



CITY OF LA PORTE DEVELOPMENT CORPORATION BOARD OF DIRECTORS MEETING AGENDA

Notice is hereby given of a meeting of the City of La Porte Development Corporation Board of Directors to be held on August 22, 2022, at the City Hall Council Chamber, 604 West Fairmont Parkway, La Porte, Texas, beginning at 5:00 p.m., to consider the items of business below.

Remote attendance is available using the link

<https://us02web.zoom.us/j/85848545358?pwd=Y0dCeEE0aDNPVXpmWEtmL3NPRDhIZz09>.

Join by phone at 877-853-5257 or 888-475-4499. The meeting ID is 858 4854 and the passcode is 505525.

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. **CONSENT AGENDA** (*Approval of Consent Agenda items authorizes each to be implemented in accordance with staff recommendations provided. An item may be removed from the consent agenda and added to the Statutory Agenda for full discussion upon request by a member of the Committee present at this meeting.*)
 - (a) Approve the minutes of the July 25, 2022, regular meeting and the August 2, 2022, special meeting of the La Porte Development Corporation Board of Directors. [Chair Warren]
4. **PUBLIC HEARING AND ASSOCIATED MATTERS**
 - (a) The La Porte Development Corporation Board of Directors will hold a public hearing to hear comment on proposed 508 West Main Street Project - 'State Farm', a project to promote and develop new and expanded business enterprises, specifically for site, infrastructure, and related improvements in connection with the renovation and construction of facilities at 508 West Main Street, to be operated as a commercial office building, which location is legally described as Lot 20, Block 56 of Town of La Porte, in a total amount not to exceed \$30,000.00; followed by discussion and possible action to authorize the following project of the La Porte Development Corporation: 508 West Main Street Project - 'State Farm', in an amount not to exceed \$30,000.00. [Matt Daeumer, Assistant City Manager]
5. **AUTHORIZATIONS**
 - (a) Presentation, discussion, and possible action to approve an economic development incentive agreement between the La Porte Development Corporation and Frank Nance, providing incentives in a total amount not to exceed \$30,000.00 for site, infrastructure and related improvements in connection with the renovation and construction of facilities for the commercial office building located at 508 W. Main Street in La Porte, Texas [Matt Daeumer, Assistant City Manager]

- (b) Presentation, discussion, and possible action to approve the La Porte Development Corporation's proposed 2022-23 Fiscal Year budget. [Matt Daeumer, Assistant City Manager]

6. SET NEXT MEETING

- 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.*

8. 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 August 22, 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

AMANDA GERRISH
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 JULY 25, 2022

The City of La Porte Development Corporation Board met on Monday, July 25, 2022, 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, Danny Earp, Chuck Engelken (*left the meeting at 5:28 p.m.*), John Blakemore, Brent McCaulley, Amanda Gerrish, Nancy Ojeda

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. PRESENTATIONS

- a. **Receive Annual Report from Houston Port Region Economic Alliance. [Matt Daeumer, Assistant City Manager]**

Chad Burke provided the report and introduced Karen Gregory, Intergovernmental Relations, Economic Alliance.

4. AUTHORIZATIONS

- a. **Approve the minutes of the regular meeting of the La Porte Development Corporation Board of Directors held on June 27, 2022. [Chair Warren]**

Member Engelken moved to approve the minutes of the regular meeting of the La Porte Development Corporation Board of Directors held on June 27, 2022; the motion was seconded by Members Ojeda and Blakemore; the motion was adopted, 7-0.

- b. **Presentation, discussion, and possible action to approve the La Porte Development Corporation's proposed 2022-23 Fiscal Year budget. [Matt Daeumer, Assistant City Manager]**

Assistant City Manager Daeumer presented the proposed budget. Member Ojeda proposed that the abandoned concession stand at the Little Cedar Bayou front ballfields be renovated into a restroom. City Manager Alexander said there would likely be a special meeting called shortly and asked for the opportunity to bring estimates to that meeting. There was no objection. Assistant City Manager agreed to also bring fund amounts for 6040 Trade Shows. He also said an individual had

been interviewed for the Economic Development position and that the City Manager's office would like to set a special session for August 1.

5. SET DATE FOR NEXT MEETING

The next meeting date was scheduled for August 1, for a special meeting and next regular meeting on August 22, 2022.

6. 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 5:42 p.m.

Lee Woodward, City Secretary

RICHARD WARREN
PRESIDENT

BRENT MCCAULLEY
COUNCILPERSON

AMANDA GERRISH
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 AUGUST 2, 2022

The City of La Porte Development Corporation Board met in a special meeting on Tuesday, August 2, 2022, 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, Danny Earp, Chuck Engelken (*arrived at 5:08 p.m.*), John Blakemore, Brent McCaulley, Amanda Gerrish, Nancy Ojeda

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. AUTHORIZATIONS

- a. **Presentation, discussion, and possible action to approve the La Porte Development Corporation's proposed 2022-23 Fiscal Year budget. [Matt Daeumer, Assistant City Manager]**

Assistant City Manager Daeumer attended remotely and provided a brief update to last week's item, noting the addition of the funds for remodeling the Fairmont Park ballfields concession stand into bathrooms. Member Blakemore moved to approve the La Porte Development Corporation's proposed 2022-23 Fiscal Year budget as presented; the motion was seconded by Member Ojeda; the motion was adopted, 6-0.

- b. **Authorize staff to publish a notice to begin the 60-day comment period for seven (7) proposed projects of the La Porte Development Corporation totaling \$2,425,000.00 for fiscal year 2022-2023. These projects are: 1) La Porte Golf Course Fencing Project - \$475,000.00; 2) La Porte Golf Course Pond Remediation - \$150,000.00; 3) La Porte Golf Course Land Acquisition - \$350,000.00; 4) Fairmont Park Ballfield Restroom - \$350,000.00; 5) La Porte Wave Pool Enhancements - \$500,000.00; 6) La Porte Recreation Center Phase II Design - \$250,000.00; and 7) Citywide Signage Project Phase III - \$350,000.00. [Matt Daeumer, Asst. City Manager]**

Member McCaulley moved to open the 60-day comment period for seven (7) proposed projects of the La Porte Development Corporation totaling \$2,425,000.00 for fiscal year 2022-2023. These projects are: 1) La Porte Golf Course Fencing Project - \$475,000.00; 2) La Porte Golf Course Pond Remediation - \$150,000.00; 3) La Porte Golf Course Land Acquisition - \$350,000.00; 4) Fairmont Park Ballfield Restroom - \$350,000.00; 5) La Porte Wave Pool Enhancements - \$500,000.00; 6)

La Porte Recreation Center Phase II Design - \$250,000.00; and 7) Citywide Signage Project Phase III - \$350,000.00; the motion was seconded by Member Blakemore; the motion was adopted, 6-0.

c. Presentation, discussion and possible action to fill the open Economic Development Coordinator position. [Matt Hartleib, HR Manager]

HR Manager Matt Hartleib presented David Gwin for an interview with the Board. *(Member Engelken arrived at this point.)*

4. SET DATE FOR NEXT MEETING

The next meeting date was scheduled for August 22, 2022.

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.*

President Warren thanked everyone for the special meeting and considering new ideas.

ADJOURN – The meeting was adjourned without objection at 5:51 p.m.

Lee Woodward, City Secretary



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

Agenda Date Requested: <u>August 22, 2022</u>
Requested By: <u>Matt Daeumer Asst. City Mgr.</u>
Department: <u>Administration/CMO</u>
<input 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:	_____
Amount Requested:	<u>\$30,000</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Development Agreement, Incentive Application, Design & Site Plans

SUMMARY & RECOMMENDATION

On May 23, 2022, staff brought to the La Porte Development Corporation Board a project in downtown La Porte. The applicant Frank Nance has purchased the building at 508 W. Main St, which currently house his State Farm Insurance Agency. There is a need to significantly remodel and expand the structure in order to grow his business. The initial estimates put the applicant's investment at \$200,000. Staff ran the project through the EDC matrix, which indicated that this project would be eligible for a \$30,000 incentive. This project has the potential to have more intangible value to the City, specifically due to the foot traffic hub on Main Street.

On May 23, 2022, the La Porte Development Corporation Board discussed the project and approved to move forward with an incentive package for this project in an amount not to exceed of \$30,000. As required by state law, a sixty (60) day public comment period needed to occur. The public "Notice of Proposed Project" was advertised in the Bay Area Observer on June 2, 2022. Since this date, staff has not received any citizen feedback regarding this incentive application.

Summary

The application requires action by the City Council, which will occur on September 12, 2022. Staff has worked with the applicant and the City Attorney's Office to draft a development agreement concerning the funding through an incentive project for an amount not to exceed \$30,000. Below outlines details of this draft development agreement:

- Total cash incentive of \$30,000 with following payment schedule: two payments of \$15,000 and \$15,000
 - First payment of \$15,000, within 30 days of substantial completion of construction/ renovations. This payment is estimated to occur around July 2023.

- Second payment of \$15,000 when building is occupied with four (4) full-time jobs (confirmed by documentation stating such). The applicant will be responsible for maintaining jobs 5 years after 2nd payment. This payment is estimated to occur around January 2024.
- Claw-back provisions within the development agreement if the project doesn't maintain the four (4) jobs for five (5) years, each year potential recapture amount decreases by \$6,000. If the Recipient fails to qualify for the first payment, then recapture amount will decrease by \$3,000.

Staff request the Board to hold a public hearing to receive feedback on this incentive project that was funded by the Board for FY 2021-22. At the conclusion of the public hearing, based on the feedback received during the 60-day comment period, staff recommends approval from the LPDC Board for the State Farm Building incentive project.

Staff has worked with the Assistant City Attorney and the applicant on an agreeable development agreement. Staff will ask that the Board consider approval of the agreement if it approves the project.

ACTION REQUIRED BY BOARD

Conduct public hearing to receive comments from the public on this project. Consider, discuss, and possible action on a financial incentive of \$30,000 to Frank Nance, applicant for his refurbishment/Renovation of the State Farm Building, located at 508 S. Broadway Street in La Porte, Texas.

Approved for the La Porte Development Corporation Board meeting agenda.

Corby D. Alexander, City Manager

Date

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%
State Farm (Frank Nance)	N	1	\$21,655	1	3	0.1	\$0	4	\$30,000	\$650	10%

Notes:

1. 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.
2. The values in this column include revenues from property taxes, business personal property taxes, and sales taxes.
3. 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.
4. 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.
5. 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.
6. 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.
7. The values in this column are simply the value from the column called "Regression Analysis" times **\$7,500**.

8. 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.

From: [Woodward, Lee](#)
To: [CMO - Staff](#)
Cc: [CSO - Staff](#); [Clark T. Askins](#)
Subject: Fw: Public Notice - 508 W. Main Street
Date: Thursday, June 2, 2022 2:19:47 PM
Attachments: [60 day notice LPDC project 508 West Main.docx](#)
[image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image.png](#)
[image.png](#)

Good afternoon! Please see below, this ran today.

newzgroup.com/Papers/94432/2022-06-02/flippingbook/6/

2022-06-02 | pages: 6 - 7 / 8

THURSDAY, JUNE 2, 2022 | THE BAY AREA OBSERVER

LEGAL NOTICES

BID #22017
CHLORINE GAS DETECTORS
CITY OF LA PORTE
NOTICE TO BIDDERS

Saled bids for the CHLORINE GAS DETECTORS, will be received until 2:00 p.m. Central Standard Time on **Tuesday, June 21, 2022**, at the City Hall Information Desk, City of La Porte 604 W. Fairmont Parkway, La Porte, Texas 77571.

All sealed bids shall be submitted including one (1) marked original and one (1) electronic copy on a USB with the original items clearly marked with bid number and description.

The bids will be opened and publicly read in the Council Chambers immediately after the closing hour for the bids on said date.

No late bids will be considered

Bid documents may be downloaded from www.laportetx.com, or may be obtained without deposit from: City of La Porte Purchasing Office, 604 West Fairmont Parkway, La Porte, TX 77571, (281) 470-5120; purchasing@laportetx.com

The City reserves the right to reject any and/or all bids, to waive any and all technicalities and to accept any bid or part thereof, which in the opinion of the city council, is most advantageous to the city. In case of ambiguity or lack of clarity in stating the prices in the bid, the city reserves the right to consider the most advantageous bid offered or to reject the bid.

Bidder must be registered in the System for Award Management (SAM), and is not deemed or responsible from Excluded Parties List System (EPLS).

END WITHHELD. No Bid shall be withdrawn for a period of 60 days after the opening of the Bids without the consent of OWNER.

**NOTICE OF PUBLIC MEETING TO DISCUSS
BUDGET AND PROPOSED TAX RATE**

**STAY
CONNECTED**

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

Project for Expanded Business Enterprise at 508 W. Main Street: Pursuant to Texas Local Government Code Section 505.160 notice is hereby given that the Board of Directors of the La Porte Development Corporation (Type B Corporation) 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 \$30,000.00. The purpose of the project is to promote and develop new and expanded business enterprises, specifically for site, infrastructure, and related improvements, as authorized by Texas Local Government Code Section 501.103, for the expansion of facilities on real property located at 508 West Main Street, which location is legally described as Lot 20, Block 56, 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 the sixtieth (60th) day after the publication of this notice.

Please reach out to Matt Daeumer, Assistant City Manager at DaeumerM@laportetx.gov, or 281-470-5012 with any questions or comments you may have.

Lee

From: Kizzee, Julius <kizzeej@laportetx.gov>
Sent: Wednesday, May 25, 2022 8:43 AM
To: editor@bayareaobserver.com <editor@bayareaobserver.com>
Cc: Daeumer, Matt <DaeumerM@laportetx.gov>; CSO - Staff <CSOStaff@laportetx.gov>
Subject: RE: Public Notice - 508 W. Main Street

Good morning Rebecca,

Please use this version with an updated contact number for Mr. Daeumer.



Julius Kizzee | Senior Administrative Assistant,
City Manager's Office
604 W. Fairmont Parkway | La Porte, TX 77571
O. 281.470.5013 | f. 281.842.1259
[website](#) | [map](#) | [email](#) |   

From: Kizzee, Julius
Sent: Wednesday, May 25, 2022 8:17 AM
To: editor@bayareaobserver.com
Cc: Daeumer, Matt <DaeumerM@laportetx.gov>; CSO - Staff <CSOStaff@laportetx.gov>
Subject: Public Notice - 508 W. Main Street

Good morning Rebecca,

We wanted to submit this public notice for publication in the next available edition of the Observer. Please send proof when you are able to.

If you are able to, please send the invoice back to me so that we may make a payment.

Thank you,



Julius Kizzee | Senior Administrative Assistant,
City Manager's Office
604 W. Fairmont Parkway | La Porte, TX 77571
O. 281.470.5013 | f. 281.842.1259
[website](#) | [map](#) | [email](#) |   



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: 5/12/2022
2. Company Name: Frank Nance State Farm
3. Current Number of Employees: 2 FULL TIME, 2 PART TIME
4. Address: 508 W Main St.
La Porte, Texas 77571
5. Annual Sales: 214,000
6. Type of Ownership: Corporation Partnership
X Proprietorship
7. Names(s) of principal owner(s), partner(s) or director of the company:

8. Corporate Headquarters' address: 508 W Main St
La Porte, TX 77571

9. Corporate Telephone: 281 930 7611

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: 07/01/2014

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 Region
_____ Entertainment Facility
_____ Other (please specify)

2. Project Description: _____ New Construction Expansion
_____ Modernization

3. Location address of proposed project: 508 W Main St.

4. _____

5. School District LPISD

6. Product(s) or Service: Insurance Sales

7. Attach map and legal description of project location showing proposed improvements. re: map (last page of document) Lot 20, Block 20, La Porte County

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

Office Space - Insurance Sales

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

Improvement Items	Cost
<u>Interior Remodel of 720 sf.</u>	<u>\$ 5,000.00</u>
<u>North Expansion = 1,200 sf.</u>	<u>\$ 87,000.00</u>
<u>North Parking Lot = 950 sf.</u>	<u>\$ 8,000.00</u>
<u>Re-paint building Exterior</u>	<u>\$ 4,500.00</u>
<u>Update Facade Siding, Signage,</u>	<u>\$ 5,000.00</u>
<u>Canopy, & Exterior Finishes.</u>	<u>\$ 20,500.00</u>
<u>TOTAL:</u>	<u>\$ 130,000.00</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

10. Please state all sources for financing the improvements:

Personal finances/savings.

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

Hope to start by 6/15/2022 and complete by 8/15/2022

12. Improvements will be completed by 08/01/2022, _____ (specify year).

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

20 years plus

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:

Office furniture, coffee room supplies

III. ECONOMIC INFORMATION

1. Number of persons currently employed by applicant:

Full Time 2 Part Time 2

Total Annual Payroll: \$ 104,000

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

Number	Estimate Annual Payroll	Year
At Opening <u>4</u>	\$ <u>133,980</u>	<u>2022</u>
At 3 years <u>5</u>	\$ <u>189,000</u>	<u>2023</u>
At 5 years <u>5</u>	\$ <u>198,000</u>	<u>2024</u>

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

Full Time 3 Part Time 0

4. Number of Peak Construction Jobs: 5

5. In the case of modernization, please estimate the economic life of the existing facility: 25 years. Added economic life after modernization: 45 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 \$ 150,000 Business Personal Property \$ 25,000

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

8. Amount of projected taxable sales that the proposed improvements will generate: \$ NA.

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

With additions, I can expand my current operation by up to 3 full time employees

Company Representative to be contacted:

Frank Nance

Name
Agent

Title
508 W Main St

Address
La Porte, TX

77571

281 930 7611

Telephone

Authorized Company Official:



Authorized Signature

5/12/22

Date

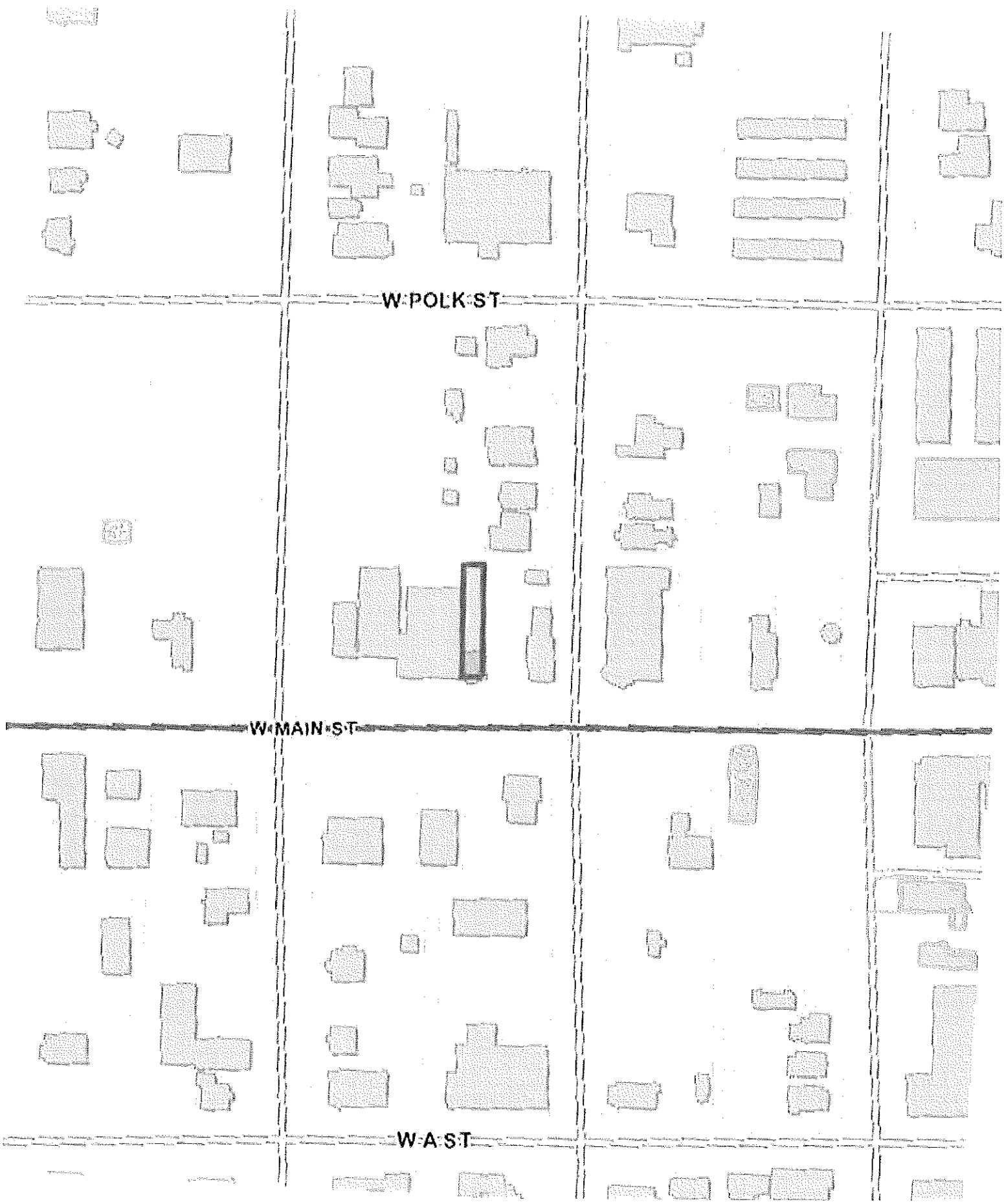
Frank Nance

Printed Name

Title

281 701 0319

Telephone



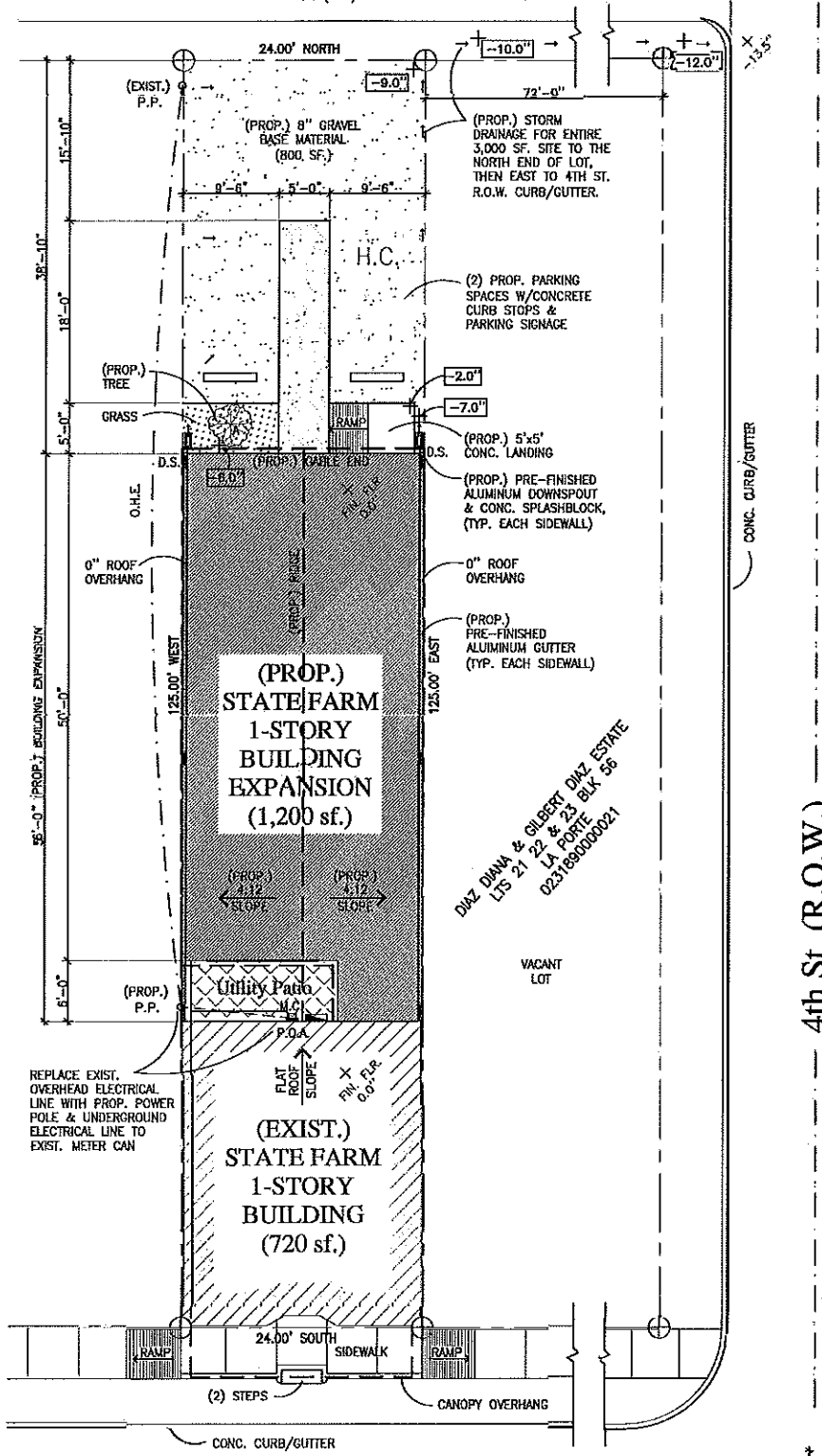
W POLK ST

W MAIN ST

W A ST

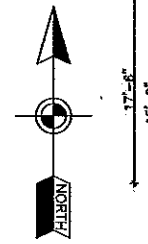
Alley (16' R.O.W.)

8" W.L. (CITY)
8" S.S. (CITY)



W. Main St. (60' R.O.W.)

Construction Site Plan





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

Agenda Date Requested: <u>May 23, 2022</u>
Requested By: <u>Matt Daeumer, Asst. City Manager</u>
Department: <u>City Manager's Office</u>
<input 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>\$200,000</u>
Amount Requested:	<u>\$30,000</u>
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No

Exhibits: Application; Site plan

SUMMARY & RECOMMENDATIONS

The applicant, Frank Nance, is interested in buying his current building at 508 W. Main Street and remodeling it to expand his current State Farm Insurance Agency. This will allow him to add three (3) additional full-time positions in the next five (5) years and provide improved services to his customer base. The total requested amount from the City is \$30,000 from the Economic Development Incentives Program.

This will be a significant remodel of the existing structure which is currently 720 square feet. They will also expand the existing structure to the North adding an additional 1200 square feet for a total of 1920 square feet. A parking lot of 950 square feet will be added to the North side of the property. They will re-paint the entire building, update façade siding, signage, canopy and exterior finishes, This project is eligible for \$30,000, based on the matrix scorecard, but the Board has the authority to award any amount not to exceed \$30,000.

Total project budget:

Interior Remodeling of 720 sf	\$ 5,000
North Expansion of 1200 sf	\$ 87,000
North Parking Lot of 950 sf	\$ 8,000
Re-paint building exterior	\$ 4,500
Update Façade Siding, Signage	\$ 5,000
<u>Canopy and Exterior Finishes</u>	<u>\$ 20,500</u>
Total	\$130,000

If the Board was interested in pursuing this project, staff would suggest opening the 60 day public comment period as there would be no requirement to fund the project at the end of 60 days.

RECOMMENDED MOTION

Move to open the 60-day public comment period for a possible incentive payment, not to exceed \$30,000, for 508 W. Main Street.

Approved for the La Porte Development Corporation Board meeting agenda

Corby D. Alexander, City Manager

Date



REQUEST FOR LA PORTE DEVELOPMENT CORPORATION BOARD AGENDA ITEM

Agenda Date Requested: <u>August 22, 2022</u>
Requested By: <u>Matt Daeumer Asst. City Mgr.</u>
Department: <u>Administration/CMO</u>
<input type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Exhibits: Development Agreement, Incentive Application, Design & Site Plans

Appropriation	
Source of Funds:	<u>Special Programs</u>
Account Number:	<u>038-6030-565-9997</u>
Amount Budgeted:	_____
Amount Requested:	<u>\$30,000</u>
Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

SUMMARY & RECOMMENDATION

On May 23, 2022, staff brought to the La Porte Development Corporation Board a project in downtown La Porte. The applicant Frank Nance has purchased the building at 508 W. Main St, which currently house his State Farm Insurance Agency. There is a need to significantly remodel and expand the structure in order to grow his business. The initial estimates put the applicant's investment at \$200,000. Staff ran the project through the EDC matrix, which indicated that this project would be eligible for a \$30,000 incentive. This project has the potential to have more intangible value to the City, specifically due to the foot traffic hub on Main Street.

On May 23, 2022, the La Porte Development Corporation Board discussed the project and approved to move forward with an incentive package for this project in an amount not to exceed of \$30,000. As required by state law, a sixty (60) day public comment period needed to occur. The public "Notice of Proposed Project" was advertised in the Bay Area Observer on June 2, 2022. Since this date, staff has not received any citizen feedback regarding this incentive application.

Summary

The application requires action by the City Council, which will occur on September 12, 2022. Staff has worked with the applicant and the City Attorney's Office to draft a development agreement concerning the funding through an incentive project for an amount not to exceed \$30,000. Below outlines details of this draft development agreement:

- Total cash incentive of \$30,000 with following payment schedule: two payments of \$15,000 and \$15,000
 - First payment of \$15,000, within 30 days of substantial completion of construction/ renovations. This payment is estimated to occur around July 2023.

- Second payment of \$15,000 when building is occupied with four (4) full-time jobs (confirmed by documentation stating such). The applicant will be responsible for maintaining jobs 5 years after 2nd payment. This payment is estimated to occur around January 2024.
- Claw-back provisions within the development agreement if the project doesn't maintain the four (4) jobs for five (5) years, each year potential recapture amount decreases by \$6,000. If the Recipient fails to qualify for the first payment, then recapture amount will decrease by \$3,000.

Staff recommends the La Porte Development Corporation Board approve the development agreement for the 508 W. Main Street project for the refurbishment/renovation of the State Farm building located at 508 W. Main Street in La Porte, Texas not to exceed \$30,000.

ACTION REQUIRED BY BOARD

Presentation, discussion and possible action to approve a Development Agreement for 508 W. Main Street, an incentive for refurbishment/renovation of the State Farm building located at 508 W. Main Street in La Porte, Texas not to exceed \$30,000.

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 FRANK NANCE, FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS

THIS AGREEMENT made by and entered into this 22nd day of August 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 referred to as "LPDC", and Frank Nance, 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 an individual who owns the land and existing building situated thereon, located at 508 West Main Street, La Porte, Texas, and at which site Recipient operates a business as an independent agent for State Farm Insurance Company; and

WHEREAS, Recipient wishes to renovate the exterior and interior of the existing building located at 508 West Main Street, and make associated infrastructure, site and related improvements, for the purpose of operating commercial office space and which would 1) result in the expenditure by Recipient of an estimated \$130,000.00 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 508 West Main Street under a qualifying project of the LPDC for infrastructure, site and related improvements that promote or develop new or expanded business enterprises, 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 508 West Main Street and operating commercial office space 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 August 22, 2022, LPDC agrees to provide Recipient an incentive package consisting of a cash payment in a total sum not to exceed \$30,000.00, to be distributed in two increments of \$15,000.00 and \$15,000.00 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 \$15,000.00 will be distributed to Recipient by LPDC, upon a) receipt by LPDC of proof of substantial completion of renovation of the Building and, and b) proof of minimum capital investment in the amount of \$130,000.00 applied towards renovation of the Building and related infrastructure and site work. However, in no case will the \$15,000.00 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 \$130,000.00 applied towards capital improvements to the Building and related infrastructure and site improvements is not delivered to and received by LPDC by July 31, 2023. In the case that proof of substantial completion of renovation of the Building and minimum capital investment of \$130,000.00 applied towards capital improvements to the Building related infrastructure and site improvements is presented to LPDC on or before said July 31, 2023 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 \$130,000.00 by LPDC from Recipient. Upon verification of the substantial completion of the Building and minimum capital investment of \$130,000.00, 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 \$15,000.00 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 \$130,000.00 by the July 31, 2023 deadline, despite therefore being disqualified for the first \$15,000.00 incentive payment, Recipient will remain eligible to qualify for receipt of the second \$15,000.00 incentive payment under Paragraph 2 below, in so far as the conditions precedent of permanent employment of four (4) positions required in such paragraph is met. However, in such case Recipient will remain responsible to submit proof of substantial completion of

renovation of the Building and minimum capital investment in the amount of \$130,000.00 in order to qualify for the second incentive payment outlined in Paragraph 2 below.

- 2) A cash incentive payment in an amount equal to \$15,000.00 will be distributed to Recipient by LPDC upon delivery to the LPDC of a) an employment roster evidencing that Recipient employs a minimum of four (4) full time employees at the Building site as of January 31, 2024. However, in no case will the \$15,000.00 payment be made by LPDC if proof of the employment of a minimum of four (4) full time personnel at the Building site as of January 31, 2024 is not delivered to and received by LPDC by August 30, 2024. Proof of employment, for purposes of this agreement, may be satisfied by submission to LPDC by the said August 30, 2024 deadline of a) copies of Recipient's 941 Report to the Internal Revenue Service and C3 Report to the Texas Workforce Commission for each employee (but with social security numbers of each employee redacted) and b) a notarized statement executed by Recipient 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 August 30, 2024 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 \$15,000.00 to Recipient within a period not to exceed thirty (30) days.

In the event that Recipient qualifies for the \$15,000.00 incentive installment based upon proof of employment of four (4) full-time positions 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 at the Building site of a 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, 2024, through and including December 31, 2028, 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 \$6,000.00, representing recapture out of the previously awarded \$30,000.00 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 \$6,000.00 recapture for that year.

If Recipient fails to qualify for the \$15,000 incentive installment provided for in Article I, Paragraph 1 but qualifies for payment of the \$15,000.00 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. However, in the case of failure to maintain employment of four (4) full-time employees at the Building site for a given calendar year, Recipient shall be required to remit to the LPDC the sum of \$3000, instead of \$6000, as recapture for that year.

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 508 West Main Street and for the making of associated site and infrastructure improvements, to operate commercial office space. 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 \$30,000.00, 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 1, 2029.

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 Agreement 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 CORPORATION

Richard Warren, President

Date

ATTEST

Secretary of the Corporation

Frank Nance

Date

ATTEST



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

Agenda Date Requested: <u>August 22, 2022</u>
Requested By: <u>Matt Daeumer, 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>038 – EDC</u>
Account Number:	<u>Various</u>
Amount Budgeted:	<u>N/A</u>
Amount Requested:	_____
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No

Exhibits: Proposed FY 2021-22 Budget

SUMMARY

The La Porte Development Corporation fiscal year 2022-23 proposed budget has been reviewed by the City Manager’s Office and Finance. The expenditure budget for next fiscal year has been prepared with a \$784,741 (25%) increase from the current fiscal year budget. This is due to decreased transfers to CIP than the previous year along with a decrease in Special Programs. Generally, the EDC Fund transfers money to the Debt Service Fund annually in the amount of \$750,000 to \$1 million. In FY 2025-26, this transfer will decrease to approximately \$150,500 to service debt payments.

Staff has proposed to budget for continuation of the membership in vital key organizations within the Houston area such as Bay Area Houston Economic Partnership (BAHEP) and Economic Alliance as well as the International Center for Shopping Centers (ICSC). Generally, the Economic Development Coordinator attends the Texas Municipal League (TML) and the Texas Economic Development Council (TEDC) conference. City Council has approved the continuation of the Harris County Transit services provided to residents in La Porte, which is funded by LPDC. Staff has included funding for mid-year advertising opportunities as well as funds to attend trade shows, like the Red River & ICSC conferences. As discussed previously with the Board, staff has included funding for any mid-year incentive opportunities.

The La Porte City Council had a pre-budget retreat earlier this year and asked for staff to move forward with a list of several quality of life projects. Additionally, during the budget preparation, staff noted several other quality of life amenities that can be grouped together with these projects. A Total of \$2,825,000 for quality of life amenity projects and mid-year incentive opportunities is being requested to be funded by the Board for FY 2022-23:

- Golf Course Fencing Project - \$475,000
- Golf Course Pond Remediation - \$150,000
- Golf Course Land Acquisition - \$350,000

- Mid-year Incentive Opportunities - \$400,000 (Revak Bldg)
- Wave Pool Enhancements - \$500,000
- Recreation Center Phase II Design - \$250,000
- City-wide signage project Phase III - \$350,000
- Fairmont Park Ball Field Restroom - \$350,000

Staff has provided the Board with the FY 2022-23 Proposed Budget documents, which highlight the LPDC's healthy projected fund balance at the end of the fiscal year, September 30, 2023 to be nearly \$6.75 million, which is \$618,512 less than the projected fund balance on September 30, 2022. The City's Finance Department has been working diligently to project conservative revenues and feels comfortable in the \$3,254,000 revenue projection, which includes sales tax and interest income. Additionally, staff has provided a line-item detail of expenditures for the Board to review for personnel services, supplies, and services & charges.

The La Porte City Council is scheduled to receive and approve the final annual budget presentation at the September 12th City Council meeting. Staff is requesting the Board approve the proposed FY 2022-23 budget for the La Porte Development Corporation.

ACTION REQUIRED BY LPDC BOARD

Presentation, discussion and possible action to approve the La Porte Development Corporation's proposed 2022-23 Fiscal Year budget.

Approved for the La Porte Development Corporation Board meeting agenda

Corby D. Alexander, City Manager

Date

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

Beginning Fund Balance 9/30/21		\$ 7,263,258
Plus Estimated 21-22 Revenues		3,004,500
Less Estimated 21-22 Expenditures and Commitments		
Economic Development Operations	327,421	
Capital Projects/Transfers	2,569,783	
Total Expenditures	2,897,204	2,897,204
Estimated Fund Balance 9/30/22		7,370,554
Plus 22-23 Revenues:		
1/2 Cent Sales Tax	3,250,000	
Interest Income	4,000	
Total Revenues	3,254,000	3,254,000
Equals Total Resources		10,624,554
Less 22-23 Expenditures:		
Economic Development Operations	662,257	
Debt Service Transfer	785,255	
Transfer to General CIP Fund:		
Signage Project Phase III	350,000	
Golf Course Fence	475,000	
Golf Course Pond Remediation	150,000	
Wave Pool Enhancements	500,000	
Recreation Center	250,000	
Golf Course Land and Development	350,000	
Fairmont Park - Ball Field Restroom Enhancements	350,000	
Total Expenditures	3,872,512	3,872,512
Ending Fund Balance 9/30/23		\$ 6,752,042

	Estimated 2021-22	Projected 2022-23
Revenues	\$ 3,004,500	\$ 3,254,000
Expenditures & Commitments	2,897,204	3,872,512
Revenues over Expenditures	\$ 107,296	\$ (618,512)

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

City of La Porte
La Porte Development Corporation Fund (038)
Statement of Revenues

Object	Description	Actual 2020-21	Budget 2021-22	Revised 2021-22	Projected 2022-23
Charges for Services:					
403.02-00	1/2 Cent Sales Tax	\$ 3,368,708	\$ 3,000,000	\$ 3,000,000	\$ 3,250,000
Charges for Services Subtotal		<u>3,368,708</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,250,000</u>
Interest:					
483.01-00	Interest Income	3,651	9,000	4,500	4,000
Interest Subtotal		<u>3,651</u>	<u>9,000</u>	<u>4,500</u>	<u>4,000</u>
Total La Porte Development Corp Fund Revenues		\$ 3,372,358	\$ 3,009,000	\$ 3,004,500	\$ 3,254,000

**Economic Development Corporation
Fiscal Year 2022-23**

Economic Development Operations

Expenditure Summary

	<i>Actual</i> 2020-21	<i>Budget</i> 2021-22	<i>Estimated</i> 2021-22	<i>Requested</i> 2022-23	<i>Percent</i> <i>Change</i>
<i>Personal Services</i>	\$ 34,991	\$ 112,036	\$ 32,569	\$ 103,508	-7.61%
<i>Supplies</i>	34	900	150	300	-66.67%
<i>Services & Charges</i>	1,126,963	2,974,835	2,864,485	3,768,704	26.69%
Division Total	\$ 1,161,988	\$ 3,087,771	\$ 2,897,204	\$ 3,872,512	25.41%

Scope of Services Summary

The Economic Development Division works with the Economic Development Corporation Board to establish direction and policies related to economic development projects in the City. The Department and its activities are funded through the collection of a 1/2 cent sales tax, which must be spent on economic development projects related to capital investment, quality of life, recreation, and/or primary job creation. Past activities have included the re-nourishment of Sylvan Beach, the ball fields at Pecan Park, the Community Library, construction of Canada Road, Construction of Bay Area Blvd., the Sports Complex, and infrastructure improvements on Main Street.

We will continue to work with our regional economic development partners on business retention and expansion programs, small business development, marketing efforts, workforce initiatives, transportation issues and quality of life issues. The Economic Development Coordinator will also serve as the Business Ombudsman for the City of La Porte, assisting new and existing businesses through the planning and zoning processes.

Personnel Position Roster

	Approved 2020-21	Approved 2021-22	Approved 2021-22
Economic Development Coordinator	0.75	0.75	0.75
Sr. Administrative Assistant	0.50	0.50	0.50
Total	1.25	1.25	1.25

City of La Porte, Texas
Economic Development Corporation
Detail of Expenditures

038-6030-565

	Actual 2020-21	Budget 2021-22	Estimated 2021-22	Requested 2022-23
Personal Services:				
1010 Regular Earnings	\$ 16,439	\$ 78,071	\$ 14,138	\$ 71,381
1035 Longevity	180	228	-	36
1060 FICA	1,078	5,990	1,082	5,464
1065 Retirement	2,250	12,747	2,302	11,627
1067 PARS Retirement	44	-	48	-
1080 Insurance - Medical	15,000	15,000	15,000	15,000
Personal Services Subtotal	34,991	112,036	32,569	103,508
Supplies:				
2001 Office Supplies	-	200	100	200
2002 Postage	34	200	50	100
2015 Other Supplies	-	500	-	-
Supplies Subtotal	34	900	150	300
Services & Charges:				
3001 Memberships & Subscriptions	20,000	41,055	41,055	41,055
3020 Training/Seminars	-	7,200	-	7,200
4060 Technology Lease Fees	625	647	647	500
5001 Accounting	5,000	5,000	5,000	5,000
5007 Other Professional Services	79,500	75,500	75,500	75,500
6002 Printing & Reproduction	-	500	500	500
6005 Advertising	9,638	10,000	22,000	10,000
6040 Trade Shows	-	12,500	-	10,000
9997 Special Programs	45,200	252,650	150,000	408,694
9004 Adm Transfer to Fund 004	-	778,752	778,752	785,255
9015 Adm Transfer to Fund 015	967,000	1,791,031	1,791,031	2,425,000
Services & Charges Subtotal	1,126,963	2,974,835	2,864,485	3,768,704
Division Total	\$ 1,161,988	\$ 3,087,771	\$ 2,897,204	\$ 3,872,512