

RICHARD WARREN, PRESIDENT  
BRENT McCAULLEY, COUNCILPERSON  
RACHEL COTTON, BOARD MEMBER  
CHUCK ENGELKEN, COUNCILPERSON



DANNY EARP, BOARD MEMBER  
JOHN BLAKEMORE, BOARD MEMBER  
NANCY OJEDA, VICE-PRESIDENT

## 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 October 25, 2021, at the City Hall Council Chamber, 604 West Fairmont Parkway, La Porte, Texas, beginning at 5:00 pm to consider the following items of business:

Remote participation is available, also. Attend via a screen using this link:

<https://us02web.zoom.us/j/83259067706?pwd=enhZR3hBa3dja0t2NmZQUVoxMjB0dz09>

Join by phone at 877-853-5257 or 888-475-4499. The meeting ID is 832 5906 7706 and the passcode is 711656.

1. **CALL TO ORDER**
2. **CITIZEN COMMENT** (Generally limited to five minutes per person; in accordance with state law, the time may be reduced if there is a high number of speakers or other considerations.)
3. **AUTHORIZATIONS**
  - (a) Presentation, discussion, and possible action to approve the minutes of the regular meeting of the La Porte Development Corporation held on September 27, 2021. [President Warren]
  - (b) Presentation, discussion, and possible action to approve a reimbursement payment in the amount of \$14,140.88 in connection with an April 26, 2021, enhancement grant to Mike Snider for business sign improvements at Snider Transmission, located at 10335 W. Fairmont Parkway in La Porte, Texas. [Jason Weeks, Assistant City Manager]
  - (c) Presentation, discussion, and possible action to approve a payment of \$45,000.00 to Marty and Vicki Campise in accordance with an economic development incentive agreement for the use of Type B Development Corporation Sales Tax Funds for the refurbishment/renovation of the old bank building located at 100 W. Main Street in La Porte, Texas. [Jason Weeks, Assistant City Manager]
  - (d) Presentation, discussion, and possible action to provide administrative staff with direction for long-term strategic planning on the use of La Porte Development Corporation funds. [Jason Weeks, Assistant City Manager]
4. **SET NEXT MEETING**
5. **BOARD COMMENTS** *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Committee members and City staff, for which no formal action will be discussed or taken.*
6. **ADJOURN**

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

**Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the City Secretary's office (281-470-5019), two working days prior to the meeting for appropriate arrangements.**

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members will be physically present at the location noted above on this agenda.

### **CERTIFICATE**

I, Lee Woodward, City Secretary, do hereby certify that a copy of the October 25, 2021, La Porte Development Corporation Board agenda was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, [www.LaPorteTX.gov](http://www.LaPorteTX.gov), in compliance with Chapter 551, Texas Government Code.

DATE OF

POSTING \_\_\_\_\_

TIME OF

POSTING \_\_\_\_\_

TAKEN DOWN \_\_\_\_\_

*Lee Woodward*

\_\_\_\_\_  
Lee Woodward, City Secretary

RICHARD WARREN  
PRESIDENT

BRENT MCCAULLEY  
COUNCILPERSON

RACHEL COTTON  
BOARD MEMBER

CHUCK ENGELKEN  
COUNCILPERSON



DANNY EARP  
BOARD MEMBER

JOHN BLAKEMORE  
BOARD MEMBER

NANCY OJEDA,  
VICE-PRESIDENT

## MINUTES OF THE LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF SEPTEMBER 27, 2021

The City of La Porte Development Corporation Board met on Monday, September 27, 2021, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at 4:30 p.m., with the following in attendance:

**Board members present:** Richard Warren, Nancy Ojeda, Chuck Engelken, Danny Earp (*arrived 4:41 p.m.*), John Blakemore, Brent McCaulley, Rachel Cotton (*arrived at 4:54 p.m.*)

**Board members attending remotely:** None

**Board members absent:** None

**Council-appointed members present:** Corby Alexander, City Manager, Lee Woodward, City Secretary; Clark Askins, Assistant City Attorney (*arrived 4:41 p.m.*)

1. **CALL TO ORDER** – President Warren called the meeting to order at 4:39 p.m.
2. **CITIZEN COMMENT** (*Generally limited to five minutes per person; in accordance with state law, the time may be reduced if there is a high number of speakers or other considerations.*)

There were no speakers.

### 3. AUTHORIZATIONS

- (a) **Presentation, discussion, and possible action to approve the minutes of the regular meeting held on July 26, 2021. [President Warren]**

Member Engelken moved to approve the minutes of the July 26, 2021, meeting; the motion was seconded by Member Ojeda; the motion was adopted, 5-0.

- (b) **Presentation, discussion, and possible action to elect a President and Vice-President for the La Porte Development Corporation Board for the fiscal year beginning October 1, 2021, and ending September 30, 2022. [Jason Weeks, Assistant City Manager]**

Member Engelken moved to elect Richard Warren as President and Nancy Ojeda as Vice-President for Fiscal Year 2021-2022; the motion was seconded by Member McCaulley; the motion was adopted, 5-0.

- (c) **Presentation, discussion, and possible action to approve a reimbursement payment in the amount of \$7,408.50 to applicant Patrasia Hefley, in connection with Enhancement Grant Project approved on June 28, 2021, for parking lot and drainage enhancements to property located at 831 & 901 S. Broadway Street in La Porte, Texas. [Jason Weeks, Assistant City Manager]**

Member Ojeda moved to approve a reimbursement payment in the amount of \$7,408.50 to applicant Patrasia Hefley, in connection with Enhancement Grant Project approved on June

28, 2021, for parking lot and drainage enhancements to property located at 831 & 901 S. Broadway Street in La Porte, Texas; the motion was seconded by Member Earp; the motion was adopted, 6-0.

- (d) Presentation, discussion, and possible action to approve publishing a notice to begin a 60-day comment period for eight (8) projects totaling \$1,791,031 for fiscal year 2021-2022: Downtown Lighting & Enhancements - \$150,000.00; Enhancement Grant Program - \$100,000.00; Fairmont Park Splash Pad (1/3 Funding) - \$200,000.00; Dog Park at Fairmont Park - \$212,275.00; Broadway Street Trail Lighting Phase II - \$390,156.00; Signage Project Phase I - \$350,000.00; Fairmont Park Improvements (Exercise Shade Structure) - \$52,600.00; and Pecan Park Parking Lot Improvements - \$336,000.00. [Jason Weeks, Assistant City Manager]**

Member Earp pulled the dog park item.

Member Earp moved to approve publishing a notice to begin a 60-day comment period for seven projects totaling \$1,578,756.00 for fiscal year 2021-2022: Downtown Lighting & Enhancements - \$150,000.00; Enhancement Grant Program - \$100,000.00; Fairmont Park Splash Pad (1/3 Funding) - \$200,000.00; Broadway Street Trail Lighting Phase II - \$390,156.00; Signage Project Phase I - \$350,000.00; Fairmont Park Improvements (Exercise Shade Structure) - \$52,600.00; and Pecan Park Parking Lot Improvements - \$336,000.00; the motion was seconded by Member Ojeda; the motion was adopted, 7-0.

Member Earp moved to approve publishing a notice to begin a 60-day comment period for the dog park at Fairmont Park, less the splash pads but with some watering station option, for an amount not to exceed \$72,275.00; the motion was seconded by Member Ojeda; the motion was adopted, 7-0.

- (e) Presentation, discussion, and possible action to approve funding for the La Porte Gold Star Families Monument Committee of an amount up to \$22,000.00 for installation of a monument at Five Points Plaza Park. [Jason Weeks, Assistant City Manager]**

Member Engelken moved to approve funding for the La Porte Gold Star Families Monument Committee of an amount up to \$22,000.00 for installation of a monument at Five Points Plaza Park; the motion was seconded by Member Earp; the motion was adopted, 7-0.

- (f) Presentation, discussion, and possible action to approve revisions to the La Porte Enhancement Grant Program policy. [Jason Weeks, Assistant City Manager]**

Member Earp to approve revisions to the La Porte Enhancement Grant Program policy; the motion was seconded by Member Blakemore; the motion was adopted, 7-0.

- (g) Presentation, discussion, and possible action on a proposal for financial incentives to Mark Rosado, applicant, for construction of Battleground Saloon, located at 116 S. Broadway Street in La Porte, Texas. [Jason Weeks, Assistant City Manager]**

Member McCaulley moved to approve a proposal for financial incentives not to exceed \$27,308.00 and the publication of a notice to begin a 60-day comment period, for construction of Battleground Saloon, located at 116 S. Broadway Street in La Porte, Texas; the motion was seconded by Member Earp; the motion was adopted, 7-0.

#### **4. SET DATE FOR NEXT MEETING**

The next meeting date was scheduled for October 25, 2021.

- 5. BOARD COMMENTS *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Committee members and City staff, for which no formal action will be discussed or taken.***

The Board wished Mr. Rosado good luck in his business.

**6. ADJOURN** – The meeting was adjourned without objection at 5:48 p.m.

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Lee Woodward, City Secretary



**REQUEST FOR LA PORTE DEVELOPMENT CORPORATION BOARD  
AGENDA ITEM**

Agenda Date Requested: <u>October 25, 2021</u>
Requested By: <u>Jason Weeks, Asst. City Mgr.</u>
Department: <u>Administration/CMO</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Appropriation	
Source of Funds:	<u>015 – General CIP Enhancement Grant</u>
Account Number:	<u>015-9892-993-1100</u>
Amount Budgeted:	<u>\$192,399</u>
Amount Requested:	<u>\$14,140.88</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

**Exhibits:** Application, Vendor Invoice, Before & After Photos, and Invoice/Pymnt

**SUMMARY & RECOMMENDATION**

On April 26, 2021, the La Porte Development Corporation Board approved an enhancement grant to Mike Snider for improvements to his Snider Transmission business sign, which is located at 10335 W. Fairmont Parkway in La Porte, Texas. The applicant was interested in installing two (2) 5'x10' video display screen (LED) signs in front of his transmission auto repair business. As mentioned, the building is located at 10335 W. Fairmont Parkway, which is just west of the Farrington & W. Fairmont Pkwy. intersection. The applicant estimated a total capital investment of \$28,281.75 for this project, of which 50% (\$14,140.88) is eligible for reimbursement once the project is completed.

The week of September 20, 2021, the applicant provided staff with invoice receipts, payments on invoice, and photos of the final project for staff and the Board to approve for reimbursement payment. Below is the summary of receipts for the sign improvements:

Signage:

- Sign of the Times (Seabrook) - \$35,967.50

Originally, the project was estimated to cost \$28,281.75 based on the lowest price from Sign of the Times vendor. However, the project cost the applicant \$35,967.50, which is \$7,685.75 more than originally projected. Based on the submitted invoice and payment, and the Boards approval of the amount not to exceed, the applicant's reimbursable amount is \$14,140.88. Staff requests the Board approve a reimbursement to Mike Snider in the amount approved by the Board not to exceed, \$14,140.88 for his enhancement grant project.

**ACTION REQUIRED BY BOARD**

**Approve reimbursement payment on an enhancement grant in the amount of \$14,140.88 to the applicant, Mike Snider for the sign enhancements for his business, Snider Transmission, which is located at 10335 W. Fairmont Parkway in La Porte, Texas.**

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**Approved for the La Porte Development Corporation Board meeting agenda**

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**Corby D. Alexander, City Manager**

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**Date**

SNIDER TRANSMISSION – AFTER PHOTOS





SNIDER TRANSMISSION – AFTER PHOTOS



# SIGN of the Times

WE TURN DRIVE BY TRAFFIC... INTO WALK-IN CUSTOMERS!!

Electronic Message Displays

www.ledsignofthetimes.com

832-385-6379

Signs That Bring Business!

3128 Nasa Pkwy #106 Seabrook, TX 77586

# Invoice

Date: 9/21/21

Invoice #: 92121ST

BILLING ADDRESS	SHIP TO ADDRESS
Snider Transmission La porte, TX	

Salesperson	PO No.	Shipping Method	SHIPPING TERMS	Payment Terms	Due Date
	1389			Due	

Qty	Item #	Description	UNIT PRICE	TOTAL
1.00		6' x 12' 10MM LED sign package Double sided, wireless communication permits, install & set up		
1.00		Update static sign lighting to led lighting fix faded red stripes remove sign to lower position under LED display		
1.00		Remove old marquee and paint the poles		
Subtotal				\$ 33,226.33
Sales Tax				2,741.17
Total				\$ 35,967.50

Paid in Full

9/21/21

Recv. Ed McHain

5 year warranty  
parts only

Deposit paid CC  
- 22,335.00  
Balance \$ 13,632.50  
Processing fee \$ 781.89  
13,632.50

Make all checks payable to Sign of the Times  
Thank you for your business!

Balance Due \$ 13,632.50



## Transaction Details

SQ \*SIGN OF THE TIMES

\$22,335.30

Sale

Transaction date	May 05, 2021
Posted date	May 06, 2021
Card	(...7440)

Houston, TX 77058

Description	SQ *SIGN OF THE TIMES
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Also known as	SIGN TIMES
---------------	------------

Merchant type	Professional services
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Method	Online, mail or phone
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Category	Professional services
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Memo (optional)

Add a note

You have 200 of 200 characters remaining.

Digital Receipts

We didn't find any receipts for this transaction.



Disclaimer: Transaction details may be preliminary or incomplete and may not match the transaction as it appears on your periodic statement, which is the official record of your account activity.



Transaction Details

SQ \*SIGN OF THE TIMES

\$13,632.00

Sale

Transaction date	Sep 21, 2021
Posted date	Sep 22, 2021
Card	(...7440)

Houston, TX 77058

Description SQ \*SIGN OF THE TIMES

Also known as SIGN TIMES

Merchant type Professional services

Method Online, mail or phone

Category Professional services

Memo (optional)

Add a note

You have 200 of 200 characters remaining.

Digital Receipts

We didn't find any receipts for this transaction.



Disclaimer: Transaction details may be preliminary or incomplete and may not match the transaction as it appears on your periodic statement, which is the official record of your account activity.



**BRAKES &  
ROTORS  
STOP IN!**

**Snider**  
TRANSMISSION

SION



## La Porte Enhancement Grant Application

Please print clearly. Please submit a completed application to:

Office of Economic Development  
City of La Porte  
604 W. Fairmont Parkway  
La Porte, TX 77571

### APPLICANT INFORMATION:

APPLICATION DATE: 4/8/21  
Applicant Name Mike Snyder  
Business Name Snyder Transmission  
Physical Business Address 10335 W. Fairmont Pkwy, La Porte, TX 77571  
Business Owner (if different from applicant) \_\_\_\_\_  
Mailing Address 832-285-2821 Email Address SnyderTransmissionLaPorte@outlook.com  
Contact Phone \_\_\_\_\_

### TYPE OF WORK (check all that apply):

- Façade
- Awnings/Signage
- Beautification
- Parking Lot Improvements

### DETAILS OF PLANNED IMPROVEMENTS (attach additional pages if necessary):

Replace old worn out Marquee with  
New updated LED digital Multicolor  
Sign.

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
1. Sign of the Times	\$ 28,281.75
2. Cowpland Signs do NOT offer the Sign.	\$ N/A
3. Sure Fire Sign inc.	\$ 47,783.71
4.	\$
5.	\$

**BUDGET DETAIL**

PROJECT EXPENDITURES	FUNDS	FUNDS APPLIED	TOTAL
Façade Rehab	\$	\$	\$
Awnings/Signage	\$	\$	\$ 28,281.75
Beautification	\$	\$	\$
Parking Lot Improvements	\$	\$	\$
Other (list):	\$	\$	\$
<b>TOTAL</b>	\$	\$	\$

Total estimated cost of proposed project: \$

Amount requested (up to 50% of total cost, \$2,500 to \$50,000): \$ 28,281.75

Please attach color samples, model numbers (for windows, doors, etc.), photos, scaled drawings, 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 LPDC and I fully understand the Enhancement Grant procedures and details established. I intend to use these grant funds for the eligible 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.



APPLICANT SIGNATURE

3/31/21

DATE



**REQUEST FOR LA PORTE DEVELOPMENT CORPORATION BOARD  
AGENDA ITEM**

Agenda Date Requested: <u>October 25., 2021</u>
Requested By: <u>Jason Weeks, Asst. City Mgr.</u>
Department: <u>Administration/CMO</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Appropriation	
Source of Funds:	<u>Special Programs</u>
Account Number:	<u>038-6030-565-9997</u>
Amount Budgeted:	<u>\$45,000</u>
Amount Requested:	<u>\$45,000.00</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

**Exhibits:** New Amended Development Agreement, Documented Expenses, Incentive Application, & Affidavits confirming 2<sup>nd</sup> Benchmark

**SUMMARY & RECOMMENDATION**

The La Porte Development Corporation (LPDC) Board approved an original and amended & restated development agreement related to the project at 100 W. Main Street. The applicants Marion (Marty) and Vicki Campise have purchased the Main Street bank building located at 100 W. Main Street. The initial investment of the applicant was increased from \$500,000 to \$700,000, with the total investment of \$850,000, including land and building at \$150,000 and the total renovations. However, the development agreement states the applicant must invest a minimum of \$650,000 exclusive of the cost to purchase the land and building. Additionally, the development agreement specified that for the second benchmark that the applicant had to provide documentation to support that the businesses located in this building employed at a minimum of four (4) full-time employees by August 2021.

On February 24th, the LPDC Board discussed the project and approved to move forward with an incentive package for this project in an amount not to exceed of \$85,000. Due to several delays in starting and performing the work, the applicant had not been able to satisfy the requirements of the original 1st benchmark. At the April 26, 2021 LPDC Board meeting, the Board approved an amended and restated development agreement by extending the first benchmark to May 15, 2021. Again on May 24, 2021, the Board approved another extension of the development agreement for an additional 60 days. On June 28, 2021, the applicant provided sufficient documentation to support meeting the 1<sup>st</sup> benchmark. The Board approved payment of the 1<sup>st</sup> benchmark of \$40,000.00.

On October 1, 2021, staff met with Griselda Hernandez, the owner of Goodies, which is located at 102 W. Main Street and is a tenant of the applicant, Marty and Vicki Campise. She provided a signed affidavit confirming that as of August 2021 she employed three (3) full-time equivalent employees at her business. She has one full-time employee and five (5) part-time employees. Staff reviewed canceled payroll checks verifying that part-time employees (EG) worked 50 hours, (EL) worked 67 hours,



(SF) worked 12 hours, (HL) worked 22.50 hours, and (GG) worked 33.40 hours during the two week pay period of August 3-17. This equated to a two-week total hours of employees of 184.90 hours, which is 92.45 hours per week. This provided documentation that the five (5) part-time employees equated to two (2) FTE's. Additionally, she employees one full-time employee, which was verified as employee (HR) that works 40 hours per week and is salaried at 40 hours per week. Based on the affidavit and the verified documentation, the applicant has met a portion of the last benchmark, which requires four (4) full-time employees as of August 2021.

Also, on October 1, 2021, staff received documentation from La Porte-Bayshore Chamber of Commerce that verified that as of August 2021 they employed two (2) full-time employees. Staff reviewed their Form 941 Quarterly reports for the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2021 and compensation general ledger for June through August 2021, which identified three (3) employees. One of those employees is no longer working at the Chamber; therefore, the Chamber employed two (2) full-time employees as of August 2021.

Based on staff's review and verification of requirements stipulated in the 2<sup>nd</sup> benchmark, we believe that the applicant has sufficiently met the 2<sup>nd</sup> benchmark requirements of having a minimum of four (4) full-time employees employed at this location as of August 2021. Staff recommends the Board approve payment of \$45,000.00 for the 2<sup>nd</sup> benchmark noted in the development agreement.

**ACTION REQUIRED BY BOARD**

**Approve payment of \$45,000.00 to Marty and Vicki Campise according to the development agreement for the use of Type B Development Corporation Sales Tax Funds for refurbishment/renovation of the old bank building located at 100 W. Main Street in La Porte, Texas.**

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Approved for the La Porte Development Corporation Board meeting agenda.

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Corby D. Alexander, City Manager

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Date

**AMENDED AND RESTATED ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE LA PORTE DEVELOPMENT CORPORATION, AND MARION CAMPISE AND VICKI CAMPISE, FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS**

That AGREEMENT made by and entered into the 24th day of August 2020 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 Marion Campise, hereinafter referred to as "Recipient", is hereby amended and restated as follows:

**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 Texas based commercial development company that specializes in rehabilitating underutilized commercial buildings; and

WHEREAS, Recipient wishes to renovate the exterior and interior of a the building located at 100 West Main Street., and make associated site improvements, for the purpose of operating a mixed use commercial and residential facility and which would 1) result in the expenditure by Recipient of an estimated \$650,000.00 in capital improvements; and 2) employ an estimated four (4) full time personnel; and

WHEREAS, Recipient has requested that LPDC provide financial incentives to Recipient to contribute towards the cost of renovation of the property at 100 West Main Street under a qualifying project of the LPDC for infrastructure, site and related improvements, 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 promote or develop new or expanded business enterprises.

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 renovating the existing structure at 100 West Main Street and operating a mixed use commercial and residential facility at the subject site ("Building" herein), which proposal was considered in that certain public hearing authorizing a proposed project for the expenditure of LPDC funds for the promotion or development of new or expanded business enterprises, held before the LPDC on July 27, 2020, LPDC agrees to provide Recipient an incentive package consisting of a cash payment in a total sum not to exceed \$85,000.00, to be distributed in two increments of \$40,000 and \$45,000.00 each, 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 \$40,000.00 will be distributed to Recipient by LPDC, upon a) receipt by LPDC of proof of substantial completion of renovation of the Building and b) proof of minimum capital investment in the amount of \$650,000.00 applied towards renovation of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing real estate tract and vacant building. However, in no case will the \$40,000.00 payment be made by LPDC if documentation substantiating 1) substantial completion of the renovation of the Building and 2) the expenditure of no less than \$650,000.00 applied towards capital improvements to the Building is not delivered to and received by LPDC by July 15, 2021. In the case that proof of substantial completion of renovation of the Building and minimum capital investment of \$650,000.00 applied towards capital improvements to the Building is presented to LPDC on or before said July 15, 2021 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 substantial completion of the renovation of the Building and minimum capital investment of \$650,000.00 by LPDC from Recipient. Upon verification of the substantial completion of the Building and minimum capital investment of \$650,000.00, 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 \$40,000.00 to Recipient within a period not to exceed thirty (30) days.

In the case where Recipient fails to submit proof of substantial completion of renovation of the Building and proof of a minimum capital investment in the amount of \$650,000.00 by the July 15, 2021 deadline, despite being disqualified for the incentive payment Recipient will remain eligible to qualify for receipt of the \$45,000.00 incentive payment under Paragraph 2 below, in so far as the conditions precedent for permanent employment of four positions is established in such paragraph is met. However, in such case Recipient will be required to submit proof of substantial completion of renovation of the Building in order to qualify for the incentive payments outlined in Paragraph 2 below.

- 2) A cash incentive payment in an amount equal to \$45,000.00 will be distributed to Recipient by LPDC upon delivery to the LPDC of a) an employment roster evidencing that entities leasing space within the Building cumulatively employ a minimum of four (4) full time employees at the Building site as of August 31, 2021. However, in no case will the \$45,000.00 payment be made by LPDC if proof of the employment of a minimum of four (4) full time personnel as of August 31, 2021 is not delivered to and received by LPDC by October 31, 2021. Proof of employment, for purposes of this agreement, may be satisfied by submission to LPDC by the said October 31, 2021 deadline of a) copies of Building site lessees' 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 Building site lessees affirming that a cumulative four (4) full time employees are employed in positions permanently located at the Building site.

In the case that proof of employment of four (4) full-time personnel is presented to LPDC on or before said October 31, 2021 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 employment by lessees at the Building site by Recipient. Upon verification of employment as reflected by formal vote of the LPDC Board of Directors, LPDC will then remit the \$45,000.00 to Recipient within a period not to exceed thirty (30) days.

In the event that Recipient qualifies for the \$45,000.00 incentive installment based upon proof of employment of four (4) full-time positions by lessees located at the Building site pursuant to Article 1, Paragraph 2, above, then in such case Recipient shall be required to prove the continuous employment by lessees at the Building site of a cumulative minimum of four (4) full-time positions, for a continuous five (5) year period. At the conclusion of each calendar year during such five (5) year period, beginning on December 31, 2021, through and including December 31, 2025, Recipient shall be required to submit to the LPDC proof of employment of a minimum of four (4) full-time positions at the Building site, in the manner required under Article 1, Paragraph 2, above. Should Recipient fail to provide proof of the employment of four (4) full-time employees at the end of a calendar year, then for that year Recipient shall be responsible for remitting to the LPDC the sum of \$17,000.00 representing recapture out of the previously awarded \$85,000.00 incentive paid under this Agreement. However, in the instance that Recipient provides proof of employment of a minimum of four (4) full-time positions at the end of a calendar year, Recipient shall be relieved from the obligation to remit to the LPDC \$17,000.00 recapture for that year.

If Recipient fails to qualify for the \$40,000 incentive installment provided for in Article I, Paragraph 1 but qualifies for payment of the \$45,000.00 payment under Article 1, Paragraph 2, then in that case the obligations of Recipient to maintain the continuous employment of four (4) full-time personnel at the Building site shall

continue to apply, but in the case of failure to maintain employment of four (4) full-time employees at the Building site shall subject Recipient to the requirement to remit to the LPDC \$9000.00 as recapture out of the previously awarded \$45,000 incentive paid under this Agreement, instead of \$17,000.00.

## **ARTICLE II**

All funds received as herein provided shall be solely for the purpose of contributing towards Recipient's costs in the renovation of the exterior and interior of the building located at 100 West Main Street and for the making of associated site and infrastructure improvements, to operate a mixed-use commercial and residential facility. Recipient further acknowledges that the incentive grant provided for herein is tied to a project of the LPDC for the promotion or development of new or expanded business enterprises, as authorized by Texas Local Government Code chapters 501 and 505.

## **ARTICLE III**

Disbursement and/or retention of the cash incentive identified in Article I of this Agreement shall be made as follows:

- A. Disbursement shall be made to Recipient, subject to the satisfaction of the conditions precedent or conditions subsequent contained within Article I of this Agreement.
- B. LPDC's obligation to Recipient shall not exceed \$85,000.00, nor shall LPDC be obligated to reimburse Recipient for requests delivered to LPDC after the termination of this Agreement.

## **ARTICLE IV**

Recipient understands that the funds paid to Recipient by the LPDC are derived from tax revenues collected under Texas Local Government Code 505.252, and that LPDC has estimated the tax revenues to be collected during the term of this Agreement. Recipient further understands, acknowledges, and agrees that if the tax revenue actually collected is less than 90% of the estimated tax revenues to be collected in any fiscal year during the term of this Agreement, LPDC will be under no obligation to provide funding to Recipient for any payment or payments during or after the fiscal year for which there is a revenue shortfall. Upon execution of the Agreement, funds will be placed in a City of La Porte designated commitment account for purposes of this Agreement.

## **ARTICLE V**

In the event of any default by Recipient hereunder, including, but not limited to, use of the funds provided herein for purposes other than those stated in Article I of this Agreement, LPDC may cease all future payments hereunder and terminate this Agreement. In addition, LPDC shall have the right to reclaim and recapture, and Recipient shall refund, any funds that are not spent in accordance with the terms of this Agreement, including 1) LPDC funds spent by Recipient in contravention of this Agreement and 2) any LPDC funds previously paid to

Recipient but not yet spent by Recipient. In each such case, the previously paid cash payment or payments shall be remitted to the LPDC within sixty (60) of receipt of written demand for same.

Any breach of this covenant shall be grounds for immediate termination of the distribution of funds.

## **ARTICLE VI**

The term of this Agreement is for a period beginning on the date of approval by LPDC and ending July 31, 2026.

## **ARTICLE VII**

All funds provided by the LPDC pursuant to this Agreement may be used only for the purposes authorized by this Agreement. Notwithstanding Article I, above, City shall be under no obligation to make any fund disbursements if the reports required under this Article have not been delivered to the LPDC.

## **ARTICLE VIII**

This Agreement does not create any joint venture, partnership, or agency relationship between the LPDC and Recipient. Recipient shall have exclusive control of, and the exclusive right to control the details of the work to be performed by Recipient hereunder and all personnel performing same, and shall be solely responsible for the acts and omissions of its officers, members, agents, servants, employees, subcontractors, program participants, volunteers, licensees, and invitees. In no event shall any person participating in or performing any of Recipient's duties or responsibilities hereunder be considered an officer, agent, servant, or employee of the LPDC.

## **ARTICLE IX**

Recipient agrees to assume and does hereby assume all responsibility and liability for damages sustained by persons or property, whether real or asserted, by or from the carrying on of work by Recipient or in the performance of services performed and to be performed by Recipient hereunder. Recipient covenants and agrees to, and does hereby indemnify, defend, and hold harmless LPDC and all their respective officers, agents, and employees from all suits, actions, claims, and expenses of any character, including attorney's fees, brought for or incurred on account of any injuries or damages, whether real or asserted, sustained by any person or property by or in consequence of any intentional or negligent act, omission, or conduct of Recipient, its agents, servants or employees.

## **ARTICLE X**

This Agreement may be amended by the mutual agreement of the Parties hereto in writing to be attached to and incorporated into this Agreement.

## **ARTICLE XI**

Recipient shall adhere to all local, state, and federal laws and regulations that may affect its actions made pursuant to this Agreement, and shall maintain in effect during the term of this Agreement any and all federal, state, and local licenses and permits which may be required of Recipients generally.

## **ARTICLE XII**

Recipient may not assign this Agreement, or any of the benefits provided herein including but not limited to incentive payments identified in Article I, without the written consent of LPDC.

## **ARTICLE XIII**

The waiver by LPDC of any breach of any term, condition, or covenant herein contained shall not be deemed a waiver of any subsequent breach of the same, or any other term, condition, or covenant.

## **ARTICLE XIV**

The obligations of the Parties to this Agreement are performable in Harris County, Texas and if legal action is necessary to enforce same, venue shall lie in Harris County, Texas.

## **ARTICLE XV**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

## **ARTICLE XVI**

This Agreement may be executed in triplicate, each of which shall be deemed an original and constitute one and the same instrument.

## **ARTICLE XVII**

Neither LPDC nor Participant shall be required to perform any term, condition, or covenant in this Agreement so long as such performance is delayed or prevented by force majeure, which shall mean Acts of God, civil riots, floods, and any other cause not reasonably within the control of LPDC or Recipient except as herein provided, and which by the exercise of due diligence LPDC or Recipient is unable, wholly or in part, to prevent or overcome.

## **ARTICLE XVIII**

In submitting this application, the applicant whose signature appears below affirms its intent and commitment to comply in full with Section 2264.052 of the Government Code and certifies that it does not and will not knowingly employ an undocumented worker during any time period associated with the public subsidy for which the application is being submitted. The applicant further certifies its understanding and agreement that if it is convicted of a violation of 8 U.S.C. Section 1324a(f), providing for civil and/or criminal penalties for engaging in a

pattern or practice of knowingly hiring or continuing to employ unauthorized aliens, it shall repay the amount of the public subsidy with interest, at the rate and according to the terms of the agreement signed under Section 2264.053 of the Government Code, not later than the 120th day after the date the city notifies the business of the violation.

## ARTICLE XIX

The Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the Parties, which relate to matters in this Agreement.

SIGNED AND AGREED to by LPDC and Recipient and EFFECTIVE on the date indicated below.

LA PORTE DEVELOPMENT CORPORATION

\_\_\_\_\_  
Richard Warren, President

ATTEST

\_\_\_\_\_  
Secretary of the Corporation

\_\_\_\_\_  
Marion Campise

\_\_\_\_\_  
Vicki Campise

\_\_\_\_\_  
DATE





## La Porte - Bayshore Chamber of Commerce

To Whom it may concern,

The La Porte Bayshore Chamber of Commerce (occupying 100 W Main St) employs 2 Full time positions (President and Office Manager) as of August 2021. We also had a part time admin working 30 hrs/week from January to June 15<sup>th</sup> of 2021 and we are in the process of identifying a replacement. We are also working to hire a full time Marketing/Events Coordinator.

As of today (October 1, 2021) we just have the 2 Full Time employees.

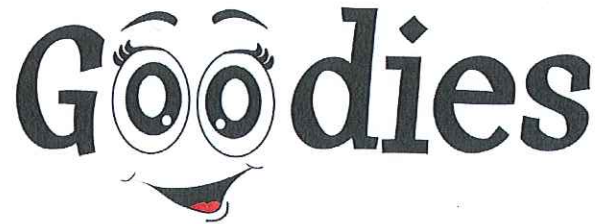
Best Regards,

A handwritten signature in black ink, appearing to read 'Jeff Martin', with a long horizontal flourish extending to the right.

Jeff Martin

President

La Porte Bayshore Chamber of Commerce



10/1/2021

To whom it may concern,

I Griselda Hernandez owner of Goodies located at 102 West Main Street, La Porte, TX 77571 as of August 2021 have one (1) full-time employee and five (5) part-time employees. My five (5) part-time employees equate to two (2) full-time equivalent (FTE) positions. Therefore, my business had a total of three (3) FTE,s as of August 2021.

Best regards,

Griselda Hernandez, Owner (Goodies)  
(281) 941-9107

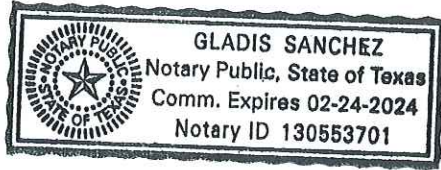
State of TX County of Harris

The foregoing instrument was acknowledged before me  
this 1<sup>st</sup> day of October, 20 21.

by Gladi Sanchez

Notary Public

My Commission Expires 2-24-2024





# City of La Porte

## ECONOMIC DEVELOPMENT INCENTIVES

### APPLICATION

This application must be filed at least 60 days prior to the date the City Council considers the request. Requests for incentives must be approved by the City Council prior to the beginning of construction or installation of equipment. This application will become part of the agreement between the applicant and the City of La Porte. Any knowingly false representations will be grounds for voiding the agreement. This original application must be submitted to the Economic Development Coordinator, City of La Porte 604 W. Fairmont Parkway, La Porte, Texas 77571.

#### I. APPLICANT INFORMATION

1. Date of Application: 01/29/20.
2. Company Name: MARION & VICKI CAMPISE.
3. Current Number of Employees: Ø
4. Address: 100 W. MAIN ST.  
\_\_\_\_\_  
\_\_\_\_\_
5. Annual Sales: Ø
6. Type of Ownership:  Corporation  Partnership  
 Proprietorship
7. Names(s) of principal owner(s), partner(s) or director of the company:  
MARION & VICKIE CAMPISE.  
\_\_\_\_\_
8. Corporate Headquarters' address: 1902 ROSCOE  
LA PORTE TX 77571.  
\_\_\_\_\_
9. Corporate Telephone: 281-413-3860

1 - Private Residence (Pentol) -

10. Other locations and/or places of business owned and operated by the applicant. For each location, please provide the city, state, street address and name(s) under which business is conducted:

BAY AREA OBSERVER NEWSPAPER -  
VICKIES ANTIQUES -  
STAZE FIRM -  
SHOP THERAPY -

11. Date Organization Formed: 1996.

12. Please attach most recent annual report or financial statement.

C.M.C. TO "PROVIDE"

## II. PROJECT INFORMATION

1. Type of Facility:  Manufacturing  
 Distribution Center  
 Corporate Office or Service Center  
 Research and Development Facility  
 Regional Entertainment Facility  
 Other (please specify)  
• FOOD SALES FACILITY.  
• RETAIL  
• 3 - APARTMENTS - RESIDENTIAL.

2. Project Description:  New Construction  Expansion  
 Modernization

3. Location address of proposed project: 100 W. MAIN ST  
LA PORTE, TX 77571.

4. County HARRIS CO

5. School District LA PORTE INDEPENDENT SCHOOL DIST.

6. Product(s) or Service: FOOD SALES/RETAIL SALES.

7. Attach map and legal description of project location showing proposed improvements.

LOTS 18, 19, 20, 21, 1/2 S. 14<sup>TH</sup> FE. LOT 22,  
BLK 60.

8. Please describe the proposed use and the specific nature and extent of the project:

FOOD PRODUCT SALES TO PUBLIC.  
RETAIL SALES  
APARTMENT RENTAL.

9. Please list all improvements and equipment for the project:

Improvement Items

Cost

Complex ReBUILD  
OF INTERIOR +  
EXTERIOR

\$ 500,000.00

10. Please state all sources for financing the improvements:

BAYSMORE FINANCIAL = \$ 270,000.-  
Re-FINANCE RESIDENCE w/ BANK OF AMERICA = 200,000.-  
CITY OF LA PORTE = 100,000.00 +

11. Please state the time frame or projected date of start and completion:

START DATE: 06/01/20  
COMPLETION DATE: 12/31/20

12. Improvements will be completed by January 1, 2021 (specify year).

13. Please state the productive life of the proposed improvements:

50 years.

14. Please give a general description of business personal property (property other than buildings, fixed machinery, inventory and supplies) that will be purchased as a result of the project:

GENERAL FOOD PREP EQUIP.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

III. ECONOMIC INFORMATION

1. Number of persons currently employed by applicant:

Full Time Ø Part Time Ø

Total Annual Payroll: \$ Ø

2. Number of new jobs (full time equivalent) to be created/retained by the proposed improvements:

Number	Estimate Annual Payroll	Year
At Opening <u>8</u>	\$ <u>125<sup>1k</sup> <del>250,000</del></u>	<u>2021</u>
At 3 years <u>12</u>	\$ <u>300,000.</u>	<u>2024</u>
At 5 years <u>15</u>	\$ <u>500,000</u>	<u>2026.</u>

3. Number of new jobs to be filled by persons residing in the City of La Porte or Harris County:

Full Time 15 Part Time Ø

4. Number of Peak Construction Jobs: 22.

5. In the case of modernization, please estimate the economic life of the existing facility: Ø years. Added economic life after modernization: 5Ø years.

6. In the case of modernization, please state the assessed value of the facility for the tax year immediately preceding this application:

Real Property \$ 2ØØ,ØØØ Business Personal Property \$ 5Ø,ØØØ

7. Amount of taxable sales currently being generated annually in the City of La Porte (if applicable): \$ Ø.

8. Amount of projected taxable sales that the proposed improvements will generate: \$ 4ØØ,ØØØ.

9. In the case of application based on job retention, please describe potential job loss that would occur without economic development incentives:

\_\_\_\_\_  
Ø - BLDG. IS CURRENTLY VACANT.  
\_\_\_\_\_

Company Representative to be contacted:


MARION (MARY) CAMPBELL  
Name

\_\_\_\_\_  
Title

1902 ROSCOE  
Address  
LAFAYETTE TX 77571

281-413-3860  
Telephone

Authorized Company Official:

  
Authorized Signature

1-29-20  
Date

MARION CAMPBELL  
Printed Name

PROPRIETOR  
Title

2814133860  
Telephone



**REQUEST FOR LA PORTE DEVELOPMENT CORPORATION BOARD  
AGENDA ITEM**

Agenda Date Requested: <u>October 25, 2021</u>
Requested By: <u>Jason Weeks, Asst. City Mgr.</u>
Department: <u>Administration/CMO</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Appropriation	
Source of Funds:	<u>N/A</u>
Account Number:	<u>N/A</u>
Amount Budgeted:	<u>N/A</u>
Amount Requested:	<u>N/A</u>
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No

**Exhibits:** Site Plan and Floor Plan Options, 1-story Renderings & 2-story Renderings; PGAL Phase I & II Rec Center Project; Avalanche Economic Assessment (2009); and Long-term Planning Matrix

**SUMMARY & RECOMMENDATION**

Based on the approved FY 2021-22 budget for the La Porte Development Corporation, the Corporation will end next fiscal year with \$6.7 million fund balance. In analyzing the 10 year Debt Capacity Model, over the next four (4) years the Corporation will incur approximately \$780,000 annually in debt service payments, which will be reduced to \$130,000 for another four (4) years. By the end of year ten, the Corporation will have accumulated \$29.3 million in fund balance. This analysis is based on no capital expenditures, increased debt service or economic incentives, which staff understands isn't practical. However, this does provide flexibility to the Board to begin looking at future long-term (5-10 year) plans for larger capital expenditures for quality of life or economic infrastructure, and/or economic development incentive options to lure retail development to the area. Staff has provided some options for discussion for long-term planning for the La Porte Development Corporation.

**Recreation & Fitness Center:**

Renovation of the Recreation and Fitness Center was first presented in FY2017. The approved budget for this project totals \$2,873,929 and was funded through by the La Porte Development Corporation. This project allowed the Recreation & Fitness Center some much needed repairs and renovations.

The Recreation and Fitness Center was opened in 1992 with the only major renovations being done in 2015 with the addition of the wood floors in the aerobics room as well as the gym and new carpet installed in the weight room and the main corridors.

Due to the extent of renovations, repairs, and budget, we have phased out the repairs into two sections. Phase one would allow for some of the more pertinent items to be addressed with the second phase bringing in items to better update and allow more usability of the facility.



Since last May, staff has been working with PGAL to get the cost amount closer to the budgeted \$2.8 million. The attached document is the latest quote they provided to staff, which would allow the City to split the project up over 2 phases. Based on these new estimates including all contingencies, the cost of Phase I is about \$3 million. At the October 11, 2021 City Council meeting, the Council approved staff moving forward with Phase I of the project. Below is the Scope of Work for Phase I.

#### Phase 1:

The Recreation & Fitness Center Phase I projected budget covers upgrades to the weight room, corridors, cardio room, lobby, locker rooms and administrative offices. The projected cost of Phase I is \$2,959,990.

The weight room renovations consist of new flooring throughout, new paint and exposing the ceiling to make the entire area feel larger. New paint and flooring will allow us to lighten up the area and make it feel larger without the use of adding windows. Included with the weight room, the cardio area would be getting the same upgrades.

The locker rooms would be getting new paint, fixtures, counters, stalls, and flooring. Also, the project includes repainting the lockers and upgrading them if the budget allows. Currently all of the amenities in the locker rooms are showing their age and are in need of replacement. The locker rooms are also very dark and with the new flooring and paint this will allow us to brighten up the space.

Also, the office renovation will occur in Phase I. The back office area will have two walls removed to open up the entry area and allow the recreation specialists to work together in a cubicle style setting. Included in the amount for the administrative offices will be new paint throughout the area, an updated kitchen area, as well as furniture and fixtures. The lobby and corridors will be completely updated with a new center kiosk. This will completely change and update the entry to the facility and will make for a much better first impression. The total includes all new flooring as well as painting throughout the lobby and the main hallways.

The largest item of the Phase I renovation plan will be the new HVAC system for the entire building. The current system has been band-aided many times and is in desperate need of replacement. This will help the building maintain temperature better as well as prevent the constant leaks we get from the current system.

#### Phase 2:

The Recreation & Fitness Center Phase II projected budget covers upgrades to the gym natatorium, cardio area, sauna, senior area and craft room, restrooms, as well as adding in a childcare center and lounge. The projected cost of Phase II is \$3,484,755; however, at this time, there are no funding mechanism identified for Phase II. Staff would ask the LPDC Board to consider funding Phase II of this project. The renovations to the gym consist of adding windows from the gym looking into the weight rooms. This will allow for the more light to project into the gym and make both the gym and weight room feel larger.

Also, the weight room and cardio room will see a change. The existing cardio room becomes additional space for the weight room moving the cardio room out towards the main corridor. The rooms that currently are the senior craft room and room two at the RFC will be combined and turned into a large cardio room. The entry and exit points for the new cardio room will be placed in the main hallway with the hallway wall being converted to windows.

The natatorium exterior wall as well as the louvers will be completely replaced. And there natatorium will be getting all new pool equipment. The deck will be refinished and the room will be painted. The sauna, which is located within the natatorium, will be completely overhauled.

Another major change that Phase II indicates is a change to the Senior Center area. The current offices will be removed and we will add a child care center. This will allow for members to be able to drop their children off while they work out. The current senior front desk area will be moved to the current ramp area with the Special Services Superintendent office being moved to the main level of the Senior Center near the exterior doors. With this change we will also be able to incorporate a lounge area for members and guests near the restrooms.

The Recreation and Fitness Center is a member driven facility for our residents. These upgrades are not only needed but will bring in more members. Our facility has not seen any major upgrades since 2015 and the listed renovations would better improve out member’s experience.

The year-to-date financial status of the Recreation & Fitness Center CIP project is below:

<i>Funding Sources</i>	FY 17-18	FY 18-19	Total
Economic Development Transfer	\$ 500,000	\$ 1,000,000	<b>\$ 1,500,000</b>
General Fund Transfer		1,656,087	1,656,087
Utility Fund Transfer		46,065	46,065
Total Funding	\$ 500,000	\$ 2,702,152	\$ 3,202,152
Project to Date	\$ 328,223		
Project Balance	\$ 2,873,929		

**Downtown Revitalization & Infrastructure:**

In August 2008, the LPDC met to consider the hiring of a firm to complete a city-wide economic development strategic plan. The Board authorized staff to move forward with hiring Avalanche Consulting to prepare an economic development plan in an amount not to exceed \$125,000. The study included an economic assessment, community survey, review of development policies and master plan, SWOT analysis, and the development of an economic development strategy. In February 2009, staff provided the LPDC Board with an update of the economic assessment, which included the economic development community survey. The summary of the findings identified a number of key factors that would help shape the area’s economic landscape and future economic development strategies. The consultant identified that “quality of place” should be a cornerstone of La Porte’s long-term economic development efforts. La Porte’s “most underutilized resources are its downtown, historic beach, and waterfront.”

“Enhancing Sylvan Beach, redeveloping downtown, and improving Main Street serves not only to encourage growth, but these initiatives directly improve the quality of life for city residents.”

According to all city records the remaining portions of the study were not completed. Based on recent developments within the downtown area with redevelopment of 100 W. Main, the addition of the Five Points Plaza Park and new pavilion/restrooms, and other commercial businesses, staff believes now is a good time for LPDC and the City to begin pursuing redevelopment and other economic development activities to continue redevelopment in our downtown area. For FY 2021-22, the Board approved a project to include \$150,000 for downtown lighting and enhancements. The City will begin a Comprehensive Plan study update next fiscal year and staff would recommend LPDC to partner with the City in adding a downtown infrastructure and master plan to the City’s Comprehensive Plan update study.

**Options:**

Since the debt service of the LPDC will be reduced over the next several years, staff recommends LPDC consider funding options to pay Phase II cost on the Recreation & Fitness Center renovation project as well as providing funding for a downtown streetscape/master plan and possibly funding for implementation of the downtown plan.

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**ACTION REQUIRED BY THE BOARD**

**Presentation, discussion and possible action to provide staff direction on the long-term strategic planning for use of La Porte Development Corporation funds.**

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**Approved for the La Porte Development Corporation Board meeting agenda**

\_\_\_\_\_  
**Corby D. Alexander, City Manager**

\_\_\_\_\_  
**Date**

# City of La Porte Recreation Center Renovation Conceptual Project Budget - PHASE I

15-Sep-21

Notes:

The base costs are listed in 2021 Dollars that are escalated to mid point of construction assumed to be first quarter 2022  
Assumes no off site improvements are required

Projected Budget	Square Feet	Cost/SF	Subtotal	
Sitework	0	\$ 10.00	\$ -	
Detention Pond	0	\$ 10.00	\$ -	
 Demolition	 5,000	 \$ 10.00	 \$ 50,000.00	
Gym Renovation	0	\$ 25.00	\$ -	
Pool Renovation	0	\$ 150.00	\$ -	
Pool Equipment	0	Allow	\$ 160,000.00	
Sauna Renovation	0	\$ 150.00	\$ -	
Pool Translucent Wall & Louvers	0	\$ 65.00	\$ -	
Open Weight Room	3,720	\$ 16.00	\$ 59,520.00	
Locker Rooms	1,750	\$ 100.00	\$ 175,000.00	
Aerobics / Cardio Renovation	2,200	\$ 13.00	\$ 28,600.00	
Administration / Office Renovation	2,410	\$ 100.00	\$ 241,000.00	
Day Care, Foyer, Lounge, Restrooms	0	\$ 120.00	\$ -	
Senior Area & Craft Room	0	\$ 120.00	\$ -	
Lobby & Corridors	2,226	\$ 100.00	\$ 222,600.00	
MEP Equipment	34,698	\$ 30.00	\$ 1,040,940.00	
	<u>12,306</u>			
Design Contingency (5%)			\$ 46,836.00	
<b>Subtotal</b>			<u>\$ 2,024,496.00</u>	
Sanitary Connection Fee			\$ -	
Water Connection Fee			\$ -	
All Permit Fees			\$ -	
<b>Construction Subtotal</b>			<u>\$ 2,024,496.00</u>	
GC General Conditions (3.5%)			\$ 70,857.36	
GC Fees (5.5%)			\$ 115,244.43	
<b>Construction Total</b>			<u>\$ 2,210,597.79</u>	\$ 179.64
<b>Total Construction Cost per Square Foot</b>				
Soft Costs (10%)			\$ 221,059.78	
Contingency (10%)			\$ 221,059.78	
Furniture, Fixtures and Equipment Costs (10%)			\$ 221,059.78	
Land Costs			\$ -	
<b>2021 Project Budget</b>			<u>\$ 2,873,777.13</u>	
<b>2022 Escalation (3%)</b>			<u>\$ 86,213.31</u>	
<b>Total 2022 Project Costs</b>			<u>\$ 2,959,990.45</u>	\$ 240.53

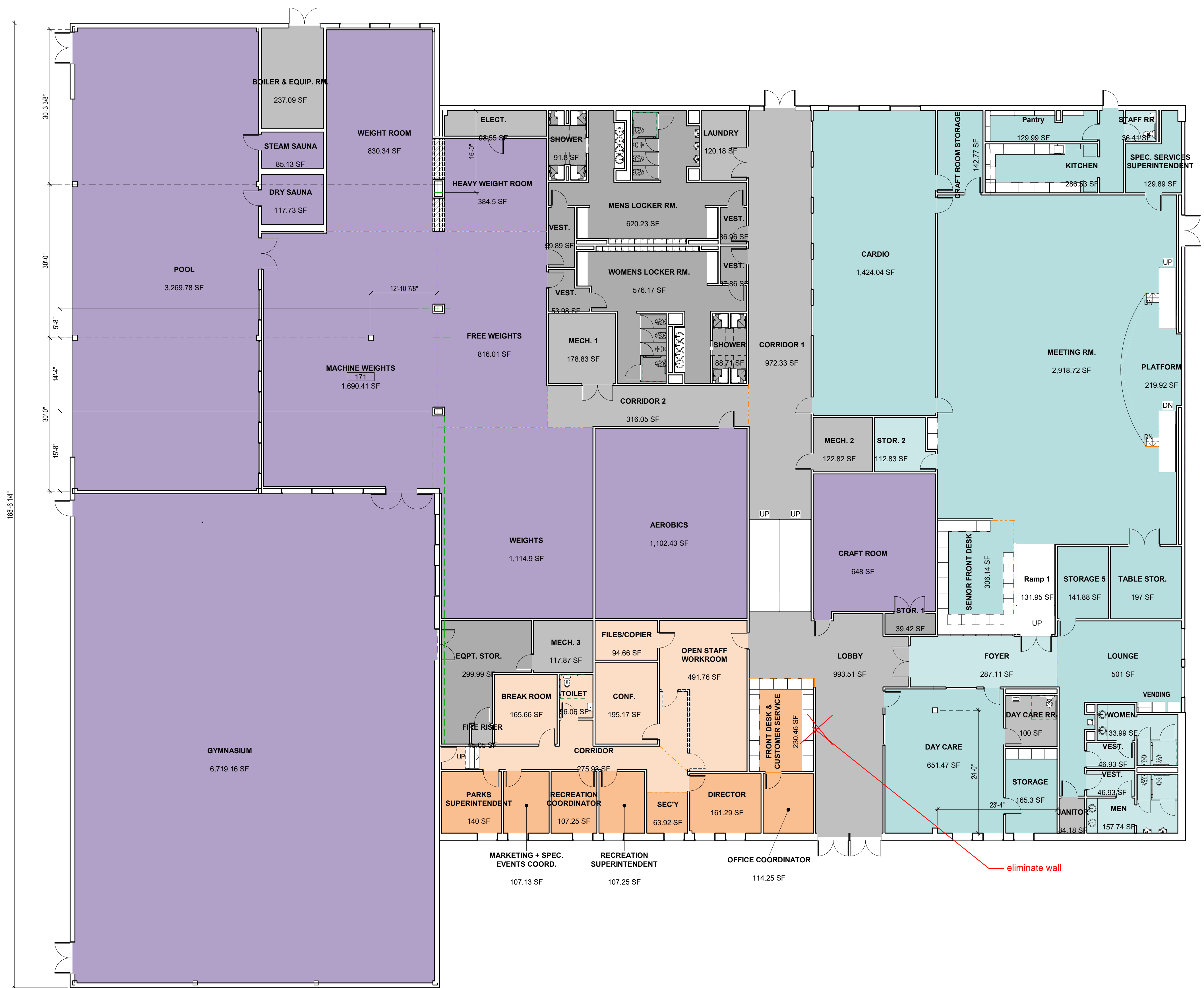
# City of La Porte Recreation Center Renovation Conceptual Project Budget - PHASE II

23-Aug-21

Notes:

The base costs are listed in 2021 Dollars that are escalated to mid point of construction assumed to be first quarter 2022  
Assumes no off site improvements are required

Projected Budget	Square Feet	Cost/SF	Subtotal	
Sitework	0	\$ 10.00	\$ -	
Detention Pond	0	\$ 10.00	\$ -	
Demolition	15,000	\$ 10.00	\$ 150,000.00	
Gym Renovation	6,719	\$ 25.00	\$ 167,975.00	
Pool Renovation	3,270	\$ 150.00	\$ 490,500.00	
Pool Equipment	1	Allow	\$ 160,000.00	
Sauna Renovation	200	\$ 150.00	\$ 30,000.00	
Pool Translucent Wall & Louvers	700	\$ 65.00	\$ 45,500.00	
Weight Rooms	0	\$ 16.00	\$ -	
Locker Rooms	1,750	\$ 50.00	\$ 87,500.00	
Aerobics / Cardio Renovation	0	\$ 13.00	\$ -	
Administration / Office Renovation	0	\$ 100.00	\$ -	
Day Care, Foyer, Lounge, Restrooms	2,416	\$ 120.00	\$ 289,920.00	
Senior Area & Craft Room	7,071	\$ 120.00	\$ 848,520.00	
Lobby & Corridors	0	\$ 100.00	\$ -	
MEP Equipment	0	\$ 30.00	\$ -	
	22,127			
Design Contingency (5%)			\$ 113,495.75	
<b>Subtotal</b>			<b>\$ 2,383,410.75</b>	
Sanitary Connection Fee			\$ -	
Water Connection Fee			\$ -	
All Permit Fees			\$ -	
<b>Construction Subtotal</b>			<b>\$ 2,383,410.75</b>	
GC General Conditions (3.5%)			\$ 83,419.38	
GC Fees (5.5%)			\$ 135,675.66	
<b>Construction Total</b>			<b>\$ 2,602,505.78</b>	<b>\$ 117.62</b>
<b>Total Construction Cost per Square Foot</b>				
Soft Costs (10%)			\$ 260,250.58	
Contingency (10%)			\$ 260,250.58	
Furniture, Fixtures and Equipment Costs (10%)			\$ 260,250.58	
Land Costs			\$ -	
			\$ -	
<b>2021 Project Budget</b>			<b>\$ 3,383,257.52</b>	
<b>2022 Escalation (3%)</b>			<b>\$ 101,497.73</b>	
<b>Total 2022 Project Costs</b>			<b>\$ 3,484,755.24</b>	<b>\$ 157.49</b>



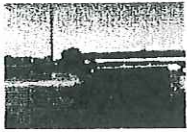
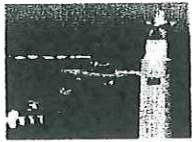
FLOOR PLAN - LEVEL 1 RENOVATION PLAN 3/32" = 1'-0" 1

# CITY OF LA PORTE RECREATION CENTER RENOVATION

## RENOVATION FLOOR PLAN

01/25/2021  
PGAL, LLC





# Chapter 1: Economic Assessment

## DRAFT

**ECONOMIC DEVELOPMENT STRATEGIC PLAN  
CITY OF LA PORTE, TEXAS**

**January 2009**



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Austin, Texas 78703  
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## Summary of Economic Trends & Key Findings

La Porte has grown steadily over the past two decades by weathering statewide economic downturns in natural resource industries, the high-tech sector collapse, and real estate bubbles. The city's strong manufacturing base, proximity to the Port of Houston, and short-commute to Houston's central business district have helped buffer these downturns. The high percent of residents who work throughout greater Houston and bring wages back to La Porte also mitigate the effects of local employment forces. The current economic recession, however, will have negative consequences for La Porte. Reduced international trade and plummeting oil prices will influence local business decisions. TXP believes a number of key factors will help shape the area's economic landscape and future economic development strategies:

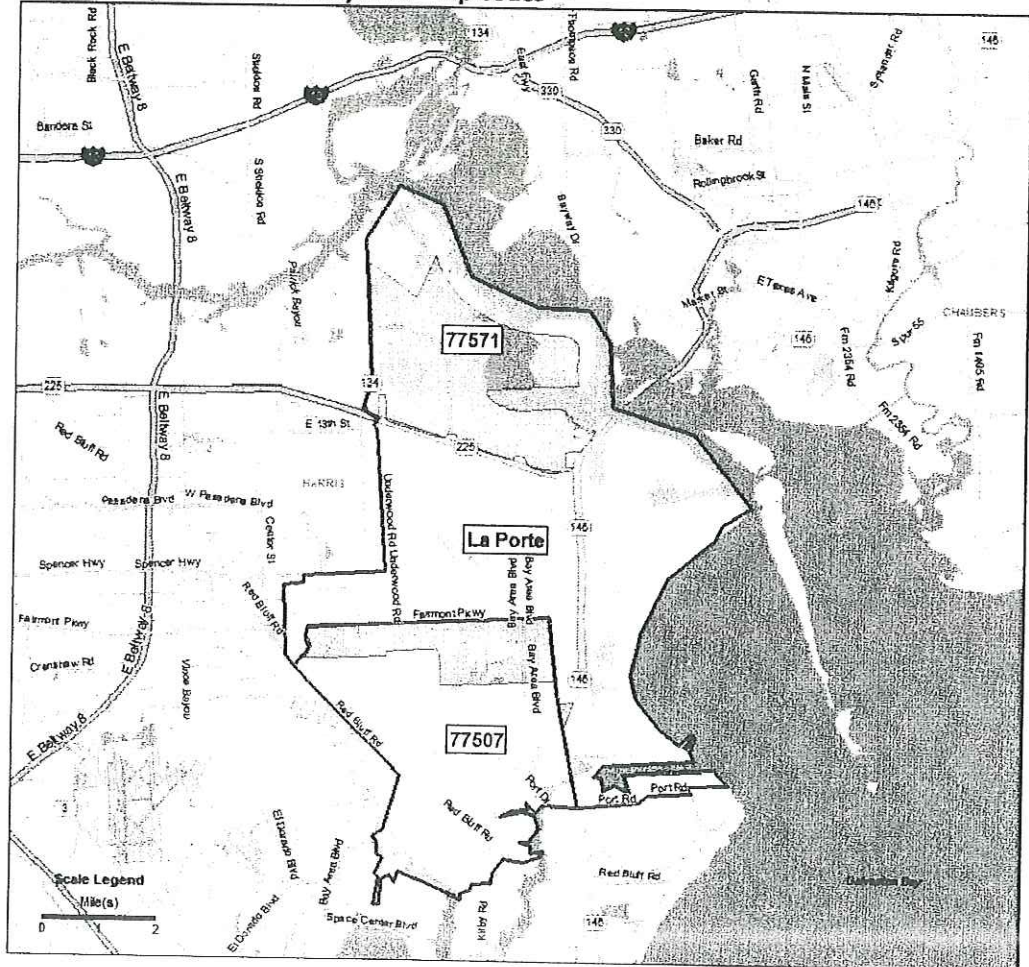
- *Over the next five years, La Porte-based employment will struggle to grow as local firms adjust to the national recession.* La Porte's industrial base is heavily dependent on the sectors hit hard during this economic downturn: oil refineries, petrochemical manufacturers, and the construction business.
- *Despite recent fluctuations, the oil and gas sector will remain the dominant force in the La Porte economy.* This sector is responsible for 30 to 40 percent of total La Porte businesses output. For a number of reasons including existing capital investment, difficulty in relocating operations, and long-term consumer demand, the majority of these firms will rebound once the national economy starts to grow.
- *La Porte's proximity to the Port of Houston and transportation infrastructure will cause future growth in the warehousing sector.* The successful build out of the Port Crossing Commerce Center over the next 10 years will be a major driver of the local economy. This property alone could support 4 million square feet of building space when fully developed. Increased traffic congestion might create issues, but this sector's growth will help diversify the local economy.
- *Limited retail trade opportunities result in sales tax leakages to surrounding communities.* La Porte is severely underserved when it comes to retail opportunities. City leaders and community stakeholders are working hard to address this issue. La Porte's limited retail sector also means its general fund will not decline as much as communities dependent on household spending for tax revenue. This provides the city time to refine its recruitment strategy while retailers modify business plans to adjust to the slowing economy.

- *Economic diversification requires attracting businesses that can take advantage of La Porte's diverse labor force.* La Porte residents comprise only 11.7 percent of total local employment, and only 13.4 percent of La Porte residents work in the city. Due to limited land for future residential developments, La Porte will not grow substantially. Therefore, attracting workers to La Porte or identifying sectors that can take advantage of the thousands of workers who leave the city each day to work in surrounding communities should influence economic development recruitment strategies.
- *Quality of place should be the cornerstone of La Porte long-term economic development efforts.* La Porte has a robust economy with local businesses employing more workers than local residents in the labor force. Limited land available for development hinders major projects looking for a greenfield site. La Porte's most underutilized resources are its downtown, historic beach, and waterfront. The lack of a master plan or overarching strategy to unite these elements is an issue. Enhancing Sylvan Beach, redeveloping downtown, and improving Main Street serves not only to encourage economic growth, but these initiatives directly improve the quality of life for city residents.

### City of La Porte Study Area

La Porte's two industrial zones (Battleground Industrial District and Bayport Industrial District) are not within its city limits. As a result, datasets specific to the city limits of La Porte undercount local business activity. Because firms located in the industrial districts paid over \$10.0 million "in lieu of taxes" in 2008 and employ thousands of workers, any analysis of La Porte should include these areas. To address this issue, TXP defined the La Porte "Study Area" based on two zip codes: 77571 and 77507 (outlined in red in Figure 1). While not a perfect fit for La Porte and the industrial zones, the Study Area boundaries provide an appropriate representation of the city's business profile. Unless denoted as the Study Area, the information presented is limited to La Porte's city limits (ex. population estimates) highlighted in green in Figure 1.

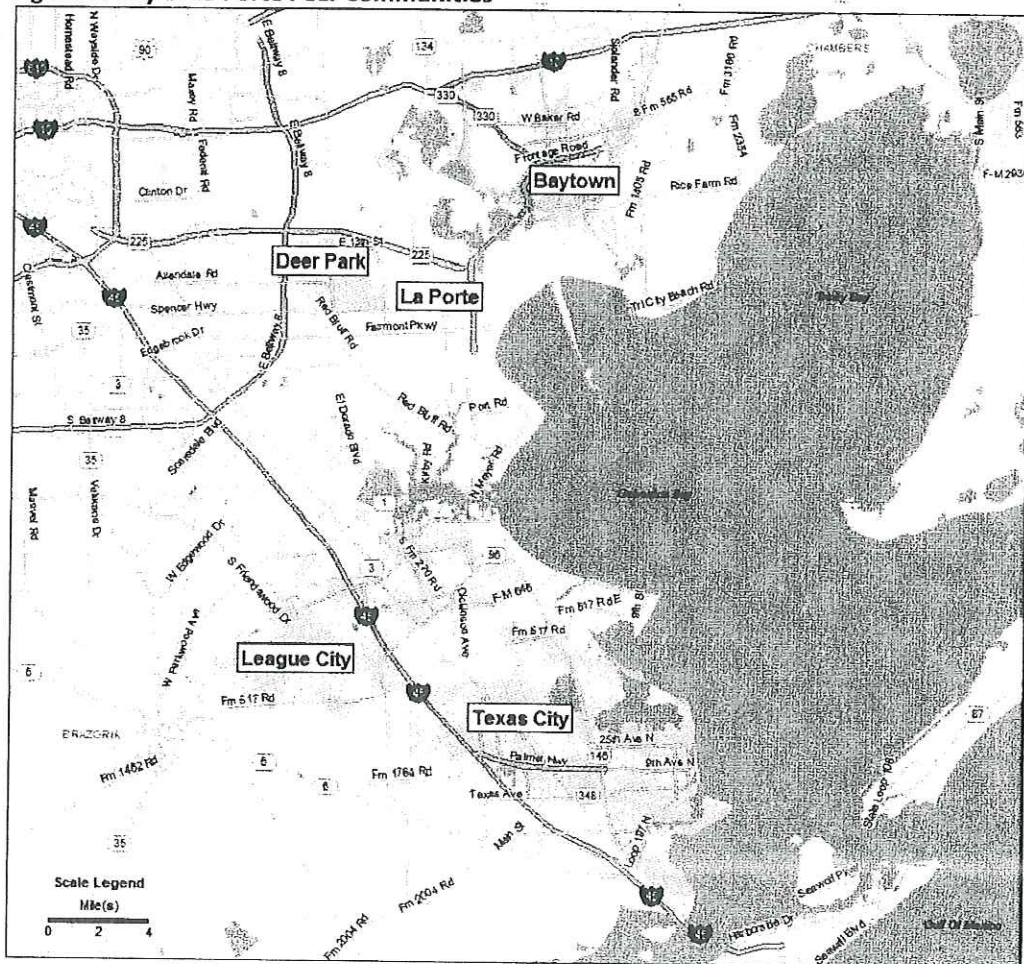
Figure 1: City of La Porte Study Area – Zip Codes



TXP selected a number of La Porte regional peer communities based on employment and population size, geographic location, industrial mix, and resident commuting patterns. The long-term damage caused by Hurricane Ike created challenges in the selection. The City of Galveston, for example, would have been an appropriate peer community for assessing La Porte's tourism sector, but the massive storm damage has dramatically altered Galveston's future. Because La Porte is landlocked and surrounded by large industrial complexes, suburban communities to the north and west of Houston were not appropriate. The following peer communities were chosen:

- City of Baytown
- City of Deer Park
- City of League City
- City of Texas City

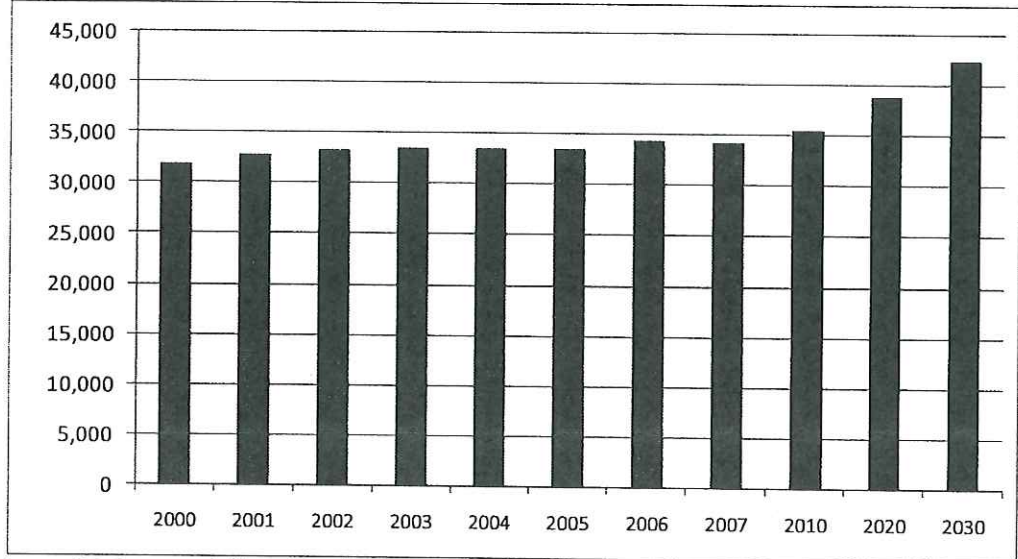
Figure 2: City of La Porte Peer Communities



### Population Growth Trends

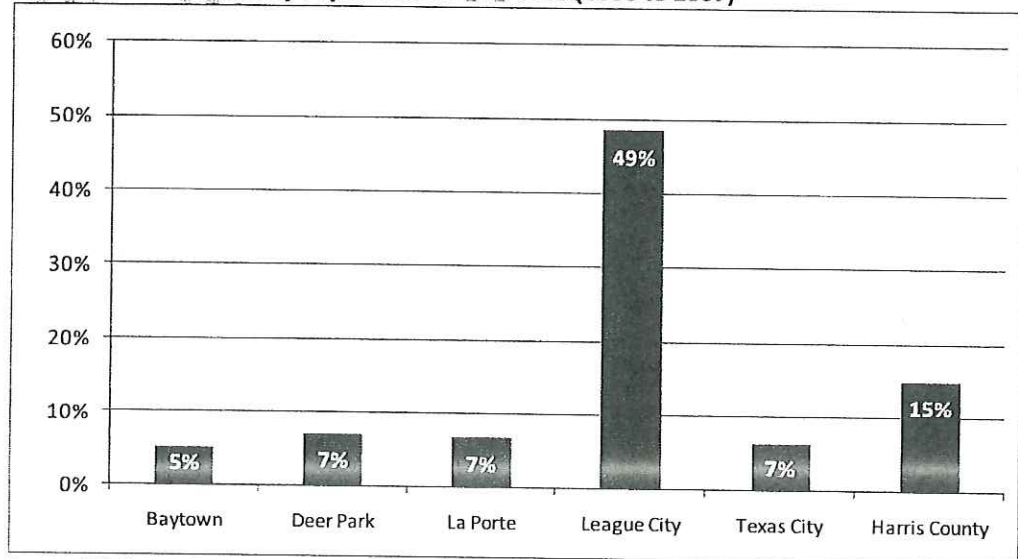
La Porte's population has been slowly increasing over the past decade. The current population estimate for La Porte is approximately 34,300 residents. Since 2000, the city has added 2,200 residents, an increase of 6.9 percent. La Porte's modest growth stands in stark contrast to significant population growth in peer communities and the Houston MSA. The Texas Water Development Board forecasts the city's population will surpass 42,000 by 2030.

**Figure 3: La Porte Population Trends & Forecast**



Source: U.S. Census Bureau, Texas Water Development Board

**Figure 4: Peer Community Population Growth Rate (2000 to 2007)**



Source: U.S. Census Bureau

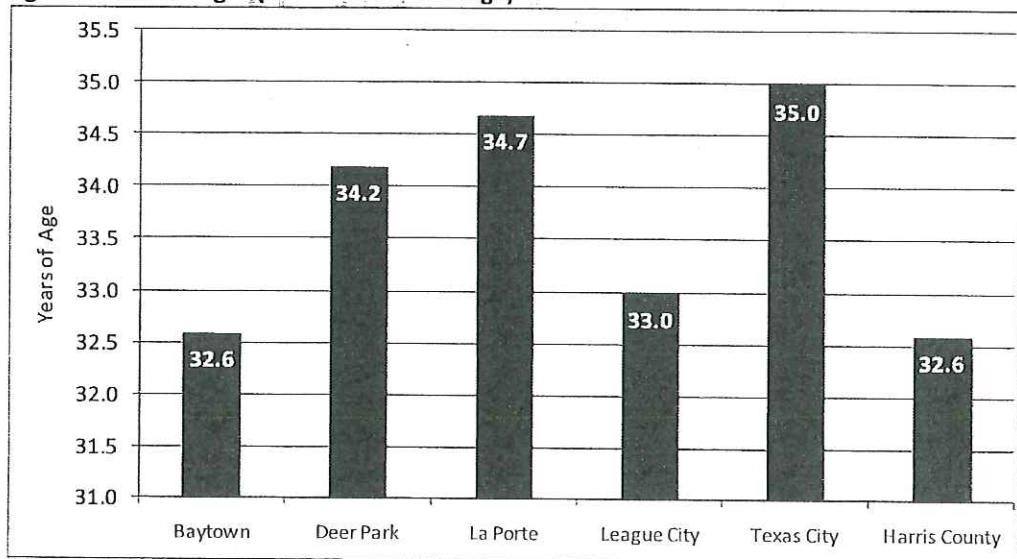
**Table 1: Regional Population Trends**

Year	Baytown	Deer Park	La Porte	League City	Texas City	Houston MSA
2000	66,564	28,546	32,041	45,882	41,700	4,740,423
2001	66,969	28,758	32,845	48,102	42,511	4,855,878
2002	67,686	29,049	33,388	51,158	42,655	4,988,369
2003	68,055	29,033	33,673	54,403	42,690	5,098,375
2004	68,046	28,962	33,666	57,694	43,274	5,208,977
2005	69,313	29,424	33,622	60,917	43,902	5,321,501
2006	70,013	30,366	34,544	64,410	44,456	5,507,557
2007	70,135	30,628	34,261	68,178	44,415	5,628,101
CAGR	0.75%	1.01%	0.96%	5.82%	0.91%	2.48%

Source: U.S. Census Bureau

A review of population components uncovered a number of useful factors related to labor force availability. First, the median age of La Porte (34.7 years of age) is much higher than the Harris County average of 32.6 years of age. Second, over 63.0 percent of the city's current population is comprised of working-aged residents defined between the ages of 18 and 65. Last, the percentage of school-aged children (between the ages of 6 and 17) is lower in La Porte than peer communities. On average, La Porte is home to a large percentage of working-age adults or young children. The combination of these trends, is putting upward pressure on La Porte's median age, but offers relocating and expanding businesses a proximate labor force.

**Figure 5: Median Ages (2005 to 2007 Average)**



Source: U.S. Census Bureau American Community Survey

## Economic Base & Job Creation

La Porte's employment base expanded between 2005 and 2006 (the last year data is available at the sub-county level), adding 3,200 new jobs or a 10.8 percent increase in total employment. In 2006, there were approximately 29,300 La Porte-based business employees. The Manufacturing, Construction, and Transportation & Warehousing sectors play a large role in the La Porte economy. These three sectors account for more than 60.0 percent of La Porte's current total employment, compared to 21.6 percent for the Houston MSA and 51.5 percent Deer Park. Over the past two years, La Porte's employment base has likely contracted because of declining natural resource prices, falling international trade, and the national recession. Continued growth at the Port Crossing Commerce Center and redevelopment activity associated with Sylvan Beach Park represent the most likely opportunities for growth over the next few years. Over the long-term, filling retail trade gaps and expanding tourism-related activity (ex. Main Street redevelopment and Bayport Cruise Terminal) should help diversify the local economy.

**Table 2: City of La Porte Study Area Employment Trends**

Description	2002	2003	2004	2005	2006
Agriculture, Fishing & Hunting	10	7	16	5	10
Mining, & Oil and Gas Extraction	546	543	496	869	908
Utilities	136	105	173	175	203
Construction	3,926	3,872	4,511	6,210	7,555
Manufacturing	8,004	6,568	6,990	7,322	7,703
Wholesale Trade	1,537	1,588	1,427	1,816	2,108
Retail Trade	1,078	922	919	880	829
Transportation & Warehousing	2,242	2,299	2,257	2,277	2,366
Information	33	40	31	32	26
Finance & Insurance	213	197	209	199	263
Real Estate, Rental & Leasing	284	258	240	240	307
Professional & Scientific Services	966	1,182	1,172	1,224	1,445
Management of Companies	153	279	169	13	19
Administration & Support	706	672	751	1,018	1,316
Educational Services	1,382	1,447	1,498	1,237	1,622
Health Care & Social Assistance	443	339	401	414	434
Arts, Entertainment, & Recreation	157	164	163	168	152
Accommodation & Food Services	797	784	920	1,006	968
Other Services	533	680	776	749	805
Public Administration	344	348	322	336	335
<b>Total</b>	<b>23,490</b>	<b>22,294</b>	<b>23,441</b>	<b>26,190</b>	<b>29,374</b>

Source: TXP, U.S. Census Bureau - LEHD Program



Due to data limitations, specific city-level employment values are not available. Based on industrial districts, zip codes, ETJs, and city limits, TXP created estimates of employment by major sector. The purpose of this dataset is to highlight which sectors are strong in each city, not actual employment figures.

**Table 3: Estimated Regional Employment Trends (2006)**

Description	Baytown	Deer Park	La Porte Study Area	League City	Texas City
Agriculture, Fishing & Hunting	19	18	10	1	2
Mining, & Oil and Gas Extraction	3,354	877	908	40	22
Utilities	272	147	203	58	188
Construction	2,172	5,204	7,555	1,206	817
Manufacturing	6,608	4,184	7,703	178	3,777
Wholesale Trade	911	950	2,108	434	305
Retail Trade	4,487	993	829	1,244	2,102
Transportation & Warehousing	817	404	2,366	251	229
Information	356	41	26	225	136
Finance & Insurance	669	305	263	503	428
Real Estate, Rental & Leasing	894	229	307	196	308
Professional & Scientific Services	1,859	927	1,445	977	349
Management of Companies	271	7	19	8	5
Administration & Support	1,658	770	1,316	602	709
Educational Services	4,497	2,244	1,622	6,377	1,483
Health Care & Social Assistance	3,629	459	434	1,215	2,595
Arts, Entertainment, & Recreation	321	9	152	372	157
Accommodation & Food Services	2,691	579	968	1,459	1,484
Other Services	1,140	489	805	570	344
Public Administration	705	176	335	307	503
<b>Total</b>	<b>37,330</b>	<b>19,012</b>	<b>29,374</b>	<b>16,223</b>	<b>15,943</b>

Source: TXP, U.S. Census Bureau - LEHD Program

## Labor Force Profile

Consistent with a slow growing population, La Porte's employed labor force (residents who have a job regardless of location) has held steady over the past 5 to 10 years. In 2006, roughly 19,000 La Porte residents were employed. The manufacturing and construction sectors capture the largest percentage of working La Porte residents. Even though the city is not strong in retail trade, healthcare, or education occupations, nearly 1 in 4 La Porte residents work in these sectors. The disconnect between La Porte resident occupations and local jobs available indicates a large number of residents commute to surrounding cities for work each day.

**Table 4: La Porte Study Area Resident Industry Sector Employment Profile**

Description	2002	2003	2004	2005	2006
Agriculture, Fishing & Hunting	27	32	37	38	32
Mining, & Oil and Gas Extraction	652	573	536	546	559
Utilities	208	196	208	165	144
Construction	2,282	2,027	1,785	1,945	2,156
Manufacturing	2,776	2,478	2,588	2,391	2,572
Wholesale Trade	943	920	931	1,072	1,049
Retail Trade	1,778	1,674	1,703	1,752	1,814
Transportation & Warehousing	974	967	971	955	986
Information	226	207	232	198	176
Finance & Insurance	455	395	485	486	516
Real Estate, Rental & Leasing	327	335	333	343	392
Professional & Scientific Services	1,187	1,220	1,239	1,243	1,394
Management of Companies	100	135	121	76	86
Administration & Support	1,004	898	984	1,108	1,231
Educational Services	1,812	1,886	1,928	1,716	1,833
Health Care & Social Assistance	1,312	1,369	1,388	1,387	1,356
Arts, Entertainment, & Recreation	201	180	222	211	173
Accommodation & Food Services	1,290	1,236	1,399	1,386	1,443
Other Services	586	573	642	603	598
Public Administration	438	438	445	414	478
<b>Total</b>	<b>18,578</b>	<b>17,739</b>	<b>18,177</b>	<b>18,035</b>	<b>18,988</b>

Source: TXP, U.S. Census Bureau - LEHD Program

**Table 5: La Porte Study Area Resident Labor Force Profile versus Industry Base (2006)**

Description	La Porte Resident Employment	La Porte Businesses
Agriculture, Fishing & Hunting	0.2%	0.0%
Mining, & Oil and Gas Extraction	2.9%	3.1%
Utilities	0.8%	0.7%
Construction	11.4%	25.7%
Manufacturing	13.5%	26.2%
Wholesale Trade	5.5%	7.2%
Retail Trade	9.6%	2.8%
Transportation & Warehousing	5.2%	8.1%
Information	0.9%	0.1%
Finance & Insurance	2.7%	0.9%
Real Estate, Rental & Leasing	2.1%	1.0%
Professional & Scientific Services	7.3%	4.9%
Management of Companies	0.5%	0.1%
Administration & Support	6.5%	4.5%
Educational Services	9.7%	5.5%
Health Care & Social Assistance	7.1%	1.5%
Arts, Entertainment, & Recreation	0.9%	0.5%
Accommodation & Food Services	7.6%	3.3%
Other Services	3.1%	2.7%
Public Administration	2.5%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: TXP, U.S. Census Bureau - LEHD Program

### Labor Shed Analysis

Using publicly available data it is possible to perform a labor shed analysis. The purpose of this analysis is to highlight: 1) where La Porte residents work and 2) where La Porte-based business employees live. The results are useful in identifying future economic development targets, determining workforce gaps, and guiding future public sector investment.

In 2006, approximately 19,000 city residents were employed. At the same time, La Porte-based businesses employed 29,000 workers. Hypothetically, if all La Porte-based jobs were first filled by local residents, then approximately 10,000 workers would need to commute to the city each day. However, data from the Census Bureau - LEHD Program paint a different picture.

In 2006, only 13.4 percent of La Porte residents worked in the city. Over one-third of La Porte working residents commuted to Houston each day. Other large employment centers were Pasadena, Deer Park, and Baytown. The opposite trend exists for La Porte-based businesses. In 2006, La Porte residents comprised 11.7 percent of total local employment. Over 40.0 percent of La Porte-based business employees lived in Houston, Pasadena, Baytown, Deer Park, and League City.

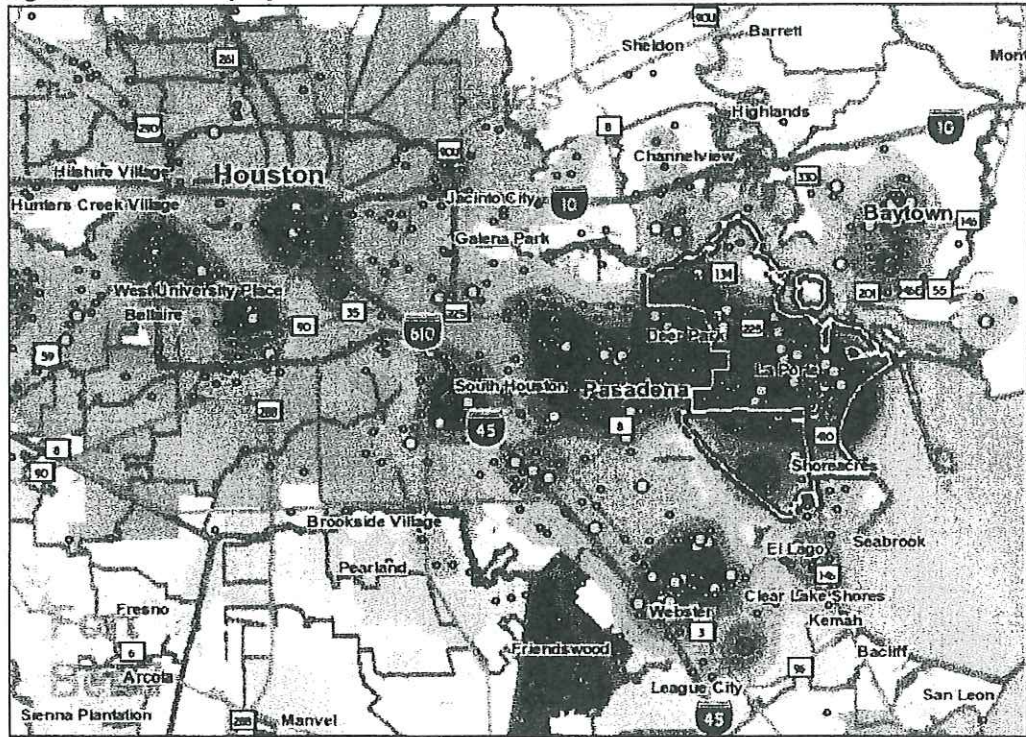
These findings create positive and negative implications for La Porte. Because La Porte residents work throughout the region in a broad range of industries, this can help offset the negative effects of a slowdown in the city's energy sector. The downside is that La Porte-based businesses pay high wages to non-local residents. However, the fact that workers will commute to La Porte for work is a good indicator that future tourism and quality of place projects (Sylvan Beach and Downtown) would attract visitors from neighboring communities.

**Table 6: Where Employed La Porte Residents Work**

Description	2002	2003	2004	2005	2006
Houston	39.2%	38.8%	38.1%	38.3%	37.2%
La Porte	14.0%	13.5%	13.1%	13.4%	13.4%
Pasadena	9.8%	10.2%	9.4%	9.1%	9.4%
Deer Park	7.1%	7.1%	6.8%	6.6%	6.7%
Baytown	3.1%	2.7%	3.4%	3.1%	3.0%
Webster	1.4%	1.6%	1.6%	1.8%	1.5%
League City	1.0%	0.9%	1.1%	1.3%	1.3%
Austin	0.7%	0.7%	0.8%	0.8%	0.9%
Seabrook	0.5%	0.8%	0.8%	0.9%	0.8%
Pearland	0.6%	0.8%	0.9%	0.7%	0.8%
All Other Locations	22.5%	22.8%	24.1%	24.0%	25.0%

Source: TXP, U.S. Census Bureau - LEHD Program

**Figure 6: Where Employed La Porte Residents Work**



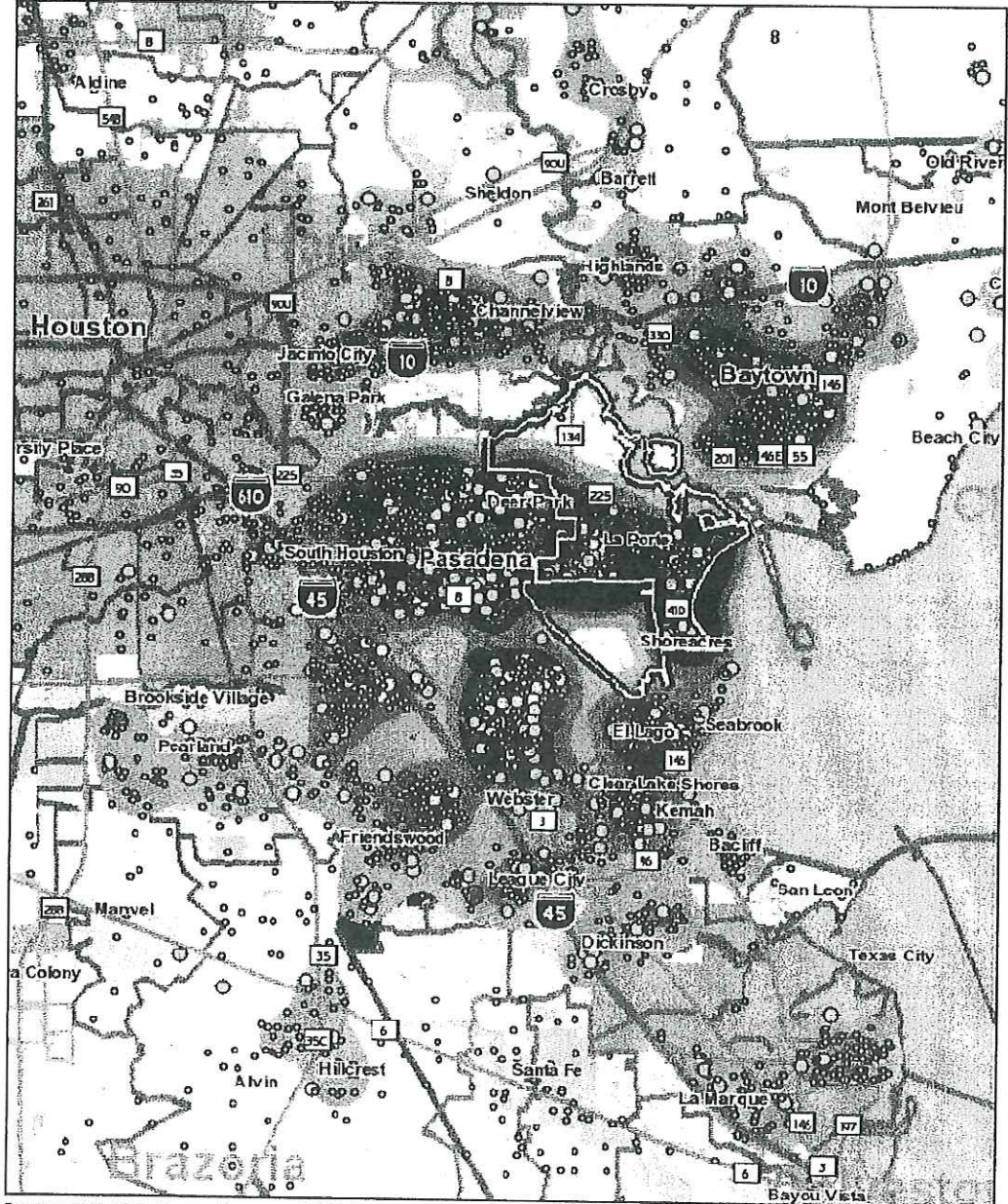
Source: TXP, U.S. Census Bureau - LEHD Program

**Table 7: Where La Porte-based Business Employees Live**

Description	2002	2003	2004	2005	2006
Houston	18.1%	18.0%	17.5%	17.2%	18.1%
La Porte	14.7%	14.4%	13.6%	12.8%	11.7%
Pasadena	10.6%	10.3%	10.2%	10.0%	10.2%
Baytown	6.4%	5.9%	6.2%	6.0%	6.3%
Deer Park	6.4%	6.0%	5.8%	5.7%	5.6%
League City	2.8%	2.9%	3.1%	2.8%	2.4%
Pearland	1.4%	1.4%	1.6%	1.7%	1.6%
Texas City	0.9%	1.4%	1.2%	1.5%	1.5%
Channelview	1.3%	1.4%	1.3%	1.2%	1.3%
Friendswood	1.3%	1.3%	1.2%	1.0%	1.2%
All Other Locations	36.1%	37.0%	38.1%	40.1%	40.0%

Source: TXP, U.S. Census Bureau - LEHD Program

Figure 7: Where Workers Live who are Employed by La Porte Businesses



Source: TXP, U.S. Census Bureau - LEHD Program

## Industry Cluster Analysis

Industry cluster analysis is a common approach used in economic development to evaluate the economic base of a region, usually at the county or multi-county level. Clusters are highly integrated groups of businesses with strong vertical and horizontal linkages. Not only does industry cluster analysis describe the current state, but this technique is often used to identify areas of recruitment opportunity. Industry cluster analysis, however, is a broad concept rather than a precise term. There is not a unified definition of industry clusters or their subcomponents.

In general, a cluster consists of firms and related economic actors and institutions that draw productive advantage from their mutual proximity and connections. First, linkages are established in which businesses build relationships with existing specialized supplier firms throughout a region. Second, these developing clusters attract additional supplier firms and supporting business from outside of the area. Finally, by creating a critical mass of production, labor, and information, related manufacturers and supplier firms are attracted to these developing cluster regions to take advantage of the existing human and physical infrastructure.

A comprehensive analysis of industry cluster techniques released by *The Brookings Institute (Making Sense of Clusters: Regional Competitiveness and Economic Development, 2006)* highlights seven cluster drivers called “microfoundations” of clustering:

**Table 8: Cluster Industry Microfoundations**

Microfoundations	Description
Labor Market Pooling	Strong market/supply for the distinctive skilled labor needed
Supplier Specialization	Large number of industrial customers in the nearby area create sufficient demand to enable suppliers to acquire and operate expensive specialized machinery
Knowledge Spillovers	Concentration of many people working on a similar set of economic problems produces a widely shared understanding of an industry and its workings
Entrepreneurship	Entrepreneurship includes both the willingness of individuals to form new businesses and the willingness of owners of existing businesses to undertake new ideas
Path Dependence and Lock-In	Set of opportunities available to any particular place will be shaped by the economic activities it has already established
Culture	Culture may be particularly important in helping local economies and clusters adapt to change over time
Local Demand	Demanding local consumers can pressure firms to innovate and to maintain and improve product quality, which in turn improves their competitiveness in other markets

The Brookings study concludes, "It is difficult for public policy to create new clusters deliberately. Instead, policymakers and practitioners should promote and maintain the economic conditions that enable new clusters to emerge. Such an environment, for example, might support knowledge creation, entrepreneurship, new firm formation, and the availability of capital."

The report highlights the role the public sector can play in cluster development by microfoundation:

- Labor Market Pooling: labor market information, specialized training
- Supplier Specialization: brokering, recruiting, entrepreneurship, credit
- Knowledge-spillovers: networking, public sector research and development support
- Entrepreneurship: assistance for startups, spin-offs
- Lock-In: work to extend, refine, and recombine existing distinctive specializations
- Culture: acknowledge and support cluster organization
- Local Demand: aggregate and strengthen local demand.

#### *Application of Industry Cluster Analysis to La Porte*

To assess the strength of a cluster in a regional economy, the location factors are calculated by comparing the cluster's share of total local employment to the cluster's national share. This quotient will yield a value generally between 0.00 and 2.00, where 1.00 demonstrates an equal share percentage between the local and national economies. Cluster location factors greater than 2.00 indicate a strong cluster agglomeration, while those less than 0.50 indicate extremely weak clusters.

The biggest challenge for performing a cluster analysis on La Porte is data availability. Clusters are typically defined using 6-digit NAICS (a business classification system). Given the employment base size of La Porte and linkages to neighboring cities, detailed data is not readily available because government agencies "suppress" data to protect the confidentiality of the businesses. For example, detailed employment and payroll data for the petrochemical sector is not released for La Porte because it might reveal specific information about local firms. Therefore, TXP performed a cluster analysis using location quotients at the major NAICS level.



**Table 9: La Porte Study Area Industry Concentrations**

Description	Baytown	Deer Park	La Porte	League City	Texas City
Agriculture, Fishing & Hunting	0.32	0.60	0.22	0.04	0.08
Mining, & Oil and Gas Extraction	2.70	1.39	0.93	0.07	0.04
Utilities	0.98	1.04	0.93	0.48	1.58
Construction	0.75	3.55	3.33	0.96	0.66
Manufacturing	1.87	2.33	2.77	0.12	2.51
Wholesale Trade	0.42	0.86	1.23	0.46	0.33
Retail Trade	1.11	0.48	0.26	0.71	1.22
Transportation & Warehousing	0.49	0.48	1.80	0.35	0.32
Information	0.59	0.13	0.05	0.86	0.53
Finance & Insurance	0.47	0.42	0.24	0.81	0.70
Real Estate, Rental & Leasing	1.12	0.56	0.49	0.57	0.90
Professional & Scientific Services	0.69	0.68	0.68	0.84	0.30
Management of Companies	1.20	0.06	0.11	0.08	0.05
Administration & Support	0.61	0.56	0.62	0.51	0.61
Educational Services	1.13	1.11	0.52	3.68	0.87
Health Care & Social Assistance	0.97	0.24	0.15	0.74	1.62
Arts, Entertainment, & Recreation	0.76	0.04	0.46	2.02	0.87
Accommodation & Food Services	0.92	0.39	0.42	1.14	1.18
Other Services	1.09	0.91	0.97	1.25	0.77
Public Administration	0.81	0.40	0.49	0.81	1.35
<b>Total</b>	<b>0.32</b>	<b>0.60</b>	<b>0.22</b>	<b>0.04</b>	<b>0.08</b>

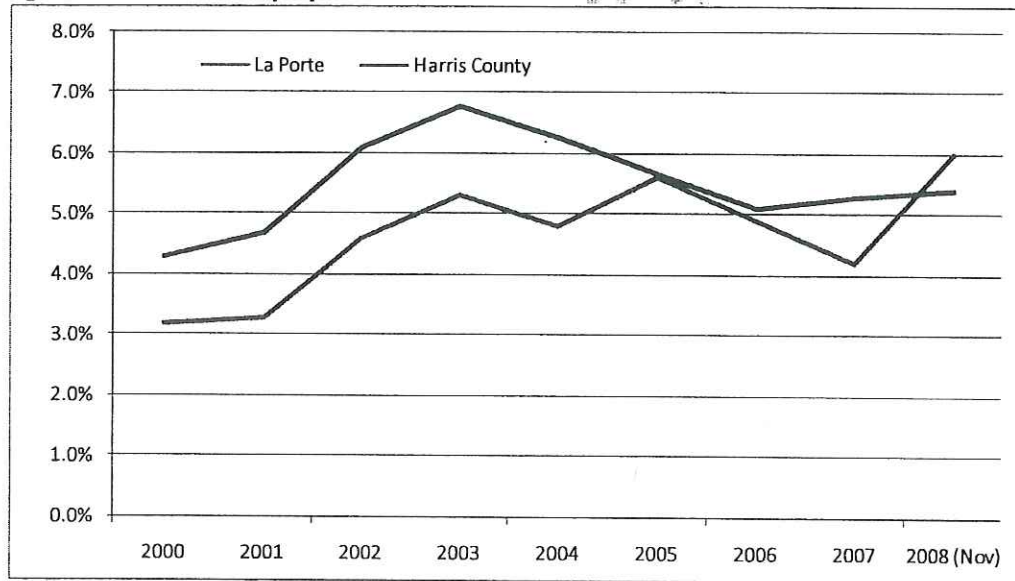
Source: TXP; U.S. Census Bureau - LEHD Program

- La Porte has sizeable concentrations of Manufacturing, Construction, and Transportation & Warehousing clusters relative to the Houston MSA. In 2006, La Porte was home to over 225 establishments for these three sectors combined.
- La Porte has a below average retail trade cluster for a community of its size. A 2006 retail trade study performed by Buxton determined that La Porte does have the potential to attract new retailers and restaurants.
- Key industry clusters less developed in La Porte than the Houston MSA as a whole are Health Care & Social Assistance, Educational Services, Accommodation & Food Services, and Arts, Entertainment, & Recreation. The proximity to the Greater Houston area with already strong clusters (ex. Kemah) as well as geographic location on the far eastern edge of the region might limit growth in some of these sectors.

## Unemployment Rate

Consistent with a stable population base and large number of residents working outside of the city, La Porte's unemployment rate has fluctuated based on regional economic trends. In 2000, the unemployment rate in La Porte registered 3.2 percent. By 2005, the unemployment rate had risen to 4.4 percent. The resurgence of the oil and gas sector created an economic surge for the area. As a result, the unemployment rate dropped to 3.6 percent in 2007. The current national economic recession and falling energy prices, however have reversed some of these job gains. The current unemployment rate in La Porte is 6.0 percent, above the Harris County average for the first time this decade.

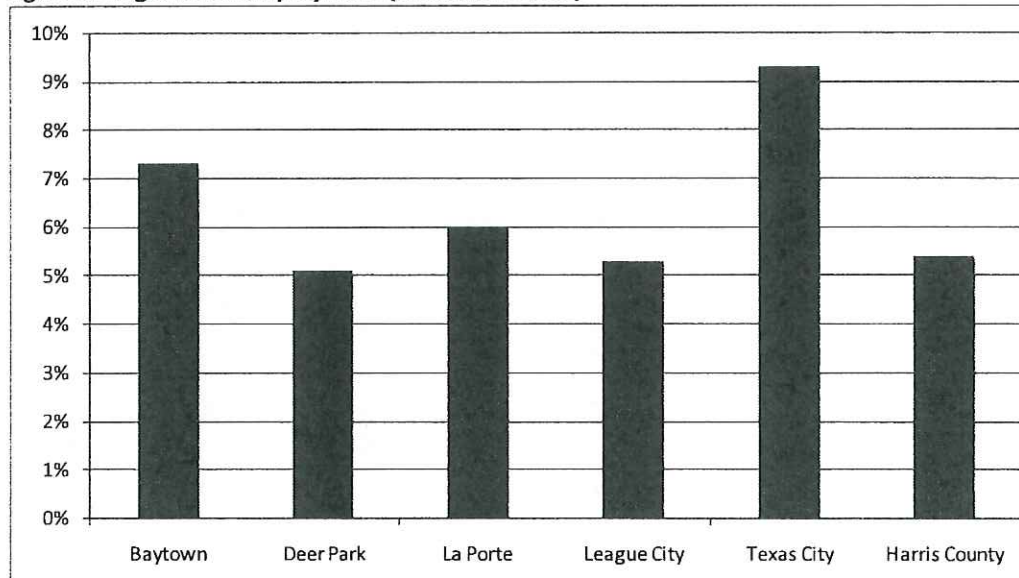
Figure 8: La Porte Unemployment Rate



Source: Texas Workforce Commission

Compared to its peer communities, La Porte's rising unemployment rate is consistent with regional trends. In November 2008, Texas City's unemployment rate climbed to 9.3 percent, or 50.0 percent greater than the La Porte value. Deer Park and League City have the lowest unemployment rates at 5.1 percent and 5.3 percent respectively.

Figure 9: Regional Unemployment (November 2008)



Source: Texas Workforce Commission

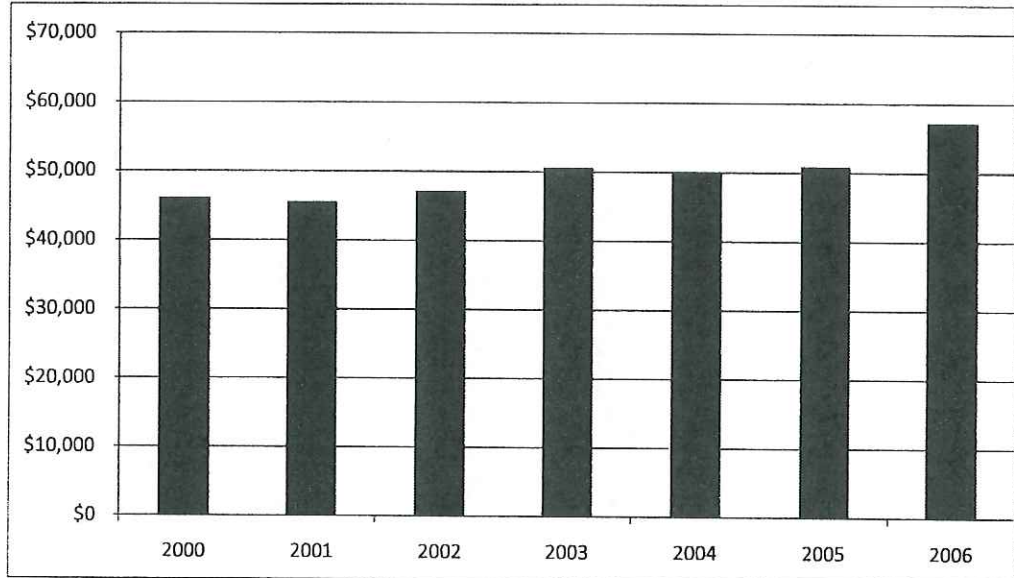
#### Per Capita Income & Wage Levels

While La Porte's population has been slowly increasing, when compared to the state as a whole, its residents' per capita income has kept up. La Porte's per capita personal income is 3.7 percent above the Texas average, but 4.7 percent below the Harris County Average. The 2005-2007 average per capita income for La Porte is \$24,176 versus the Harris County average of \$25,364. (Note, American Community Survey estimates are used to produce the per capita income statistics and are based on data collected over a 3-year time period. The estimates represent the average characteristics of population between January 2005 and December 2007 and do not represent a single point in time.)

Wages paid to La Porte-based workers, however, are well above state and regional levels. In 2006, the average salary was \$57,195 versus the Harris County average of \$51,932. La Porte is also outperforming all of its peer communities.

It is not possible to produce wage estimates for La Porte residents who work outside of the city. Based on an analysis of La Porte resident occupations (Table 4) and average wage and per capita income trends (Table 11), however, it is likely that residents earn less than the La Porte-based average wage. La Porte registers the greatest disparity between per capita income (based on place of residence) and average wage per job (based on the location of the firm). This indicates millions of wages are leaking to surrounding cities.

**Figure 10: La Porte Average Wage per Job**



Source: U.S. Census Bureau, Economic Planning and Coordination Division

**Table 10: Regional Per Capita Income and Average Wage Trends**

	Per Capita Income		Average Wage per Job	
	2000	2005 to 2007 Average	2000	2006
Austin County	\$18,140	\$24,232	\$29,532	\$36,678
Brazoria County	\$20,021	\$25,946	\$33,561	\$39,859
Chambers County	\$19,863	\$24,784	\$35,037	\$42,439
Fort Bend County	\$24,985	\$29,005	\$34,833	\$43,701
Galveston County	\$21,568	\$26,204	\$29,333	\$38,170
Harris County	\$21,435	\$25,364	\$41,339	\$51,932
Liberty County	\$15,539	\$17,720	\$24,435	\$30,355
Montgomery County	\$24,544	\$29,279	\$31,563	\$39,429
San Jacinto County	\$16,144	\$17,900	\$21,187	\$24,887
Waller County	\$16,338	\$20,490	\$24,708	\$33,126
Baytown	\$17,641	\$20,165	\$35,734	\$41,169
Deer Park	\$24,440	\$27,313	\$49,964	\$56,881
La Porte	\$21,178	\$24,176	\$46,135	\$57,195
League City	\$27,170	\$32,668	\$24,263	\$30,304
Texas City	\$17,057	\$19,070	\$37,450	\$42,504

Source: TXP, U.S. Census Bureau, U.S. Bureau of Economic Analysis

## Tourism Sector

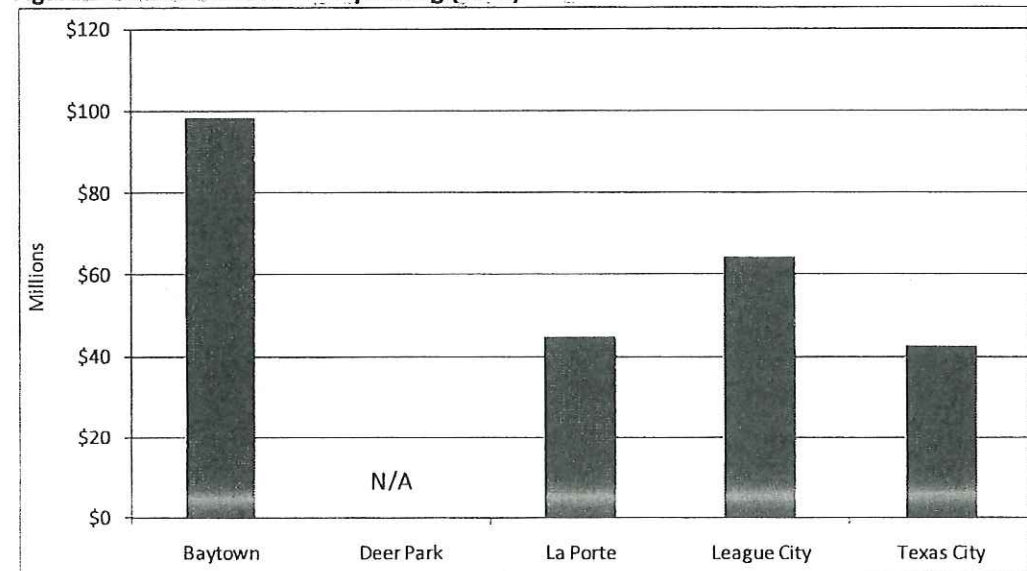
Tourism-related activity is not a significant component of the La Porte economy, but the city does have a long history of attracting visitors to Sylvan Beach. In recent years, Sylvan Beach remained a popular destination for family outings and the Pavilion hosted local events before its closing after Hurricane Ike. Currently, efforts are underway to increase tourism activity in the area. Harris County, for example, has completed a Sylvan Beach Park Master Plan and has allocated funds for beach reclamation. A 2007 hotel feasibility study by PKF consulting found that the Sylvan Beach area could support a 250-room full service hotel, though no hotel has yet expressed interest in the property. La Porte is also exploring strategies to link Main Street, the 5 Points Development, and Sylvan Beach. Out-of-town visitors still spend millions of dollars at local hotels and shops each year. In 2006, the \$45.1 million in direct spending by La Porte visitors supported 400 local jobs and generated \$1.1 million in tax revenue.

**Table 11: Annual Economic Impact of La Porte Visitor Spending**

Year	Destination Spending (millions)	Earnings (millions)	Employment	State Tax Receipts (millions)	Local Tax Receipts (millions)
2002	\$34.8	\$10.0	400	\$0.9	\$2.4
2003	\$35.5	\$9.9	400	\$0.9	\$2.4
2004	\$36.0	\$9.8	380	\$0.8	\$2.4
2005	\$42.2	\$11.1	420	\$1.0	\$2.7
2006	\$45.1	\$11.4	410	\$1.1	\$2.8

Source: Office of the Governor, Economic Development and Tourism

**Figure 11: Visitor Destination Spending (2008)**



Source: Office of the Governor, Economic Development and Tourism

### Retail Trade Sector

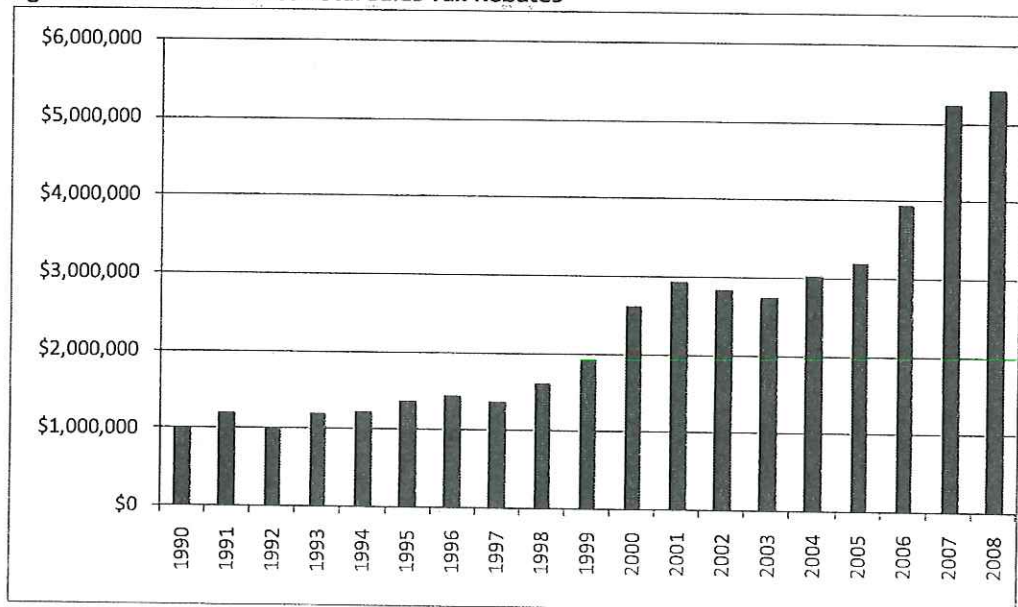
A review of area retail sales by trade sector reveals that La Porte is not capturing its full share of resident spending. This finding is consistent with stakeholder input that many residents drive to surrounding communities to shop - in economic terms the region is "leaking" retail sales dollars. For example, La Porte taxable retail sales per capita are well below peer communities. In 2007, La Porte registered \$1,850 taxable retail sales per capita compared to \$5,938 for Harris County. This has important implications for La Porte's overall tax base because the city generates close to half of its revenue from property taxes or industrial payments. A review of La Porte's total sales tax collections over the past 20 years reveals that big upticks in collections are closely related an increase in the sales tax rate (ex. economic development sales tax or construction spending by businesses), but not new retail activity.

**Table 12: Per Capita Retail Sales Subject to Sales Tax**

Year	Baytown	Deer Park	La Porte	League City	Texas City	Harris County
2002	\$5,619	\$1,607	\$1,487	\$2,382	\$4,988	\$4,941
2003	\$5,381	\$1,655	\$1,494	\$2,288	\$4,473	\$4,825
2004	\$5,466	\$1,752	\$2,356	\$2,644	\$4,321	\$4,949
2005	\$5,844	\$2,751	\$2,492	\$3,130	\$4,371	\$5,281
2006	\$6,528	\$4,122	\$1,591	\$2,432	\$4,366	\$5,629
2007	\$7,024	\$4,220	\$1,844	\$3,176	\$4,561	\$5,938

Source: TXP, Texas Comptroller of Public Accounts

**Figure 12: Annual La Porte Total Sales Tax Rebates**

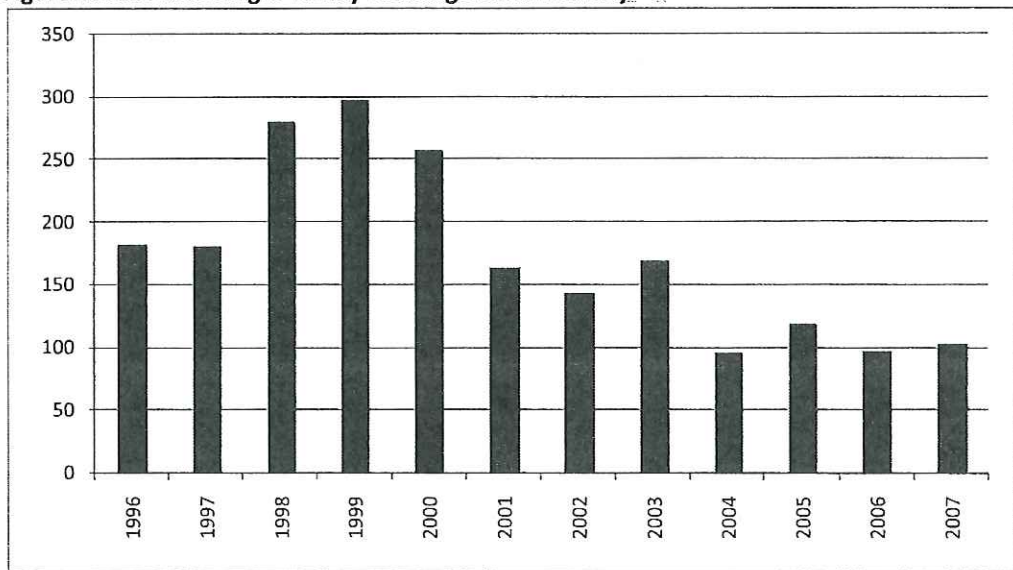


Source: TXP, Texas Comptroller of Public Accounts

## Real Estate Sector

Single-family building permit activity has been healthy in La Porte over the past decade. Data provided by the Texas A&M Real Estate Center and U.S. Census Bureau, however, indicates that La Porte single-family buildings permits lag the rapid growth in some peer communities. This is not a surprise given the limited amount of land available for development. Future development will likely take place near the Bay Forest golf course or as large lots in the western portion of the city are subdivided. Over the past few years, approximately 100 single-family building permits were issued.

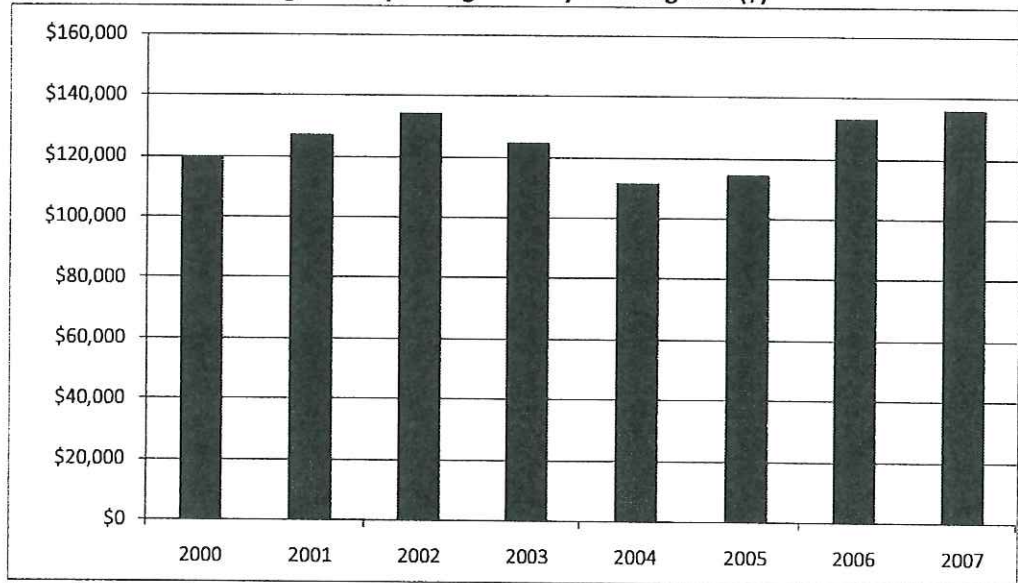
Figure 13: La Porte Single-Family Building Permit Activity



Source: U.S. Census Bureau

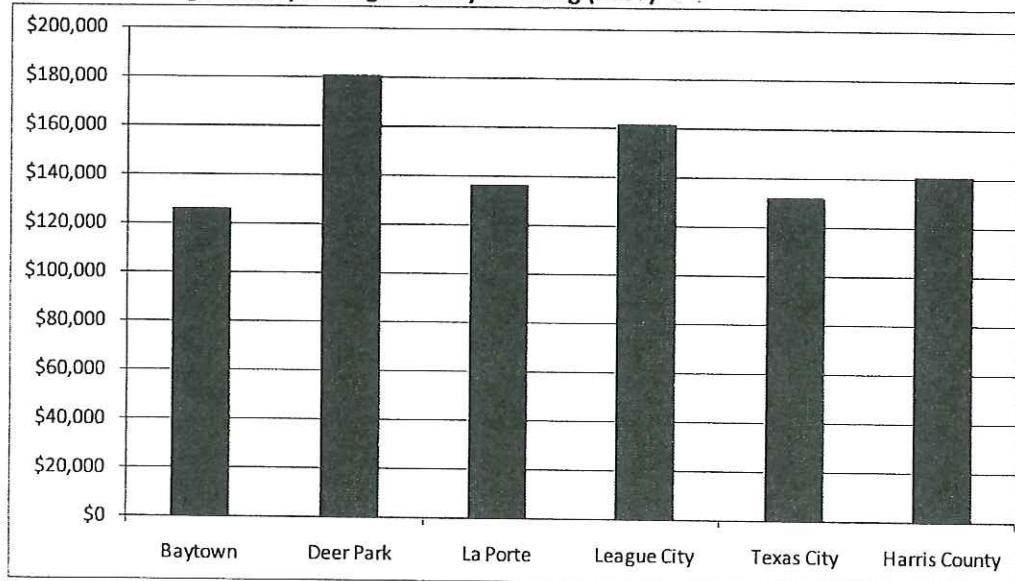
The average value of a new single-family home in 2007 was \$136,321. Using an industry standard of 28 percent of gross income, the maximum percentage of monthly gross income that a lender allows for housing expenses plus recurring debt, a new home buyer would need to earn \$40,000 per year to qualify for a traditional loan. Compared to peer communities, La Porte offers one of the lowest prices for a new single-family home. The most expensive peer community was Deer Park at \$181,123 per new home. It is worth noting even with La Porte's relatively low housing costs, the majority of La Porte business workers do not live in the city.

**Figure 14: La Porte Average Value per Single-Family Dwelling Unit (\$)**



Source: U.S. Census Bureau

**Figure 15: Average Value per Single-Family Dwelling (2007)**



Source: U.S. Census Bureau



## Appendix: Survey Results

Avalanche Consulting is pleased to present the results of the Forward La Porte Economic Development Survey. The survey was conducted between December 2008 and January 2009 to gain insight into local residents and businesses' opinions about economic development. A total of 301 surveys were completed.

Across the board, survey responses reflected a consistent thinking among La Porte residents. **City beautification, Main Street revitalization, and Sylvan Beach revitalization topped residents' economic development priorities.** La Porte's top strengths are perceived as being (1) public safety, (2) cost of living, (3) access to higher education, and (4) quality of K-12 education. The city's **perceived weaknesses included retail shopping, downtown, arts and culture, and the city's appearance.** Many residents **encouraged the City to concentrate on balancing growth through community development versus industrial recruitment, reviving La Porte's historic core, and offering families enhanced entertainment and recreational opportunities.**

### Methodology

Avalanche Consulting kicked off the project by developing an online survey and then presented the draft questions to the Forward La Porte Steering Committee for review. After receiving their feedback, Avalanche finalized the survey and launched it on December 8, 2008. (A copy of the survey is provided at the end of this Appendix.)

To encourage residents to participate in the survey, Avalanche initiated a multi-faceted promotional campaign:

- Avalanche developed the online survey utilizing QuestionPro software. An online format was chosen to save time and cost.
- Avalanche developed a survey webpage which contained a link to the survey.
- The website's URL was provided to Steering Committee members and other civic leaders, and they in turn shared it with their contacts.
- The *Bayshore Sun* and *Houston Chronicle* wrote articles about the survey's launch.
- Avalanche and the *Bayshore Sun* created an advertisement to remind residents to take the survey. The ads were published in the January 18 and January 21 editions.
- The survey was viewed by 497 people. Avalanche received 301 complete survey questionnaires. On average, it took participants 10 minutes to finish the survey.

The survey was completed on January 23, 2009.

### Survey Demographics

Of the 301 residents who completed the survey, 60 percent had lived in La Porte for 11 years or longer.

76 percent of all respondents were currently employed, with exactly one-half employed by a company located in La Porte and the other one-half working outside of the city. A large majority of survey participants (65.8 percent) were 45 years old or older.

The demographic mix of survey respondents closely matched the city's population demographics.

Age Range	% of Survey Participants
18-24 years	2.8%
25-34 years	10.4%
35-44 years	21.0%
45-54 years	31.6%
55-64 years	20.2%
65+ years	14.0%

### Economic Development Questions

To kick off the economic development portion of the survey, Avalanche wanted to understand local residents' definition of "what counts as success?" in economic development. 84% of them said that they agree with the following definition:

*"Enhanced prosperity and quality of life for La Porte's residents and businesses."*

Next, we asked respondents to rate their satisfaction level on a variety of economic development topics, from education to quality of life to city government. Participants scored each topic on a scale of 1 (not satisfied) to 4 (very satisfied). To highlight a few of the findings:

A majority of respondents were either "satisfied" or "very satisfied" with the following topics:

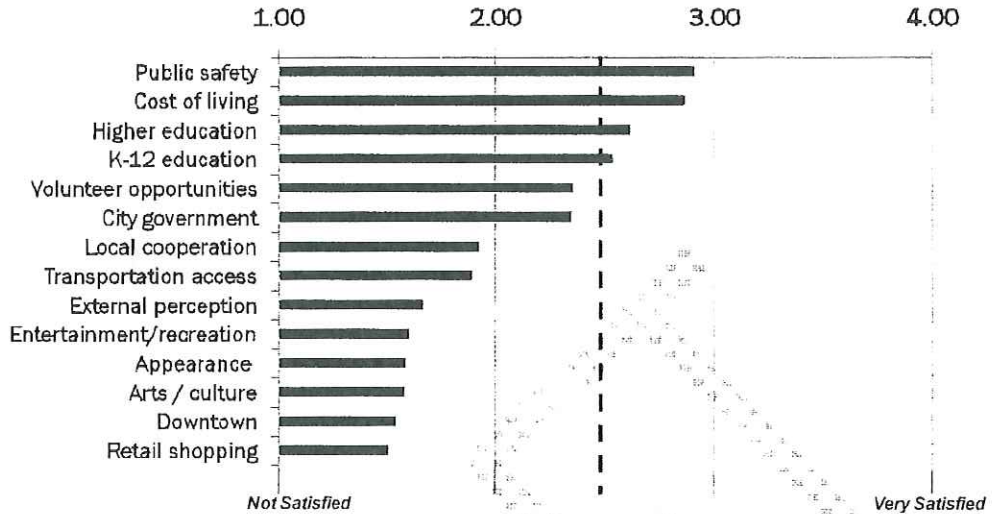
- Public safety (75.9%)
- Cost of living (75.8%)
- Higher education opportunities in the area (62.8%)
- Public education (54.5%)

In contrast, a majority of respondents indicated that they were "not satisfied" with the following:

- Retail shopping and restaurants (67.1%)
- Downtown development (63.4%)
- City's appearance (60.7%)
- Entertainment and recreation (60.0%)
- Arts and culture (56.3%)
- External perception of La Porte (54.1%)
- Transportation access (44.1%)

On the remaining topics, most respondents felt neutral on the availability of volunteer opportunities and local cooperation / shared vision.

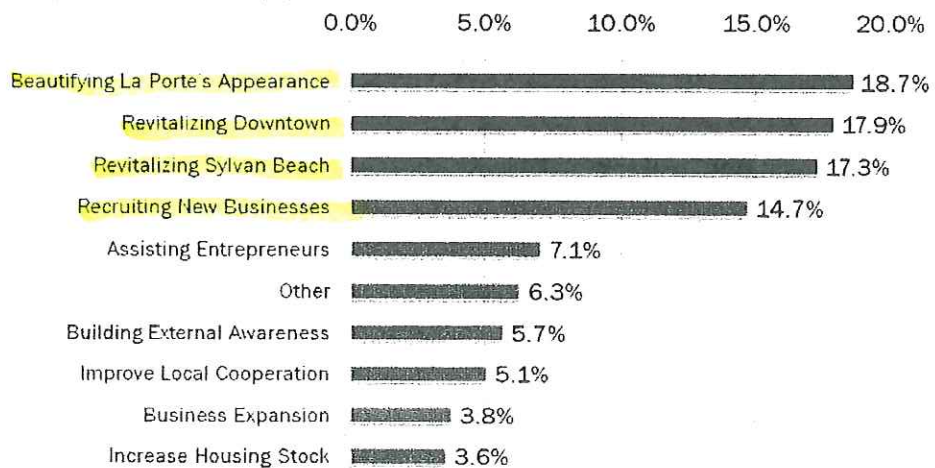
**Figure 16: How satisfied are you with the following aspects of La Porte?**



The above figure illustrates the average score for each option. Options receiving a score of 2.5 or greater are satisfactory for a majority of La Porte residents, while scores lower than 2.5 are areas in which residents see need for improvement.

Respondents were also asked to rate what they believe to be La Porte's top economic development priorities. Quality of place topics such as beautification, downtown revitalization, and Sylvan Beach strongly rose to the top. Interestingly, traditional economic development roles, such as business recruitment, local business expansion, and external marketing rated much lower.

**Figure 17: What are the city's top three economic development priorities?**



The survey contained several open ended questions that allowed participants to comment on their view of the city's greatest strengths and challenges. They were also asked to provide a single word or phrase that they would like to be used to describe La Porte 20 years from now.

A list of select comments is provided at the end of this document. We also sorted comments according to subject matter, and have listed the results below. (Note, not every participant commented.)

**What is La Porte's single greatest strength?**

<u>Topic</u>	<u>Number of Responses</u>
Waterfront Location / Sylvan Beach	95
Small town charm	58
Location relative to Greater Houston	42
People ("warm," "friendly")	41
Petrochemical and port industries	25
Public safety	10
City leadership	7
History	6
La Porte K-12 schools	5

**What is La Porte's single greatest weakness?**

<u>Topic</u>	<u>Number of Responses</u>
Balancing growth / preserving city's character	63
Appearance of the city	60
<i>Appearance of Main Street, specifically</i>	15
New business attraction, retail and entertainment	47
Petrochemical and port industries	39
<i>Pollution related to industry, specifically</i>	12
<i>Traffic related to industry, specifically</i>	13
External perception / reputation	17
Local politics / status quo thinking	13
Flooding / hurricanes	8

**What is La Porte's single greatest strength? (sample answers)**

- "Good down home feeling"
- "Small town attitude and ambiance"
- "Waterfront location and diversity of homes"
- "The plants and refineries"
- "Sylvan Beach"
- "Proximity to Galveston Bay and historical role in the Battle of San Jacinto"
- "Potential for growth, not necessarily in size but in quality"
- "Space for development that will bring in tourism and business"
- "Sylvan Beach Pavilion, it's reputation from years of history"
- "Proximity to Houston, massive employment base, vital transportation systems"
- "3.3 miles of Galveston Bay front"
- "The thing that I have heard from Hurricane support workers is that we have great diners!"
- "Friendliness"
- "Security and tranquility"
- "Petrochemical business"
- "Its people!"
- "Small town qualities while being next to a large city"
- "Located on a corner of a major highway with plenty of land for development"
- "Port of Houston, LPISD, and the City are fine examples of the strength of La Porte"
- "Camaraderie of the community"
- "Friendly people including store and restaurant owners"
- "Our town has a fine group of citizens, many of whom I am proud to call friends"
- "Affordability of homeownership"
- "Jobs, industry and recreation of Galveston Bay"
- "Parental involvement in school activities"
- "Small city with industry tax base"
- "Historical significance of the city and the area"
- "Waterfront parks and homes, older neighborhoods with history"
- "Ship channel"
- "The history of the downtown area/old buildings, the bay -- if cleaned up"
- "Low crime"
- "Caring community"

**What is La Porte's single greatest challenge? (sample answers)**

- "People not wanting progress"
- "Lacking in beautification, no local retail"
- "Blight"
- "Attracting retail customers for La Porte's businesses"
- "Old in appearance... and maybe in spirit?"
- "Getting people here to appreciate the city"
- "Remaining a good place to raise a family without succumbing to the industry and Port"
- "Restoration and redevelopment of old downtown while maintaining the original look"
- "Overcoming the current perception from people not living or entertaining here"
- "Protecting citizen rights against industry"
- "Bringing more tourist activity to La Porte"
- "Fighting the 'industrial moniker'"
- "Improving schools. Resisting continued industrial growth"
- "Quality retail development"
- "Flooding issues"
- "Air quality caused by local industry"
- "Keeping us safe from traffic problems and chemical leaks"
- "Doing something with Sylvan Beach"
- "Patience. Real growth and quality of life comes from time, perseverance, and hard work"
- "Getting more people to the city"
- "The overwhelming presence of industry"
- "Ability to attract higher end retail / dining centers"
- "Getting citizens to not be afraid to support change!"
- "Few activities, no outdoor trails despite the bay"
- "Limited shopping"
- "Age of infrastructure and lack of recreational activities that would draw nonresidents"
- "Chemical plants and the resulting pollution"
- "Keeping our small town feeling"
- "Blighted neighborhoods"
- "Downtown should be developed with tourism in mind"
- "Horrible port traffic"
- "Putting political agendas aside"
- "Division"
- "Industrial encroachment"
- "The age of the city and the fact that it is in need of a face lift"
- "Resistance to growth and change"
- "Truck traffic"
- "Not very many programs offered for children"
- "Number of dilapidated buildings, particularly in downtown"
- "No tall palm trees or lush landscaping to welcome visitors and residents"

**In an ideal world, what word or phrase will be used to describe La Porte 20 years from now? (sample answers)**

- "Most beautiful port city in the world"
- "Key in boosting commerce of the Houston region"
- "A great place to live and play"
- "An artistic community"
- "Revived"
- "Doorway to the world"
- "Friendly, dynamic small city"
- "Coastal community by the Bay to live, work, and play"
- "Vibrant, renewed"
- "Modern and viable"
- "A historic city that has great memories"
- "La Porte, Your port of all!"
- "The most prosperous small town in the nation"
- "A destination"
- "A jewel on Galveston Bay"
- "La Porte, we are family"
- "The new Kemah"
- "An oasis from the rat race of life"
- "La Porte: The Gulf Coast destination"
- "Inviting and Industrious"
- "A model port city"
- "A walkable, mixed use community with multiple incomes and housing types"
- "Fun but cozy"
- "The 'master' of bedroom communities"
- "We finally have underwear for sale!"
- "Family friendly and prosperous"
- "Self sufficient"
- "City on the sunrise"
- "Clean, green, and safe"
- "A port, warehouse, and transportation center ~ not a hometown"
- "Gateway to Houston"
- "Set your sails on La Porte"
- "Playground"
- "Contemporary suburban metropolis"
- "Beacon of wonderment"
- "Forward thinking"
- "China's warehouse"
- "Seaside nostalgic"
- "Coastal relaxation"
- "City of Hope"
- "Thriving"

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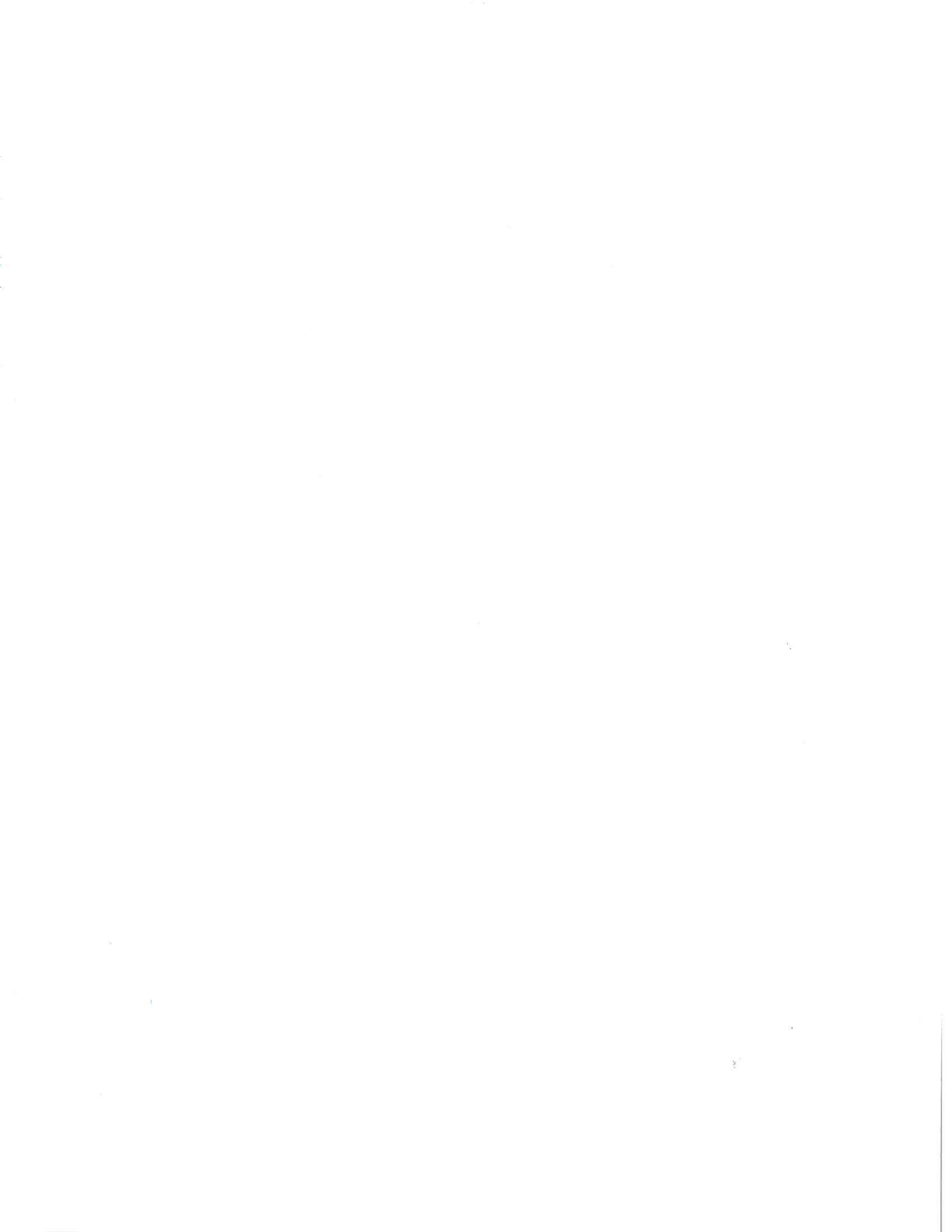
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### EDC Debt Capacity with Projected Payment

	Actual 2020	Estimated 2021	Proposed 2022	Estimated 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027	Estimated 2028	Estimated 2029	Estimated 2030	Estimated 2031
<b>Revenues</b>												
Sales tax	3,296,751	3,000,000	3,000,000	3,075,000	3,151,875	3,230,672	3,311,439	3,394,225	3,479,080	3,566,057	3,655,209	3,746,589
Interest	37,574	4,500	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756
<b>Total Revenues</b>	<b>3,334,325</b>	<b>3,004,500</b>	<b>3,009,000</b>	<b>3,084,180</b>	<b>3,161,239</b>	<b>3,240,223</b>	<b>3,321,181</b>	<b>3,404,161</b>	<b>3,489,216</b>	<b>3,576,395</b>	<b>3,665,754</b>	<b>3,757,345</b>
<b>Expenditures</b>												
Operations	258,084	276,244	517,988	530,938	544,211	557,816	571,762	586,056	600,707	615,725	631,118	646,896
Incentives	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>258,084</b>	<b>276,244</b>	<b>517,988</b>	<b>530,938</b>	<b>544,211</b>	<b>557,816</b>	<b>571,762</b>	<b>586,056</b>	<b>600,707</b>	<b>615,725</b>	<b>631,118</b>	<b>646,896</b>
<b>Revenues over expenditures</b>	<b>3,076,241</b>	<b>2,728,256</b>	<b>2,491,012</b>	<b>2,553,242</b>	<b>2,617,027</b>	<b>2,682,406</b>	<b>2,749,419</b>	<b>2,818,105</b>	<b>2,888,508</b>	<b>2,960,670</b>	<b>3,034,636</b>	<b>3,110,449</b>
<b>Other Financing Uses</b>												
Debt service	(1,004,822)	0	(778,752)	(785,255)	(788,000)	(776,739)	(130,111)	(131,481)	(130,255)	(131,241)	0	0
Capital outlay	(1,292,950)	(967,000)	(1,791,031)	0	0	0	0	0	0	0	0	0
<b>Total other financing uses</b>	<b>(2,297,772)</b>	<b>(967,000)</b>	<b>(2,569,783)</b>	<b>(785,255)</b>	<b>(788,000)</b>	<b>(776,739)</b>	<b>(130,111)</b>	<b>(131,481)</b>	<b>(130,255)</b>	<b>(131,241)</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>778,469</b>	<b>1,761,256</b>	<b>(78,771)</b>	<b>1,767,987</b>	<b>1,829,027</b>	<b>1,905,667</b>	<b>2,619,308</b>	<b>2,686,624</b>	<b>2,758,254</b>	<b>2,829,430</b>	<b>3,034,636</b>	<b>3,110,449</b>
<b>Fund balance beginning</b>	<b>4,269,219</b>	<b>5,047,688</b>	<b>6,808,944</b>	<b>6,730,173</b>	<b>8,498,160</b>	<b>10,327,188</b>	<b>12,232,855</b>	<b>14,852,163</b>	<b>17,538,787</b>	<b>20,297,041</b>	<b>23,126,471</b>	<b>26,161,106</b>
<b>Fund balance ending</b>	<b>5,047,688</b>	<b>6,808,944</b>	<b>6,730,173</b>	<b>8,498,160</b>	<b>10,327,188</b>	<b>12,232,855</b>	<b>14,852,163</b>	<b>17,538,787</b>	<b>20,297,041</b>	<b>23,126,471</b>	<b>26,161,106</b>	<b>29,271,555</b>

**Assumptions:**

Sales Tax Revenue Growth	2.50%
Interest Income Growth	2.00%
Expenditure growth	2.50%
Debt service includes payments for library, Bay Area trunk sewer, ballfields & Canada Road.	
Capital outlay 2022	
Downtown Lighting & Enhancements	150,000
Enhancement Grant Program	100,000
Fairmont Park West Splash Pad	200,000
Dog Park at Fairmont Park	212,275
Fairmont Park Improvements	52,600
Broadway Street Lighting Phase II	390,156
Pecan Park Improvements	336,000
Signage Project Phase I	350,000
Total CIP for 2022	1,791,031