

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 January 24, 2022, at the City Hall Council Chamber, 604 West Fairmont Parkway, La Porte, Texas, beginning at 5:15 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/81563561950?pwd=d1FjQ3Q5aGc5Z0xxTXF2V2VHeGh4dz09>

Join by phone at 877-853-5257 or 888-475-4499. The meeting ID is 815 6356 1950 and the passcode is 714581.

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) Approve the minutes of the regular meeting of the La Porte Development Corporation held on December 13, 2021. [President Warren]
 - (b) Presentation, discussion, and possible action to approve an economic development incentive agreement with Mark Rosado, providing for a financial incentive in an amount not to exceed \$27,308.00, for the construction and operation of Battleground Saloon, located at 116 S. Broadway Street, in La Porte, Texas. [Corby Alexander, City Manager]
 - (c) Presentation, discussion, and possible action to recommend that the La Porte City Council authorize the City Manager to contract with a third-party consultant to provide professional services in connection with the City of La Porte Office of Economic Development. [Corby Alexander, 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 January 24, 2022, 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, 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 OF DIRECTORS MEETING OF DECEMBER 13, 2021

The City of La Porte Development Corporation Board met on Monday, December 13, 2021, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at 5:00 p.m., with the following in attendance:

Board members present: Richard Warren, Nancy Ojeda, Chuck Engelken, Danny Earp, John Blakemore, Brent McCaulley, Rachel Cotton

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

1. **CALL TO ORDER** – President Warren called the meeting to order at 5:00 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 comments.

3. CONSENT AGENDA

- a. **Presentation, discussion, and possible action to approve the minutes of the regular meeting of the La Porte Development Corporation held on October 25, 2021. [President Warren]**

Member Engelken moved to approve the minutes of the October 25, 2021, meeting; the motion was seconded by Member Earp; the motion was adopted, 7-0.

4. PUBLIC HEARINGS AND ASSOCIATED MATTERS

- a. **The La Porte Development Corporation Board of Directors will hold a public hearing to receive comment on consideration to authorize the following projects of the La Porte Development Corporation: 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 - \$72,275.00; 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; followed by discussion and possible action to authorize the following projects of the La Porte Development Corporation: 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 - \$72,275.00; 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. [Corby Alexander, City Manager]**

Chair Warren opened the public hearing at 5:03 p.m. Mr. Alexander noted the 60-day comment period had expired without the City receiving any written comments. Chair Warren closed the public hearing at 5:05 p.m. Member Ojeda moved to authorize the following projects of the La Porte Development Corporation: 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 - \$72,275.00; 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; the motion was seconded by Member Engelken; the motion was adopted, 7-0.

- b. The La Porte Development Corporation Board of Directors will hold a public hearing to hear comment on proposed 116 S. Broadway Street Project - 'Battleground Saloon', a project to promote and develop new and expanded business enterprises, specifically for site, infrastructure, and related improvements for construction of facilities at 116 S. Broadway Street, to be operated as a restaurant bar and grill, which location is legally described as Lots 22, 23, 24, & 25 & south 1/2 Lot 26, Block 37, Town of La Porte Subdivision, in a total amount not to exceed \$27,308.00; followed by discussion and possible action to authorize the following project of the La Porte Development Corporation: 116 S. Broadway Street Project - 'Battleground Saloon', in an amount not to exceed \$27,308.00. [Corby Alexander, City Manager]**

Chair Warren opened the public hearing at 5:08 p.m. Mr. Alexander noted the 60-day comment period had expired without the City receiving any written comments. He provided the proposed performance measures for the project. Project developer Mark Rosado expressed his desire for revisions to the performance measures and funding. Chair Warren closed the public hearing at 5:46. Member Earp moved to authorize the following project of the La Porte Development Corporation: 116 S. Broadway Street Project - 'Battleground Saloon', for \$27,308.00; the motion was seconded by Member McCaulley; the motion was adopted, 7-0.

5. AUTHORIZATIONS

- a. Consider approval or other action authorizing the City Manager to sign a thirty-six (36) month economic development services agreement with Bay Area Houston Economic Partnership, in the amount of \$20,000.00 per year, beginning January 1, 2022, and ending December 31, 2024. [Corby Alexander, City Manager]**

Member McCaulley moved to authorize the City Manager to sign a thirty-six (36) month economic development services agreement with Bay Area Houston Economic Partnership, in the amount of \$20,000.00 per year, beginning January 1, 2022, and ending December 31, 2024; the motion was seconded by Member Engelken; the motion was adopted, 7-0.

6. SET DATE FOR NEXT MEETING

The next meeting date was scheduled for January 24, 2022.

- 7. 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.*

There were no comments.

ADJOURN – The meeting was adjourned without objection at 5:52 p.m.

Lee Woodward, City Secretary



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

Agenda Date Requested: <u>January 24, 2022</u>
Requested By: <u>Corby Alexander, City Manager</u>
Department: <u>Administration/CMO</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Appropriation	
Source of Funds:	<u>038 – EDC Fund</u>
Account Number:	<u>038-6030-565-9997</u>
Amount Budgeted:	<u>\$540,200</u>
Amount Requested:	<u>TBD</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Application, Public Notice, Scorecard, and Agenda Request from 9/27/21, & Draft Development Agreement

SUMMARY & RECOMMENDATIONS

On September 27, 2021, Staff brought the La Porte Development Corporation Board a project in downtown La Porte. The applicant, Mark Rosado, was interested in building the “Battleground Saloon” business, which would be located at 116 S. Broadway Street, south of the old Magic Mart (corner of Main Street and Broadway).

Rosado is a first-time business owner looking to establish his Bar & Grill as a staple in the community. Though no kitchen or grill would be installed at his business, the plan is for food to be sold via food truck(s). He provided the Board with a layout for the project, which included an outdoor seating area for customers and three small buildings for another bar, stage and retail area. The plan has been revised to include only one building at this time. Additionally, the applicant has clarified that at opening, he would employ five full-time employees or full-time equivalents (FTE’s), rather than the 15 anticipated when we last discuss this project.

The City of La Porte receives mixed beverage sales tax receipts issued through the Texas Comptroller of Public Accounts from multiple permittees within La Porte. La Porte has several dozen establishments that contribute monthly mixed beverage sales tax to the City. On average, these establishments average gross receipts of \$30,000 per month. Staff has estimated that the applicant will submit approximately \$4,500 annually to the City for mixed beverage taxes.

Staff provided the Board of an analysis of this project:

“Per Harris County Appraisal District, the location Mr. Rosado is building Battleground Saloon, 116 S. Broadway, has an assessed valuation as of January 1, 2021 of \$84,000 for this vacant parcel. The applicant plans to sell food and alcohol, which will generate sales and mixed beverage taxes for the City. Based on the projected project cost of \$143,200, the applicant would have

investment in the business of \$227,200, which could generate approximately \$1,613 in property taxes annually for the City. Additionally, the applicant would be a water and sewer customer; therefore, the City would receive utility fees from the applicant. As a reminder, property tax and mixed beverage sales tax are not revenue producers for the La Porte Development Corporation. Only sales tax on non-alcoholic items (food and drinks) would increase the revenue sources for the LPDC. After entering data into the matrix, the applicant would qualify for an incentive of \$27,308. Again, the matrix is subjective based on my assumptions; therefore, this amount could be adjusted slightly up or down.”

Included in this agenda is a draft development agreement with the following three payment benchmarks:

1. A \$10,000 payment upon proof of capital investment of at least \$50,000, exclusive of land purchase. The developer will also have to obtain a Certificate of Occupancy no later than February 28, 2022.
2. A \$10,000 payment upon proof of 5 full-time employees of full-time equivalent employees and an additional \$93,000 in capital investment exclusive of land costs. Employment number must be met each year for the following five years.
3. A \$7,308 payment upon proof of alcohol beverage sales of not less than \$250,000 in the first 12 months of operation and proof of an additional \$93,000 in capital investment.

ACTION REQUIRED BY LPDC BOARD

Consider, discuss, and possible action to approve the development agreement with Mark Rosado, providing financial incentive in an amount not to exceed \$27,308 for the construction of Battleground Saloon, located at 116 S. Broadway Street in La Porte, Texas.

Approved for the La Porte Development Corporation Board meeting agenda

Corby D. Alexander, City Manager

Date



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: 5/4/21
2. Company Name: Battleground Saloon
3. Current Number of Employees: 2 (but we are not open yet)
4. Address: 116 S. Broadway
La Porte, Tx 77571
5. Annual Sales: Not open yet but est. 1M - 2M
6. Type of Ownership: Corporation Partnership
 Proprietorship
7. Names(s) of principal owner(s), partner(s) or director of the company:
Mark Rosado
8. Corporate Headquarters' address: 3527 Bayou Forest Dr.
La Porte, Tx 77571
9. Corporate Telephone: 713-397-3006

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:

None

11. Date Organization Formed:

02/01/19

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

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)
a family friendly
Bar & Grill

2. Project Description: New Construction Expansion

Modernization

3. Location address of proposed project:

116 S. Broadway
La Porte, TX 77571

4. County

Harris

5. School District

La Porte ISD

6. Product(s) or Service: selling food, drinks, retail, live
music entertainment.

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

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

Need help with funds for the whole project.
The main building will consist of bathrooms, office,
Bar, grill area. The main building will be for staff
only except for the bathrooms. Customers will have
outdoor seating. there will also be a concrete deck,
3 smaller buildings for another bar, stage,
and retail. I need all of these to properly run
and operate the 2 business as intended.

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

Improvement Items	Cost
Main Building	\$ 79,000
concrete work	\$ 13,500
Retail, stage & bar buildings	\$ 19,200
refrigeration equip.	\$ 16,000
furniture & other equip.	\$ 9,500
other smaller items	\$ 6,000

10. Please state all sources for financing the improvements:

my personal savings
& sale of my home

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

May 20th - July 15th
if all goes well

12. Improvements will be completed by July 15, 2021 (specify year).

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

35+ 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:

signs, shades, office electronics, point of
sale equipment, furniture, wood to build
more furniture, etc...

III. ECONOMIC INFORMATION

1. Number of persons currently employed by applicant: *We are not open yet.*

Full Time _____ Part Time _____

Total Annual Payroll: \$ _____

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

Number	Estimate Annual Payroll	Year
At Opening <u>28</u>	\$ <u>319,000</u>	<u>2021-22</u>
At 3 years <u>45</u>	\$ <u>509,000</u>	<u>2022-23</u>
At 5 years <u>50+</u>	\$ <u>581,000 +</u>	<u>2023-24</u>

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

Full Time 23-45+ Part Time 5+

4. Number of Peak Construction Jobs: 38+

5. In the case of modernization, please estimate the economic life of the existing facility: _____ years. Added economic life after modernization: _____ years. *There is currently no standing building*

6. In the case of modernization, please state the assessed value of the facility for the tax year immediately preceding this application: *There is no building yet.*

Real Property \$ _____ Business Personal Property \$ _____

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

8. Amount of projected taxable sales that the proposed improvements will generate: \$ 25K-250K monthly. *I know that is a big gap but sales go up drastically months into opening & getting everything smoothly*

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

without this help I would not be able to have a big bar or kitchen at first, or retail shop so employees would be minimal, considering I'm working around the 4 clock and maybe 4-6 others.

Company Representative to be contacted:

Mark Rosado

Name owner / operator


Title 3527 Bayou Forest Dr.

Address La Porte, TX 77571

713-397-3006

Telephone

Authorized Company Official:



Authorized Signature 5/4/21

Date Mark Rosado

Printed Name owner / operator

Title 713-397-3006

Telephone

Notice of Proposed Project of the La Porte Development Corporation Board (Type B)

116 S. Broadway St. Building Project: Pursuant to the Texas Local Government Code Section 505.160 notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas has proposed an official project and is considering granting an incentive to an eligible business enterprise in an amount not to exceed \$27,308.00. The purpose of the project is to promote and develop new and expanded business enterprises, specifically for site, infrastructure, and related improvements at 116 S. Broadway St., which location is legally described as Lots 22, 23, 24, 25, and the North ½ of Lot 26, Block 37, Town of La Porte Subdivision.

In accordance with Texas Local Government Code 505.160 the public has a right to gather a petition to object to the proposed project by requiring an election. The petition must request that an election be held before the project is undertaken and must be signed by more than ten percent (10%) of the registered voters of the City of La Porte. The petition must be received by the City of La Porte not later than sixtieth (60th) day after the publication of this notice.

Please reach out to Jason Weeks, Assistant City Manager at WeeksJ@LaPorteTX.Gov or 281-470-5012 with any questions or comments you may have.

La Porte Development Corporation Project Scorecard -- PRIORITIES

<u>Project Type</u>		Project's PRIORITY Value (Up to 10) ¹	Project's 10 Year Tax or PILOT Revenue ²	Project's Multiplier Value (Up to 4) ³	# of New Full Time Jobs	Full Time Job Avg. Value ⁴	Project's Existing 10 Year Incentives ⁵	Regression Analysis ⁶	Estimated Incentive Value ⁷	Incentive Value Allowed by Tax Abatement Policy ⁸	% Allowed by Tax Abatement Policy
New Retail/Restaurant Dev. (Higher)	A	10	\$3,420,000	2	0.0	0.0	\$0	342.0	\$2,565,000	\$355,000	50%
Palais Royal	A1	10	\$471,000	2	16	0	\$0	47.1	\$353,250	\$17,750	50%
Retail or Restaurant Re-Development/ Blight Removal/EHG (Higher)	B	9	\$684,000	1	0	0	\$0	30.8	\$230,850	\$71,000	50%
Pipeline Grill	B1	9	\$846,628	2	100	0	\$0	76.2	\$571,474	\$11,657	50%
Fischer's Hardware	B2	9	\$210,500	2	8	0	\$0	18.9	\$142,088	\$17,750	50%
Quality Waterfront Development	C	8	\$1,532,500	2	0	0	\$0	122.6	\$919,500	\$133,125	50%
Main Street Improvements	D	7	\$648,500	3	0	0	\$0	68.1	\$510,694	\$62,125	50%
Bank Building Remodel	D1	7	\$35,500	3	8	0.1	\$0	3	\$22,365	\$8,875	50%
Micro-Brewery (Purchase)	D2	7	\$105,500	2	12	0.1	\$0	9	\$66,465	\$8,875	50%
Battleground Saloon	D3	5	\$64,730	2	15	0.075	\$0	4	\$27,308	\$8,875	50%
New Retail/Restaurant Dev. (Lower) - Rob Johnson/Dollar Tree	E	6	\$826,000	1	0	0	\$0	24.8	\$185,850	\$106,500	50%
Retail or Restaurant Re-Development/ Blight Removal/EHG (Lower)	F	6	\$121,000	1	0	0	\$0	3.6	\$27,225	\$3,550	50%
El Toro	F1	6	\$542,000	2	12	0	\$0	32.5	\$243,900	\$35,500	50%
Industry - NEW Development (Higher) - INEOS Unit #1 - \$250 Million	G	5	\$11,182,500	4	24	0.125	\$4,579,500	396	\$2,971,350	\$2,662,500	10%
INEOS Unit #2 - \$500 Million	G1	5	\$22,365,000	4	60	0.125	\$9,159,000	1981	\$14,856,750	\$2,662,500	10%
Project Regulate	G2	5	\$1,136,000	3	40	0.125	\$0	85	\$639,000	\$56,800	10%

ACT Turbo (New Industry)	G3	5	\$426,000	3	73	0.13	\$0	61	\$454,808	\$21,300	10%
NEW Office/HQ - InterGulf Corporation	H	4	\$142,000	4	30	0.15	\$0	10	\$76,680	\$7,100	10%
NEW Office/Regional - Richard Industrial Group	I	4	\$10,650	4	75	0.15	\$0	2	\$14,378	\$1,775	10%
Industry - NEW Development (Lower) - Sector 23 (Original)	J	3	\$568,000	4	35	0.1	\$0	24	\$178,920	\$28,400	10%
Sector 23 (Latest)	J1	3	\$1,278,000	4	72	0.1	\$0	110	\$828,144	\$28,400	10%
Industry - RETENTION/EXPANSION (Higher) - ACT Turbo (Expansion)	K	3	\$426,000	3	73	0.13	\$0	36	\$272,885	\$21,300	10%
Industry - RETENTION/EXPANSION (Lower)	L	2	\$710,000	3	15	0.075	\$0	5	\$35,944	\$35,500	10%
Airport Re-Development	M	1	\$177,500	2	30	0.1	\$0	1	\$7,988	\$8,875	10%

Notes:

- Staff assigned prioritized values, from a maximum of **10** to a minimum of **1**, based upon his understanding of the City Council and 4B Board's values for various types of projects.
- The values in this column include revenues from property taxes, business personal proeprty taxes, and sales taxes.
- Staff assigned a value, from a maximum of **4** to a minimum of **1**, for each project. A value of **4** means that the project will have a significant multiplier effect to bring new money and/or people into our local economy. A value of **1** means that the project will have little or no multiplier effect to bring new money and/or people into our local economy.
- Staff assigned a value, from a maximum of **0.15** to a minimum of **0.075**, for each type of "primary job" associated with each project type. A value of **0.15** was assigned to higher paying, white collar, engineering, engineering design, or executive positions. A value of **0.125** was assigned to highly skilled positions for a process technician and/or advanced manufacturer. A value of **0.10** was assigned to skilled positions. A value of **0.075** was assigned to unskilled positions.
- Data in this column identifies all other local incentives, like PILOT abatements under an existing IDA or scheduled TIRZ reimbursements, that any project may be entitled to receive.
- The formulas in this column represent staff's best estimate using **regression analysis** to tie together all the columns of data. Important assumptions of the formulas are as follows:
 - x Retail projects are **five** times (5x) more attractive to the community than industrial projects. For reference, please see page #6 of La Porte's enclosed Tax Abatement Policy.
 - x Each "project type" is **not** equal to every other project type. Therefore, each project type's priority value is included in the formula.
 - x The value of incentives that a project is already scheduled to receive, and is shown in the "Project's Existing 10 Year Incentives", must be deducted from the total tax/PILOT revenue that the project is expected to generate, which is shown in "Project's 10 Year Tax or PILOT Revenue".
 - x Each project's value to create a "multiplier effect" on our local economy should be included. See the values listed under "Project's Multiplier Value (Up to 4)" above.
 - x Each value in the column for "Regression Analysis" is divided by 1 million to make the values under "Regression Analysis" smaller, more manageable, and easier to compare.

The two (2) basic formulas used in "Regression Analysis" are as follows:

- (a) For all Retail, Restaurant, Re-Development, and Waterfront Projects, "**Project's PRIORITY Value (Up to 10)**" x 5 times "**Project's 10 Year Tax or PILOT Revenue**" – "**Project's Existing 10 Year Incentives**" times "**Project's Multiplier Value (Up to 4)**" divided by 1 million.
- (b) For all Industry and Office Projects, "**Project's PRIORITY Value (Up to 10)**" x 1 times "**Project's 10 Year Tax or PILOT Revenue**" – "**Project's Existing 10 Year Incentives**" times "**Project's Multiplier Value (Up to 4)**" divided by 1 million.

- The values in this column are simply the value from the column called "Regression Analysis" times **\$7,500**.
- Data in this column shows the value of incentive recommended for each project type, according to the La Porte's current Tax Abatement Policy.

Projects identified in dark green text represent projects that have either already been awarded an incentive grant, or staff has good estimates for the projects. All other projects are completely "hypothetical".

- A. Hypothetical - \$20 million retail/restaurant/mixed use development project with \$10 million in annual retail sales.
- A1. **Palais Royal** - \$1 million property value with \$2 million in annual retail sales.
- B. Hypothetical - \$4 million project with \$2 million in annual retail sales.
- B1. **Pipeline Grill** - \$1.2 million in commercial property with \$4 million in annual retail sales.
- B2. **Fischer's Hardware** - \$1.5 million in commercial property with \$520,000 in additional, annual retail sales.
- C. Hypothetical - \$7.5 million with \$5 million in annual retail sales.
- D. Hypothetical - \$3.5 million with \$2 million in annual retail sales.
- D1. **Micro-Brewery (Lease)** - \$500,000 in commercial property value, \$350,000 in annual retail sales, 12 full time employees, and rent of \$48,000/year for five years.
- D2. **Micro-Brewery (Purchase)** - \$500,000 in commercial property value, \$350,000 in annual retail sales, and 12 full time employees
- E. **Rob Johnson/Dollar Tree** - \$6 million project with \$2 million in annual retail sales.
- F. Hypothetical - \$1 million project with \$250,000 in annual retail sales.
- F1. **El Toro** - \$2 million in new commercial property, plus \$2 million in additional, annual retail sales.
- G. **INEOS USA, LLC** - Unit #1, \$250 million investment, 84 highly skilled, full time jobs, 20% IDA for years #1-6, 63% IDA for years #7-10.
- G1. **INEOS USA, LLC** - Unit #2, \$500 million investment, highly skilled, full time jobs, 20% IDA for years #1-6, 63% IDA for years #7-10
- G2. **Project Regulate** - \$16 million investment, with at least 40 (to 60 within 5 years) highly skilled, advanced manufacturing, full time jobs. **(Note: Project would be in the TIRZ).**
- G3. **ACT Turbo (New Industry)** - \$6 million investment with 73 new, highly skilled, advanced manufacturing, full time jobs.
- H. **InterGulf Corporation** - \$2 million investment with 30 white collar, higher paying, full time jobs.
- I. **Richard Industrial Group** - \$500,000 investment with 75 white collar, higher paying, full time jobs. **(Note: the 10 year PILOT is based on 3 years, equal to the term of the lease, rather than the usual 10 year timeframe.)**
- J. **Sector 23 (Original)** - \$8 million investment and 35 full time, skilled jobs assuming 15 buildings, 3 employees per building, and minus 10 employees per the development agreement.
- J1. **Sector 23 (Latest)** - \$18million investment and est. 72 full time, skilled jobs assuming 18 buildings, 4 employees per building.
- K. **ACT Turbo (Expansion)** - \$6 million investment with 73 new, highly skilled, advanced manufacturing, full time jobs.
- L. Hypothetical - Warehouse/Distribution, \$10 million investment, 15 unskilled, full time jobs.
- M. Hypothetical - Airport expansion, \$2.5 million city participation/investment with 30 skilled, full time jobs.



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

Agenda Date Requested: <u>September 27, 2021</u>
Requested By: <u>Jason Weeks, Asst. City Manager</u>
Department: <u>Administration/CMO</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Appropriation	
Source of Funds:	<u>038 – EDC Fund</u>
Account Number:	<u>038-6030-565-9997</u>
Amount Budgeted:	<u>\$540,200</u>
Amount Requested:	<u>TBD</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Application, Conceptual Renderings, Scorecard, Mixed Beverage Tax Info, and FAQ's On Mixed Beverage Tax

SUMMARY & RECOMMENDATIONS

The City Manager's Office has received and reviewed the business plan for the "Battleground Saloon" business that will be located at 116 S. Broadway Street, which is next to the old Magic Mart (corner of Main Street and Broadway). The owner, Mark Rosado, resides at 3527 Bayou Forest Dr. in La Porte. Rosado is a first-time business owner looking to establish his bar & grill as a staple in the community. Though no kitchen or grill will be installed at his business, the plan is for food to be sold via food truck(s). Currently, the proposed building site is vacant; however, Mr. Rosado is requesting a financial incentive to assist with building his new establishment.

According to his business model, he "will provide a safe and friendly gathering place by choosing the right staff to hire and properly training them in customer service and most importantly public safety." Also, he will be taking an initiative to prevent underage drinking and prioritizing serving the customer.

Rosado has indicated that his family-friendly neighborhood bar and grill will sell food, drinks, and provide retail space and live musical entertainment. The layout for the project includes an outdoor seating area for customers and three small buildings for another bar, stage and retail area. The retail area will include logo merchandise, such as hats and shirts, along with toys for kids, jewelry items for women and knickknacks. Mr. Rosado will be purchasing signs, shades, office electronics, point-of-sale equipment, furniture and wood to build additional furniture to assist with the opening of the Battleground Saloon. He anticipates Battleground Saloon opening in December 2021.

Staff has included within the agenda packet renderings, which indicate several patio benches on the outside of the restaurant that could seat up to 36 people. Also, Rosado plans on building a playground for children at a later date. The main building will be approximately 750 square feet in size, while the other remaining "out" buildings (retail

space, storage shed, and live music stage) will be a total of another 750 square feet of space for a total 1,500 square feet. The applicant will not have a walk-in cooler, but the main building will be fully air conditioned.

General Cost to Start Business:

Construction of Main Building	\$79,000**
Concrete work	\$13,500**
Retail, Stage and Bar Buildings	\$19,200**
Refrigeration Equipment	\$16,000**
Furniture and other equipment	\$9,500**
Other Smaller Items*	\$6,000**
Total of Project Cost	\$143,200

*- Miscellaneous/Not Listed

** - All amounts are estimates from owner

Job Creation Breakdown:

Number of Jobs:	Est. Annual Payroll	Year
15-16 jobs created at opening	\$159,000	21'-22'
28 jobs available after 3 yrs.	\$319,000	24'-25'
45 jobs available after 5 yrs.	\$509,000	26'-27'

Also, Mr. Rosado has indicated that there will be 38+ construction jobs that will be created in the construction of the building. Rosado believes this project will last for 35-plus years.

Mr. Rosado provided a copy of his resume within the submitted documents, which indicated he has 21 years of hospitality experience working most recently for Noah’s Ark Bar & Grill in Bacliff. Additional employers included Pipeline Grill, and several establishments in Miami, Florida such as Klutch – South Beach, Martini Bar, Bennigan’s. He began his hospitality career in Austin, Texas working for Light Bar. He is a La Porte High School graduate and earned an Associate’s Degree from Miami Dade Community College. He is a Certified Home Inspector, Blood Borne Pathogens Certified, CPR & TABC Certified. Mr. Rosado has listed that he will be using personal savings and the sale of his home as equity to build his business.

At the time of publication of this agenda item, the applicant has received his TABC license for the establishment and the City’s permitting (including FMO) has approved his building permit. The La Porte ZBOA approved an special exception for this project by waiving on-site parking and the applicant will be allowed to utilize off-site parking along the street.

Mixed Beverage Tax

A mixed beverage is any alcoholic beverage (beer, wine, ale and distilled spirits), or part of an alcoholic beverage, that a permittee sells or serves to be consumed on the permittee's premises. An alcoholic beverage is any beverage containing more than ½ of 1% of alcohol by volume. A permittee is the holder of one or more of the following alcohol permits: mixed beverage, private club, private club exemption certificate, mixed beverage or private club late hours, daily temporary mixed beverage or private club, mixed beverage or private club registration permit holding a food and beverage certificate, caterer's, distiller's and rectifier's permits. According to the applicant, Mr. Rosado, has received his mixed beverage permit from the Texas Alcohol and Beverage Commission. There are two mixed beverage taxes, both based on the sale, preparation or service of alcoholic beverages and mixers. Mr. Rosado would pay the mixed beverage gross receipts tax to the State and his customers would pay him the mixed beverage sales tax, which would be remitted to the State. The mixed beverage gross receipts tax is based on the total amount received from the sale, preparation or service of mixed beverages, ice, and non-alcoholic beverages that are sold, prepared or served to be mixed with an alcoholic beverage and consumed at the Battleground Saloon. A customer will pay the mixed beverage sales tax on each mixed beverage Battleground Saloon sells, prepares or serves, and ice and each non-alcoholic beverage Battleground Saloon sells, prepares or serves that is mixed with an alcoholic beverage and consumed on Battleground Saloon's premises. The mixed beverage gross receipts tax rate is 6.7%, and the mixed beverage sales tax rate is 8.25%. All sales of beer, ale or wine from Battleground Saloon are subject to both mixed beverage taxes. However, this is different than retailer locations that sell beer, ale or wine, which their tax is strictly subject to the sales and use tax. Staff has included two (2) documents within the agenda packet that the Texas Comptroller of Public Accounts discusses "Mixed Beverage Sales Tax" and "the "Mixed Beverage Taxes Frequently Asked Questions."

The City receives mixed beverage sales tax receipts issued through the Texas Comptroller of Public Accounts from multiple permittees within La Porte. La Porte has several dozen establishments that contribute monthly mixed beverage sales tax to the City. On average, these establishments average gross receipts of \$30,000 per month.

Staff Analysis:

Per Harris County Appraisal District, the location Mr. Rosado is building Battleground Saloon, 116 S. Broadway has an assessed valuation as of January 1, 2021 of \$84,000 for this vacant parcel. The applicant plans to sell food and alcohol, which will generate sales and mixed beverage taxes for the City. Based on the projected project cost of \$143,200, the applicant would have investment in the business of \$227,200, which could generate approximately \$1,613 in property taxes annually for the City. Additionally, the applicant would be a water and sewer customer; therefore, the City would receive utility fees from the applicant. As a reminder, property tax and mixed beverage sales tax are not revenue producers for the La Porte Development Corporation. Only sales tax on non-alcoholic items (food and drinks) would increase the revenue sources for the LPDC. After entering data into the matrix, the applicant would qualify for an incentive of \$27,308. Again, the matrix is subjective based on my assumptions; therefore, this amount could be adjusted slightly up or down.

Staff would recommend during the negotiations of any development agreement that benchmarks be spread over several years to guarantee the applicant will still be in

business. Additionally, consideration may need to be given that the first benchmark not be established until one-year after the applicant opens for business.

ACTION REQUIRED BY LPDC BOARD

Consider, discuss, and possible action on a financial incentive to Mark Rosado, applicant for his construction of Battleground Saloon, located at 116 S. Broadway Street in La Porte, Texas.

Approved for the La Porte Development Corporation Board meeting agenda

Corby D. Alexander, City Manager

Date

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE LA PORTE DEVELOPMENT CORPORATION, AND MARK ROSADO, FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS

THIS AGREEMENT made by and entered into this 24th day of January 2022 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 Mark Rosado, hereinafter referred to as "Recipient".

WITNESSETH:

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

WHEREAS, Recipient is a sole proprietor who desires to develop and operate a retail business in the City of La Porte; and

WHEREAS, Recipient wishes to construct a building at 116 S. Broadway Street, for the purpose of operating a bar and grill restaurant business to be known as "Broadway Saloon" and which would 1) result in the expenditure by Recipient of an estimated \$143,200.00 in capital improvements; and 2) employ an estimated five (5) full-time personnel (or part-time positions which are equivalent to five (5) full-time positions); and

WHEREAS, Recipient has requested that LPDC provide financial incentives to Recipient to contribute towards the cost of constructing the building to be located at 116 S. Broadway 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; and

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 constructing a building at 116 S. Broadway and operating a bar and grill restaurant 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 December 13, 2021, LPDC agrees to provide Recipient an incentive package consisting of a cash payment in a total sum not to exceed \$27,308.00, to be distributed in three increments of \$10,000.00, \$10,000.00 and \$7,308.00 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 \$10,000.00 will be distributed to Recipient by LPDC, upon 1) receipt by LPDC of proof of issuance of a certificate of occupancy for the Building and 2) proof of minimum capital investment in the amount of \$50,000.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street. However, in no case will the \$10,000.00 payment be made by LPDC if documentation substantiating 1) issuance of a certificate of occupancy for the Building and 2) the expenditure of no less than \$50,000.00 applied towards construction of the Building and related infrastructure and site work is not delivered to and received by LPDC by February 28, 2022. In the case that proof of issuance of a certificate of occupancy for the Building and minimum capital investment of \$50,000.00 applied towards capital construction costs to construct the Building, as well as related infrastructure and site work, is presented to LPDC on or before said February 28, 2022 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 issuance of a certificate of occupancy for the Building and related infrastructure and site work and minimum capital investment of \$50,000.00 by LPDC from Recipient. Upon verification of the issuance of a certificate of occupancy for the Building and related infrastructure and site work and minimum capital investment of \$50,000.00, 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 \$10,000.00 to Recipient within a period not to exceed thirty (30) days.

In the case where Recipient fails to submit proof of issuance of a certificate of occupancy for the Building and proof of a minimum capital investment in the amount of \$50,000.00 by the February 28, 2022 deadline, Recipient will be disqualified for the said \$10,000.00 incentive payment, and in addition, will be ineligible to qualify for receipt of the \$10,000.00 and \$7308.00 payments provided for in Paragraphs two (2) and three (3), immediately below.

- 2) A cash incentive payment in an amount equal to \$10,000.00 will be distributed to Recipient by LPDC upon delivery to the LPDC of 1) proof of additional capital investment in the amount of \$93,200.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street, and 2) an employment roster evidencing that Battleground employs a minimum of five (5) full-time employees (or that number of part-time employees which are the equivalent of five (5) full-time employees, or combination thereof) [“full-time equivalent positions” herein] at the Building site as of **March 31, 2022**. However, in no case will the \$10,000.00 payment be made by LPDC if 1) proof of additional capital investment in the amount of \$93,200.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street, and 2) proof of the employment of a minimum of five (5) full-time equivalent positions as of **March 31, 2022**, is not delivered to and received by LPDC by **April 30, 2022**. Proof of employment, for purposes of this agreement, may be satisfied by submission to LPDC by the said **April 30, 2022** deadline of a) copies of Battleground Saloon’s 941 Report to the Internal Revenue Service and C3 Report to the Texas Workforce Commission for each employee (but with social security numbers of each employee redacted) and b) a notarized statement executed by Recipient) affirming that a cumulative five (5) full-time equivalent positions are employed in positions permanently located at the Building site.

In the case that 1) proof of additional capital investment in the amount of \$93,200.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street, and 2) proof of employment of five (5) full-time equivalent positions is presented to LPDC on or before said **April 30, 2022** 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 1) additional capital investment in the amount of \$93,200.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street, and 2) employment of five (5) full-time equivalent positions at the Building site by Recipient. Upon verification of additional capital investment in the amount of \$93,200.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street, and 2) employment of five (5) full-time equivalent positions, as reflected by formal vote of the LPDC Board of Directors, LPDC will then remit the \$10,000.00 to Recipient within a period not to exceed thirty (30) days.

In the event that Recipient qualifies for the second \$10,000.00 incentive installment based upon 1) proof of additional capital investment in the amount of \$93,200.00 applied towards construction of the Building and related infrastructure and site work, exclusive of the cost to Recipient to purchase the existing vacant real estate tract at 116 S. Broadway Street, and 2) proof of employment of five (5) full-time equivalent positions at the Building site pursuant to Article 1, Paragraph 2, above, then in such case Recipient shall be required to prove the continuous employment at the Building site of a cumulative minimum of five (5) full-time equivalent 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, 2022, through and including December 31, 2026, Recipient shall be required to submit to the LPDC proof of employment of a minimum of five (5) full-time equivalent 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 five (5) full-time equivalent employees at the end of a calendar year, then for that year Recipient shall be responsible for remitting to the LPDC the sum of \$4,000.00, representing recapture out of the previously awarded cumulative \$20,000.00 incentive paid under Paragraphs 1 and 2 of this Article. However, in the instance that Recipient provides proof of employment of a minimum of five (5) full-time equivalent positions at the end of a calendar year, Recipient shall be relieved from the obligation to remit to the LPDC \$4,000.00 recapture for that year.

- 3) If recipient qualifies for distribution of both the \$10,000.00 incentive payment authorized under Paragraph One (1) and the \$10,000.00 incentive payment authorized under Paragraph Two (2) of this Agreement, then in that case a cash incentive payment in an amount equal to \$7,308.00 will be distributed to Recipient by LPDC upon delivery to the LPDC of proof that Battleground Saloon attained gross sales of alcoholic beverages of no less than \$250,000.00 for the twelve (12) month period following issuance of a certificate of occupancy for the Building site. However, in no case will the \$7,308.00 payment be made by LPDC if proof of gross sales of alcoholic beverages of no less than \$250,000.00 for the twelve (12) month period following issuance of a certificate of occupancy for the Building site is not delivered to and received by LPDC by no later than sixty (60) days after the conclusion of the twelve (12) month period for gross alcohol sales. Proof of gross alcohol sales, for purposes of this agreement, may be satisfied by submission to LPDC by the above indicated **deadline of copies of _____**.

In the case that proof that Battleground Saloon attained gross sales of alcoholic beverages of no less than \$250,000.00 for the

twelve (12) month period following issuance of a certificate of occupancy for the Building site is presented to LPDC on or before the above indicated 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 that Battleground Saloon attained gross sales of alcoholic beverages of no less than \$250,000.00 for the twelve (12) month period following issuance of a certificate of occupancy for the Building site. Upon verification of gross sales of alcoholic beverages of no less than \$250,000.00 for the twelve (12) month period following issuance of a certificate of occupancy for the Building site, as reflected by formal vote of the LPDC Board of Directors, LPDC will then remit the \$7,308.00 to Recipient within a period not to exceed thirty (30) days.

ARTICLE II

All funds received as herein provided shall be solely for the purpose of contributing towards Recipient's costs in the construction and building of the building to be located at 116 S. Broadway Street and for the use of Battleground Saloon, a bar and grill 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 \$27,308.00, 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 June 30, 2027.

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 on the dates indicated below.

LA PORTE DEVELOPMENT CORPORTION

Richard Warren, President

Date

ATTEST

Mark Rosado (Recipient)

Date

ATTEST



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

Agenda Date Requested: <u>January 24, 2022</u>
Requested By: <u>Corby D. Alexander, City Mngr</u>
Department: <u>Administration/CMO</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

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

Exhibits:

SUMMARY & RECOMMENDATION

The City Manager's Office is currently looking to fulfill Economic Development Services for the City of La Porte. For more than a year, the Economic Development Coordinator job has been vacant. Staff is seeking direction on possibly outsourcing the City's economic development services. If the board is interested, we would need to go through a formal RFP process.

ACTION REQUIRED BY BOARD

Provide direction to staff regarding outsourcing economic development services.

Approved for the La Porte Development Corporation Board meeting agenda

Corby D. Alexander, City Manager

Date