed by Recipient for positions permanently located at the La Porte site. Notwithstanding the foregoing requirements, Recipient will be entitled to receive a pro-rata portion of the \$185,000.00 incentive payment in the event that it should fail to employ seventy-five (75) or more employees at the La Porte site by the September 30, 2016 deadline, for each full-time position at the La Porte site actually filled, at such time. However, Recipient shall be entitled to payment of a pro rata share of the \$185,000.00 incentive grant for each full-time position only in the instance that Recipient employees at least 60 full-time employees. Where Recipient fails to employ at least 60 full-time positions by the September 30, 2016 deadline, it shall be disqualified from receiving any portion of the \$185,000.00 incentive payment. In the case that proof of employment by the Recipient in an amount of at least 60 fulltime positions is presented to LPDC on or before said September 30, 2016 deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days after receipt of proof of the expenditures from Recipient. Upon verification of Recipient's employment of seventy-five or more full-time positions, or minimum of sixty positions for qualification of pro rata payment, as reflected by formal vote of the LPDC Board of Directors that Recipient has satisfied the requirements of this paragraph, LPDC will then remit the \$185,000.00, or pro rata share as applicable, to Recipient within a period not to exceed thirty (30) days. For purposes of clarification only, the following two examples shall serve to illustrate the application of this paragraph:

*Example 1: If Recipient provides evidence for the employment of 59 employees by the September 30, 2016 deadline, the incentive payment under this section would be \$0.*

*Example 2: If Recipient provides evidence required for the employment of 63 employees by the September 30, 2016 deadline, the incentive payment under this section would be calculated at 63/75, or 84%, of the \$185,000.00 incentive payment, for a total payment of \$155,400.00.*

- 3) A cash incentive in an amount not to exceed \$166,000.00 will be distributed to Recipient by LPDC, upon receipt of documentation evidencing that the total taxable value of all property of Recipient, at the conclusion of Recipient's consolidation of its business operations at the La Porte site, including interests in all real property occupied by the Recipient, equipment, and inventory, is

assessed at a minimum value of six million dollars (\$6,000,000.00) by the Harris County Appraisal District. However, in no case will the \$166,000.00 payment be made by LPDC if the total taxable value of all property of Recipient, including interests in all real property occupied by the Recipient, equipment, and inventory is not appraised by the Harris County Appraisal District at a minimum value of six million dollars (\$6,000,000.00), as of October 31, 2017. Notwithstanding the foregoing requirements, Recipient will be entitled to receive a pro-rata portion of the \$166,000.00 incentive payment in the event that its business operation at the La Porte site is appraised below six million dollars (\$6,000,000.00), as of the October 31, 2017 deadline. However, Recipient shall be entitled to payment of a pro rata share of the \$166,000.00 incentive grant only in the instance that Recipient's business operation is appraised at a value of no less than five million dollars (\$5,000,000.00). In the event that Recipient's business operation is appraised for less than five million dollars (\$5,000,000.00) as of the October 31, 2017 deadline it shall be disqualified from receiving any portion of the \$166,000.00 incentive grant. In the case that proof of the total taxable value of the total taxable value of all property of Recipient, including interests in all real property occupied by the Recipient, equipment, and inventory is assessed at a minimum value of five million dollars (\$5,000,000.00) by the Harris County Appraisal District is presented to LPDC on or before said October 31, 2017 deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days after receipt of proof of the expenditures from Recipient. Upon verification of Recipient's business receiving an appraised taxable value of six million dollars (\$6,000,000.00), or minimum of five million dollars (\$5,000,000.00) for qualification of pro rata payment, as reflected by formal vote of the LPDC Board of Directors that Recipient has satisfied the requirements of this paragraph, LPDC will then remit the \$166,000.00, or pro rata share as applicable, to Recipient within a period not to exceed thirty (30) days. Notwithstanding anything to the contrary herein, "property of Recipient" as used in this paragraph shall include any property located at the La Porte site that is leased by Recipient but owned by others. For purposes of clarification only, the following two examples shall serve to illustrate the application of this paragraph:

*Example 1: If Recipient provides evidence for total taxable value for its La Porte Site of \$4.9 Million by the October 31, 2017 deadline, the incentive payment under this section would be \$0.*

*Example 2: If Recipient provides evidence for total taxable value for its La Porte Site of \$5.25 Million by the October 31, 2017 deadline, the incentive payment under this section would be calculated at  $5.25/6.0$ , or 87.5%, of the \$166,000.00 incentive payment, for a total payment of \$145,250.00.*



Independent Turbo Services

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ACT Independent Turbo Services  
City of La Porte EDC Presentation  
January 2017

# January 2017 La Porte EDC Presentation

## City of La Porte Economic Development Grant Milestones - \$426k

- 1 Lever-1 / Occupancy Permit: \$75k**  
Achieved 04/25/16 – Expires 06/01/16 ✓
- 2 Lever-2 / >=75 People Move-In: \$185k**  
Achieved August 2016 ✓
- 3 Lever-3 / HCAD Tax Appraisal: \$166k**  
Achieved late 2016



## ACT Independent Turbo Service EDC Presentation Update – January 2016

Construction Progress and Update

Impact on Local Businesses and Community

Continued Business Expansion



# January 2017 La Porte EDC Presentation



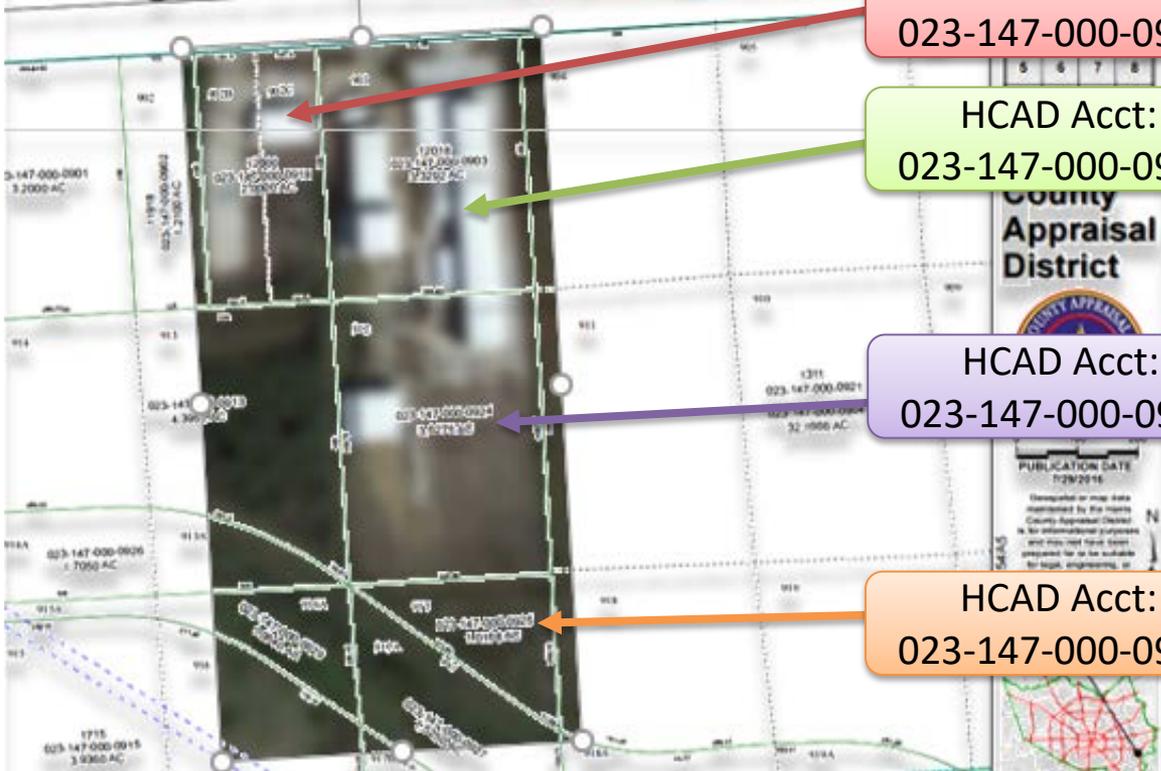
Independent Turbo Services



# January 2017 La Porte EDC Presentation



Independent Turbo Services



ACT Independent Turbo Services	
La Porte Facility Operations	
HCAD Account	2016 Taxable Value
023-147-000-0918	\$ 684,013.00
023-147-000-0903	\$ 5,516,951.00
023-147-000-0924	\$ 766,346.00
023-147-000-0925	\$ 88,584.00
<b>Total 2016 Property Taxable</b>	<b>\$ 7,055,894.00</b>

2016 Appraised Value >\$1,000,000 over ACT contracted milestone with EDC

## Local Economic Impact

### La Porte Suppliers

- In the move/transition process, ACT worked to source products from La Porte Businesses
- In the last 18 months, ACT has spent \$1MM+ with businesses within the City limits
- The economic impact made by these initiatives have resulted in job creation and additional tax revenues in La Porte



#1 IN CUSTOMER SERVICE AND SATISFACTION



### CLEAN-TEX SERVICES



## Local Economic Impact

### Employment Opportunities

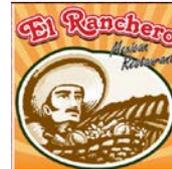
- In the past 24 months, ACT has interviewed ~20 people that live in La Porte or graduated from LPHS. Hiring several.
- ACT currently employs ~90 people at our La Porte Location



## Local Economy Impact

### Restaurants Frequented

- ACT employees are active patrons of La Porte Restaurants on a daily basis to the tune of ~\$25,000/yr
- Lunch Meetings
- Customer Entertainment
- Catering



# January 2017 La Porte EDC Presentation



Independent Turbo Services

## Growth in Addition to the Incentive Package

Additional  
Business  
Growth

- 100ft Expansion of existing Mechanical/rotor overhaul building completed in 2016
- 25,000ft<sup>2</sup> Expansion under current construction
- ACT has developed an additional 30,000ft<sup>2</sup> of facilities above original plan and promise to EDC in 2014





Independent Turbo Services

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ACT Independent Turbo Services  
City of La Porte EDC Presentation  
January 2017  
Supporting Materials



# TAX SERVICES

Collecting For: La Porte ISD  
City of La Porte  
City of Shoreacres  
City of Morgan's Point

Remit:

GCCISD TAX SERVICES  
P.O. BOX 2805  
4544 INTERSTATE 10 EAST  
BAYTOWN, TX 77521  
(281) 420-4845 or TOLL FREE 1-866-711-4845

## 2016 TAX STATEMENT

PROPERTY ACCOUNT NUMBER

**0231470000918**

**IMPORTANT** - Legislative changes 5-year comparison on back of statement  
**IMPORTANTE** - Cambios Legislativos comparacion de 5 - Anos de tras del cobro.

STATEMENT DATE: 10/18/2016

OWNER: MGT & L PROPERTIES LLC

MAILING ADDRESS:

PROPERTY LOCATION: 0012000 P ST NORTH

ACRES: 2.000000

LEGAL: TRS 902B & 902CMID 203 FTLA PORTE OUTLOTS

### EXEMPTIONS:

LAND MARKET	IMPR MARKET	TOTAL MARKET	LESS CAPPED	APPRAISED
174,240	509,773	684,013	0	684,013

TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX
City of La Porte	0	684,013	0.710000	4,856.49
La Porte ISD	0	684,013	1.420000	9,712.98

TOTAL BASE TAX 14,569.47

<b>TOTAL AMOUNT DUE BY JAN 31, 2017</b>	<b>14,569.47</b>
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## GCCISD TAX SERVICES

VISIT OUR WEBSITE [tax.gccisd.net](http://tax.gccisd.net) FOR ONLINE CREDIT CARD OR CHECK PAYMENTS  
OR CALL 1-800-272-9829 AND USE JURISDICTION CODE 6128.



GUL006955 SCH 5-DIGIT 77572  
T 15 L2 PW .54 AVG 0.376



MGT & L PROPERTIES LLC



PROPERTY ACCOUNT NUMBER

**0231470000918**

EBILL VERIFICATION CODE 00000128336

**TOTAL AMOUNT DUE 14,569.47**

### IF PAID IN

FEB	7%	15,589.33
MAR	9%	15,880.72
APR	11%	16,172.11
MAY	13%	16,463.50
JUN	15%	16,754.89
JUL	18%+20 %	20,630.37

Remit To:  
GCCISD TAX SERVICES  
PO BOX 2805  
BAYTOWN TX 77522

2016 00000128336 00001456947 00001558933 00001588072 0000000000 C 001

**TAX SERVICES**

P.O BOX 2805 4544 1-10 EAST  
 BAYTOWN, TX 77521  
 CHARLENE PIGGOTT TAX ASSESSOR-COLLECTOR  
 PHONE: (281)-420-4845  
 or TOLL FREE 1-866-711-4845

**2016 Tax Statement**

Property Account Number:  
**0231470000903**

Statement Date: 12/01/2016  
 Owner: GANTUA LLC  
 Mailing Address:

Property Location: 0012018 N P ST  
 Acres: 3.3292  
 Legal: LT 903  
 (PR YR IMPS 2013\*0231470000931  
 )  
 LA PORTE OUTLOTS

**Exemptions:**

LAND MARKET	IMPR MARKET	TOTAL MARKET	LESS CAPPED	APPRAISED
290,040	5,226,911	5,516,951	0	5,516,951

Taxing Entities	Exemption Amount	Taxable Value	Tax Rate Per \$100	Base Tax
City of La Porte	0	5,516,951	0.710000	39170.35
La Porte ISD	0	5,516,951	1.420000	78340.70

TOTAL BASE TAX 117,511.05

**Total Amount Due \$117,511.05**

↓ Detach ↓  
 Return With Payment



Visit our website for online credit card payments or E-check  
<http://tax.gccisd.net>  
 Payment by phone is available at 1-800-272-9829  
 Jurisdiction Code 6128



GANTUA LLC

Property Account Number  
 0231470000903

**Total Amount Due \$117,511.05**

IF PAID IN	AMOUNT DUE
JAN 0%	\$117,511.05
FEB 7%	\$125,736.82
MAR 9%	\$128,087.04
APR 11%	\$130,437.27
MAY 13%	\$132,787.48
JUN 15%	\$135,137.72

Remit To:  
 GCCISD TAX SERVICES  
 P.O. BOX 2805 - 4544 1-10 EAST  
 BAYTOWN, TX 77521-8881

2016 00000128331 00011751105 00011751105 00012573682 0000000000 C

**TAX SERVICES**

P.O.BOX 2805 4544 1-10 EAST  
 BAYTOWN, TX 77521  
 CHARLENE PIGGOTT TAX ASSESSOR-COLLECTOR  
 PHONE: (281)-420-4845  
 or TOLL FREE 1-866-711-4845

**2016 Tax Statement**

Property Account Number:  
**0231470000924**

Statement Date: 12/01/2016  
 Owner: GANTUA LLC  
 Mailing Address:

Property Location: 0012022 N P ST  
 Acres: 3.6275  
 Legal: LT 912LA PORTE OUTLOTS

**Exemptions:**

LAND MARKET	IMPR MARKET	TOTAL MARKET	LESS CAPPED	APPRAISED
316,026	450,318	766,346	0	766,346

Taxing Entities	Exemption Amount	Taxable Value	Tax Rate Per \$100	Base Tax
City of La Porte	0	766,346	0.710000	5441.06
La Porte ISD	0	766,346	1.420000	10882.11

TOTAL BASE TAX 16,323.17  
**Total Amount Due \$16,323.17**

↓ Detach ↓

Return With Payment



Visit our website for online credit card payments or E-check.  
<http://tax.gccisd.net>  
 Payment by phone is available at 1-800-272-9829  
 Jurisdiction Code 6128

Property Account Number  
 0231470000924

**Total Amount Due \$16,323.17**

IF PAID IN		AMOUNT DUE
JAN	0%	\$16,323.17
FEB	7%	\$17,465.79
MAR	9%	\$17,792.25
APR	11%	\$18,118.71
MAY	13%	\$18,445.18
JUN	15%	\$18,771.65

Remit To:  
 GCCISD TAX SERVICES  
 P.O.BOX 2805 - 4544 1-10 EAST  
 BAYTOWN, TX 77521-8881



GANTUA LLC

2016 00000128341 00001632317 00001632317 00001746579 0000000000 C

**TAX SERVICES**

P.O. BOX 2805 4544 1-10 EAST  
 BAYTOWN, TX 77521  
 CHARLENE PIGGOTT TAX ASSESSOR-COLLECTOR  
 PHONE: (281)-420-4845  
 or TOLL FREE 1-866-711-4845

**2016 Tax Statement**

Property Account Number:  
**0231470000925**

Statement Date: 12/01/2016  
 Owner: GANTUA LLC  
 Mailing Address:

Property Location: 0000000 26TH ST  
 Acres: 1.0168  
 Legal: TR 917LA PORTE OUTLOTS

**Exemptions:**

LAND MARKET	IMPR MARKET	TOTAL MARKET	LESS CAPPED	APPRAISED
88,584	0	88,584	0	88,584

Taxing Entities	Exemption Amount	Taxable Value	Tax Rate Per \$100	Base Tax
City of La Porte	0	88,584	0.710000	628.95
La Porte ISD	0	88,584	1.420000	1257.89

TOTAL BASE TAX 1,886.84

**Total Amount Due \$1,886.84**

↓ Detach ↓

Return With Payment



Visit our website for online credit card payments or E-check.  
<http://tax.gccisd.net>  
 Payment by phone is available at 1-800-272-9829  
 Jurisdiction Code 6128



GANTUA LLC

Property Account Number  
 0231470000925

**Total Amount Due \$1,886.84**

IF PAID IN		AMOUNT DUE
JAN	0%	\$1,886.84
FEB	7%	\$2,018.92
MAR	9%	\$2,056.66
APR	11%	\$2,094.40
MAY	13%	\$2,132.14
JUN	15%	\$2,169.87

Remit To:  
 GCCISD TAX SERVICES  
 P O BOX 2805 - 4544 1-10 EAST  
 BAYTOWN, TX 77521-8861

2016 00000128342 00000188684 00000188684 00000201892 0000000000 C

*This is an Unaudited Statement.*

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

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	<u>Previous Report</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>
<i>Unaudited Beginning Fund Balance 9/30</i>	\$ 5,494,900	\$ 5,494,900	\$ 4,544,417
<b>Plus Year to Date Revenues:</b>			
1/2 Cent Sales Tax	-	-	-
Interest Income	3,771	6,118	1,733
Total Revenues	<u>3,771</u>	<u>6,118</u>	<u>1,733</u>
<i>Equals Total Resources</i>	5,498,671	5,501,018	4,546,150
<b>Less Year to Date Expenditures:</b>			
Payroll	1,473	3,205	14,659
Supplies	36	36	392
Services & Charges (Memberships, Training, Advertising, Legal, Utilities)	1,117	1,929	4,190
Incentive Grants	185,000	185,000	-
Debt Service Transfer *	57,104	114,208	113,445
Capital Projects Transfers **	111,683	223,367	-
Total Expenditures	<u>356,413</u>	<u>527,745</u>	<u>132,686</u>
<i>Estimated Year to Date Fund Balance as of 11/30/2016</i>	\$ 5,142,258	\$ 4,973,273	\$ 4,413,464
<b>Commitments</b>			
<i>Pipeline Grill</i>		\$ 200,000	
<i>Fischer's Hardware</i>		120,000	
<i>Richard Industrial Group</i>		10,000	
<i>ACT Independent Turbo Service, Inc.</i>		166,000	
<i>Debt Service Reserve</i>		<u>1,083,817</u>	
		\$ 1,579,817	
<i>Adjusted Year to Date Fund Balance</i>		\$ 3,393,456	
<hr/>			
<b>Projection Through Year End</b>			
<i>Adjusted Year to Date Fund Balance</i>		\$ 3,393,456	
<i>Plus: Estimated Sales Tax</i>		2,212,500	
<i>Less: Estimated Operational Costs</i>		(415,564)	
<i>Less: Debt Service Transfers</i>		(571,039)	
<i>Less: Capital Projects Transfers</i>		<u>(1,116,833)</u>	
<i>Projected Year End Fund Balance</i>		\$ 3,502,520	

*Sales tax revenues for Fiscal Year 2017 are estimated to be \$2,212,500.*

**Capital Improvement Projects (Accounted for in Fund 015 - General CIP Fund)**

	<b>Budget</b>	<b>Expenditures</b>	<b>Balance</b>
Façade Grants	407,669	166,834	240,835
Restroom/Pavilion at Five Points	400,000		400,000
Parking Spaces at Pecan Park	350,000		350,000
Fencing at Golf Course	250,000		250,000
Fencing on Spencer Highway	340,200		340,200
Available Balance	<u>1,747,869</u>	<u>166,834</u>	<u>1,581,035</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>January 9, 2017</u> Requested By: <u>Traci Leach</u> Department: <u>Administration</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: center;"><u>Appropriation</u></td> </tr> <tr> <td>Source of Funds: _____</td> </tr> <tr> <td>Account Number: _____</td> </tr> <tr> <td>Amount Budgeted: _____</td> </tr> <tr> <td>Amount Requested: _____</td> </tr> <tr> <td>Budgeted Item: <input checked="" type="radio"/> YES <input type="radio"/> NO</td> </tr> </table>	<u>Appropriation</u>	Source of Funds: _____	Account Number: _____	Amount Budgeted: _____	Amount Requested: _____	Budgeted Item: <input checked="" type="radio"/> YES <input type="radio"/> NO
<u>Appropriation</u>							
Source of Funds: _____							
Account Number: _____							
Amount Budgeted: _____							
Amount Requested: _____							
Budgeted Item: <input checked="" type="radio"/> YES <input type="radio"/> NO							

**Exhibits:**

1. [Development Agreement Projects](#)
2. [Letter to Representatives](#)
3. [Proposed Amended Language](#)

### SUMMARY & RECOMMENDATIONS

The La Porte Development Corporation was approved by the voters in April 1999. This vote allowed the Corporation to collect a one-half cent sales tax to promote new or expanded business enterprises, including roads and related infrastructure. Funds can also be used for public parks, museums, and facilities. Since its inception, the La Porte Development Corporation has completed a variety of projects, ranging from quality of life improvements like construction of regional baseball complex to infrastructure projects like additional downtown parking lots and Canada Road street construction to development incentives that facilitated both new business recruitment and business expansion/retention. The Corporation has entered into development agreements with businesses for a total of almost \$2.2 million in incentives, which facilitated over \$273 million in capital investment, 465 additional jobs, and an increase in taxable sales of at least \$6.5 million over the life of the agreements. Additionally, there are several planned projects funded in the FY17 budget (Pecan Park parking spaces, Five Points restroom/Pavilion, Beautification efforts along Wharton Weems/Spencer) that would potentially be in jeopardy without changing the law.

Currently, as the law is written, a 4B Corporation must issue debt in order to continue to collect Sales and Use taxes. In La Porte’s situation, there is enough fund balance to continue to offer incentive for properly defined Projects without the need to issue debt. Without taking action, it is possible that the La Porte Development Corporation would be precluded from collection of sales tax for economic development purposes if the Corporation does not have existing debt, which it currently does not.

The proposed amended language to Section 505.258(1), Local Government Code would clarify the law by accounting for Corporations that do not require issuance of debt to fund eligible projects. It is a minor change with major implications.

Staff recommends that the La Porte Development Board authorize President Richard Warren to co-sign the letter that will be sent to La Porte elected representatives, urging them to present this amended language in the upcoming 2017 Legislative Session. This item is on the January 9, 2017 agenda for Council consideration to have the Mayor co-sign the letter, as well.

**Action Required by the La Porte Development Corporation:**

Consider approval or other action authorizing Richard Warren to sign a letter advocating changing the language of Section 505.258(1), Local Government Code to allow the La Porte Development Corporation to continue to collect sales tax as long as bonds, projects, or other obligations of the Corporation exist.

**Approved for the La Porte Development Corporation Agenda**

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**Corby D. Alexander, City Manager**

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**Date**

Business	New or Existing	Incentive Amount	Capital Investment		Jobs Created	Comments
				by Business		
Rob Johnson (Dollar Tree/Goodwill Select)	New	\$ 106,000.00	\$ 7,250,000.00		10	
Richard Industrial Group	New	\$ 15,000.00	\$ 500,000.00		75	
Ineos	New	\$ 300,000.00	\$ 250,000,000.00		60	Located in the ETJ
Intergulf	New	\$ 500,000.00	\$ 2,100,000.00		30	Corporate headquarters
ACT Independent Turbo	Existing	\$ 426,000.00	\$ 6,000,000.00		75	
Pipeline Grill	New	\$ 300,000.00	\$ 1,200,000.00		35	Also includes \$4M in taxable sales benchmark
El Toro	New	\$ 124,100.00	\$ 5,000,000.00			
Fischer's Hardware	Existing	\$ 120,000.00	\$ 600,000.00		4	Also includes 20% increase in taxable sales benchmark
Northern Safety	Existing	\$ 230,000.00	\$ 140,000.00		140	Also includes \$2.5M in sales tax benchmarks
4Ever Clear Pools	Existing	\$ 19,192.00	\$ 38,385.00		5	Enhancement Grant Development Agreement
Gates at Main Street	Existing	\$ 7,559.00	\$ 15,119.00		4	Enhancement Grant Development Agreement
Maher Strip Center on Fairmont	Existing	\$ 17,045.00	\$ 34,091.00		14	Enhancement Grant Development Agreement
Patrasia Hefley (832 S. Broadway)	Existing	\$ 25,000.00	\$ 67,152.00		Pending	Requires evidence of valid lease for second payment
La Porte Vision	Existing	\$ 2,868.00	\$ 5,737.00		6	Enhancement Grant Development Agreement
Jack's Convenience Center	Existing	\$ 11,169.00	\$ 22,339.00		7	Enhancement Grant Development Agreement
<b>Total</b>		<b>\$ 2,203,933.00</b>	<b>\$ 272,972,823.00</b>		<b>465</b>	



City of La Porte

Established 1892

Office of the Mayor

Louis R. Rigby

December 21, 2016

Honorable Larry Taylor  
6117 Broadway, Suite 122  
Pearland TX 77581

**Re: Passage of Legislation**

Dear Representative Taylor:

The City of La Porte seeks passage of legislation that would correct a flaw in the Texas Local Government Code. A municipality that is located in a county with a population of 500,000 or more is authorized to create a Type B economic development corporation in accordance with Chapter 505 of the Texas Local Government Code. If approved by voters, the municipality may adopt a sales and use tax for the benefit of the corporation. This additional tax may be used only for the type of projects that are specified within Chapter 505.

The La Porte Development Corporation was incorporated in 1999 after voters authorized a half-cent sales tax to promote new or expanded business enterprises, including roads and related infrastructure. Funds can also be used for public parks, museums, and facilities. Since its inception, the La Porte Development Corporation has completed a variety of projects, ranging from quality of life improvements like construction of regional baseball complex to infrastructure projects like additional downtown parking lots and Canada Road street construction to development incentives that facilitated both new business recruitment and business expansion/retention. The Corporation has entered into development agreements with businesses for a total of almost \$2.2 million in incentives, which facilitated over \$273 million in capital investment, 465 additional jobs, and an increase in taxable sales of at least \$6.5 million over the life of the agreements.

Section 505.258 of the Local Government Code states that a sales and use tax for economic development purposes may not be collected after "all bonds or other obligations of the corporation" have been paid in full. If a development corporation cannot collect its only source of revenue, it has no reason to exist. While it was not likely intended by the Legislature, this language incentivizes the issuance of debt even if it is not needed to fund projects, which is the case for the La Porte Development Corporation. The projects identified above were all funded without the use of Corporation-issued debt. While corporations are not required to issue debt, those that do must continue to do so just to maintain their existence.

The City of La Porte requests legislation that modifies Section 505.258 to allow a Type B corporation to continue to collect sales taxes so long as bonds, projects, and other obligations exist for the corporation. The La Porte Economic Development Corporation, for example, receives almost \$2.5 million per year in sales tax revenue that could cash fund many important projects that will spur the local economy. Without a change to the current code, however, the La Porte Development Corporation would cease to exist after the effective date of this harmful legislation, as it currently carries no Corporation-issued debt. I have attached for your reference the specific changes that should be made to Section 505.258 to ensure viability for all Type B Corporations, including La Porte's.

Thank you very much for your consideration.

Sincerely,

Louis R. Rigby  
Mayor, City of La Porte

Richard Warren  
President, La Porte Development Corporation

A BILL TO BE ENTITLED

AN ACT

relating to the cessation of collection of sales and use taxes by a Type B economic development corporation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 505.258(1), Local Government Code, is amended to read as follows:

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~~, projects as defined under this chapter, and other obligations of the corporation, including any refunding bonds and maintenance and operations , 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.

SECTION 2. This Act takes effect January 1, 2018.