

RICHARD WARREN, PRESIDENT

MIKE COOKSLEY, VICE-PRESIDENT

JAY MARTIN, BOARD MEMBER

CHUCK ENGELKEN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER

RANDY WOODARD, BOARD MEMBER

NANCY OJEDA, BOARD MEMBER

CITY OF LA PORTE DEVELOPMENT CORPORATION MEETING AGENDA

Notice is hereby given of a meeting of the City of La Porte Development Corporation to be held on January 11, 2016, at the City Hall Council Chambers, 604 W. Fairmont Parkway, La Porte, Texas, beginning at 5:00 PM to consider the following items of business:

1. CALL TO ORDER

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

(a) Consider approval or other action of minutes of the La Porte Development Corporation Board meeting held on December 14, 2015 - P. Fogarty

(b) Receive Financial Report - S. Livingston

3. AUTHORIZATIONS

(a) Consider approval or other action authorizing an enhancement grant in an amount not to exceed \$42,057.86 payable to Brotamonte Asset 1, LLC., and associated development agreement, for infrastructure improvements to apartment building complex located at 315 N. 2nd Street with payment to be remitted at the completion of the project - S. Livingston

(b) Consider approval or other action authorizing an incentive grant in an amount not to exceed \$250,000.00 payable to Fischer's Hardware, Inc., and associated development agreement, for infrastructure improvements to property located at 1010 S. Broadway Street, with payment to be remitted at the completion of the project - S. Livingston

(c) Consider approval or other action to adopt proposed amendments to the By-Laws of the La Porte Development Corporation and forward proposed amendments to the corporation's by-laws to the City Council for consideration - S. Livingston

4. SET DATE FOR NEXT MEETING - S. Livingston

5. Board member comments regarding matters appearing on agenda; Recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.

6. Adjourn

The La Porte Development Corporation Board reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code (the Texas open meetings laws).

In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.

CERTIFICATION

I certify that a copy of the January 11, 2016, agenda of items to be considered by the Board of the La Porte Development Corporation was placed on the City Hall Bulletin Board on January 5, 2016 .

Patrice Fogarty

Patrice Fogarty, City Secretary

RICHARD WARREN, PRESIDENT
MIKE COOKSLEY, VICE PRESIDENT
CHUCK ENGELKEN, BOARD MEMBER
JAY MARTIN, BOARD MEMBER



MIKE CLAUSEN, BOARD MEMBER
RANDY WOODARD, BOARD MEMBER
NANCY OJEDA, BOARD MEMBER

MINUTES OF LA PORTE DEVELOPMENT CORPORATION BOARD MEETING OF DECEMBER 14, 2015

The City of La Porte Development Corporation Board met on **December 14, 2015**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at **5:00 p.m.** to consider the following items of business:

1. CALL TO ORDER

President Richard Warren called the meeting to order at 5:00 p.m. The following members of the La Porte Development Corporation Board were present: Vice-President Cooksley, Board members Clausen, Engelken, Woodard, Martin and Ojeda. Staff Present: Corby Alexander, Traci Leach, Patrice Fogarty, Scott Livingston, and Clark Askins.

2. STAFF REPORTS

(a) Receive Financial Report – S. Livingston

Finance Director Michael Dolby presented the Financial Report from the unaudited statement.

Board member Martin questioned if commitments have been received from Richard Industrial Group and ACT Independent Turbo Service, Inc. Economic Development Coordinator Scott Livingston responded no; payment requests have not been received from either. Mr. Livingston advised that out of courtesy, they can be reminded; however, it is up them to request payment.

3. AUTHORIZATIONS

(a) Consider approval of minutes of the meeting of La Porte Development Corporation Board held on November 11, 2015 – S. Harris

Board member Engelken moved to approve minutes of the meeting of La Porte Development Corporation Board held on November 11, 2015. Vice-President Cooksley seconded. **MOTION PASSED.**

Ayes:	President Warren, Board members Vice-President Cooksley, Board members Woodard, Clausen, Engelken, Ojeda and Martin
Nays:	None
Absent:	None

(b) Consider approval or other action authorizing an enhancement grant amount not to exceed \$42,057.86 to Brotamonte Asset 1, LLC., at the completion of the project – S. Livingston

Economic Development Coordinator Scott Livingston presented a summary.

Board member Woodard questioned the wording “new and expanding business enterprises” in the summary and recommendation of the agenda request. Economic Development Coordinator Scott Livingston responded this is a legal justification for spending economic development funds, and Assistant City Attorney Clark Askins advised the statute does not reference residential development and that Board members are to use their best judgement on the definition of “new and expanding business enterprises.” Board member Woodard asked if the project is for Section 8 housing. Mr. Livingston responded no. Board member Woodard asked if half the amount of the project will be spent on renovating the interior of the apartments. Mr. Edwin Brotamonte, the new owner of the Sylvan Beach Apartments, responded yes.

Mr. Brotamonte presented his plan for the proposed project for the Sylvan Beach Apartments.

Board member Woodard asked what percentage of the units are leased; and if he is a general partner. Mr. Brotamonte responded 65 percent of the units are leased; and, yes, he is a general partner. Board member Woodard asked if the rental rates will be raised. Mr. Brotamonte responded this is a Class C community, and rates will reflect the community.

Board member Martin asked if criminal background checks are run on new tenants. Mr. Brotamonte responded yes.

Board member Woodard asked if this is the first apartment complex owned. Mr. Brotamonte responded yes. Board member Woodard asked Economic Development Coordinator Scott Livingston whether, with the development agreement, renovations can be first done to the interior of the apartments. Mr. Livingston responded not according to the enhancement grant program.

Board member Clausen commented affordable housing is needed in the City of La Porte and wishes that the Board could be guaranteed renovations are being done to the interior.

Board member Ojeda commented she has concerns if the definition means to an expanding business and also commented asphalt repairs will go a long way for beautifying the neighborhood in the area of the proposed project.

Board member Martin moved to table an enhancement grant amount not to exceed \$42,057.86 to Brotamonte Asset 1, LLC. at the completion of the project until Staff brings back more information. Vice-President Cooksley seconded. **MOTION PASSED.**

Ayes:	President Warren, Board members Vice-President Cooksley, Board members Woodard, Clausen, Engelken, Ojeda and Martin
Nays:	None
Absent:	None

4. SET DATE FOR NEXT MEETING

Board members set the next meeting date for Monday, January 11, 2016, at 5:00 p.m.

5. BOARD MEMBER COMMENTS regarding matters appearing on agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies.

Board member Woodard requested an agenda item to discuss changing the Bylaws for the La Porte Development Corporation for the next meeting.

Board member Ojeda thanked Mr. Brotamonte for investing in the City of La Porte and asked for an update on the restrooms at Five Points. Economic Development Coordinator Scott Livingston advised he is working with Assistant City Manager Traci Leach and City Manager Corby Alexander and will have information after the first of the year.

President Warren thanked everyone for attending the meeting and commented he wants everyone to understand the duties and decisions made by the La Porte Development Corporation.

6. ADJOURN

There being no further business, Vice-President Cooksley moved to adjourn the meeting at 6:44 p.m. Board member Woodard seconded. **MOTION PASSED.**

Respectfully submitted,

Patrice Fogarty, City Secretary

Passed and approved on this 11th day of January, 2016.

President Richard Warren

This is an Unaudited Statement.

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

	<u>Previous Report</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>
Unaudited Beginning Fund Balance 9/30	\$ 3,458,203	\$ 3,458,203	\$ 3,213,390
Plus Year to Date Revenues:			
1/2 Cent Sales Tax	-	-	-
Transfers-In	-	-	-
Interest Income	-	391	363
Total Revenues	<u>-</u>	<u>391</u>	<u>363</u>
Equals Total Resources	3,458,203	3,458,594	3,213,753
Less Year to Date Expenditures:			
Payroll	-	6,730	7,060
Supplies	-	115	1
Services & Charges (Memberships, Training, Advertising, Legal, Utilities)	-	1,033	6,903
Capital Outlay	-	-	-
Debt Service Transfer *	-	56,722	90,318
Total Expenditures	<u>-</u>	<u>64,600</u>	<u>104,282</u>
Estimated Year to Date Fund Balance as of 9/30/2016	\$ 3,458,203	\$ 3,393,994	\$ 3,109,471
Commitments			
Pipeline Grill		\$ 300,000	
Richard Industrial Group		10,000	
ACT Independent Turbo Service, Inc.		426,000	
Debt Service Reserve		680,668	
		<u>\$ 1,416,668</u>	
Adjusted Year to Date Fund Balance		\$ 1,977,326	

Projection Through Year End

Adjusted Year to Date Fund Balance	\$ 1,977,326
Plus: Estimated Sales Tax	2,434,375
Less: Estimated Operational Costs	(350,928)
Less: Debt Service Transfers	<u>(623,946)</u>
Projected Year End Fund Balance	\$ 3,436,827

Sales tax revenues for Fiscal Year 2016 are estimated to be \$2,434,375.

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

	<u>Budget</u>	<u>Expenditures</u>	<u>Balance</u>
Façade Grants	407,669	131,697	275,972
Total	<u>407,669</u>	<u>131,697</u>	<u>275,972</u>

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

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>January 11, 2016</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><u>Appropriation</u></td> </tr> <tr> <td style="width: 50%;">Source of Funds:</td> <td><u>ED General Funds</u></td> </tr> <tr> <td>Account Number:</td> <td><u>CIP</u> <u>#015.9892.993.1100</u></td> </tr> <tr> <td>Amount Budgeted:</td> <td><u>\$275,972.37</u></td> </tr> <tr> <td>Amount Requested:</td> <td><u>\$42,057.86</u></td> </tr> <tr> <td>Budgeted Item:</td> <td><input type="radio"/> YES <input type="radio"/> NO</td> </tr> </table>	<u>Appropriation</u>		Source of Funds:	<u>ED General Funds</u>	Account Number:	<u>CIP</u> <u>#015.9892.993.1100</u>	Amount Budgeted:	<u>\$275,972.37</u>	Amount Requested:	<u>\$42,057.86</u>	Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO
<u>Appropriation</u>													
Source of Funds:	<u>ED General Funds</u>												
Account Number:	<u>CIP</u> <u>#015.9892.993.1100</u>												
Amount Budgeted:	<u>\$275,972.37</u>												
Amount Requested:	<u>\$42,057.86</u>												
Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO												

Exhibits:

- 1. Development Agreement for Sylvan Beach Apartments, Option B**
- 2. Project Presentation-REVISED**
- 3. Bidder Sheet Summary**
- 4. Evaluation Summary**
- 5. Enhancement Grant Application**
- 6. La Porte Enhancement Grant Guidelines, Revised 11-11-15**
- 7. Development Agreement for Sylvan Beach Apartments**

SUMMARY & RECOMMENDATIONS

Requested Follow up From the December 14, 2015 Meeting:

The EDC Board requested additional information regarding the proposed improvements to the interior of the apartment units and approximate cost of such improvements. The interior improvements are estimated to cost \$85,000 and will consist of:

Kitchen:

- New flooring - laminate planks
- New 2 tone paint - cabinets, trim and sheetrock
- Resurfaced counters
- New fixtures

Bedrooms:

- New flooring - laminate planks or carpet
- New 2 tone paint - doors, trim, and sheetrock
- New ceiling fan

Bathrooms:

- New flooring - laminate planks
- New 2 tone paint - trim and sheetrock
- New vanity and fixtures

- Resurfaced tub

Living Areas (Halls, Living room):

- New flooring - laminate planks or carpet
- New 2 tone paint - doors, trim and sheetrock
- New blinds
- New lights
- New door knobs

Project Review:

Brotamante Asset 1, LLC, the new Owner of the Sylvan Beach Apartments (315 N. Second Street), recently submitted a completed application for the La Porte Enhancement Grant Program. Mr. Edwin Brotamonte’s application represents the first time that the ED Board has received an enhancement grant application from the owner of an apartment complex.

The purpose of the La Porte Enhancement Grant Program is to encourage business owners throughout the City of La Porte to enhance and/or beautify their businesses. Eligible projects of the program include façade enhancement/rehabilitation, beautification projects, new awnings, canopies, porches, signage, and parking lot improvements. To date, the La Porte Development Corporation has awarded enhancement grant reimbursements to a wide variety of business owners:

- Funeral Home (Stepping Stone)
- Professional Office (Eagle Energy Resources, Kathleen Lemon, Entrust Professional Insurance Co.)
- Construction Company (Follis Construction, Paskey, Inc.)
- Retail (Tool Box, A Statement in Glass, Oak Center)
- Restaurant (Mainly Drinks, Lafitte’s Cajun Station)
- Sewing Retreat (And Sew it Began)

The Enhancement Grant Review Committee recently received and reviewed an application to the La Porte Enhancement Grant program from the Sylvan Beach Apartments. The new owner, Edwin Brotamonte, collected three bids from contractors to complete each of the following projects: (1) Paint & Wood Repair, (2) Asphalt Repair, (3) Landscaping, and (4) Signage.

The lowest bids for each of the project were offered as follows:

- | | | |
|-----------------------|----|-------------|
| • Paint & Wood Repair | -- | \$35,785.00 |
| • Parking Lot Repair | -- | \$35,000.00 |
| • Landscaping | -- | \$10,000.00 |
| • Signage | -- | \$3,330.72 |

The sum total of these three, lowest bids is \$84,115.72, and 50% of this sum is \$42,057.86. Please note the “Bid Sheet Summary” for details. According to the terms and conditions of the La Porte Enhancement Grant Program, this project may receive up to \$42,057.86 in reimbursement for the eligible projects upon completion of the work

and proof of expenses paid. Edwin Brotamonte is prepared to give a brief presentation regarding this project and address any questions the Board might have about this proposed project.

Under the current By- Laws, this proposed project would also need to go before the City Council for approval, since the amount of the Enhancement Grant is greater than \$25,000. Under advice from Assistant City Attorney Clark Askins, a new development agreement, a form of which is intended to be used with each future project under the La Porte Enhancement Grant Program, was created and executed as part of this application (exhibit attached). Considering the Board’s interest in possibly including the interior work and expenditures as a necessary condition for receiving the enhancement grant, staff has also provided a second development agreement (i.e. Option B) that requires completion of the interior work for receipt of the enhancement grant.

Should the Board choose to not approve this project, please consider revising the guidelines of the La Porte Enhancement Grant Program to exclude “apartment complexes”, and any other types of businesses, which the Board may wish to exclude from participation in the program.

Action Required by the La Porte Development Corporation:

Consider approval or other action authorizing an enhancement grant in an amount not to exceed \$42,057.86 payable to Brotamonte Asset 1, LLC, and associated development agreement, for infrastructure improvements to apartment building complex located at 315 N. 2nd Street, with payment to be remitted at the completion of the project - S. Livingston.

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE LA PORTE DEVELOPMENT CORPORATION, AND BROTAMONTE ASSET 1, LLC, A TEXAS PARTNERSHIP, FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS IN CONNECTION WITH THE LA PORTE DEVELOPMENT CORPORATION ENHANCEMENT GRANT PROGRAM

THIS AGREEMENT made by and entered into this 11th day of January, 2016 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 BROTAMONTE ASSET 1, LLC, hereinafter referred to as the "Recipient".

WITNESSETH:

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

WHEREAS, the La Porte Development Corporation has established the La Porte Enhancement Grant Program, the purpose of which is to offer financial incentives in the form of matching grants to aid business establishments located in the City of La Porte, Texas; and

WHEREAS qualifying applicants for matching grants under the La Porte Enhancement Grant Program are eligible to use grant funds for building site improvements including façade rehabilitation/enhancement, new awnings, canopies, porches, and signage, beautification projects, and parking lot improvements as outlined in the guidelines of the La Porte Enhancement Grant Program; and

WHEREAS, upon approval as a project of the La Porte Development Corporation, the La Porte Development Corporation will provide to the qualifying applicant a subsidy of one-half (1/2) of the cost of building site enhancements, up to a maximum match amount of \$49,999.99; and

WHEREAS, the Recipient owns and operates a business known as the Gateway Grove Apartments, located at 315 N. 2nd Street, La Porte, Texas, (the "Business Site" herein) for which Recipient wishes make certain improvements, hereinafter described, under an Enhancement Grant Program application; and

WHEREAS, the Recipient wishes to renovate the Business Site by completing the following projects: 1) Paint & Wood Repair; 2) Parking Lot Repair, 3) Landscaping, 4) Signage, and 5) Interior Upgrading and Repair, which would result in the expenditure by Recipient of an estimated **\$164,115.72** in capital improvements and employ no less than TWO (2) full time and TWO (2) part-time employees, for reimbursement by the La Porte Development Corporation, up to a maximum of **\$42,057.86**; and

WHEREAS, the provision of financial incentives to the Recipient in connection with a La Porte Enhancement Grant Program application would qualify as a project of the LPDC for infrastructure, site improvements and other related improvements, as authorized by Texas Local Government Code Chapters 501 and 505, and it is the desire of LPDC to assist in the funding of same, finding that such expenditures will promote or develop new or expanded business enterprises.

WHEREAS, Texas law and the by-laws of the LPDC require that certain expenditures and projects by the LPDC be approved by the governing body of the City; and whereas the LPDC Board has duly approved such project and the expenditures for any project for a contribution of the LPDC Board greater than \$25,000.00 must also be 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 the Recipient making eligible and approved improvements to the Business Site at 315 N. 2nd Street; La Porte, TX 77571, in connection with an application under the La Porte Enhancement Grant Program, which program 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 October 28, 2015, LPDC agrees to provide the Recipient with a matching grant payment in an amount not to exceed **\$42,057.86**, as a match for Recipient's capital expenditure, which payment shall be distributed upon the attainment of the following conditions:

- 1) Receipt by the LPDC of copies all applicable invoices and receipts of payment for the same invoices for all projects, which were previously approved by the LPDC Board, and have been completed,
- 2) Receipt by the LPDC of pictures showing proof of completion of each of the projects previously approved by the LPDC Board,
- 3) Receipt by LPDC of copies of all certificates and permits required by the City of La Porte, Texas, if any, to the Recipient for completion of the renovated Business Site;
- 4) Proof of minimum capital investment in the amount of **\$84,115.72** applied towards eligible and approved improvements to the exterior of the Business Site and related infrastructure and site work. The renovation to the exterior of the Business Site and related infrastructure for which the required capital investment is made, must, at a minimum, include the following scope of work:

- a) **Exterior Paint & Wood Repair for \$35,785.00**
 - b) **Parking Lot Repair for \$35,000.00**
 - c) **Landscaping for \$10,000.00**
 - d) **Signage for \$3,330.72**
- 5) Proof of minimum capital investment in the minimum amount of **\$80,000.00**, for the completion of work to repair and upgrade the interior and related internal infrastructure of the Business Site, the scope of work for which is outlined on **Exhibit A**, attached hereto and incorporated by reference for all purposes;
- 6) Submission to LPDC of an employment roster evidencing that the Recipient employs TWO (2) full time and TWO (2) part-time individuals as employees at the Business Site. Proof of employment, for purposes of this agreement, shall require the Recipient to produce either a) copies of the Recipient's 941 Report to the Internal Revenue Service and C3 Report to the Texas Workforce Commission for each employee (but with the social security number of each employee redacted), or b) a signed and notarized statement executed by the owner, or another duly authorized representative, of the company affirming that TWO (2) full time and TWO (2) part-time employees are employed by the Recipient for positions permanently located at Business Site.
- 7) Presentation to the Board of the LPDC, during a regularly scheduled Board meeting, regarding all elements of the completed enhancement grant projects.
- 8) In no case will the sum of **\$42,057.86** be made by the LPDC if all the required items listed in Article I are not delivered to and received by LPDC within one (1) year from the date on which this agreement is approved by the La Porte City Council. In the case that all the required items listed in Article I for the Business Site are presented to LPDC on or before said deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days. Upon verification of the completion of all projects previously approved by the LPDC Board to the Business Site, as reflected by formal vote of the LPDC Board of Directors that the Recipient has satisfied the requirements of this paragraph, LPDC will then remit the sum of **\$42,057.86** to the 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 the Recipient's costs in making eligible and approved improvements to the Business Site.

The 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 **\$42,057.86**, nor shall LPDC be obligated to reimburse Recipient for requests delivered to LPDC after the termination of this Agreement.

ARTICLE IV

The Recipient understands that the funds paid to the 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. The 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 the 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 the 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 the Recipient shall refund, any funds that are not spent in accordance with the terms of this Agreement, including 1) LPDC funds spent by the Recipient in contravention of this Agreement and 2) any LPDC funds previously paid to the 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 will expire one (1) year from the date on which the City Council approved the project.

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 the Recipient. The Recipient shall have exclusive control of, and the exclusive right to control the details of the work to be performed by the 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 the Recipient's duties or responsibilities hereunder be considered an officer, agent, servant, or employee of the LPDC.

ARTICLE IX

The 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 the Recipient or in the performance of services performed and to be performed by the Recipient hereunder. The 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 the 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

The 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

The 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 the Recipient 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 the Recipient except as herein provided, and which by the exercise of due diligence LPDC or the 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 the Recipient on the dates indicated below.

LA PORTE DEVELOPMENT CORPORATION

Richard Warren, President

Date

ATTEST

Secretary of the Corporation

Brotamonte Asset 1, LLC

By:

Date

ATTEST

Exhibit A

January 11, 2015

Gateway Grove Apartments

formerly Sylvan Beach Apartments

315 N. 2nd Street La Porte TX 77571

La Porte Enhancement Grant
Program Presentation

Interior Rehab

Kitchen

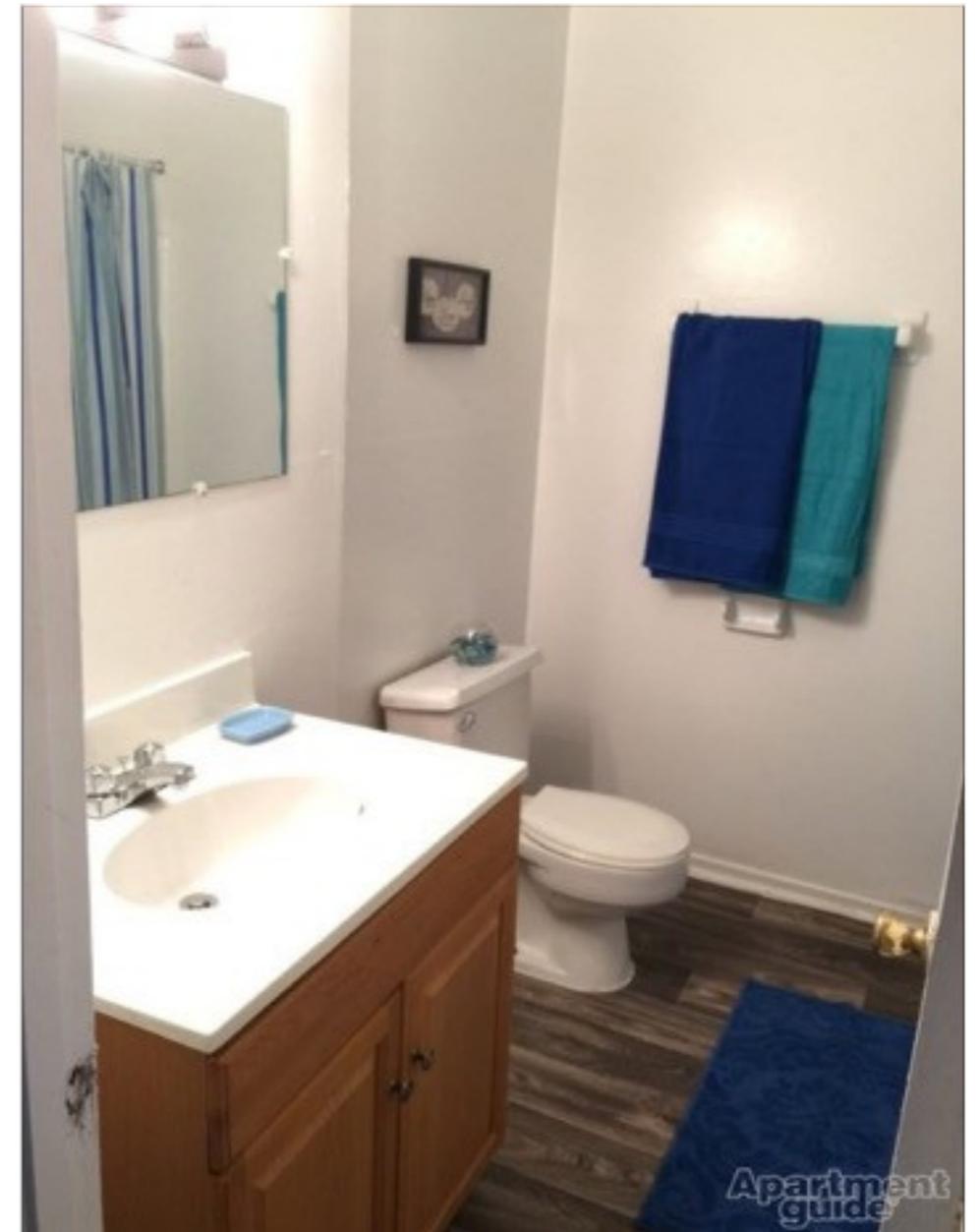
- ❖ New flooring - laminate planks
- ❖ New 2 tone paint - cabinets, trim and sheetrock
- ❖ Resurfaced counters
- ❖ New fixtures



Interior Rehab

Bathroom

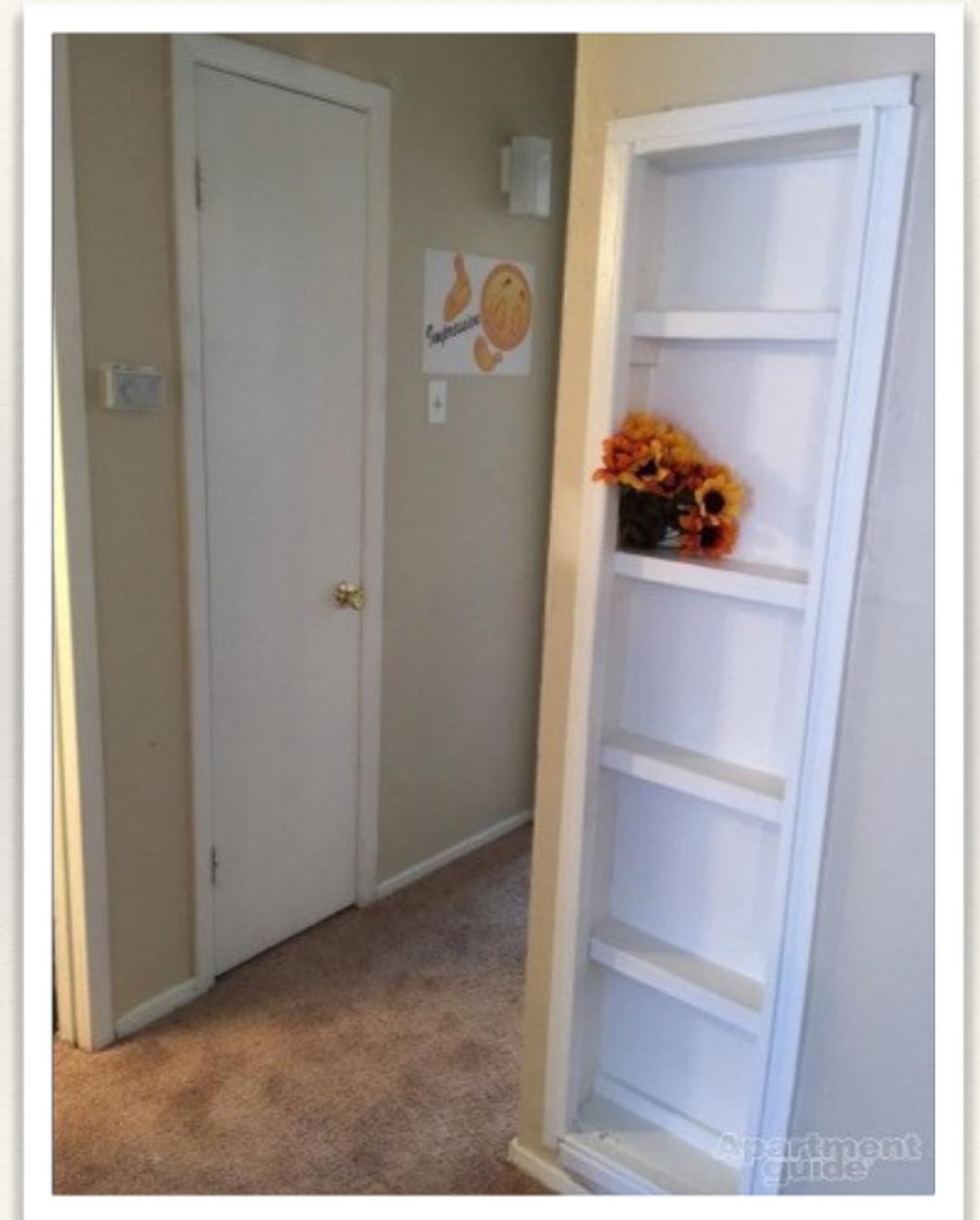
- ❖ New flooring - laminate planks
- ❖ New 2 tone paint - trim and sheetrock
- ❖ New vanity and fixtures
- ❖ Resurfaced tub



Interior Rehab

Hallway

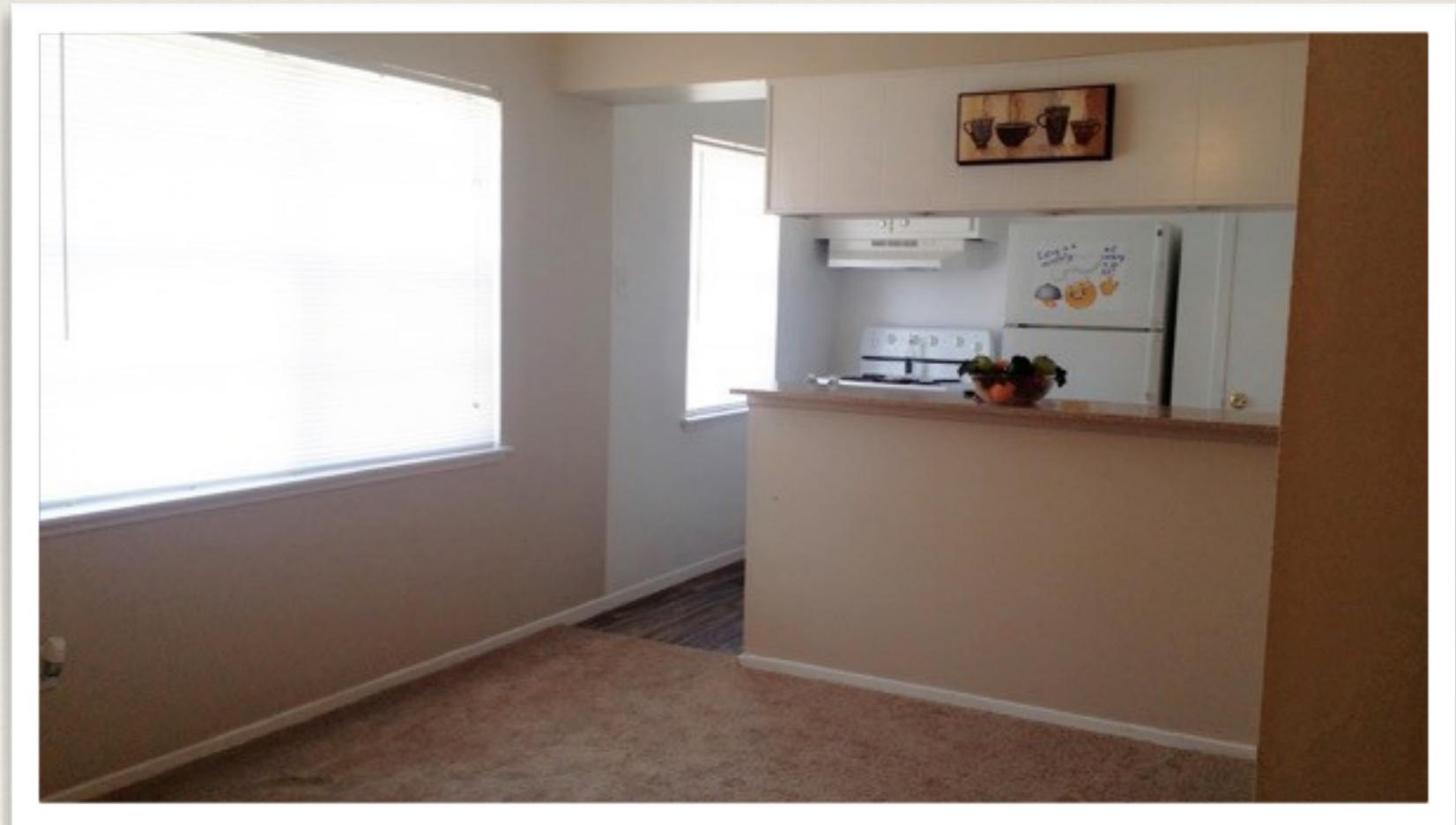
- ❖ New flooring - laminate planks
- ❖ New 2 tone paint - doors, shelves, trim and sheetrock
- ❖ New lights
- ❖ New door knobs



Interior Rehab

Living Room

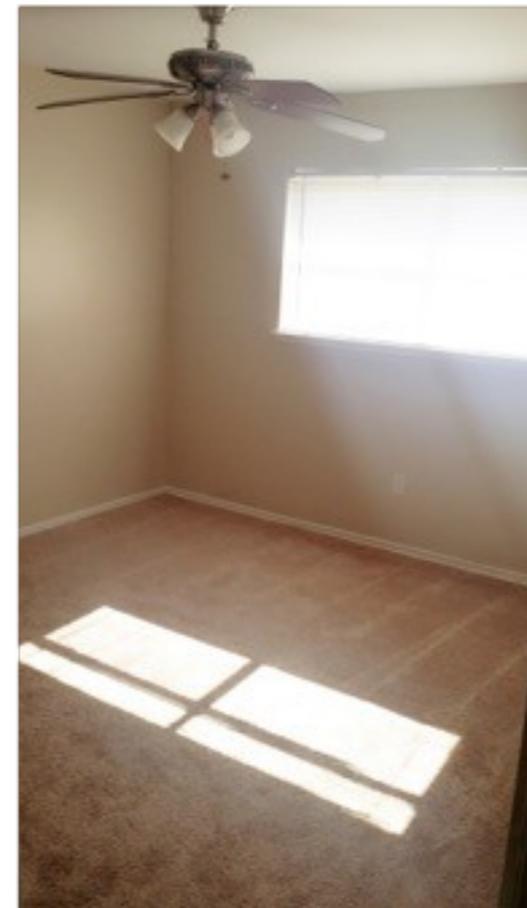
- ❖ New flooring - laminate planks or carpet
- ❖ New 2 tone paint - doors, trim and sheetrock
- ❖ New blinds



Interior Rehab

Bed Room

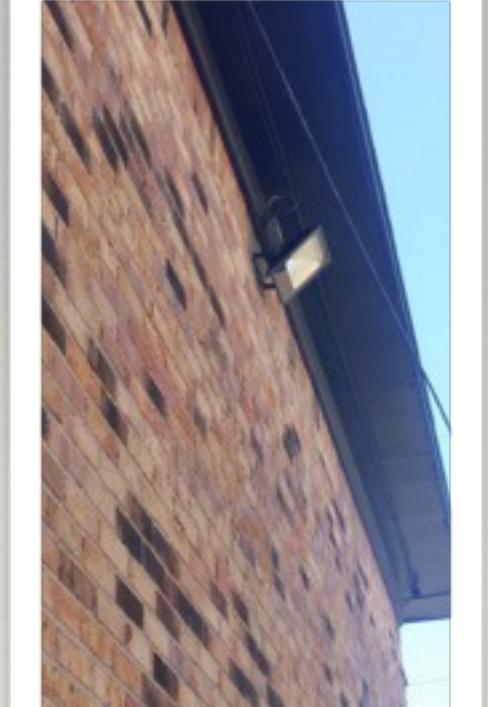
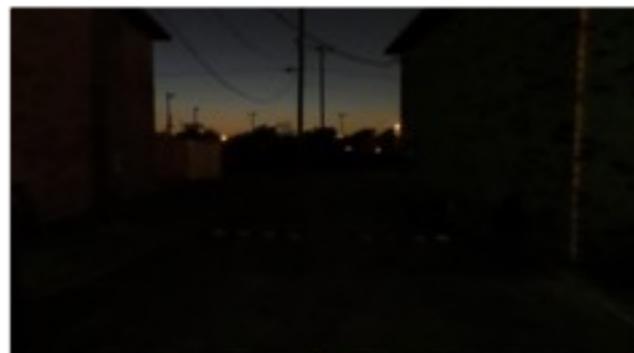
- ❖ New flooring - laminate planks or carpet
- ❖ New 2 tone paint - doors, trim and sheetrock
- ❖ New ceiling fan



Infrastructure Rehab

Lights

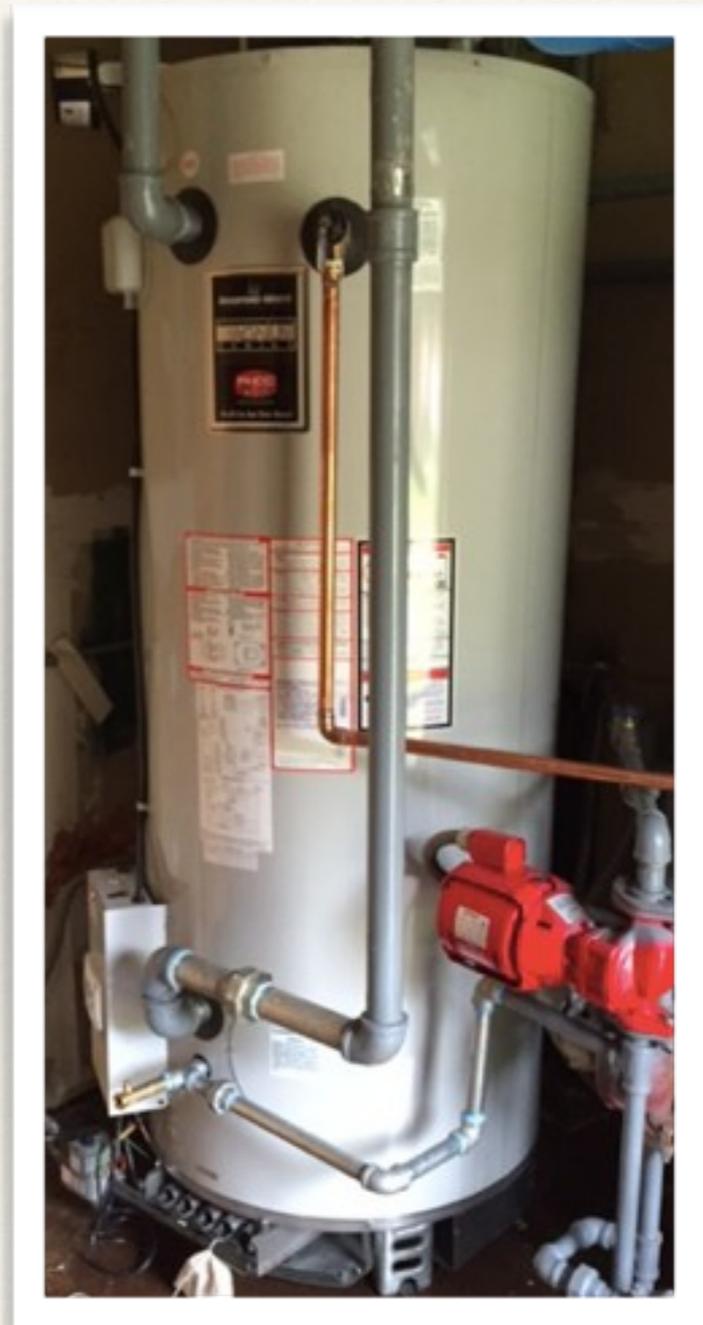
- ❖ All exterior area lighting has been replaced with energy efficient LED fixtures



Infrastructure Rehab

Water Heaters

- ❖ We replaced 2 of the 6 water heaters



January 11, 2015

Gateway Grove Apartments

formerly Sylvan Beach Apartments

315 N. 2nd Street La Porte TX 77571

La Porte Enhancement Grant
Program Presentation

Property Goals

Update the overall appearance with a goal to improve the property's reputation in the community and encourage more families to consider our property as their home. Provide a clean and safe environment for all residents in the area.



Interior Rehab

Kitchen

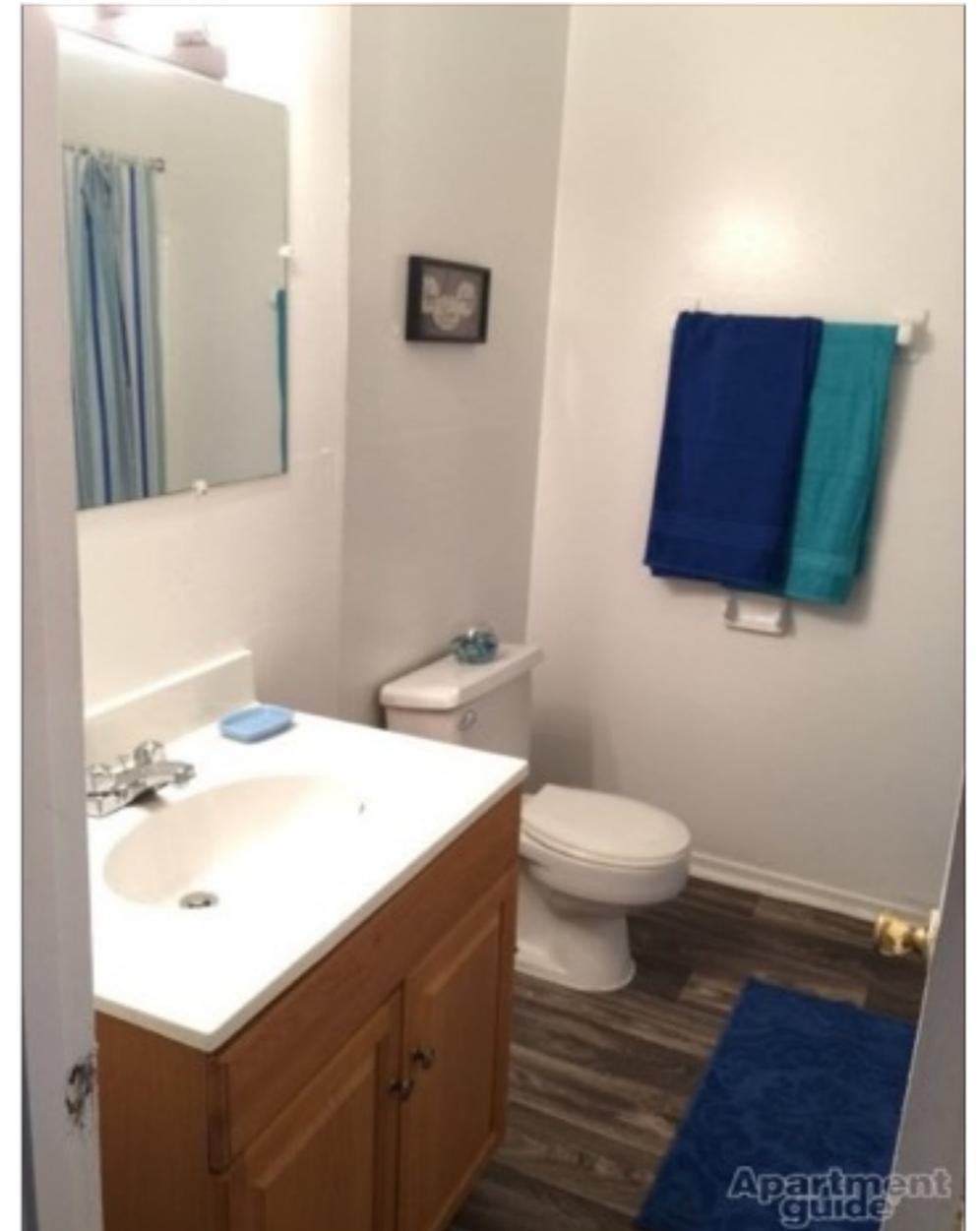
- ❖ New flooring - laminate planks
- ❖ New 2 tone paint - cabinets, trim and sheetrock
- ❖ Resurfaced counters
- ❖ New fixtures



Interior Rehab

Bathroom

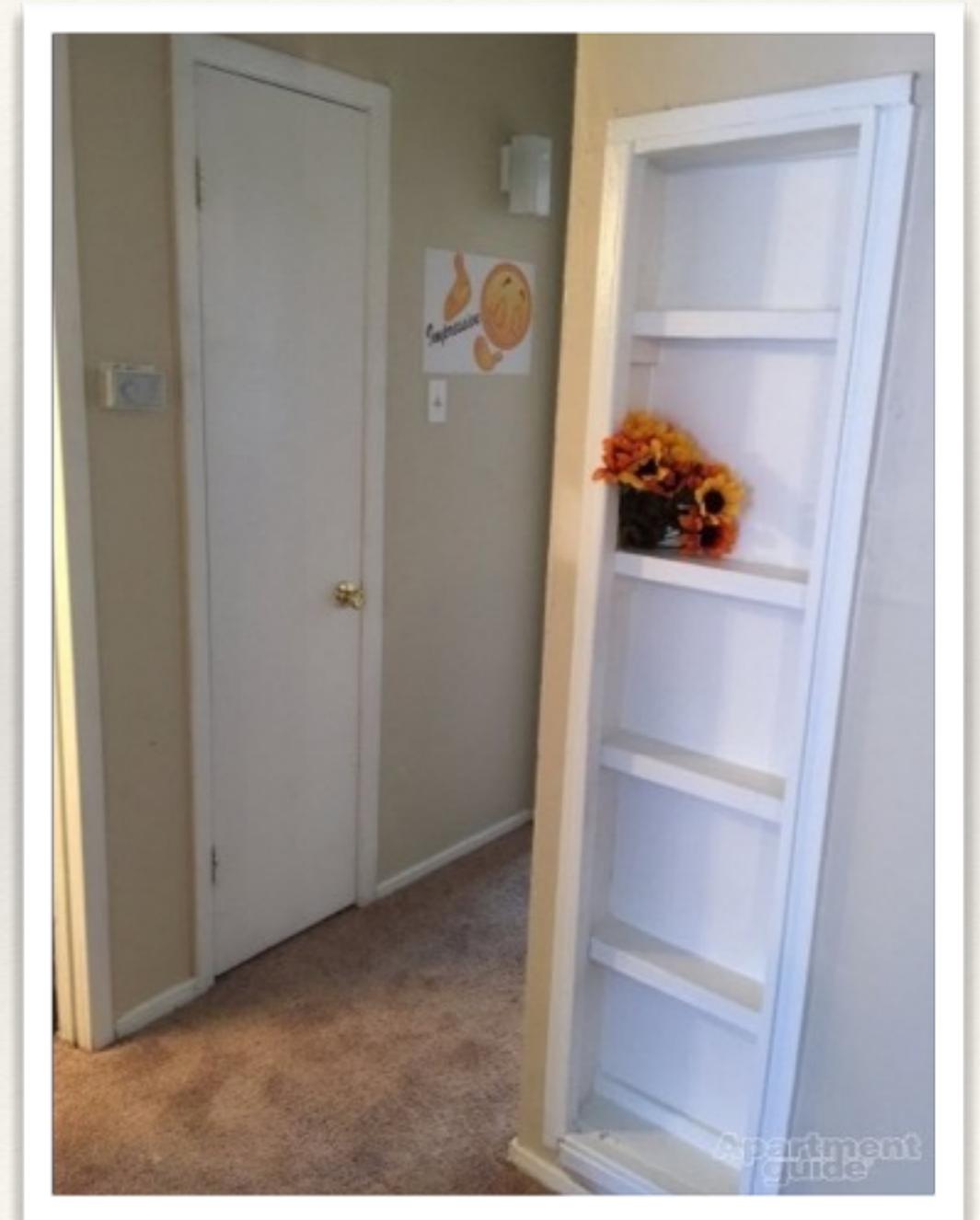
- ❖ New flooring - laminate planks
- ❖ New 2 tone paint - trim and sheetrock
- ❖ New vanity and fixtures
- ❖ Resurfaced tub



Interior Rehab

Hallway

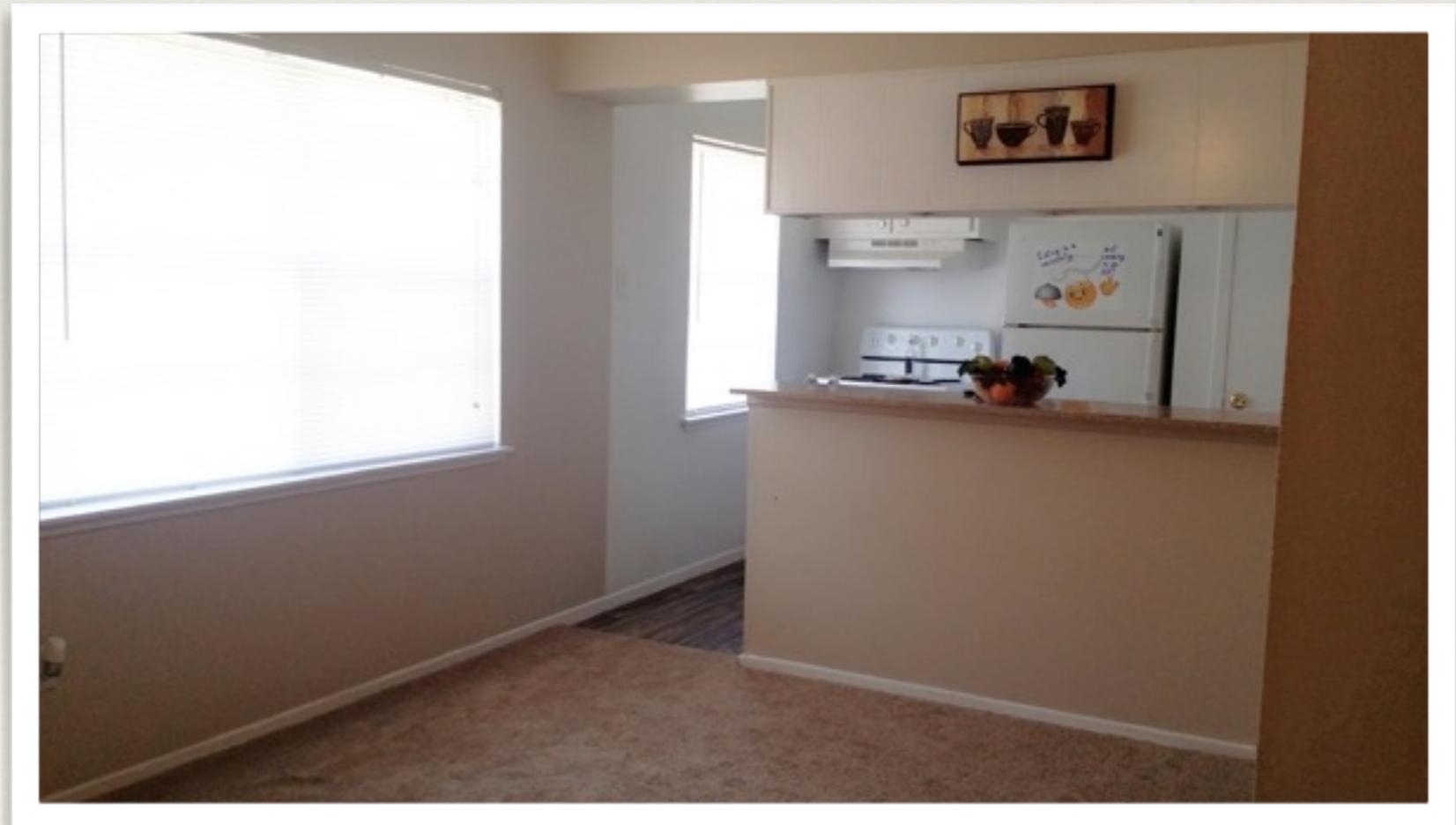
- ❖ New flooring - laminate planks
- ❖ New 2 tone paint - doors, shelves, trim and sheetrock
- ❖ New lights
- ❖ New door knobs



Interior Rehab

Living Room

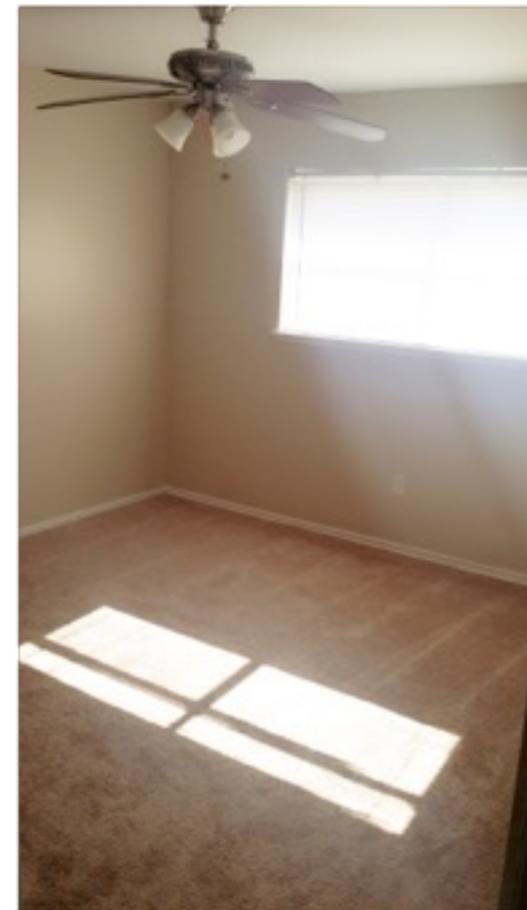
- ❖ New flooring - laminate planks or carpet
- ❖ New 2 tone paint - doors, trim and sheetrock
- ❖ New blinds



Interior Rehab

Bed Room

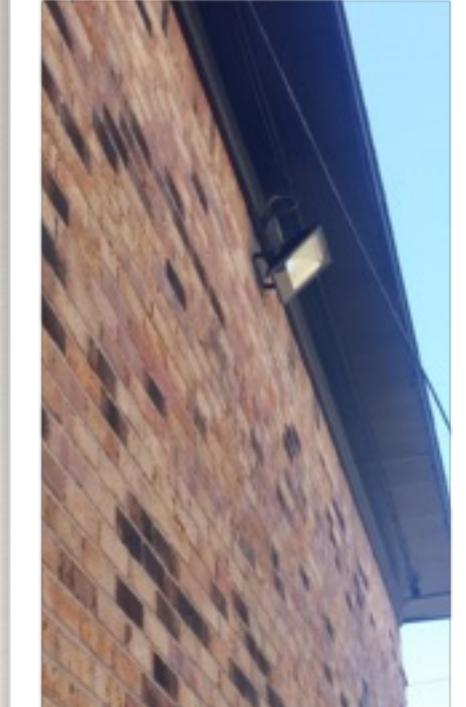
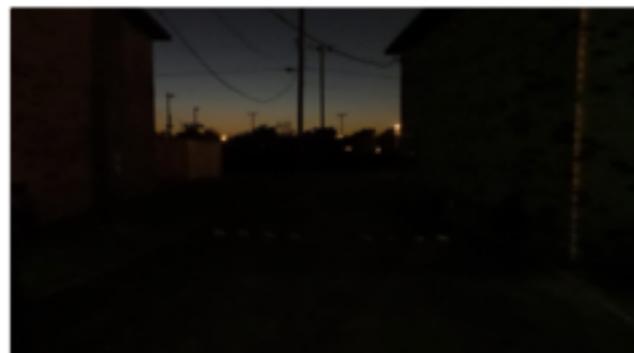
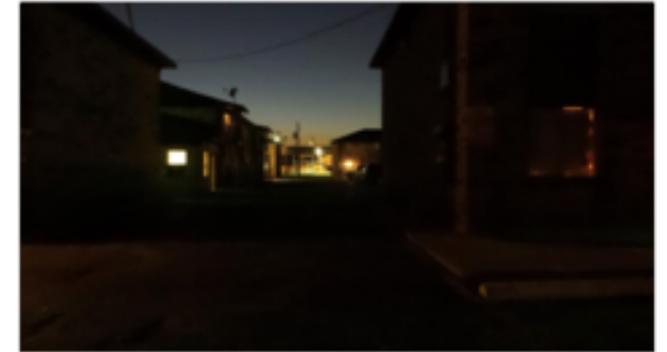
- ❖ New flooring - laminate planks or carpet
- ❖ New 2 tone paint - doors, trim and sheetrock
- ❖ New ceiling fan



Infrastructure Rehab

Lights

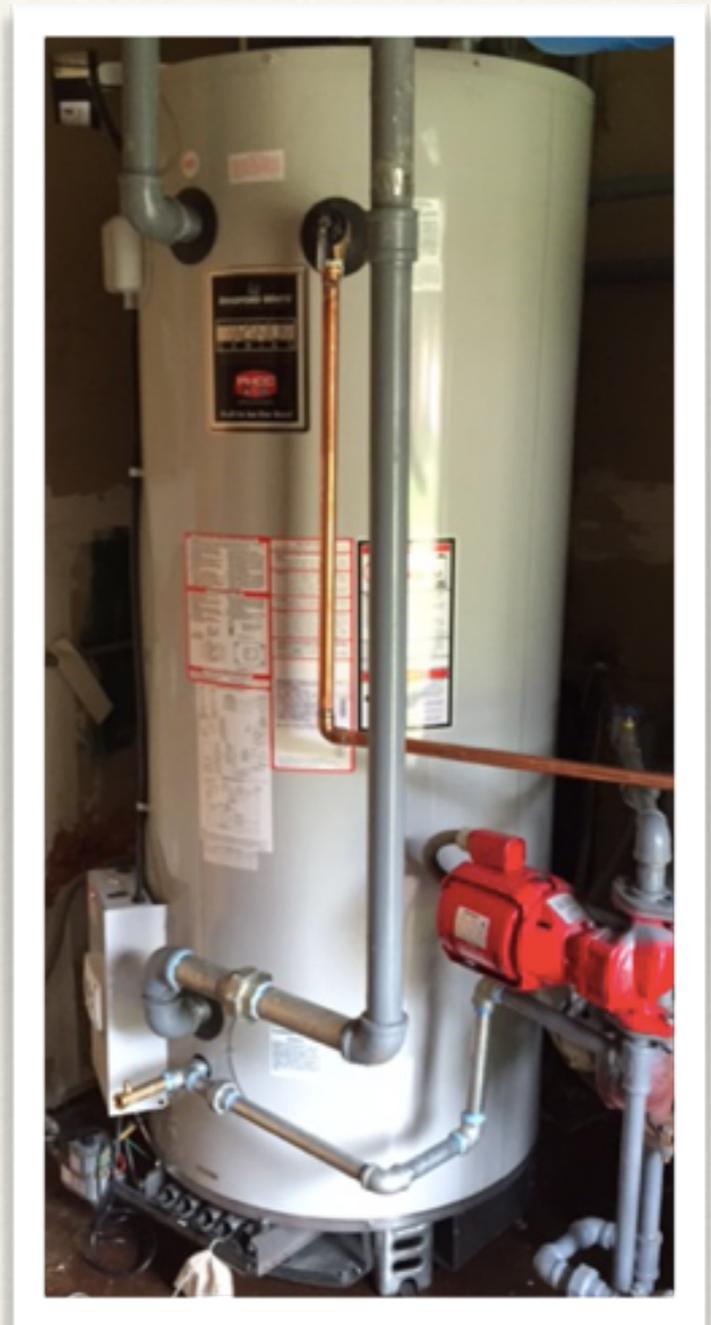
- ❖ All exterior area lighting has been replaced with energy efficient LED fixtures



Infrastructure Rehab

Water Heaters

- ❖ We replaced 2 of the 6 water heaters



Enhancement Projects

- ❖ Paint all wood components and metal rails or exterior structure
- ❖ Repair or replace all water damaged wood
- ❖ Power wash all brick exterior walls
- ❖ Landscaping
- ❖ Asphalt parking lot repairs
- ❖ New Signage

Paint

Paint all wood components and metal rails of exterior structure

- ❖ Wood panels b/w first and second floor
- ❖ Eaves
- ❖ Facia
- ❖ Soffit
- ❖ Vertical Siding
- ❖ Doors
- ❖ Door Trim
- ❖ All steel rails



Wood Repair

Repair or replace all water damaged wood

- ❖ Wood panels b/w first and second floor
- ❖ Eaves
- ❖ Facia
- ❖ Soffit
- ❖ Vertical Siding
- ❖ Doors
- ❖ Door Trim



Power Wash

Power Wash all brick exterior walls



Landscaping

Landscaping

- ❖ Create 2 landscape islands around 2 new property signs
- ❖ Crepe Myrtles in key areas b/w units in front of brick walls
- ❖ Evergreen hedges along property wall below first floor windows



Asphalt Parking Lot Repairs

Asphalt parking repairs

- ❖ Repair areas of concern
- ❖ Re-Seal entire exterior parking lot



New Signage

New Signage

- ❖ Property sign at 2nd and Adams
- ❖ Property sign at 3rd and Adams
- ❖ Lease office signage on 2nd and 3rd street
- ❖ Building identification signage



Project Cost

Paint and Wood Repair \$35,785.00

Asphalt Repair & Seal \$35,000

Landscaping \$10,000

Signage \$3,330.72

TOTAL \$84,115.72

	Paint & Wood Repair	Asphalt Repair	Landscaping	Signage
Ed's GC	\$42,010.00			
SR Striping	\$37,500.00			
Liberty Builders	\$35,785.00	\$39,875.00		
Victory Asphalt		\$35,000.00		
ED's General Contract		\$67,500.00		
Texas Groundskeeper			\$10,000.00	
Outdoor Dreams			\$16,876.18	
A Gonzales Landscaping			\$17,070.00	
Signs By Tomorrow				\$3,330.72
4D Signworx				\$4,059.00
Inkflo Print and Design Concepts				\$4,500.00

Total Amount of Lowest Bids

\$84,115.72

Total Amount of LPDC's 50% Contribution, Not to Exceed

\$42,057.86

La Porte Enhancement Grant Program
Application Evaluation Summary

Application Date:	11/19/2015	Initial Review Date: 11/19/2015
Business Name:	Sylvan Beach Apartments	
Contact Name:	Edwin Brotamonte	
Business Address:	315 N. 2nd Street; La Porte, Texas 77571	
Phone:	(713) 253-1736	
Recommendation:	Grant to be awarded in an amount not to exceed \$42,057.86 , based on receipts and completion of work as indicated.	

Following is a summary of the evaluations of the La Porte Enhancement Grant Evaluating Committee (EGEC). If you have any questions about the items listed below, please call the Economic Development Office at **(281) 470-5016**.

Criteria	Total Score	# of Evaluators	Average Score
Project Demonstrates a significant improvement over the existing situation.	19	4	4.75
Project will add to the beautification of the City of La Porte.	19	4	4.75
Project will enhance Main Street's appeal to new businesses and visitors.	17	4	4.25
Project will complement the surrounding buildings.	19	4	4.75
Project adds value to the City of La Porte.	19	4	4.75
Total Average Score (out of 25)			4.65

Evaluating Committee Members:

Name	Title
Tim Tietjens	Director of Planning
Scott D. Livingston	Economic Development Coordinator
Monica Rogers	Owner, Bay Port Animal Clinic
Cris Santiago	Resident, Employee of La Car Porte



LA PORTE ENHANCEMENT GRANT PROGRAM

The La Porte Enhancement Grant Program, which is sponsored by the La Porte Development Corporation, offers matching grants to businesses which are located in the City of La Porte.

Eligible improvements of the La Porte Enhancement Grant Program include façade enhancement/rehabilitation, beautification projects, new awnings, canopies, porches, signage, and parking lot improvements. Each program application will be evaluated on a case-by-case basis, and **ALL projects for a matching grant greater than \$25,000 must also be approved by the La Porte City Council.**

Interested business owners are welcome to complete the enclosed application form. Please deliver applications to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571
LivingstonS@laportetx.gov

Please contact Scott D. Livingston at LivingstonS@laportetx.gov or 281/470-5016, if you have any questions about the La Porte Enhancement Grant Program.

Sincerely,

Scott D. Livingston
Economic Development Coordinator
City of La Porte

LA PORTE BY THE BAY
604 W. Fairmont Parkway La Porte, Texas 77571 281/470-5016

ELIGIBLE PROJECTS

Business owners may be eligible for a reimbursement grant of funds which are used to enhance and/or beautify their businesses. The following types of projects are eligible for reimbursement:

- **Façade Rehabilitation/Enhancement**
Eligible projects include work on existing structures, such as removing non-historic/added facades, re-pointing brick or replacing mortar joints, replacing or restoring cornices, removing paint from brick, replacing windows, restoring transom windows, repairing facades, etc.
- **New Awnings, Canopies, Porches, and Signage**
Eligible projects include replacing, adding, or repairing awnings, canopies, porches, and signs. Signs may include signboards, projecting signs, pedestrian signage, window signs, hanging signs, and awning/canopy signs.
- **Beautification Projects**
Eligible projects include public art, landscaping, and other beautification projects as approved by the Enhancement Grant Evaluation Committee (EGEC).
- **Parking Lot Improvements**
Eligible projects include new parking lot construction, parking lot paving, parking lot re-surfacing, parking space striping/painting, new parking blocks, old parking block removal, and other projects as approved by the EGEC.

PROGRAM GUIDELINES

1. Grant funds are available only for exterior work on commercial property and building facades that are visible from public streets.
2. In general, grants offered to businesses are intended to support projects to renovate or convert existing structures to their original historic condition.
3. Grants will be processed and considered for award on a first-come, first-served basis until funds are depleted or until the program ends, whichever comes first.
4. Grants will not be awarded for work that has already been started or completed, or for work that is covered by insurance. If desired work is above and beyond what insurance will pay, and is, therefore, considered an upgrade and enhancement in the opinion of the EGEC, it may be eligible for grant funds.

5. Grants will not be awarded to any Applicant that owes any delinquent indebtedness* to the City of La Porte or the La Porte Development Corporation (LPDC).

** "Delinquent Indebtedness" shall mean any indebtedness due and owing to the City of La Porte or the La Porte Development Corporation, including but not limited to, ad valorem taxes on real and personal property, which property is in fact owned by and is legally subject to taxation, whether or not the same may have been properly rendered to the tax assessor-collector by any person. Such term shall also include, but not be limited to, charges for penalties, interest and costs on any such ad valorem taxes; charges for water, sewer, garbage and other services rendered or goods furnished by the City of La Porte or the La Porte Development Corporation to any person; and any other manner of indebtedness to the City of La Porte or the La Porte Development Corporation, now existing or which may hereafter be created by any person. No such indebtedness shall be considered "delinquent" until the time for its current payment under the various ordinances of the City of La Porte, or state statutes, or contractual agreement, shall have expired, without payment having been made.*

6. Each grant will be awarded on a reimbursement basis once completed work has been verified by the EGEC to be compliant with the plans proposed in the approved application. Any deviation from the approved project may result in the total or partial withdrawal of the grant.
7. Each enhancement grant application will be subject to review by the EGEC, and approval from the Board of the LPDC. The review criteria include the following:
 - The project demonstrates a significant improvement over the existing situation,
 - The project will add to the beautification of the City of La Porte ,
 - The project will enhance the City of La Porte's appeal to new businesses and visitors,
 - The project will complement the surrounding buildings, and
 - The project will add value to the City of La Porte.
8. Grant applications and awards may be made in any of the reimbursable activities described above and may be combined for any single property or project.
9. An applicant is defined as an owner, tenant, or combination thereof, who occupies space in an eligible property. A single owner of multiple properties may apply for grant funds for each property owned, but the matching grant must be for more than \$2,500 and less than \$50,000 per property in a three (3) year period.
10. Preference will be given to all local bids for work that qualify under the current form of the City of La Porte's Local Bidder Preference Policy at the time the project is approved by the Board.
11. Multiple bids are **not** required for each eligible project that is less than a total \$2,000, of which 50% or \$1,000 would be a reimbursable expense, as per the City of La Porte's Purchasing Policy.

APPLICATION PROCESS

1. Determine eligibility: Discuss project plans with the Economic Development Coordinator, and the Coordinator will set up a pre-development meeting with the EGEC.
2. Complete the application and sign the agreement form. Each grant application must include the following:
 - a. A scaled drawing by the project architect or design professional of all the work to be completed.
 - b. Samples -- i.e. paint samples, fabric swatches, sign material, etc. -- that will enable the EGEC to envision the finished project.
 - c. Three (3) itemized work estimates on all project work from contractors or project architects. Self-contracted work will be reimbursed for actual legitimate expenses, excluding labor.
 - d. Photographs of the building's exterior. The Applicant shall be required to provide before and after photographs of the building before the reimbursement grant can be awarded. For the initial application, "before" photographs will suffice, but "after" photographs of the completed project must be submitted before the grant may be considered for reimbursement.
3. Return the completed application form, with all applicable items, to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571
LivingstonS@laportetx.gov

4. The application will undergo an approval process, which includes but is not limited to the following:
 - a. Each project must meet current building standards and codes, as well as building permit requirements.
 - b. The EGEC will only consider applications that have been properly and fully completed, and which contain all information requested in the application and/or by the committee.

- c. All itemized work estimates submitted by the Applicant must be dated no earlier than ninety (90) days prior to the Application request. Bids shall be submitted on the contractor's or project architect's letterhead and shall contain the contractor's name, address, and telephone number and shall itemize the bid in a manner that allows the EGEC to determine the bid components and authenticity of the bid.
- d. Applications receiving approval by the EGEC shall commence construction described in the application within ninety (90) days from the date that the enhancement grant is approved. Each Applicant must complete the construction described in the Application within one (1) year from the date that the grant is approved. If the Applicant cannot meet this timeline, then the Applicant may submit a written request for an extension of the commencement date or completion date provided the extension request is made prior to the ninety (90) day or one (1) year time limit. The EGEC shall not be obligated to grant an extension, but it may do so for good cause determined solely by the members of the Committee. The extensions, if granted, shall be for the term and for the conditions determined exclusively by the EGEC. Denial of an extension request may not be appealed.
- e. As a condition of this grant Application, the Applicant consents, and shall allow, the EGEC to request city inspections to determine that the grant, if awarded, will not be used for construction on any building that is not in compliance with the City Municipal Codes and Ordinances that are applicable to the construction contemplated in the application.
- f. The EGEC and LPDC shall have sole discretion in awarding grants. They shall award grants considering the amount requested, grant funds available, the guidelines of the grant program, condition of the building in which the grant funds will be used, economic impact, other grant requests, the type and nature of the construction, and the proposed construction results considering the grant program.
- g. No Applicant has a proprietary right to receive grant funds. The EGEC shall consider any application within its discretionary authority to determine what grant amount would be in the best interest of the grant program.
- h. The Applicant shall be required to furnish "before" photographs of the building's exterior, and any other site locations that are included as part of the application request. The applicant shall also provide "after" photographs once the construction has been completed, as a condition of final grant disbursement.

- i. The EGEC has the final discretion with regard to funding and reserves the right to recommend modifications or reject any project or elements of any project.
5. Reimbursement. When the entire enhancement grant project has been completed, the Applicant shall present the Economic Development Office with the following:
 - a. Copies of all paid invoices, including copies of cancelled checks and/or credit card receipts for a single payment reimbursement of the approved funding, and
 - b. Photographs of all completed work.
6. When the project has been reviewed and approved by the EGEC, and their recommendations have been presented and approved by the LPDC, a reimbursement check will be issued.

Please list the name of each Contractor and/or Project Architect and the Total Amount of each bid. Please, also, attach the original proposals and work estimates:

CONTRACTOR/PROJECT ARCHITECT	TOTAL
1. See attached list	\$
2.	\$
3.	\$
4.	\$
5.	\$

BUDGETDETAIL

PROJECT EXPENDITURES	FUNDS	FUNDS APPLIED	TOTAL
Façade Rehab	\$	\$	\$
Awnings/Signage	\$	\$	\$
Beautification	\$	\$	\$
Parking Lot Improvements	\$	\$	\$
Other (list):	\$	\$	\$
TOTAL	\$	\$	\$

Total estimated cost of proposed project: \$

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

Please attach color samples, model numbers (for windows, doors, etc.), photos, scaled drawings, and other illustrations of work to be completed. Please include as much detail as possible.

Your signature on this application certifies that you understand and agree with the following statements: I have met with the EGEC and I fully understand the Enhancement Grant procedures and details established. I intend to use these grant funds for the eligible renovation projects, as spelled out in the application. I have not received, nor will I receive insurance monies for this revitalization project, OR I have disclosed all pertinent insurance information. I understand that if I am awarded an Enhancement Grant, any deviation from the approved project may result in the partial or total withdrawal of the grant funds.



APPLICANT SIGNATURE

11/19/2015

DATE

SYLVAN BEACH APARTMENTS

315 N. 2ND STREET

LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

Planned Improvements

- I. Paint all wood components and metal rails of exterior structure
- II. Repair or replace all water damaged wood
- III. Power wash all brick exterior walls
- IV. Landscaping
- V. Asphalt parking lot repairs
- VI. New Signage

	Paint & Wood Repair	Asphalt Repair	Landscaping	Signage
Ed's GC	\$42,010.00			
SR Striping	\$37,500.00			
Liberty Builders	\$35,785.00	\$39,875.00		
Victory Asphalt		\$35,000.00		
ED's General Contract		\$67,500.00		
Texas Groundskeeper			\$10,000.00	
Outdoor Dreams			\$16,876.18	
A Gonzales Landscaping			\$17,070.00	
Signs By Tomorrow				\$3,330.72
4D Signworx				\$4,059.00
Inkflo Print and Design Concepts				\$4,500.00

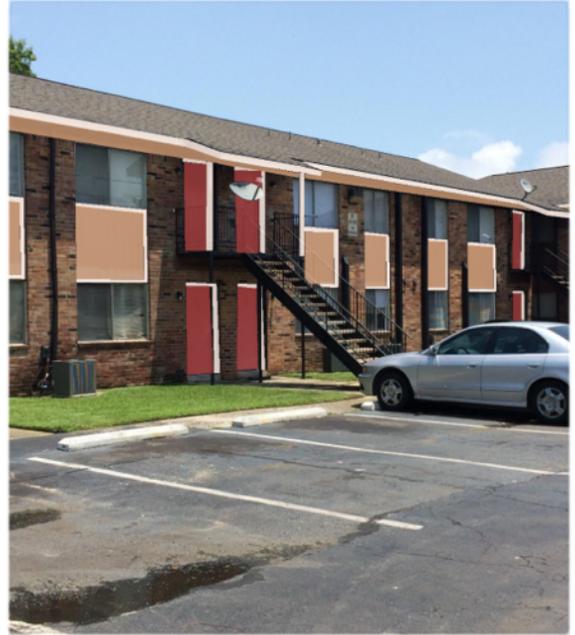
SYLVAN BEACH APARTMENTS

315 N. 2ND STREET

LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

- I. Paint all wood components and metal rails of exterior structure
 - A. Wood panels b/w first and second floor
 - B. Eaves
 - C. Facia
 - D. Soffit
 - E. Vertical Siding
 - F. Doors
 - G. Door Trim
 - H. All steel rails



SYLVAN BEACH APARTMENTS

315 N. 2ND STREET

LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

- II. Repair or replace all water damaged wood
 - A. Wood panels b/w first and second floor
 - B. Eaves
 - C. Facia
 - D. Soffit
 - E. Vertical Siding
 - F. Doors
 - G. Door Trim



SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

III. Power wash all brick exterior walls



SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

III. Landscaping

- A. Create 2 landscape islands around 2 new property signs
- B. Crepe Myrtles in key areas between units in front of brick walls
- C. Evergreen hedges along property wall below first floor windows



SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

- IV. Asphalt parking lot repairs
 - A. Repair asphalt
 - B. Reseal repaired asphalt



SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

- V. New Signage
 - A. Property sign at 2nd and Adams
 - B. Property sign at 3rd and Adams
 - C. Lease office signage on 2nd and 3rd street
 - D. Building Identification signage
 - E. Remove old signage



**SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571**

La Porte Enhancement Grant Program Application

**ED'S GENERAL CONTRACT
281-451-9699**

DATE: 11/09/15

CONTRACT NUMBER: 20011515

SUBMITTED TO:

NAME: Veronica Vlera

**ADDRESS: 315 N. 2nd Street, La Porte TX 77571
11/15/15**

PHONE NO. 281-842-8180

WORK TO BE PERFORMED:

ADDRESS: Same

DATE OF PLANS:

ARCHITECT: EDWIN

WE HEREBY PROPOSE TO FURNISH THE MATERRIALS AND PERFORM THE LABOR NECESSARY FOR THE COMPLETION OF:

1. PREP BUILDINGS FOR PAINT
 - A. CAULK WALLS (WOOD)
 - B. CAULK WINDOWS
 - C. FIX CABLE AND PUT AWAY NEET (PHONE)

II. WORK TO BE DONE

- A. REMOVE ALL 1 X 2 FROM WOOD SQUARE
- B. INSTALL 1 X 4 IN ALL WOOD SQUARE
- C. PRIME. ~~REPAIRE~~ SOME WOOD BY ELECTRIC BOXES
- D. REMOVE FACING OF ROOF 1 X 4 AND REPLACE
- E. INSTALL NEW 1 X 4 ON ROOF

III. PAINT BUILDINGS

- A. PAINT ALL DOORS (RED)
- B. PAINT FACING (WHITE)
- C. PAINT BUILDINGS (BAIGE)
- D. PAINT ALL A/C BOXES, ELECTRICAL BOXES, METERS, PIPES, A/C PIPES COVERS, ALL STAIR CASES

NOTES: OWNER WILL TELL ME ALL COLORS TO USE AND WHAT COLOR TO PAINT STAIR CASES

TOTAL

\$ 42,010

SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application



17711 Tower Bluff Lane Cypress, TX 77433
Mobile: (832) 830-1364 Office: (832) 606-0018

Date: November 9th, 2015
To: **Stephanie Graves**
Project: **Sylvan Beach – Property Exterior Repaint.**
Location: **315 North 2nd Street**
La Porte, TX 77571

We propose to furnish all necessary labor, materials, insurance, and equipment for the exterior repainting at **Sylvan Beach Apartments**. The project consists of repainting 88 units within 12 buildings, 1 Leasing Office and 1 Mail Area.

Painting Scope:

- *Pressure-wash all exterior surfaces to be repainted.
 - *Clean & treat any mildew growth on surfaces with bleach and water mixture.
 - *Spot prime any unfinished/bare substrates with an exterior latex primer (Sherwin Williams' Summit Primer).
 - *Caulk gaps & openings to ensure uniform architectural finish with a siliconized acrylic caulking (Sherwin Williams' 40-year caulk NR4000).
 - *Paint all siding, wood/hardie trim, fascia & soffit substrates with full coverage of 100% acrylic **sat**in paint (Sherwin Williams' 5 year warranty Duracraft Paint).
 - *Preparation of metal substrates includes pressure washing, sanding/scraping loose paint, and spot priming of bare metal with Sherwin Williams' Shopcoat alkyd primer.
 - * Paint all existing handrails, stair stringers & rails with full coverage of Alkyd Gloss Industrial Enamel.
- Bid includes a LIMITED 1-year labor and material warranty upon completion (5 year material warranty from Sherwin Williams), covering material failures and craftsmanship. Warranty does not cover exterior substrates such as fascia & soffits due to their current condition.**

Total price for painting = \$ 37,500.00

SYLVAN BEACH APARTMENTS

315 N. 2ND STREET

LA PORTE, TX 77571

La Porte Enhancement Grant Program Application



Liberty Builders, LLC

November 19, 2015

R.3 Proposal #2015-255 Sylvan Beach Painting

Liberty Builders, LLC (“Contractor”) proposes to furnish all labor, materials, and equipment as described below to the “Owner (s)” of the property located at 315 N. 2nd Street La Porte, Texas 77571

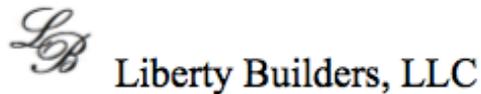
Scope of Work: Painting/Siding

- Power wash the exterior of all buildings
- Caulk as needed
- Paint exterior of all buildings in a 3-tone paint scheme: one (1) siding color, one (1) trim color, one (1) door color
- Paint all metal stairs and handrails in enamel black
- Replace the 1x2s above the 1st floor windows with 1x4 Hardi
- Remove any abandoned communication wiring on the exterior of the build

All of the above mentioned scope of work shall be performed for the budget price of *Thirty-Five Thousand Seven Hundred Eighty-Five and 00/100 dollars* (\$35,785.00)

**SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571**

La Porte Enhancement Grant Program Application



November 19, 2015

Proposal #2015-281 Sylvan Beach Asphalt

Liberty Builders, LLC (“Contractor”) proposes to furnish all labor, materials, and equipment as described below to the “Owner (s)” of the property located at 315 N. 2nd Street La Porte, TX 77571

Scope of Work: All work to be performed on the outside perimeter of the property, approximately 27,500 SF

- Remove and reset the parking stops
- Patch the existing asphalt as needed
- Overlay the existing asphalt with 1 ½” hot asphalt
- Re-stripe the parking lot

All of the above mentioned scope of work shall be performed for the total price of *Thirty-Nine Thousand Eight Hundred Seventy-Five and 00/100 dollars (\$39,875.00)*

SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

Victory Asphalt
18565 Huckleberry Ln.
Porter, TX. 77365
www.paverporter.com

Proposal

Description of work.

1. clean areas designed and prep for paving
2. apply ss.1 tack coat adhesive to ensure asphalt will stick
3. lay dot approved hot mix asphalt on areas designed (approximately 15,000.00 sq. ft.) of spot patching and overlaying
4. compact with a two wheel steel drum vibratory roller.
5. power blow entire parking lot
6. apply a double coat of commercial grade asphalt sealer
7. re-stripe entire parking lot

Labor + Materials

\$35,000.00

Thanks for the opportunity to bid on this project for you..

Victor. 832-580-0518

Date. 9-18-15

To. Edwin

pot hole paving

sylvanbeachapartments@gmail.com

SYLVAN BEACH APARTMENTS

315 N. 2ND STREET

LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

ED'S GENERAL CONTRACT

281-451-9699

DATE: 08/29/15

CONTRACT NUMBER: 20011015

SUBMITTED TO:

NAME: Veronica viera

**ADDRESS: 315 N. 2nd Street La Porte 77571
11/20/15**

PHONE NO.

WORK TO BE PERFORMED:

ADDRESS: Same

DATE OF PLANS:

ARCHITECT: EDWIN

WE HEREBY PROPOSE TO FURNISH THE MATERRIALS AND PERFORM THE LABOR NECESSARY FOR THE COMPLETION OF:

- 1. REFINISH PARKING LOT**
 - A. INSTALL NEW BLACK TOP IN APARTMENT**
 - B. INSTALL 1.5 INCH OF ASPHALT**
 - 1. TO COVER HOLES**
 - 2. TO COVER CRACKS**
 - 3. TO FIX LOT**
 - 4. TO PRINT LINES ON LOT**

TOTAL IS

\$ 67,500.00

SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

ESTIMATE

A. Gonzalez Landscaping & Lawn Care

You Grow It... We Mow It!

DATE: 11-11-2015

P.O. Box 932
 Baytown, TX 77522
 Phone 832-414-5704 Fax 281-421-5786
 a.gonzalezlawncare@hotmail.com

TO Edwin Brotamonee
 315 N 2nd St.
 La Porte, TX 77571
 713-253-1736

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
22 Yds.	Brown Mulch		
96 1Gal.	Jasmine Groundcover (Under Stairs)		
320 3Gal.	Wax Ligastrum Shrubs		
75 15Gal.	Crape Myrtle		
24 1Gal.	Lantana (2 Signs in Corners)		
		TOTAL	\$17,070.00

Quotation prepared by: Christian Gonzalez

**SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571**

La Porte Enhancement Grant Program Application

OutDoor Dreams Inc

Lawn Maintenance and Landscaping

P.O. Box 1100
Highlands TX 77562
(281)827-2778

PROPOSAL

**Proposal # 3399
DATE: 11/11/15**

Bill To:

Sylvan Beach Apartments
315 North 2nd St.
La Porte TX 77571
281- 823-7140 ebrotamonte@gmail.com 713-253-1736

Proposal valid until: 1/11/15
Prepared by: OutDoor Dreams Inc

DESCRIPTION	AMOUNT
<p>Design, install new landscaping in front of H,D,I,J,K,A,E,B, F,G, with crype myrtles as center piece of landscape and a hedge row of shrubs.</p> <p>Scope of Work for new landscaping will be cutting out grass, adding garden mix for planting, install 20 gallon crype myrtles and three gallon evergreen shrubs. A layer of mulch will be added to landscape for proper dressing. All shrubs will be fertilized. Spacing between hedge row will be around 18 inches to 24 inches apart. Under staircases dirt will be removed from sections and will be replace with bull rock.</p> <p>Oak tree will be pruned, trimmed as describe and debris hauled away.</p> <p>Note: Landscaping around two signs will have to be quoted after signs are installed.</p>	15590.00
	395.00
Sub-Total	15590.00
Sales Tax	1286.18
TOTAL	16876.18

SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application



Proposal

For; Edwin Brotamonte

Landscaping includes

Planting/providing of the following plants described below.

BUILDING	Crape Myrtles	Shrubs
Section K	1	10
Section J	8	40
Section L	4	20
Section D	10	40
Section H	4	20
Section A	4	12
Section G	4	20
Section F	8	20
Section E	1	8

44. Crape Myrtles in 15 gal. size

152. Shrubs in 3 gal. size

Plants around the sign are to be discuss but the planting is included in this proposal.

50% of the total due prior service

The other 50% is due the date of service completed

Total 10,000.

Thank you for choosing Texas Groundskeepers.

SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

Lisa Holder, Signs By Tomorrow

To: Edwin Brotamonte

Apartment complex sign estimate - La Porte

Edwin,

Here are some numbers for your review...

- 2 MDO panels, 48x96, single sided with special shape cut...\$575.66 each + tax
- 4 painted posts...\$45 each + tax
- 4 painted post caps...\$25 each + tax
- 12 DiBond (aluminum composite) 24x24 building signs...\$89.95 each + tax

Removal of 1 post/panel...\$225 (rough estimate since I'm not aware of what your current sign looks like)
 Installation of 2 post/panels, same property, 2 different locations...\$595

Let me know if you have any questions.

Have a nice day!

Many Thanks,

Lisa Holder, Owner
 Signs By Tomorrow, Houston South
 5523 Richmond Ave | Houston, TX | 77056
 P: 713-622-4888 | F: 713-952-7720
www.SBTHoustonSouth.com

Signs By Tomorrow				
MDO Panels	\$575.66	2	\$1,151.32	+ Tax
Posts	\$45.00	4	\$180.00	+ Tax
Post Caps	\$25.00	4	\$100.00	+ Tax
Building Signs	\$89.95	12	\$1,079.40	+ Tax
Remove sign	\$225.00	1	\$225.00	
Install signs	\$595.00	1	\$595.00	
			\$3,330.72	

**SYLVAN BEACH APARTMENTS
315 N. 2ND STREET
LA PORTE, TX 77571**

La Porte Enhancement Grant Program Application



PROPOSAL

P 713-984-2010
F 713-984-8064
sales@4DSignworx.com

Attention: Edwin Brotamonte
Sylvan Beach Apartments
315 N. 2nd Street
La Porte, TX 77571
Date: 11/20/15

2022 Pech Road
Houston, TX 77055

Description	Quantity	Unit Price	Cost
4x8 Feet Full Color MDO signs	2	\$ 800	\$ 1,600
36x24 Inch building signs	12	\$ 100	\$ 1,200
Remove existing property sign	1	\$ 250	\$ 250
Install property signs	2	350	\$ 700
		Subtotal	\$ 3,750
	Tax	8.25%	\$ 309
		Total	\$ 4,059

SYLVAN BEACH APARTMENTS

315 N. 2ND STREET

LA PORTE, TX 77571

La Porte Enhancement Grant Program Application

Scott Collins

To: Edwin Brotamonte

Signage Bid

Edwin Brotamonte or Property Manager,

Please review the bid below regarding your signage needs:

- 4x8 panel signs x 2
- Sign structures x 2 (posts, post caps and panels)
- 24x32 building signs x 12
- Removal of existing sign
- Install of 2 new property signs

Total estimated cost: \$4500

Please contact me with any questions.

Regards,

Scott Collins
Inkflo Print and Design Concepts
281-616-3899 x11
scollins@inkflo.net



LA PORTE ENHANCEMENT GRANT PROGRAM

The La Porte Enhancement Grant Program, which is sponsored by the La Porte Development Corporation, offers matching grants to businesses which are located in the City of La Porte.

Eligible improvements of the La Porte Enhancement Grant Program include façade enhancement/rehabilitation, beautification projects, new awnings, canopies, porches, signage, and parking lot improvements. Each program application will be evaluated on a case-by-case basis, and **ALL projects for a matching grant greater than \$25,000 must also be approved by the La Porte City Council.**

Interested business owners are welcome to complete the enclosed application form. Please deliver applications to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571
LivingstonS@laportetx.gov

Please contact Scott D. Livingston at LivingstonS@laportetx.gov or 281/470-5016, if you have any questions about the La Porte Enhancement Grant Program.

Sincerely,

Scott D. Livingston
Economic Development Coordinator
City of La Porte

LA PORTE BY THE BAY
604 W. Fairmont Parkway La Porte, Texas 77571 281/470-5016

ELIGIBLE PROJECTS

Business owners may be eligible for a reimbursement grant of funds which are used to enhance and/or beautify their businesses. The following types of projects are eligible for reimbursement:

- **Façade Rehabilitation/Enhancement**
Eligible projects include work on existing structures, such as removing non-historic/added facades, re-pointing brick or replacing mortar joints, replacing or restoring cornices, removing paint from brick, replacing windows, restoring transom windows, repairing facades, etc.
- **New Awnings, Canopies, Porches, and Signage**
Eligible projects include replacing, adding, or repairing awnings, canopies, porches, and signs. Signs may include signboards, projecting signs, pedestrian signage, window signs, hanging signs, and awning/canopy signs.
- **Beautification Projects**
Eligible projects include public art, landscaping, and other beautification projects as approved by the Enhancement Grant Evaluation Committee (EGEC).
- **Parking Lot Improvements**
Eligible projects include new parking lot construction, parking lot paving, parking lot re-surfacing, parking space striping/painting, new parking blocks, old parking block removal, and other projects as approved by the EGEC.

PROGRAM GUIDELINES

1. Grant funds are available only for exterior work on commercial property and building facades that are visible from public streets.
2. In general, grants offered to businesses are intended to support projects to renovate or convert existing structures to their original historic condition.
3. Grants will be processed and considered for award on a first-come, first-served basis until funds are depleted or until the program ends, whichever comes first.
4. Grants will not be awarded for work that has already been started or completed, or for work that is covered by insurance. If desired work is above and beyond what insurance will pay, and is, therefore, considered an upgrade and enhancement in the opinion of the EGEC, it may be eligible for grant funds.

5. Grants will not be awarded to any Applicant that owes any delinquent indebtedness* to the City of La Porte or the La Porte Development Corporation (LPDC).

** "Delinquent Indebtedness" shall mean any indebtedness due and owing to the City of La Porte or the La Porte Development Corporation, including but not limited to, ad valorem taxes on real and personal property, which property is in fact owned by and is legally subject to taxation, whether or not the same may have been properly rendered to the tax assessor-collector by any person. Such term shall also include, but not be limited to, charges for penalties, interest and costs on any such ad valorem taxes; charges for water, sewer, garbage and other services rendered or goods furnished by the City of La Porte or the La Porte Development Corporation to any person; and any other manner of indebtedness to the City of La Porte or the La Porte Development Corporation, now existing or which may hereafter be created by any person. No such indebtedness shall be considered "delinquent" until the time for its current payment under the various ordinances of the City of La Porte, or state statutes, or contractual agreement, shall have expired, without payment having been made.*

6. Each grant will be awarded on a reimbursement basis once completed work has been verified by the EGEC to be compliant with the plans proposed in the approved application. Any deviation from the approved project may result in the total or partial withdrawal of the grant.
7. Each enhancement grant application will be subject to review by the EGEC, and approval from the Board of the LPDC. The review criteria include the following:
 - The project demonstrates a significant improvement over the existing situation,
 - The project will add to the beautification of the City of La Porte ,
 - The project will enhance the City of La Porte's appeal to new businesses and visitors,
 - The project will complement the surrounding buildings, and
 - The project will add value to the City of La Porte.
8. Grant applications and awards may be made in any of the reimbursable activities described above and may be combined for any single property or project.
9. An applicant is defined as an owner, tenant, or combination thereof, who occupies space in an eligible property. A single owner of multiple properties may apply for grant funds for each property owned, but the matching grant must be for more than \$2,500 and less than \$50,000 per property in a three (3) year period.
10. Preference will be given to all local bids for work that qualify under the current form of the City of La Porte's Local Bidder Preference Policy at the time the project is approved by the Board.
11. Multiple bids are **not** required for each eligible project that is less than a total \$2,000, of which 50% or \$1,000 would be a reimbursable expense, as per the City of La Porte's Purchasing Policy.

APPLICATION PROCESS

1. Determine eligibility: Discuss project plans with the Economic Development Coordinator, and the Coordinator will set up a pre-development meeting with the EGEC.
2. Complete the application and sign the agreement form. Each grant application must include the following:
 - a. A scaled drawing by the project architect or design professional of all the work to be completed.
 - b. Samples -- i.e. paint samples, fabric swatches, sign material, etc. -- that will enable the EGEC to envision the finished project.
 - c. Three (3) itemized work estimates on all project work from contractors or project architects. Self-contracted work will be reimbursed for actual legitimate expenses, excluding labor.
 - d. Photographs of the building's exterior. The Applicant shall be required to provide before and after photographs of the building before the reimbursement grant can be awarded. For the initial application, "before" photographs will suffice, but "after" photographs of the completed project must be submitted before the grant may be considered for reimbursement.
3. Return the completed application form, with all applicable items, to:

Scott D. Livingston
Economic Development Coordinator
City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571
LivingstonS@laportetx.gov

4. The application will undergo an approval process, which includes but is not limited to the following:
 - a. Each project must meet current building standards and codes, as well as building permit requirements.
 - b. The EGEC will only consider applications that have been properly and fully completed, and which contain all information requested in the application and/or by the committee.

- c. All itemized work estimates submitted by the Applicant must be dated no earlier than ninety (90) days prior to the Application request. Bids shall be submitted on the contractor's or project architect's letterhead and shall contain the contractor's name, address, and telephone number and shall itemize the bid in a manner that allows the EGEC to determine the bid components and authenticity of the bid.
- d. Applications receiving approval by the EGEC shall commence construction described in the application within ninety (90) days from the date that the enhancement grant is approved. Each Applicant must complete the construction described in the Application within one (1) year from the date that the grant is approved. If the Applicant cannot meet this timeline, then the Applicant may submit a written request for an extension of the commencement date or completion date provided the extension request is made prior to the ninety (90) day or one (1) year time limit. The EGEC shall not be obligated to grant an extension, but it may do so for good cause determined solely by the members of the Committee. The extensions, if granted, shall be for the term and for the conditions determined exclusively by the EGEC. Denial of an extension request may not be appealed.
- e. As a condition of this grant Application, the Applicant consents, and shall allow, the EGEC to request city inspections to determine that the grant, if awarded, will not be used for construction on any building that is not in compliance with the City Municipal Codes and Ordinances that are applicable to the construction contemplated in the application.
- f. The EGEC and LPDC shall have sole discretion in awarding grants. They shall award grants considering the amount requested, grant funds available, the guidelines of the grant program, condition of the building in which the grant funds will be used, economic impact, other grant requests, the type and nature of the construction, and the proposed construction results considering the grant program.
- g. No Applicant has a proprietary right to receive grant funds. The EGEC shall consider any application within its discretionary authority to determine what grant amount would be in the best interest of the grant program.
- h. The Applicant shall be required to furnish "before" photographs of the building's exterior, and any other site locations that are included as part of the application request. The applicant shall also provide "after" photographs once the construction has been completed, as a condition of final grant disbursement.

- i. The EGEC has the final discretion with regard to funding and reserves the right to recommend modifications or reject any project or elements of any project.
5. Reimbursement. When the entire enhancement grant project has been completed, the Applicant shall present the Economic Development Office with the following:
 - a. Copies of all paid invoices, including copies of cancelled checks and/or credit card receipts for a single payment reimbursement of the approved funding, and
 - b. Photographs of all completed work.
6. When the project has been reviewed and approved by the EGEC, and their recommendations have been presented and approved by the LPDC, a reimbursement check will be issued.

La Porte Enhancement Grant Application

Please print clearly. Please submit a completed application to:

Scott D. Livingston
Economic Development
Coordinator City of La Porte
604 W. Fairmont Parkway
La Porte, TX 77571

APPLICANT INFORMATION:

APPLICATION DATE: _____

Applicant Name

Business Name

Physical Business Address

Business Owner (if different from applicant)

Mailing Address

Contact Phone

Email Address

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

- | | |
|---|---|
| <input type="checkbox"/> Façade | <input type="checkbox"/> Awnings/Signage |
| <input type="checkbox"/> Beautification | <input type="checkbox"/> Parking Lot Improvements |

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

Please list the name of each Contractor and/or Project Architect and the Total Amount of each bid. Please, also, attach the original proposals and work estimates:

CONTRACTOR/PROJECT ARCHITECT	TOTAL
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$

BUDGET DETAIL

PROJECT EXPENDITURES	FUNDS	FUNDS APPLIED	TOTAL
Façade Rehab	\$	\$	\$
Awnings/Signage	\$	\$	\$
Beautification	\$	\$	\$
Parking Lot Improvements	\$	\$	\$
Other (list):	\$	\$	\$
TOTAL	\$	\$	\$

Total estimated cost of proposed project: \$ _____

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

Please attach color samples, model numbers (for windows, doors, etc.), photos, scaled drawings, and other illustrations of work to be completed. Please include as much detail as possible.

Your signature on this application certifies that you understand and agree with the following statements: I have met with the EGEC and I fully understand the Enhancement Grant procedures and details established. I intend to use these grant funds for the eligible renovation projects, as spelled out in the application. I have not received, nor will I receive insurance monies for this revitalization project, OR I have disclosed all pertinent insurance information. I understand that if I am awarded an Enhancement Grant, any deviation from the approved project may result in the partial or total withdrawal of the grant funds.

APPLICANT SIGNATURE

DATE

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE LA PORTE DEVELOPMENT CORPORATION, AND BROTAMONTE ASSET 1, LLC , A TEXAS PARTNERSHIP , FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS IN CONNECTION WITH THE LA PORTE DEVELOPMENT CORPORATION ENHANCEMENT GRANT PROGRAM

THIS AGREEMENT made by and entered into this 14th day of December, 2015 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 BROTAMONTE ASSET 1, LLC , hereinafter referred to as the "Recipient".

WITNESSETH:

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

WHEREAS, the La Porte Development Corporation has established the La Porte Enhancement Grant Program, the purpose of which is to offer financial incentives in the form of matching grants to aid business establishments located in the City of La Porte, Texas; and

WHEREAS qualifying applicants for matching grants under the La Porte Enhancement Grant Program are eligible to use grant funds for building site improvements including façade rehabilitation/enhancement, new awnings, canopies, porches, and signage, beautification projects, and parking lot improvements as outlined in the guidelines of the La Porte Enhancement Grant Program; and

WHEREAS, upon approval as a project of the La Porte Development Corporation, the La Porte Development Corporation will provide to the qualifying applicant a subsidy of one-half (1/2) of the cost of building site enhancements, up to a maximum match amount of \$49,999.99; and

WHEREAS, the Recipient owns and operates a business known as the Sylvan Beach Apartments, located at 315 N. 2nd Street, La Porte, Texas, (the "Business Site" herein) for which Recipient wishes make certain improvements, hereinafter described, under an Enhancement Grant Program application; and

WHEREAS, the Recipient wishes to renovate the Business Site by completing the following projects: 1) Paint & Wood Repair; 2) Parking Lot Repair, 3) Landscaping, and 4) Signage, which would result in the expenditure by Recipient of an estimated **\$84,115.72** in capital improvements and employ no less than TWO (2) full time and TWO (2) part-time employees, with one-half of such capital expenditure being eligible

for reimbursement by the La Porte Development Corporation, up to a maximum of \$49,999.99; and

WHEREAS, the provision of financial incentives to the Recipient in connection with a La Porte Enhancement Grant Program application would qualify as a project of the LPDC for infrastructure, site improvements and other related improvements, as authorized by Texas Local Government Code Chapters 501 and 505, and it is the desire of LPDC to assist in the funding of same, finding that such expenditures will promote or develop new or expanded business enterprises.

WHEREAS, Texas law and the by-laws of the LPDC require that certain expenditures and projects by the LPDC be approved by the governing body of the City; and whereas the LPDC Board has duly approved such project and the expenditures for any project for a contribution of the LPDC Board greater than \$25,000 must also be 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 the Recipient making eligible and approved improvements to the Business Site at 315 N. 2nd Street; La Porte, TX 77571, in connection with an application under the La Porte Enhancement Grant Program, which program 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 October 28, 2015, LPDC agrees to provide the Recipient with a matching grant payment in an amount not to exceed **\$42,057.86**, as a match for Recipient's capital expenditure, which payment shall be distributed upon the attainment of the following conditions:

- 1) Receipt by the LPDC of copies all applicable invoices and receipts of payment for the same invoices for all projects, which were previously approved by the LPDC Board, and have been completed,
- 2) Receipt by the LPDC of pictures showing proof of completion of each of the projects previously approved by the LPDC Board,
- 3) Receipt by LPDC of copies of all certificates and permits required by the City of La Porte, Texas, if any, to the Recipient for completion of the renovated Business Site;
- 4) Proof of minimum capital investment in the amount of **\$84,115.72** applied towards eligible and approved improvements of the Business Site and related infrastructure and site work. The renovation to the Business Site and related

infrastructure for which the required capital investment is made, must, at a minimum, include the following scope of work:

- a) **Paint & Wood Repair for \$35,785.00**
 - b) **Parking Lot Repair for \$35,000.00**
 - c) **Landscaping for \$10,000.00**
 - d) **Signage for \$3,330.72**
- 5) Submission to LPDC of an employment roster evidencing that the Recipient employs TWO (2) full time and TWO (2) part-time individuals as employees at the Business Site. Proof of employment, for purposes of this agreement, shall require the Recipient to produce either a) copies of the Recipient's 941 Report to the Internal Revenue Service and C3 Report to the Texas Workforce Commission for each employee (but with the social security number of each employee redacted), or b) a signed and notarized statement executed by the owner, or another duly authorized representative, of the company affirming that TWO (2) full time and TWO (2) part-time employees are employed by the Recipient for positions permanently located at Business Site.
- 6) Presentation to the Board of the LPDC, during a regularly scheduled Board meeting, regarding all elements of the completed enhancement grant projects.
- 7) In no case will the sum of **\$42,057.86** be made by the LPDC if all the required items listed in Article I are not delivered to and received by LPDC within one (1) year from the date on which this agreement is approved by the La Porte City Council. In the case that all the required items listed in Article I for the Business Site are presented to LPDC on or before said deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days. Upon verification of the completion of all projects previously approved by the LPDC Board to the Business Site, as reflected by formal vote of the LPDC Board of Directors that the Recipient has satisfied the requirements of this paragraph, LPDC will then remit the sum of **\$42,057.86** to the 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 the Recipient's costs in making eligible and approved improvements to the Business Site.

The 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 **\$42,057.86**, nor shall LPDC be obligated to reimburse Recipient for requests delivered to LPDC after the termination of this Agreement.

ARTICLE IV

The Recipient understands that the funds paid to the 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. The 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 the 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 the 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 the Recipient shall refund, any funds that are not spent in accordance with the terms of this Agreement, including 1) LPDC funds spent by the Recipient in contravention of this Agreement and 2) any LPDC funds previously paid to the 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 will expire one (1) year from the date on which the City Council approved the project.

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 the Recipient. The Recipient shall have exclusive control of, and the exclusive right to control the details of the work to be performed by the 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 the Recipient's duties or responsibilities hereunder be considered an officer, agent, servant, or employee of the LPDC.

ARTICLE IX

The 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 the Recipient or in the performance of services performed and to be performed by the Recipient hereunder. The 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 the 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

The 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

The 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 the Recipient 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 the Recipient except as herein provided, and which by the exercise of due diligence LPDC or the 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 the Recipient on the dates indicated below.

LA PORTE DEVELOPMENT CORPORATION

Richard Warren, President

Date

ATTEST

Secretary of the Corporation

Brotamonte Asset 1, LLC

By: *Edwin Brotamonte*

11/30/2015
Date

ATTEST

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>January 11, 2016</u>	<u>Appropriation</u>
Requested By: <u>Scott D. Livingston</u>	Source of Funds:
Department: <u>Economic Development/Tourism</u>	Account Number:
Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted:
	Amount Requested: <u>Up to \$250,000.00</u>
	Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO

Exhibits:

- 1. Project Introduction-Revised by Staff**
- 2. Project Presentation-Revised by Staff**
- 3. New Incentive Guidelines-November 11, 2015**
- 4. Project Math**
- 5. Development Agreement for Fischer's**
- 6. Public Hearing Notice**
- 7. Tax Records**

SUMMARY & RECOMMENDATIONS

The owners of Fischer's Hardware are planning to invest **\$611,559.28** to expand the hardware store on the northwest corner of W. Fairmont Parkway and S. Broadway. This amount does not include any capital to purchase new retail inventory. Fischer is proposing to complete the following projects:

- Remove the existing metal fascia on the entire perimeter of the building,
- Install a new framework and new stucco fascia panels,
- Remove the awning from the southwest side of the building,
- Install kneewall stone fascia,
- Install a black wrought iron fence,
- Add paint and signage to the new structures,
- Remove the block wall between the existing building and Little Jacks to increase square footage by 15,000 square feet
- Add new, interior fixtures & lumber fixtures for expansion,
- Add new, interior signage and fixtures,
- Repaint the pole sign and add new graphic signage.
- Re-seal and re-stripe the parking lot,
- Re-pave the area which is currently covered on the south side of the building, and
- Add new flower beds and landscaping, including a block flower bed at the bottom of the exterior sign pole and add finish to match the building.

Since the ED Board may hold the project principals accountable for completing each of the identified projects and a minimum amount on new taxable business personal property (i.e. retail inventory), "infrastructure", "site improvements", "other related improvements, written bids are neither required nor necessary for this project. The proposed project are as follows:

Original Proposal (August 26, 2015)	Amended Proposal (Jan 11, 2016)
\$761,854 for building renovation/construction	\$450,000 for building renovation/ construction
\$92,873.84 on interior furniture, fixtures, and equipment	\$92,874 on interior furniture, fixtures, and equipment
\$50,000 to resurface and stripe the parking lot	\$30,000 to resurface and stripe the parking lot
\$20,000 on exterior/street signage	\$15,000 on exterior/street signage
\$18,685.44 on interior signage	\$18,685 on interior signage
\$10,000 for new flower beds and landscaping	\$5,000 for new flower beds and landscaping
\$953,412 total improvements	\$611,559 total improvements

Therefore, the **Estimated Total** of expenditure for this proposed project is **\$611,559.28**, excluding any expenses for retail inventory.

Project History

The project principals for Fischer's Hardware were initially planning to spend \$1.4 million, including \$450,000 to purchase inventory, to renovate the hardware store, and the principals had requested an economic development grant in the amount **\$350,000**. During discussion and deliberations on August 26, 2015, the members of the ED Board elected to exclude the value of the retail inventory and offered an incentive grant up to \$250,000 for effectively a \$1 million project. Therefore, on August 26, 2015, the ED Board authorized staff to publish 60-day public notice of a public hearing on November 11, 2015 to consider awarding an economic development grant to owners of Fischer's Do It Best Hardware for an amount not to exceed **\$250,000**.

Prior to November 11, 2015, the project principals elected to revise and decrease the amount of proposed expenditure for proposed project, even though the principals planned, and still plan, to undertake each of the work items shared and discussed in previous presentations. Therefore the ED Board opened the public hearing on 11 November 2015, and then approved a resolution to postpone the public hearing and consideration of the proposed project to the meeting on January 11, 2016 when the revised estimates would be ready for discussion.

-

Background Information

As of January 1, 2015, the real property taxable value of Fischer's Do It Best Hardware (Fischer's) is \$1,408,955, while the

business personal property taxable value is approximately \$160,000. Therefore, the current total taxable value of Fischer's is estimated to be **\$1,568,955**.

As a direct result of this expansion and the associated improvements, the project principals anticipate that their taxable net income may increase by as much as 15-20%. In addition, the project principals are planning to hire 7 to 10 new employees as a result of this expansion. Of these new employees, 4 to 5 will be "full time" and the remaining will be "part-time" employees. 3 to 4 "full time" employees will be categorized as "management".

Other benefits of this proposed project include:

- Redevelopment and beautification of a prime corner in town,
- Opportunity to encourage local business expansion,
- Locally owned business with deep roots in La Porte, and
- Opportunity to encourage the ongoing viability of this business anchor at a prime location in La Porte.

Staff's Recommendation

According to the new incentive guidelines approved by the Board on November 11, 2015, the project may receive a grant commitment of the *lesser* of either (a) a 10 year payback of the business's new tax revenues to the City of La Porte, which is equivalent to **\$120,000**, or (b) up to 25% of the business's total eligible expenditures, which is equivalent to **\$150,000**. According to the ED Board's new incentive guidelines, the maximum amount for which this project may qualify would be **\$120,000**.

Assistant City Attorney Clark Askins and staff drafted a proposed development agreement for a maximum amount of **\$1.5 million**. While staff is prepared to make any revisions to the proposed development agreement that the Board may request (including the incentive amount), the proposed targets/performance markers for the development agreement include:

- Invest at least \$600,000 to complete each of the approved work items,
 - Hire at least 4 new full time employees and 3 new part time employees,
 - Complete all approved work items by February 28, 2017, and
 - Increase sales tax revenue by at least 15% for 3 years.
-

Action Required by the La Porte Development Corporation:

Consider approval or other action authorizing an enhancement grant in an amount not to exceed \$250,000.00, payable to F Hardware, Inc., and associated development agreement, for infrastructure improvements to property located at 1010 S. B Street, with payment to be remitted at the completion of the project - S. Livingston

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

Proposed Project Criteria

Please provide the following information to **Scott D. Livingston** at LivingstonS@laportetx.gov at least three (3) weeks in advance of the planned meeting date with the Board of Directors of the La Porte Development Corporation:

1. Who is Fischers Hardware? What does Fischers Hardware do?

Fischers Hardware is in the business of retail sales providing product and services to La Porte and surrounding areas.

2. What does Fischers Hardware wish to do in La Porte, Texas? Please explain the scope of the proposed project in La Porte, Texas. *Please submit a site plan, elevation rendering(s), pictures, and/or a detailed verbal description of the desired project with this form.*

The owners of Fischer's Do It Best Hardware are proposing to invest more than \$611,559.28 to expand their existing business in La Porte, TX. The owners will use the funds to remodel both the interior and exterior of the building to provide an updated appearance by completing the following projects:

- Remove the existing metal fascia on the entire perimeter of the building,
- Install a new framework and new stucco fascia panels,
- Remove the awning from the southwest side of the building,
- Install kneewall stone fascia,
- Install a black wrought iron fence,
- Add paint and signage to the new structures,
- Remove the block wall between the existing build and Little Jacks to increase square footage by 15,000 square feet,
- Add new, interior fixtures & lumber fixtures for expansion,
- Add new, interior signage and fixtures,
- Repaint the pole sign and add new graphic signage.
- Re-seal and re-strip the parking lot,
- Re-pave the area which is currently covered on the south side of the building, and
- Add new flower beds and landscaping, including a block flower bed at the bottom of the exterior sign pole and add stucco finish to match the building.

3. Where does Fischers Hardware wish to do business in La Porte, Texas?

Fischer's Hardware will operate in its current location.

4. When does Fischers Hardware wish to start and finish the proposed project?

Fischer's Hardware would like to start the project as soon as possible and have the project completed within six months.

5. Why is Fischers Hardware interested in conducting business to La Porte, Texas?

Fischer's Hardware has been serving the community for 35 years and would like to continue with a new look and new products to better serve customers.

6. How would Fischers Hardware like to receive assistance from the La Porte Development Corporation to assist Fischers Hardware in making a firm commitment to complete the proposed project in La Porte, Texas?

Fischer's Hardware would like to receive assistance from the ED Board to complete the proposed project in a minimal amount of time. We would like to request funds to make the transition.

7. What are the estimated 2013 taxable values of the existing property(ies) of the proposed location in La Porte, Texas?

The current, total taxable value of Fischers Hardware is 1.4 million.

8. What is the estimated taxable value to be added in La Porte as a result of completing the proposed project in La Porte? This would include the following:

The owners are planning to invest \$1.4 million, which is equal to 90% of the current, taxable value of the property, to renovate and expand the existing building, purchase new taxable retail inventory, purchase new interior furniture, fixtures, and equipment, purchase new interior and exterior signage, re-pave and re-stripe the parking lot, and add additional landscaping.

9. How many *existing* employees (both full time and part time) will be re-located to La Porte or retained in La Porte as a result of the proposed project?

All existing employees will remain as a result of the proposed project.

10. How many *new* employees (both full time and part time) will be hired as a result of the proposed project?

Fischer's Hardware plans to add 7 to 10 new employees as a result of the proposed project. Of these new employees, 4 to 5 will be "full time" and the remaining will be "part-time" employees. 3 to 4 of the "full time" employees will be categorized as "management".

11. How many paid and/or intern positions are the company willing to reserve for students of La Porte High School?

Fischer's Hardware has used Cooperative Education in the past with positive results and will continue to use this program. We estimate 3 to 5 positions will be available.

12. Generally identify the benefits, if any, that all full time employees will receive (i.e. 401k, dental, medical, vision, stock options, profit-sharing, etc.).

Fischers Hardware offers optional medical, dental, vision, and Accidental Death and Dismemberment, as well as life insurance to all full time employees.

13. Categorize the employees (both full time and part time; both relocated and new hires) by job title/type of work and wage/salary level.

All of Fischers Hardware employees are categorized as sales with the exception of office clerical personnel. Sales positions include customer service, stocking, and cashier.

14. What is the “but for” that requires assistance from the La Porte Development Corporation? In other words, without the assistance of the La Porte Development Corporation, why might not Fischers Hardware be able to complete the proposed project in La Porte, Texas?

Without the assistance of the La Porte Development Corporation, Fischer’s Hardware is unable to complete the proposed project.

15. What form(s) and amount(s) of incentives does Fischers Hardware wish to request from the La Porte Development Corporation to be able to complete the proposed project in La Porte, Texas?

Fischer’s Hardware would like to receive the full amount of incentive funds allowable to complete the proposed project. Fischer’s Hardware is requesting the sum of \$250,000. The board’s decision and grant award will determine whether or not they will spend the full amount or reduce the scope of the proposed project.

Fischer's Do It Best Hardware

**1012 South Broadway
La Porte, TX 77571**

www.fischershardware.doitbest.com

BEFORE













Proposed Work to be Completed

- Remove the existing metal fascia on the entire perimeter of the building,
- Install a new framework and new stucco fascia panels,
- Remove the awning from the southwest side of the building,
- Install kneewall stone fascia,
- Install a black wrought iron fence,
- Add paint and signage to the new structures,
- Remove the block wall between the existing build and Little Jacks to increase square footage by 15,000 square feet,

Proposed Work to be Completed

- Add new, interior fixtures & lumber fixtures for expansion,
- Add new, interior signage and fixtures,
- Repaint the pole sign and add new graphic signage.
- Re-seal and re-stripe the parking lot,
- Re-pave the area which is currently covered on the south side of the building, and
- Add new flower beds and landscaping, including a block flower bed at the bottom of the exterior sign pole and add stucco finish to match the building.

Estimated Expenses

Since the ED Board may hold the project principals accountable for completing each of the identified projects and spending a minimum amount on new taxable business personal property (i.e. retail inventory), “infrastructure”, “site improvements”, and “other related improvements, written bids are neither required nor necessary for this project. Proposed project expenses are:

- **\$450,000.00** for building renovation/construction,
- **\$ 92,873.84** on interior furniture, fixtures, and equipment,
- **\$ 30,000.00** to resurface and stripe the parking lot,

Estimated Expenses

- **\$ 15,000.00** on exterior/street signage,
- **\$ 18,685.44** on interior signage, and
- **\$ 5,000.00** for new flower beds and landscaping.

Estimated total is \$611,559.28, excluding any expenses for retail inventory.

AFTER



Project Request

In order to support the proposed project, the project principals request the ED Board consider awarding an economic development grant in the amount not to exceed **\$250,000**.

Contact Information:

Michael Breaux

Owner

Fischer's Do It Best Hardware

1012 S. Broadway

La Porte, Texas 77571

(281) 470-0171

fischershardware@gmail.com

Rod Rothermel

Owner

Fischer's Do It Best Hardware

1012 S. Broadway

La Porte, Texas 77571

(281) 470-0171

fischershardware@gmail.com

Frank Herrera

General Manager

Fischer's Do It Best Hardware

1012 S. Broadway

La Porte, Texas 77571

(281) 470-0171

frkherrera@yahoo.com

Incentive Guidelines for New and Expanding Businesses
City of La Porte
11 November 2015

1. Incentives for new or expanding businesses should be limited to the *lesser* of:
 - (a) A maximum 10 year payback of the business's new/additional tax revenues to the City of La Porte, or
 - (b) Up to 25% of the business's total expenditures for "infrastructure", "site improvements", and "other related improvements";
2. Businesses that create new "primary jobs" will receive additional value, which will be calculated as an "Adjusted Payback";
3. "Primary Job Training" is an eligible expense toward a business's 25% total expenditure;
4. The maximum contribution of the Board to projects in the La Porte Enhancement Grant Program is \$50,000; and
5. Projects that do not meet these parameters will be considered on a case-by-case basis.

Contextual Information for Economic Development Grant Awards

All projects that apply for an economic development grant must meet the following criteria:

- (1) Only the minimum amount of financial assistance required to bring the project to fruition will be considered.
- (2) A strict, narrow focus will be maintained for using funds on "infrastructure", "site improvements", "related improvements", and "primary job training".
- (3) The incremental tax revenues, including both property and sales tax revenues, to be generated by each project, which may be verified in the quarterly and annual STARS Reports, will be included in the model.
- (4) The value of number of new jobs associated with each project will be assigned a value and included in the model as follows:
 - a. A value of **0.15** per job will be assigned for higher paying, white collar, engineering, engineering design, or executive "**primary jobs**".
 - b. A value of **0.125** per job will be assigned to highly skilled positions for a process technician and/or advanced manufacturing "**primary jobs**".
 - c. A value of **0.10** per job will be assigned to skilled "**primary jobs**".
 - d. A value of **0.075** per job will be assigned to unskilled "**primary jobs**", and
 - e. A value of **0** per job will be assigned to "**non-primary jobs**".
- (5) Projects which have already made a commitment to establish a new business in La Porte will not be considered for an incentive grant.
- (6) Projects which have already started construction or other renovation work will not be considered for an incentive grant.
- (7) The ED Board and/or City Council will retain discretion to award any lesser or greater amount to any given project.

Project Math

This mathematical analysis is based upon the **New Incentive Guidelines for New and Expanding Businesses**, which the ED Board approved on 11 November, 2015. In short, the new guidelines applicable to this project state that:

1. Incentives for new or expanding businesses should be limited to the *lesser* of:
 - (a) A maximum 10 year payback of the business's new/additional tax revenues to the City of La Porte, or
 - (b) Up to 25% of the business's total expenditures for "infrastructure", "site improvements", and "other related improvements";
2. Businesses that create new "primary jobs" will receive additional value, which will be calculated as an "Adjusted Payback";

Known Facts:

- Total capital expenditure, excluding inventory of approximately **\$600,000**.
- Sales tax revenues are expected to increase by **15-20%**, per the Project Introduction.
- Annual sales tax revenues for the last twelve months ending with the 2nd Quarter of 2015, as provided by the STARS report. (Note: In accordance with State Law, this information is confidential.)
- Anticipated new employment of 4 full time managerial positions and 3 part time positions. (Note: For the purpose of this analysis, the full time, primary job positions were given a value of **0.1**, while the part time, non-primary job positions were assigned a value of **0**).

Analysis:

For this project, an incentive grant award may be limited to a maximum 10 year payback of the business's new/additional tax revenues to the City of La Porte, since this amount is less than 25% of the business's total expenditures. Therefore, assuming that (a) 100% of the value of the \$600,000 capital expenditure will be added to the city's tax rolls, and (b) the retailer will increase its annual retail sales tax revenue by 20% each year, the 10 year payback is as:

$$\begin{aligned} \$120,000 &= ((\$600,000/100) \times (0.71) \times (10 \text{ years})) \\ &+ ((20\% \text{ new sales tax revenue}) \times (10 \text{ years})) \\ &+ \text{a value for 4 full time, managerial/primary jobs} \end{aligned}$$

	<u>Added Taxable Value</u>	<u>10 Year PILOT or Tax Revenue</u>	<u># of Full Time Jobs</u>	<u># of Part Time Jobs</u>	<u>Grant Award</u>	<u>Raw Payback Period (Years)</u>	<u>Adj. Payback Period for # of FT Jobs (Years)</u>
Fischer's Hardware	\$600,000	\$116,600	4	3	\$200,000	17.15	16.75
Fischer's Hardware	\$600,000	\$116,600	4	3	\$150,000	12.86	12.46
Fischer's Hardware	\$600,000	\$116,600	4	3	\$120,000	10.29	9.89

For **\$200,000**, the payback period is 17.15 years, and the adjusted payback period is 16.75 years.

For **\$150,000**, the payback period is 12.86 years, and the adjusted payback period is 12.46 years.

For **\$120,000**, the payback period is **10.29 years**, and the adjusted payback period is **9.89 years**.

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE LA PORTE DEVELOPMENT CORPORATION, AND FISCHER'S HARDWARE, INC., A TEXAS CORPORATION, FOR USE OF TYPE B DEVELOPMENT CORPORATION SALES TAX FUNDS

THIS AGREEMENT made by and entered into this ____ day of _____, 2016 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 Fischer's Hardware, Inc., a Texas Corporation, hereinafter referred to as "Recipient".

WITNESSETH:

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

WHEREAS, Recipient is a Texas based retail hardware outlet with stores located in Baytown, Texas, Pasadena, Texas, and La Porte, Texas; and

WHEREAS, Recipient wishes to renovate the exterior and interior of its existing hardware store known as "Fischer's Do It Best Hardware" and located at 1010 S. Broadway St., La Porte, Texas, and make associated site improvements, and which would 1) result in the expenditure by Recipient of an estimated \$600,000.00 in capital improvements; 2) employ an additional four (4) full time and three (3) part-time personnel; and 3) increase annual retail sales tax revenues attributable to the 1010 S. Broadway store site by 20%.

WHEREAS, Recipient has requested that LPDC provide financial incentives to Recipient to contribute towards the cost of renovation of the property at 1010 S. Broadway St., under a qualifying project of the LPDC for infrastructure, site and related improvements, as authorized by Texas Local Government Code Chapters 501 and 505, and it is the desire of LPDC to assist in the funding of same, finding that such expenditures will promote or develop new or expanded business enterprises.

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

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

ARTICLE I

In consideration of Recipient renovating the existing structure at 1010 S. Broadway St., and continuing to operating a "Fischer's Hardware" store at the 1010 S. Broadway St site ("Store" 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 November 11, 2015, LPDC agrees to provide Recipient an incentive package consisting of cash payments in a total sum not to exceed \$120,000.00, to be distributed in five separate payments of \$50,000.00, \$10,000.00, \$20,000.00, \$20,000.00, and \$20,000.00, with each distribution conditioned upon the attainment of certain performance thresholds, more specifically outlined as follows:

1) A cash incentive payment in an amount equal to \$50,000.00 will be distributed to Recipient by LPDC, upon receipt by LPDC of a) proof of all Final Inspection Reports issued by the City of La Porte, Texas to Recipient for completion of the renovated Store and b) proof of a minimum capital investment in the amount of \$600,000.00 applied towards renovation of the Store and related infrastructure and site work. The renovation to the Store and related infrastructure for which the required capital investment is made, must, at a minimum, include the following scope of work:

- a) Removal of existing metal fascia on the entire perimeter of the building
- b) Installation of new framework and new stucco fascia panels
- c) Removal of awning from the southwest side of the building
- d) Installation of knee-wall stone fascia
- e) Installation of black wrought iron fence
- f) Addition of paint and signage to the new structures
- g) Removal of the block wall between the existing build and Little Jacks to increase square footage of hardware store by 15,000 square feet
- h) Addition of new interior fixtures and lumber fixtures for expansion
- i) Addition of new interior signage and fixtures
- j) Repainting of the pole sign and addition of new graphic signage
- k) Resealing and restriping the parking lot
- l) Repaving of area which is currently covered on the south side of the building
- m) Addition of new flower beds and landscaping, including a block flower bed at the bottom of the exterior sign pole and add stucco finish to match the building

A. In no case will the \$50,000.00 payment be made by LPDC if a copy of all Final Inspection Reports , and documentation substantiating the expenditure of no less than \$600,000.00 applied towards capital improvements to complete all the items listed in Article I, is not delivered to and received by LPDC by February 28, 2017. In the case that proof of all Final Inspection Reports and a minimum capital investment of \$600,000.00 for the Store is presented to LPDC on or before said February 28, 2017 deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days after receipt of proof of all Final Inspection Reports and minimum capital investment of \$600,000.00 by LPDC from Recipient. Upon verification of the completion of all items listed in

Article I to renovate the Store, 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 \$50,000.00 to Recipient within a period not to exceed thirty (30) days.

B. Notwithstanding the foregoing requirements, Recipient will be entitled to receive a pro-rata portion of the \$50,000.00 incentive payment in the event that it should, by the February 28, 2017 deadline, provide a copy of all Final Inspection Reports, and provide documentation evidencing that Recipient made a capital investment to complete all items listed in Article I towards renovation of the Store and related infrastructure and site work, but in an amount less than \$600,000.00. However, in this case Recipient shall be entitled to payment of a pro rata share of the \$50,000.00 incentive grant only in the instance that Recipient provides a copy of all Final Inspection Reports , and evidence of capital investment in renovation and related infrastructure and site work, in an amount no less than \$550,000.00. Where Recipient fails to provide documentation evidencing capital investment in renovation and related infrastructure and site work in an amount of at least \$550,000.00, it shall be disqualified from receiving any portion of the \$50,000.00 incentive payment.

In the case that Recipient provides a copy of all Final Inspection Reports, as well as documentation evidencing capital investment to complete all items listed in Article I in renovation and related infrastructure and site work in an amount of at least \$550,000.00, but less than \$600,000.00, to LPDC on or before said February 28, 2017 deadline, the LPDC shall convene a meeting of the LPDC Board of Directors for a date no later than forty-five (45) days after receipt of proof of the total taxable retail sales from Recipient. Upon verification of Recipient's submission of a copy of all necessary Final Inspection Reports, as well as documentation evidencing capital investment in renovation and related infrastructure and site work for all the items listed in Article I in an amount of at least \$550,000.00, but less than \$600,000.00, for qualification of pro rata payment, as reflected by formal vote of the LPDC Board of Directors that Recipient has satisfied the requirements of this paragraph, LPDC will then remit a pro rata share of the \$50,000.00 amount as applicable, to Recipient within a period not to exceed thirty (30) days. For purposes of clarification only, the following two examples shall serve to illustrate the application of this paragraph:

Example 1: If Recipient provides evidence of total capital expenditure for the Store in the amount of \$545,000.00 by the February 28, 2017 deadline, the incentive payment under this agreement would be \$0.

Example 2: If Recipient provides evidence of total capital expenditure for the Store in the amount of \$575,000.00 by the February 28, 2017 deadline, the incentive payment under this agreement would be calculated at $\$575,000/\$600,000$, or 96% of the \$50,000.00 incentive payment, for a total payment of \$48,000.00.

- 2) A cash incentive payment in an amount equal to \$10,000.00 will be distributed to Recipient by LPDC, upon submission to LPDC of an employment roster evidencing that Recipient employs an additional four (4) full time and three (3) part-time individuals as employees at the Store, above the ten (10) full time and six (6) part-

time individuals employed at the La Porte store as of October 15, 2015, no later than February 28, 2017. Proof of employment, for purposes of this agreement, shall require Recipient to produce a) copies of Recipient's 941 Report to the Internal Revenue Service and C3 Report to the Texas Workforce Commission for each employee (but with social security numbers of each employee redacted) and b) a notarized statement executed by Recipient's Board of Directors affirming that an additional four (4) full time and three (3) part-time employees are employed by Recipient for positions permanently located at the 1010 S. Broadway St. site. However, where Recipient fails to make capital investment towards renovation and related infrastructure and site work at the Store in completion of all the items listed in Article I in an amount of at least \$550,000.00 by the said February 28, 2017 deadline for submission of an employment roster, then Recipient shall be disqualified from receiving any portion of the \$10,000.00 payment; in no case will Recipient be entitled to a pro rata portion of the \$10,000.00 incentive.

3) A cash incentive payment in an amount equal to \$60,000.00 will be distributed to Recipient by LPDC, in three annual installments of \$20,000.00 each, based on the following criteria:

A. Beginning with the date that the Recipient is issued the last, required Final Inspection Report from the City of La Porte certifying completion of all of the work items associated with the proposed project covered by this Agreement, if during the 12 month period following the date of issuance of the said last, required Final Inspection Report (Year 1 of operation) the Recipient generates sales tax revenue from the La Porte store that meets or exceeds by 20% the amount of sales tax revenue generated from the beginning of the 3rd Quarter of 2014 through and including the 2nd Quarter of 2015 ("Baseline Sales Tax Revenue Amount " herein) as reflected in the Sales Tax Analysis and Reporting Service (STARS Report), Recipient shall be entitled to a \$20,000.00 installment payment at the end of Year 1 of operation.

B. If during the 12 month period following Year 1 of operation (Year 2 of operation) Recipient generates sales tax revenue from the La Porte store that meets or exceeds by 20% the Baseline Sales Tax Revenue Amount as reflected in the Sales Tax Analysis and Reporting Service (STARS Report), Recipient shall be entitled to a \$20,000.00 installment payment at the end of Year 2 of operation.

C. If during the 12 month period following Year 2 of operation (Year 3 of operation) Recipient generates sales tax revenue from the La Porte store that meets or exceeds by 20% the Baseline Sales Tax Revenue Amount as reflected in the Sales Tax Analysis and Reporting Service (STARS Report), Recipient shall be entitled to a \$20,000.00 installment payment at the end of Year 3 of operation.

D. Notwithstanding the foregoing, if in any Year of Operation, as that term is defined in this Section, Recipient generates sales tax revenue that does not meet or exceed the Baseline Sales Tax Revenue Amount by 20%, but does meet or exceed the Baseline Sales Tax Revenue Amount by at least 15%, then in that case Recipient

shall be entitled to a pro rata share of the \$20,000.00 installment payment made at the end of the applicable Year of Operation. However, in the case that Recipient fails to meet or exceed the Baseline Sales Tax Revenue Amount by at least 15% in a given Year of Operation, then Recipient shall be entitled to no portion of the \$20,000.00 installment, for that Year of Operation.

If after the conclusion of a Year of Operation, but no later than 90 days after the conclusion of the Year of Operation, the Recipient submits proof that it met or exceeded by 20% the Baseline Sales Tax Revenue Amount as reflected in the Sales Tax Analysis and Reporting Service (STARS Report), 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 such sales tax revenue data. Upon verification of same, 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 \$20,000.00 to Recipient within a period not to exceed thirty (30) days.

If after the conclusion of a Year of Operation, but no later than 90 days after the conclusion of the Year of Operation, the Recipient submits proof that it met or exceeded the Baseline Sales Tax Revenue Amount as reflected in the Sales Tax Analysis and Reporting Service (STARS Report) by at least 15% but less than 20%, then in that event 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 such sales tax revenue data. Upon verification of same, for qualification of pro rata payment, as reflected by formal vote of the LPDC Board of Directors that Recipient has satisfied the requirements of this paragraph, LPDC will then remit a pro rata share of the \$20,000.00 amount as applicable, to Recipient within a period not to exceed thirty (30) days. For purposes of clarification only, the following two examples shall serve to illustrate the application of this paragraph:

Example 1: If Recipient provides evidence of total sales tax revenue for a Year of Operation that exceeds the Baseline Sales Tax Revenue Amount by 7%, the incentive payment under this agreement would be \$0.

Example 2: If Recipient provides evidence of total sales tax revenue for a Year of Operation that exceeds the Baseline Sales Tax Revenue Amount by 17%, the incentive payment under this agreement would be calculated at 17/20, or 83% of the \$20,000.00 incentive payment, for a total payment of \$17,000.00.

ARTICLE II

All funds received as herein provided shall be solely for the purpose of contributing towards Recipient's costs in the renovation of the exterior and interior of the existing hardware store known as "Fischer's Hardware", located at 1010 S. Broadway St., La Porte, Texas and for the making of associated site and infrastructure improvements, to operate hardware store. 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 \$120,000.00, 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 February 28, 2017.

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 CORPORATION

Richard Warren, President

Date

ATTEST

Secretary of the Corporation
FISCHER'S HARDWARE, INC.

By:

Date

ATTEST

LEGAL/PUBLIC NOTICES

To Place Legal and Public Notices:
Email editor@bayareaobserver.com or Call 281-907-3140

PUBLIC NOTICE

You are hereby notified that the building(s)/structure(s) located at the below-referenced address(s) remain unfit for human use or habitation or is obsolete, dilapidated, or substandard, and is in violation of the City of La Porte Code of Ordinances # 82-476.

On August 24, 2015 the City of La Porte City Council convened at a Public Hearing and issued Condemnation Ordinances for the below listed properties:

- 204 N. Forrest Ave. TWO STRUCTURES ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #035-208-005-0018
Legal Description: Blk. 5; Lot 8; Sylvan Beach First Subdivision
Improvements: \$ 31,942.00
Taxes Owed: \$ 0
- 514 N. 5th St ONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #023-216-004-0009
Legal Description: Blk. 104; Lots 9 & 10; La Porte – Harris County
Improvements: \$ 39,495.00
Taxes Owed: \$ 0
- 626 N. 1st St. ONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #024-037-027-0003
Legal Description: Blk. 327; Lots 3-4; Town of La Porte- Harris County
Improvements: \$ 17,803.00
Taxes Owed: \$ 0
- 330 S. 5th St. sONE STRUCTURE ON SITE**
(Single Family Dwelling in an R-1, Low-Density Residential Zone)
HCAD: #023-162-018-0017
Legal Description: Blk. 18; Lots 17, 18, & 19; La Porte
Improvements: \$ 13,614.00
Taxes Owed: \$ 0

A complete copy of the above-listed orders may be obtained at the City Secretary's Office, City of La Porte, 604 W. Fairmont Parkway, La Porte, TX 77571

CITY OF LA PORTE
Patrice Fogarty, City Secretary

In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodation for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meetings. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of La Porte will hold a Public Hearing on the 14th day of September 2015, in the Council Chambers of the City Hall, 604 West Fairmont Parkway, La Porte, Texas, beginning at 6:00 P.M. The purpose of this hearing is to provide citizens the opportunity to comment on the overall budget.

This budget will raise more total property taxes than last year's budget by \$1,209,600.00, or 7.08%; and of that amount, \$167,401.27 is tax revenue to be raised from new property added to the tax roll this year.

The City of La Porte must, by Charter requirement, adopt its fiscal budget by September 30, 2015. Copies of the adopted budget will be available for public inspection and copying at the office of the City Secretary, City Hall, 604 West Fairmont Parkway, La Porte, Texas, and the La Porte Community Library, 600 South Broadway, La Porte, Texas, during normal business hours. Copies will also be made available on the City's website.

CITY OF LA PORTE
Patrice Fogarty, TRMC, MMC
City Secretary

NOTICE OF PUBLIC HEARING

LA PORTE DEVELOPMENT CORPORATION BOARD (TYPE B BOARD)

Notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas will conduct a public hearing at **5:00 p.m.** on the **11th day of November, 2015**, in the Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas. The purpose of the public hearing is to receive public input on a proposed project by the La Porte Development Corporation in an amount not to exceed \$400,000.00, to promote and develop a new and expanded business enterprise, through site improvements and other related improvements for infrastructure at the former Texas Parks & Wildlife building located at 102 E. Main Street and 105 San Jacinto Street, La Porte, TX 77571.

Persons wishing to address the Board pro or con shall be required to sign in before the meeting is convened.

CITY OF LA PORTE
Patrice Fogarty, TRMC
City Secretary

A quorum of City Council members may be present and participate in discussions during this meeting, however, no action will be taken by Council.

This facility has disability accommodations available. Requests for accommodations or interpretive services at meetings should be made 48 hours prior to the meeting. Please contact the City Secretary's office at (281) 471-5020 or TDD Line (281) 471-5030 for further information.

NOTICE OF PUBLIC HEARING

LA PORTE DEVELOPMENT CORPORATION BOARD (TYPE B BOARD)

Notice is hereby given that the La Porte Development Corporation Board (Type B Board) of the City of La Porte, Texas will conduct a public hearing at **5:00 p.m.** on the **11th day of November, 2015**, in the Council Chambers at City Hall, 604 West Fairmont Parkway, La Porte, Texas. The purpose of the public hearing is to receive public input on a proposed project by the La Porte Development Corporation in an amount not to exceed \$250,000.00, to promote and develop an expanded business enterprise, through site improvements and other related improvements for infrastructure at property located at 1010 S. Broadway Street, La Porte, TX 77571.

Persons wishing to address the Board pro or con shall be required to sign in before the meeting is convened.

CITY OF LA PORTE
Patrice Fogarty, TRMC
City Secretary

A quorum of City Council members may be present and participate in discussions during this meeting, however, no action will be taken by Council.

This facility has disability accommodations available. Requests for accommodations or interpretive services at meetings should be made 48 hours prior to the meeting. Please contact the City Secretary's office at (281) 471-5020 or TDD Line (281) 471-5030 for further information.

2015 Property Tax Rates in City of Morgan's Point

This notice concerns the 2015 property tax rates for City of Morgan's Point. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$1,396,366
Last year's debt taxes	\$150,044
Last year's total taxes	\$1,546,410
Last year's tax base	\$188,788,958
Last year's total tax rate	\$0.819121/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$1,546,335
--	-------------

÷ This year's adjusted tax base (after subtracting value of new property)	\$180,311,019
--	---------------

= This year's effective tax rate \$0.857593/\$100
(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$1,396,289
÷ This year's adjusted tax base	\$180,311,019
= This year's effective operating rate	\$0.774378/\$100
x 1.08 =this year's maximum operating rate	\$0.836328/\$100
+ This year's debt rate	\$0.182076/\$100
= This year's total rollback rate	\$1.018404/\$100

Statement of Increase/Decrease

If City of Morgan's Point adopts a 2015 tax rate equal to the effective tax rate of \$0.857593 per \$100 of value, taxes would increase compared to 2014 taxes by \$6,582.

Schedule A - Unencumbered Fund Balance

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
General Fund	1,307,320
Debit Service Fund	154,108

Schedule B - 2015 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2015 Certificate of Obligation	85,000	158,467	750	244,217
2012 Certificate of Obligation	31,336	16,164	0	47,500
2010 Certificate of Obligation	22,347	15,653	0	38,000
Total required for 2015 debt service				\$329,717
- Amount (if any) paid from Schedule A				\$0
- Amount (if any) paid from other resources				\$0
- Excess collections last year				\$0
= Total to be paid from taxes in 2015				\$329,717
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2015				\$0
= Total debt levy				\$329,717

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 604 West Fairmont Parkway, La Porte, Texas 77571.

Name of person preparing this notice: Katherine R Powell
Title: Revenue Manager
Date Prepared: 08/27/2015

**WILDLIFE
CENTER
OF TEXAS**

7007 Katy Rd. • Houston, TX 77024
713-861-9453
wildlifecenteroftexas.org




Account Number
Address
Owner Name

13-Digit Number
search

HOME ABOUT RECORD SEARCH FORMS MAPS RESOURCES VIDEOS HELP EN ESPAÑOL

Tax Year: <input style="width: 50px;" type="text" value="2015"/>	HARRIS COUNTY APPRAISAL DISTRICT REAL PROPERTY ACCOUNT INFORMATION 0232560800001	<input type="button" value="Print"/> <input type="button" value="E-mail"/>
--	---	--

Ownership History | Fiduciary Information

Owner and Property Information

Owner Name & Mailing Address: ROTHERMEL ROD A 2601 S BROADWAY ST APT 32 LA PORTE TX 77571-6563	Legal Description: LTS 5 THRU 28 BLK 180 & ALLEY LA PORTE Property Address: 1010 S BROADWAY ST LA PORTE TX 77571
---	---

State Class Code		Land Use Code		Building Class		Total Units
F1 -- Real, Commercial		8000 -- Land Neighborhood General Assignment		E		0
Land Area	Total Living Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
79,802 SF	26,988	0	9700	5008 -- Inner Southeast	6253B	580F

Value Status Information

Capped Account	Value Status	Notice Date	Shared CAD
No	Noticed	04/03/2015	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	ARB Status	2014 Rate	2015 Rate	Online Tax Bill
None	020	LA PORTE ISD	Not Certified	1.450000		
	040	HARRIS COUNTY	Not Certified	0.417310		
	041	HARRIS CO FLOOD CNTRL	Not Certified	0.027360		
	042	PORT OF HOUSTON AUTHY	Not Certified	0.015310		
	043	HARRIS CO HOSP DIST	Not Certified	0.170000		
	044	HARRIS CO EDUC DEPT	Not Certified	0.005999		
	047	SAN JACINTO COM COL D	Not Certified	0.185602		
	071	CITY OF LAPORTE	Not Certified	0.710000		

Valuations

Value as of January 1, 2014				Value as of January 1, 2015			
	Market	Appraised		Market	Appraised		
Land	478,812		Land	478,812			
Improvement	920,303		Improvement	930,143			
Total	1,399,115	1,399,115	Total	1,408,955	1,408,955		

5-Year Value History

Land

Market Value Land

Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R	Appr O/R Reason	Total Adj	Unit Price	Adj Unit	Value
------	-------------	-----------	-----------	-------	-------------	-------------	----------	-----------------	-----------	------------	----------	-------




Account Number Address Owner Name ?
 13-Digit Number search

[HOME](#) [ABOUT](#) [RECORD SEARCH](#) [FORMS](#) [MAPS](#) [RESOURCES](#) [VIDEOS](#) [HELP](#) [EN ESPAÑOL](#)

Tax Year: HARRIS COUNTY APPRAISAL DISTRICT
PERSONAL PROPERTY ACCOUNT INFORMATION
0592295 [Print](#) [E-mail](#)

Fiduciary Information

Owner and Property Information

Owner Name & Mailing Address:	FISCHERS HARDWARE INC 1012 S BROADWAY ST LA PORTE TX 77571-5328	Property Address:	1012 S BROADWAY ST LA PORTE TX 77571
		Description:	Computers Furniture and Fixtures Inventory Machinery and Other Equipment Supplies

State Class Code	Property Type	
L1 -- Tangible, Commercial	A -- Business Personal Property	
SIC Code	Square Ft	Key Map®
5251 -- HARDWARE STORES	14,100	580G

Value Status Information

Value Status	Notice Date
Noticed	7/24/2015

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	ARB Status	2014 Rate	2015 Rate	Online Tax Bill
None	020	LA PORTE ISD	Not Certified	1.45000		
	040	HARRIS COUNTY	Not Certified	0.41731		
	041	HARRIS CO FLOOD CNTRL	Not Certified	0.02736		
	042	PORT OF HOUSTON AUTHY	Not Certified	0.01531		
	043	HARRIS CO HOSP DIST	Not Certified	0.17000		
	044	HARRIS CO EDUC DEPT	Not Certified	0.00600		
	047	SAN JACINTO COM COL D	Not Certified	0.18560		
	071	CITY OF LAPORTE	Not Certified	0.71000		

Valuations

	2014 Value	2015 Value
Total Appraised	149,491	138,946

Value Detail

Category	2014 Value	2015 Value
Aircraft	0	0
Vessels	0	0
Inventory	117,458	102,811
Supplies	500	300
Raw Materials	0	0
Work In Progress	0	0
Furniture and Fixtures	5,380	5,068
Machinery and Other Equipment	21,722	23,265
Computers	4,431	7,502




Account Number Address Owner Name ?

13-Digit Number

HOME ABOUT RECORD SEARCH FORMS MAPS RESOURCES VIDEOS HELP EN ESPAÑOL

Tax Year: <input style="width: 50px;" type="text" value="2015"/>	HARRIS COUNTY APPRAISAL DISTRICT PERSONAL PROPERTY ACCOUNT INFORMATION 0484171	Print E-mail
--	---	----------------------------

Fiduciary Information

Owner and Property Information

Owner Name & Mailing Address: FISCHERS HARDWARE 1012 S BROADWAY ST LA PORTE TX 77571-5328	Property Address: 1012 S BROADWAY ST LA PORTE TX 77571 Description: Vehicles
--	---

State Class Code	Property Type	
L1 -- Tangible, Commercial	T -- Vehicles	
SIC Code	Square Ft	Key Map®
0002 -- VEHICLE(S) ONLY	0	540Y

Value Status Information

Value Status

All Values Pending

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	ARB Status	2014 Rate	2015 Rate	Online Tax Bill
None	020	LA PORTE ISD	Temporarily Unavailable	1.45000		
	040	HARRIS COUNTY	Temporarily Unavailable	0.41731		
	041	HARRIS CO FLOOD CNTRL	Temporarily Unavailable	0.02736		
	042	PORT OF HOUSTON AUTHY	Temporarily Unavailable	0.01531		
	043	HARRIS CO HOSP DIST	Temporarily Unavailable	0.17000		
	044	HARRIS CO EDUC DEPT	Temporarily Unavailable	0.00600		
	047	SAN JACINTO COM COL D	Temporarily Unavailable	0.18560		
	071	CITY OF LAPORTE	Temporarily Unavailable	0.71000		

Valuations

	2014 Value	2015 Value
Total Appraised	27,788	Pending

Value Detail

Category	2014 Value	2015 Value
Aircraft	0	Pending
Vessels	0	Pending
Inventory	0	Pending
Supplies	0	Pending
Raw Materials	0	Pending
Work In Progress	0	Pending
Furniture and Fixtures	0	Pending
Machinery and Other Equipment	0	Pending
Computers	0	Pending
Leasehold Improvements	0	Pending
Vehicles	27,788	Pending

REQUEST FOR LA PORTE DEVELOPMENT CORPORATION AGENDA ITEM

Agenda Date Requested: <u>January 11, 2016</u> Requested By: <u>Scott D. Livingston</u> Department: <u>Economic Development/Tourism</u> Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	<p style="text-align: center;"><u>Appropriation</u></p> Source of Funds: Account Number: Amount Budgeted: Amount Requested: Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO
--	---

Exhibits:

- 1. LPDC's amended By-Laws-February 9, 2015**
- 2. City Council's Approval of LPDC Amended By-Laws**
- 3. Purchasing Policy Manual**

SUMMARY & RECOMMENDATIONS

ED Board member Randy Woodard has proposed that the ED Board may wish to consider petitioning the La Porte City Council to amend the corporation's by-laws. The latest version of the corporation's by-laws, which were revised in Feb. 2015 and approved by the City Council in March 2015 are enclosed.

As the ED Board considers petitioning the City Council to increase its limit for authorized expenditures, please consider that the figure of **\$50,000** is significant for several reasons:

1. The ED Board's sales tax revenue for its full first year in 1999-2000 was **\$755,735.75**. Our projected revenues this year, according to the latest financial report, are expected to be **\$2,434,375**, which is **3.22** times greater than **\$755,735.75**. 3.22 times \$15,000 is **\$48,300**.

1. In order to shorten and simplify the approval process for enhancement grant projects, the ED Board may wish to consider petitioning the City Council to increase its authorized limit for all qualifying projects of the revised LPEGP from \$25,000 to **\$50,000**. Note: On 11 November 2015 the ED Board voted to increase the Board's contribution for each qualifying project in the La Porte Enhancement Grant Program (LPEGP) from \$25,000 to **\$50,000**. Currently, enhancement grant projects up to \$25,000 may be approved by the ED Board without additional approval of the City Council. However, all enhancement grant projects for sums greater than \$25,000 must also be approved by the City Council.

1. The City's Purchasing Policy authorizes every department of the City to spend up to \$49,999.99, per the conditions and requirements outlined in the same policy, toward budgeted expenses without additional City Council approval. All expenses of \$50,000 or more require additional City Council approval. While the ED Board has voluntarily elected to follow many sections of the City's Purchasing Policy, it is not required to do so by state law.

Therefore, if the ED Board were to consider amending the corporation's current bylaws to increase its authorized

limit of expenditures, staff recommends the following changes:

5.04 The Board of Directors shall obtain prior City Council approval of all real estate acquisitions, real estate leases exceeding one year and/or any other leases exceeding one year; all bond issues or other debt extending beyond one year; and, contracts, expenditures, or debts **of \$50,000.00 or more** . The Board of Directors shall have the authority to enter into all other budgeted transactions without prior or additional City Council approval. Notwithstanding the foregoing, the Board of Directors shall have the authority to approve all budgeted Enhancement Grant expenditures for an amount equal to or less than **\$50,000.00** , without additional approval of City Council. Amendments to the Corporation’s budget must be approved by the City Council.

Please note that all amendments to the corporation’s by-laws that the ED Board votes to approve must also be approved by the City Council.

Action Required by the La Porte Development Corporation:

Consider approval or other action to adopt amendments to the By-Laws of the La Porte Development Corporation and forward proposed amendments to the corporation's by-laws to the City Council for consideration - S. Livingston

Approved for the La Porte Development Corporation Agenda

Corby D. Alexander, City Manager

Date

**BYLAWS
OF THE
CITY OF LA PORTE
DEVELOPMENT CORPORATION**

These bylaws govern the affairs of the CITY OF LA PORTE DEVELOPMENT CORPORATION (the "Corporation") a nonprofit corporation organized under Article 5190.6, Section 4B, Vernon's Annotated Texas Civil Statutes, as amended (the 'Act').

ARTICLE I

PURPOSES

General Purposes

1.01. The Corporation acts on behalf of the City of La Porte, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Section 2(10) or Section 4B of the Act.

Powers

1.02. The Corporation has all the powers both express and implied, granted to corporations governed by Sec. 4B of the Act and by the Texas Non-profit Corporation Act.

ARTICLE II

OFFICES

Principal Office

2.01. The principal office of the Corporation in the State of Texas is located at 604 West Fairmont Parkway in La Porte; Harris County; Texas. The Corporation may provide for additional offices or change the location of any office.

Registered Office and Agent

2.02. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Corporation may change the registered office and the registered agent as provided in the Act.

ARTICLE III

BOARD OF DIRECTORS

Management of the Corporation

3.01. The affairs of the Corporation shall be managed by the Board of Directors.

Number, Qualifications and Tenure of Directors

3.02. The Board of Directors shall consist of seven members appointed by the City Council of the City of La Porte, Texas, for staggered two year terms of office. Not less than three (3) directors shall be persons who are not employees, officers or members of the governing body of the City of La Porte, Texas. Each director must reside within the City of La Porte, Texas.

The Board of Directors shall appoint a President and Vice-President by October 1 of each year. The President shall be the presiding officer for meetings and the Vice-President shall act in the President's absence.

Vacancies

3.03. A vacancy occurring upon the Board of Directors shall be filled for the unexpired term by appointment by the City Council of the City of La Porte, Texas.

Annual Meeting

3.04. The annual meeting of the Board of Directors shall be held during the month of March of each year. The Board of Directors shall designate the time and location of the annual meeting.

Regular Meetings

3.05. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meeting shall be held within the City of La Porte, Texas, at a location designated by the Board of Directors.

Special Meetings

3.06. Special meetings of the Board of Directors may be held at the request of the President or any three Directors. A person or persons calling the meeting shall fix the time and location of the meeting.

The person or persons calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting. In addition to the posting of a meeting notice in accordance with these bylaws, a copy of

each such meeting notice shall be delivered to each director not less than seventy-two hours before the time of the meeting. A meeting notice shall be deemed delivered to any director when deposited in the United States mail addressed to the director at his or her address as it appears on the records of the Corporation. Such additional notice may be waived in writing by a director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance.

Notice of Meetings

3.07. The Corporation shall be considered a "governmental body" within the meaning of Texas Government Code, Sec. 551.001, and notice of each meeting shall be given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meetings Act).

Quorum

3.08. Four (4) Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The presence of a director may not be established by proxy. No business shall be conducted, nor shall any action be taken by the Board of Directors in the absence of a quorum.

Duties of Directors

3.09. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. In acting in their official capacity as directors of the Corporation, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and which are not unlawful and shall refrain from actions not in the best interest of the Corporation or which would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

Duties of President

3.10. The president shall be the chief executive officer of the Corporation. The president shall supervise and control all of the business and affairs of the Corporation. When the execution of any contract or instrument shall have been authorized by the Board of Directors, the president shall execute same except where such power is expressly delegated to another officer of the Corporation. The president shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

Actions of Board of Directors

3.11. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors.

Proxy Voting Prohibited

3.12. A director may not vote by proxy.

Removal of Directors

3.13. The Board of Directors and each member thereof serves at the pleasure of the City Council of the City of La Porte, Texas, which may remove any director at any time, either with or without cause.

Committees

3.14. The Board of Directors may by resolution establish one or more special or standing committees. Such committees shall have the powers, duties and responsibilities established by the Board. The committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required.

Compensation of Directors

3.15. The directors shall not receive any salary or compensation for their services. Directors may be reimbursed for their actual expenses incurred in the performance of their duties. Travel expenses shall be reimbursed under the City's travel policy.

Attendance

3.16. Regular attendance at the Board meetings is required of all directors. Three (3) consecutive unexcused absences from meetings of the Board shall cause the position to be considered vacant. Four (4) unexcused absences in a twelve (12) month period shall also cause the position to be considered vacant.

Ex-Officio Members

3.17. The City Council may appoint Ex-Officio members to the Board of Directors as it deems appropriate. These representatives shall have the right to take part in any discussion of open meetings, but shall not have the power to vote in the meetings. Ex-Officio members shall serve a term of one calendar year.

ARTICLE IV

OFFICERS

Officer Positions

4.01. The officers of the Corporation shall be a secretary who shall be the City Secretary or Assistant City Secretary of the City of La Porte, Texas and a treasurer who shall be the Finance Director of the City of La Porte, Texas. At the option of the City Council these officers may also serve simultaneously as voting Directors to the Board.

Terms of Officers

4.02. The officers of the Corporation shall serve as long as they are employed by the City of La Porte, Texas

Removal of Officers

4.03. Any officer may be removed by the City Council of the City of La Porte, Texas at any time, with or without good cause.

Vacancies

4.04. A vacancy in any office may be filled by the City Council of the City of La Porte, Texas for the unexpired portion of the officer's term.

Secretary

4.05. The Secretary shall:

- >Give all notices as provided in the bylaws or as required by law.
- >Take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records.
- >Maintain custody of the corporate records, authenticate corporate documents and affix the seal of the Corporation as required.
- >Keep a register of the mailing address of each director and officer of the Corporation.
- >Perform duties as assigned by the president or Board of Directors.
- >Perform all duties incident to the office of secretary.

Treasurer

4.06. The Treasurer shall:

- >Have charge and custody of and be responsible for all funds and securities of the Corporation.

- >Receive and give receipts for moneys due and payable to the Corporation from any source.
- >Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- >Write checks and disburse funds to discharge obligations of the Corporation.
- >Maintain the financial books and records of the Corporation.
- >Prepare financial reports at least annually.
- >Perform other duties as assigned by the Board of Directors.
- >Prepare an annual budget.
- >Perform all duties incident to the office of treasurer.

Compensation of Officers

4.07. The officers shall not receive any salary or compensation for their services. Officers may be reimbursed for their actual expenses incurred in the performance of their duties. Travel expenses shall be reimbursed under the City's travel policy.

ARTICLE V

TRANSACTIONS OF THE CORPORATION

Contracts

5.01. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

Depository Bank

5.02. All funds of the Corporation shall be deposited with the City's depository bank.

Potential Conflicts of Interest

5.03. The members of the Board of Directors are local public officials within the meaning of Texas Local Government Code Chapter 171. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the Corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and the interested director shall abstain from any vote or decision upon the matter.

Council Approval

5.04. The Board of Directors shall obtain prior City Council approval of all real estate acquisitions, real estate leases exceeding one year and/or any other leases exceeding

one year; all bond issues or other debt extending beyond one year; and, contracts, expenditures, or debts over \$15,000.00. The Board of Directors shall have the authority to enter into all other budgeted transactions without prior or additional City Council approval. Notwithstanding the foregoing, the Board of Directors shall have the authority to approve all budgeted Enhancement Grant expenditures for an amount equal to or less than \$25,000, without prior or additional approval of City Council. Amendments to the Corporation's budget must be approved by the City Council.

Purchasing

5.05. Contracts for goods or services entered into by the Corporation and requiring the expenditure of \$50,000.00 or more shall be subject to competitive bidding and/or competitive proposal procedures as established in Chapter 252 of the Texas Local Government Code, for municipal purchasing.

ARTICLE VI

BOOKS AND RECORDS

Required Books and Records

6.01. The Corporation shall maintain:

- ◆ Correct and complete books and records of account.
- ◆ The Corporation's books and records shall include a file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Articles of Incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent.
- ◆ A copy of the bylaws and any amended versions or amendments to the bylaws.
- ◆ Minutes of the proceedings of the Board of Directors.
- ◆ A list of names and addresses of the directors and officers of the Corporation.
- ◆ A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- ◆ A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- ◆ All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- ◆ The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.
- ◆ Annual budget which is approved by City Council.

Records Open to Public

6.02. The Corporation shall be considered a "governmental body" within the meaning of the Texas Government Code, Sec. 552.003 and all records of the Corporation shall be made available to the public for inspection or reproduction in accordance with the requirements of the Texas Government Code, Chapter 552 (The Texas open Records Act).

Audits

6.03. The Corporation's books are required to be audited by the City's independent auditor on an annual basis. Cost of the audit will be paid by the Corporation.

ARTICLE VII

PERSONNEL

7.01. Any full-time or part-time personnel positions that the Corporation may establish will be subject to the personnel policies of the City. The City Manager has full authority in personnel matters.

ARTICLE VIII

AMENDMENTS TO BYLAWS

8.01. The bylaws may be altered, amended, or repealed by the affirmative vote of four or more members of the Board of Directors with the consent of the City Council of the City of La Porte, Texas or shall be altered, amended or repealed at the direction of the City Council of the City of La Porte.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

9.01. The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time. It is expressly provided that the provisions of the Development Corporation Act of 1979 applicable to corporations governed under Section 4B of that Act are incorporated within these bylaws by reference. In the event of any conflict between the applicable provisions of such Act and these bylaws, then the applicable provisions of such Act shall control.

Legal Construction

9.02. If any bylaw provision is held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, or unenforceable provision had not been included in the bylaws.

Headings

9.03. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

Seal

9.04. The Board of Directors shall provide for a corporate seal. Such seal would consist of two concentric circles containing the words "City of La Porte Development Corporation", and "Texas" in one circle and the "incorporated" together with the date of incorporation of the Corporation in the other circle.

Parties Bound

9.05. The bylaws shall be binding upon and inure to the benefit of the directors, officers and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the bylaws.

Fiscal Year

9.06. The fiscal year of the Corporation shall begin on the first day of October of each year and end of the last day of September of the following year.

Effective Date

9.07. These bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given by the Board of Directors and the City Council of the City of La Porte, Texas.

Adopted this 9th day of February, 2015.

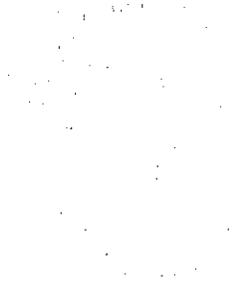


President of the Board

CERTIFICATE OF SECRETARY

I certify that I am the duly appointed and acting secretary of the CITY OF LA PORTE DEVELOPMENT CORPORATION, and the foregoing Bylaws constitute The Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on the 9th day of February, 2015, and approved and ratified by the City Council of the City of La Porte, Texas, at a meeting held on the 9th day of March, 2015.

Signed this 9th day of February, 2015.


Patricia Fogarty
Secretary of the Corporation

RESOLUTION 2015- 04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PORTE, TEXAS, APPROVING AN AMENDMENT TO SECTION 5.04 OF THE BYLAWS OF THE LA PORTE DEVELOPMENT CORPORATION; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Development Corporation Act of 1979 Article 5190.6 Tex. Rev. Civ. Stats. Ann., as amended, now Chapters 501-505 of the Texas Local Government Code, authorizes cities to create a development corporation or corporations to act on their behalf in the promotion and financing of projects so as to promote the existence, development, and expansion of business, commerce, industry, higher education, and job training which are essential to the economic growth of this state and to the full employment, welfare, and prosperity of residents of this state; and

WHEREAS, the City of La Porte has heretofore created the City of La Porte Development Corporation, which operates as a Type B development corporation; and

WHEREAS, on February 9, 2015, the City of La Porte Development Corporation voted to approve an amendment to Section 5.04 of the Bylaws of the City of La Porte Development Corporation; and

WHEREAS, under Section 501.064, Texas Local Government Code, the bylaws of a development corporation and each amendment of the bylaws must be approved by resolution of the governing body of the corporation's authorizing unit before going into effect; and

WHEREAS, the City Council of the City of La Porte has considered and desires to approve the proposed amendments to Section 5.04 of the Bylaws of the City of La Porte Development Corporation, and ratify the adoption of the proposed amendments to Section 5.04 of said Bylaws by the City of La Porte Development Corporation.

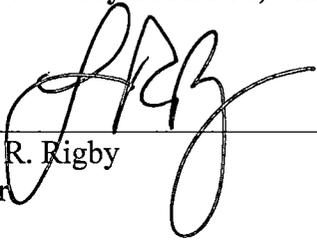
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA PORTE, TEXAS:

Section 1. That the Bylaws of the City of La Porte Development Corporation, as amended by the City of La Porte Development Corporation by its vote on February 9, 2015, to revise Section 5.04 of said Bylaws, and as reflected in the form attached hereto as Exhibit A and incorporated by reference for all purposes, are hereby approved.

Section 2. The City Council of the City of La Porte officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code; and that this meeting have been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

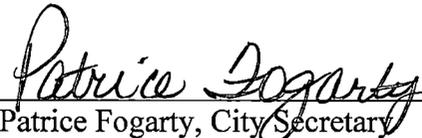
Section 3. This Resolution shall be effective upon its passage and approval.

PASSED, APPROVED, AND ADOPTED this the 9th day of March, 2015.



Louis R. Rigby
Mayor

ATTEST:



Patrice Fogarty, City Secretary

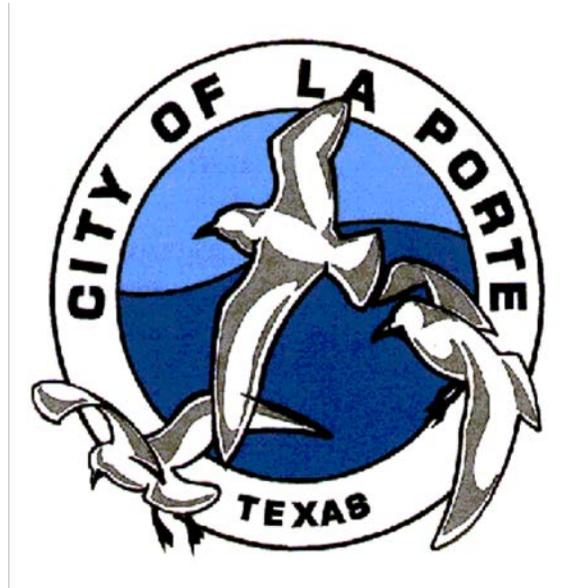


Clark T. Askins, Assistant City Attorney

Exhibit A

5.04 The Board of Directors shall obtain prior City Council approval of all real estate acquisitions, real estate leases exceeding one year and/or any other leases exceeding one year; all bond issues or other debt extending beyond one year; and, contracts, expenditures, or debts over \$15,000.00. The Board of Directors shall have the authority to enter into all other budgeted transactions without prior or additional City Council approval. Notwithstanding the foregoing, the Board of Directors shall have the authority to approve all budgeted Enhancement Grant expenditures for an amount equal to or less than \$25,000, without additional approval of City Council. Amendments to the Corporation's budget must be approved by the City Council.

PURCHASING POLICY MANUAL



Established 1892

October 2013

TABLE OF CONTENTS

INTRODUCTION	3
GENERAL ETHICAL STANDARDS	4
PROCUREMENT	5
Thresholds	6
Methods	7
Types of Purchase Orders	8
Solicitation Requirements	10
Types of Solicitations	12
Exempt Purchasing.....	15
CONTRACT ADMINISTRATION	16
DISPOSAL OF SURPLUS ITEMS.....	17
DEFINITIONS	19

INTRODUCTION

Purchasing is a division of the City of La Porte Finance Department and is responsible for the process of acquiring goods and services necessary to provide the public with certain services.

The Purchasing Division provides centralized procurement and all purchasing activities are governed by this Purchasing Policy Manual. The Purchasing Division assists each department, division and their staff to secure the best material, services, and equipment in the most efficient and economical manner. Furthermore, the division is responsible for sale and/or disposal of city surplus.

City purchasing policy and procedures comply with local, state and federal codes, ordinances, and statutes. The statutes that govern public procurement and cited throughout the document are Texas Local Government Codes (TX LGC) 252 and 271. In the event of conflict, the appropriate statute or ordinance will prevail. The Purchasing Division functions in a manner that is consistent with codes, ordinances, statutes, and sound business practices.

The purpose of this policy manual is to provide for the fair and equitable treatment of all persons involved in public purchasing by the City, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

This manual applies to the procurement of supplies, services, and equipment, entered into by the City, irrespective of the source of the funds.

The City of La Porte does not discriminate against individuals, companies, or awarding of bids with respect to race, color, national origin, sex, age, disability, or religion.

This policy manual supersedes any and all previous purchasing policy manuals approved or utilized by the City of La Porte and becomes effective October 2013.

GENERAL ETHICAL STANDARDS

STATEMENT OF POLICY

City of La Porte employees shall conduct all procurement on the basis of the best benefit to the City and that best promotes the interest of the citizens of La Porte. Unrestricted competition on every type of procurement is encouraged, which ensures the taxpayers the best possible return on each dollar. All contracts and purchases shall be handled to ensure the best value for the City, with solicitations obtained whenever practical.

Ethics: To achieve the purpose of this section, it is essential that those doing business with the City also observe the ethical standards prescribed here. It shall be a breach of ethics:

- To attempt to realize personal gain through public employment with the City, other than the employees normal duties
- For any employee to participate directly or indirectly in procurement when the employee knows that he or any member of the employee's immediate family (or associated business or organization) has a financial interest pertaining to the procurement
- No employee of the City shall solicit, demand, accept or agree to accept from another person or business, a gratuity or an offer of employment in connection to any solicitation pending or make available information not provided to all potential respondents
- For any employee or former employee of the City to knowingly use confidential information for actual or anticipated personal gain
- Solicit or accept anything of value from an actual or potential vendor with the exception of promotional items of negligible value, in the form of note pads, pens, calendars, etc., which may be accepted and used in normal City business operations.

Appointed Official/Employee: As stated in the City of La Porte Charter §Article VIII, Section 8.02:

"No member of City Council or any officer or employee of the City shall have a financial interest, direct or indirect or by reason of ownership of stock in any corporation, in any contract or in the sale to the City, or to a contractor supplying the City, of any lands or rights of interests in any land, material, supplies or service. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the City found guilty thereof shall there by forfeit his office or position. Any violation of this section with the knowledge expressed or implied of the person or corporation contracting with the City shall render the contract voidable by Council."

Under Texas law, an individual is automatically removed from his or her position if that person is finally convicted of failing to comply with the competitive bidding or competitive proposal procedures required by TX LGC § 252.063.

PROCUREMENT

The Purchasing Division has the authority and responsibility of centralized procurement for the City of La Porte. Employees are provided authority to procure goods and services under \$2,000 with petty cash, check requisitions, and procurement cards, as described under Procurement Methods, further in this section. All other procurement must be processed through a Purchase Requisition with authorized approval through the Purchasing Division and ordered only by a numbered Purchase Order. Employees do not have the authority to obligate City funds and may be held accountable for unauthorized purchases, including disciplinary action up to and including termination as stated in the Employee Policies Handbook, 3.04 Violations of Policies/Acts of Misconduct: "Employees may be disciplined or terminated for misconduct dependent on the severity, including but not limited to:

1. Violation of any City or department rule, regulation, policy, or procedure"

The goals of the City's Purchasing Division include the following:

- Timely purchasing of quality goods and services;
- Obtaining the best possible prices for goods and services;
- Encourage and promote inter-local cooperation amount area agencies;
- Utilize cooperative purchasing programs as allowed;
- Provide guidance to the individual departments regarding proper purchasing practices, procedures and processes.

Vendor Relations: Purchasing staff acts as the liaison between the City and vendors

- Purchasing staff should be the first contact for vendors. New vendors should be directed to Purchasing for information on how to do business with the city. Purchasing will meet with vendors upon request and forward any pertinent information to the appropriate end-users
- All vendors must be afforded equal opportunity to compete, provided the same information, and treated fairly
- End-users should coordinate meetings with vendors through Purchasing staff
- All correspondence with vendors shall be through the Purchasing Division
- Any solicitation or item under consideration for purchase shall not be discussed or price revealed until a purchase order or contract has been awarded

PROCUREMENT THRESHOLDS

- \$0 to \$1,999.99– Primary source of procurement is city-issued procurement card (p-card). If selected vendor does not accept p-cards, a check requisition may be used for expenditures up to \$99.99. Expenditures \$100.00 and above should be procured using a purchase requisition if a vendor does not allow use of the p-card.
- \$2,000.00 to \$24,999.99 – Requires a minimum of three (3) written quotes be obtained by the department or through purchasing, utilizing standardized quote forms. End-users should issue a purchase requisition and attach the quotes to the requisition. At least one (1) quote should be from a minority vendor or historically underutilized vendor (HUB), if available.
- \$25,000.00 to \$49,999.99 – Requires Purchasing create an informal solicitation to send to potential bidders. Once awarded, end-users shall issue a purchase requisition and reference the informal solicitation number.
- \$50,000 and above – Requires all state statutes listed in the TX LGC Sections 252 and 271 be followed, including *prior* approval by La Porte City Council. This is supported by Ordinance No. 2004-2736-A. Legal statutes and ramifications as provided in Texas Local Government Code (TX LGC) and Texas Penal Code:

If a city enters into a contract without complying with the requirements of Chapter 252, the contract is void.

Attempts to circumvent purchasing policies and limits by dividing purchases into multiple separate invoices or payments will not be tolerated and is subject to disciplinary and/or legal actions.

If a person fails to comply with the competitive bidding or competitive proposal procedures required by Local Government Code Chapter 252, that person may be convicted of a Class B misdemeanor; TX. LGC §252.062. This includes a situation in which a person makes or authorizes separate, sequential, or component purchases in an attempt to avoid competitive bidding requirements. A Class B misdemeanor may be punished by a fine of up to \$2,000, confinement in jail for up to 180 days, or both the fine and confinement. TX Penal Code §12.22

Except as otherwise provided, acquisition of goods and services \$2,000 and above shall be made only by an approved, numbered Purchase Order issued by the Purchasing Division, *prior* to placement of order. No purchase shall be made without proper approvals and compliance with procurement thresholds.

Regardless of the dollar amount, procurement decisions will be based on all or a combination of the following factors:

- Responsible bidder
- Price
- Delivery time, if applicable
- Quality
- Life cycle cost

- Past history of vendor performance
- Applicability
- Consultation with end-user department
- Conformance to applicable regulations

METHODS OF PROCUREMENT

The Finance Department accepts several methods of procuring goods and services for the City. Each method must be approved by authorized personnel, based upon approval forms. It is understood that the City Manager and Assistant City Manager shall be authorized to sign for all departments.

Petty Cash: Purchases below \$100 may be made by authorized employees with approval from the Department Director, from petty cash, after completing a petty cash form

Check Requisitions: Check requisitions may only be used for payment of the following:

- Registration and Travel
- Memberships and Subscriptions
- Books, Videos and Tapes under \$100.00
- Utility Payments
- Petty Cash and Drawer Funds
- Reimbursements

All tangible items that you are purchasing, contractor payments, etc., should be paid either on a Purchase Order or through the P-Card system. All departments must adhere to this policy to be in compliance with our external auditor's directive.

Exceptions – If the item that you are purchasing is under \$100.00, and the vendor does not accept a P-Card, you may then use a Check Requisition – but this must be noted on the Check Requisition for Accounting to process the payment.

Procurement Cards (P-Cards): Preferred for payment method of the following:

- Travel arrangements
- Small dollar purchases
- Over the counter expenditures
- Internet purchases
- Emergencies
- Contract items (with Purchasing approval)

Purchase Requisition (PR): A Purchase Requisition shall be prepared for all purchases unless a Procurement Card is used or the purchase meets one of the conditions listed under Check Requisition. The PR shall originate in the user department and shall be entered into Sungard's/Purchasing/Inventory Application. Preparation must be done far enough ahead of the date the goods /services are needed to allow normal purchasing procedures to prevail.

When entering a Requisition; make sure to include:

- Detailed descriptions to allow staff and the vendor to know exactly what is being procured

- A separate line item for freight or state “freight included” in the Comments
 - Separate line item for trade-ins or deductions
 - Attach quotes on City Quote Form for expenditures between \$2,000 and \$25,000 or state in the Comments the reason why quotes were not obtained. No quotes, quotes not submitted on City forms, or no comments will delay the PO process
 - If applicable, in Comments, state the Solicitation number and if approved by Council and date awarded
 - Attach or provide any agreements or contracts concerning this procurement
 - Purchasing will send the PO to the vendor and end-user as standard procedure unless instructions to do otherwise are included in the comments on the requisition.
 - Change orders should be entered as a requisition; however, the request must comply with all change order rules and the original PO # stated in comments on the requisition.
- Requisitions shall be approved online by authorized department personnel. Notify Purchasing if online approval is not possible.

Purchase Orders (PO): Issued by purchasing staff upon receipt of a completed, approved, purchase requisition (PR) with proper back up.

Once the PO is processed, purchasing staff will issue a copy of the PO to the awarded vendor and end-user. When the goods are delivered, City staff should ensure the product matches the order and is delivered in good condition. Damaged merchandise should be returned to the vendor for replacement or credit. Staff should also review and make certain all aspects of the service orders were completed satisfactorily and according to the quote and/or contract.

After the end-user has determined the vendor has successfully provided the goods or service, a Receiving Report (RR) must be completed in order for Accounts Payable to have the authority to pay for the goods and services. If the goods are not excepted or returned or canceled, contact Purchasing to adjust the PO.

TYPES OF PURCHASE ORDERS

Regular Purchase Orders: Most POs are issued for specific items or known quantities and prices. The quantity may be one or greater and the unit cost reflected; however, in some cases, the quantity may be one and the amount a lump sum. Regular POs are issued a six-digit number with the first two digits being the fiscal year (140001).

Inverted Purchase Orders: Inverted POs encumber budgeted funds; however, the dollar amount is placed as the quantity and the unit price is one dollar (\$1.00) and payment made based on the dollar amount owed. Inverted POs are used only when:

- The unit price is not known
- Multiple items are ordered and itemization is not feasible
- Reoccurring charges and payment amounts differ

Receipts are made by dollar amount and may include multiple Receiving Reports.

Contract Purchase Orders: POs issued for items that have gone to Council and may be itemized or inverted, if necessary. These numbers are distinguished with a “C” before the number (C14001).

CIP Purchase Orders: POs issued for capital expenditure account numbers. These numbers are issued with a “P” in front of the number (P14001) and may be used for multiple years until the project is complete.

Annual Purchase Orders: POs issued with an “A” (A14001) for annual contracts and should be requested by the end-user at the start of the contract term and at the beginning of the fiscal year. Annual contracts may begin in any month and run for a period of one (1) year or more; however, the PO is only valid for the current fiscal year. Example: An annual contract is awarded in March a period of one (1) year with a one-year renewable option. A PO is issued in March and valid until September; the end-user must request a PO in October until February. If the contract is renewed, a new PO will be issued as a renewal until September.

Blanket/Open Purchase Orders: The general purpose of blanket or open purchase order is to provide a means of payment for unknown quantities or pricing, multiple departments that use the same service, and/or often-used vendors that do not take p-cards. Blanket/open POs (B14001) are not encumbered until the items are received by the department. Blanket orders shall only be authorized in instances where a p-card payment is not possible. P-cards are the preferred method of payment.

Emergency Purchase Orders: Emergency purchases may be made for items costing more than \$2,000 and less than \$50,000 without being subjected to the competitive quotes. A properly executed requisition and a signed statement from the Department Director certifying that an emergency exists must be submitted to the Purchasing Division. The Purchasing Division shall attempt to secure more than one quote if time and/or circumstance will allow. **If the emergency procurement occurs during normal business hours, a purchase order must be issued or a p-card transactions authorized through the purchasing division. If the emergency procurement is required outside of normal office hours, the proper paperwork shall be submitted to Purchasing by noon the following business day whereby Purchasing will either authorize a p-card transaction or issue a purchase order to conclude the emergency purchasing activity. In the case of natural disasters, P-card limits may be increased and temporarily allow p-card transactions over \$2,000.**

Emergency purchases exceeding \$50,000 shall require a signed statement from the Department Director certifying that an emergency exists and approval of the City Manager or Assistant City Manager. The department director shall submit an agenda item to request approval by City Council at the next regularly scheduled Council meeting. Nothing herein shall prevent the emergency purchase to be made prior to the next Council meeting.

Change Orders: TX LCG §252.048 states a change order necessary after work has begun or the quantity increases or decreases, the total contract price may not be increased by more than 25% of the original contract price and the contractor or vendor

must consent to a decrease over 25%. City Council must approve all change orders \$50,000 and above and may grant authority to an administrative official to approve changes below \$50,000. All change orders must be within budget or additional funds must be requested, prior to PO processing.

SOLICITATIONS

SOLICITATION REQUIREMENTS

City policy requires competitive solicitations on any procurement over \$2,000; however, the process may be accomplished with various methods:

- Quotes/Informal Solicitations – Between \$2,000 and \$50,000
- Formal Bids
- Requests for Qualifications
- Requests for Proposal
- Annual Solicitations
- Cooperative Purchasing Agencies

Available Funds: Before Purchasing staff will begin any type of solicitation, funds for the goods or services must be available and approved in the annual budget. The approved estimated budget will drive the type of solicitation to be used. All funding listed at or near \$50,000 will require a formal bid process.

Contractor Qualifications: Per the City of La Porte, Code of Ordinances Chapter 2-Administration/Public Works Contracts Section 2-106, qualification requirement of the apparent low bidder for contracts above one (1) million but less than two (2) million submit reviewed financial statements that are performed by an independent certified public accountant. Contracts which are above two (2) million require the apparent low bidder submit audited financial statements by an independent certified public accountant.

Bonds: The Government Code mandates that a municipality contracting for a public work in excess of \$50,000 shall require its contractor to execute a payment bond. The Government code also mandates that a municipality contracting for public work in excess of \$100,000 shall require its contractor to execute a performance bond. Both the payment and performance bonds must be written for the total contract value. The city may also chose to require a vendor include a bid bond with their bid to ensure the successful bidder executes contract documents and proceeds with performance.

Grants/Federal Funds: End-users **must** notify Purchasing staff that a grant or federal funds are used *prior* to the solicitation process. Grants and federal funds mandate several requirements above and beyond City policies and specific wording must be added to solicitations. The requirements may include, but are not limited to:

- The complete Notice to Bidders must be published for the advertisement and posted to the website

- Vendor enrollment in E-Verify and verification of employee eligibility to work on federal contracts. This requirement flows down to all subcontractors with subcontracts in excess of \$3,000.
- Compliance with the Davis-Bacon Act
- Verification the awarded vendor is not excluded from federal contracts by searching the Excluded Parties List System (EPLS) website

Documented Workers: Regardless of the solicitation method used, the City mandates all expenditures involving manpower include the Protection of Resident Workers Compliance Form.

Quotes or Informal Bids: Three (3) written quotes are required for procurement of goods or services from \$2,000 to \$49,999.99. Departments shall use the quote form found under Forms/Purchasing in the CWShare Drive for solicitations under \$25,000. Specifications for purchases over \$25,000 should be submitted to the Purchasing office and staff will send out the required solicitation.

Historically Underutilized Business: Texas Local Government Code 252 requires a city, in making an expenditure of more than \$3,000 but less than \$50,000, to contact at least two HUBs on a rotating basis, based on information provided by the Texas Comptroller's Office pursuant to Chapter 2161 of the Government Code (<http://cpa.state.tx.us/procurement/prog/hub/>). If the list fails to identify a HUB in the county in which the city is located, the city is exempt. TX LGC §252.0215

To research HUBs and comply with this section, visit <http://www.window.state.tx.us/procurement/cmb/cmbhub.html> . Print the list of vendors or message that states no vendors were found for your records and attach to the requisition.

Formal/Competitive Bid Any City department requiring a purchase which involves the expenditure of \$50,000 or over, shall be required to obtain competitive sealed bids or proposals. The following procedures shall be followed to facilitate the bidding process. All competitive bids must go through the Purchasing Department. Specifications should be submitted to the Purchasing office to allow a minimum of eight (8) weeks until award.

For general procurement of goods or services, a contract must be awarded to: (a) the lowest responsible bidder, or (b) the bidder who provides goods or services at the "best value." TX. LGC §252.043

- When determining "best value," the City may consider factors other than the purchase price of the goods and services, including among other things:
 - The reputation of the bidder and the bidder's goods or services
 - The quality of the bidder's goods or services
 - The bidder's past relationship with the City; and/or
 - Any other lawful criteria

The City must indicate in the bid specifications and requirements that the contract will be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the “best value” for the City.

1. The requesting department for which the items are budgeted will be responsible for preparing and/or assisting Purchasing in the development of specifications and/or any required scope of services.
2. The requesting division must approve the final specifications and/or scope of services prior to formal bidding.
3. Purchasing assigns the bid or proposal package a number which will be included in the title of the bid or proposals.
4. In conjunction with the requesting division, Purchasing will establish the schedule of events including advertisement dates, pre-bid conference, bid opening date and time.
5. Invitations to Bid (ITB), or Request for Proposals (RFP) and Request of Qualifications (RFQ) must be advertised in a local newspaper. Purchasing will publish and distribute bid/proposals as required by State law. Purchasing will also publish any addendums during the formal competitive process.
6. If a pre-bid meeting is scheduled, Purchasing staff will be present at the meeting to help facilitate; however, departmental staff must be present to explain the scope of services and answer questions.
7. Purchasing will receive all bids and proposals and place them in a secure area until the date and time of the opening. All formal openings will be conducted by the Purchasing Manager or his designee and will take place at City Hall. The department may have a representative present to assist in the bid opening.
8. Purchasing will prepare a tabulation for each item or group of items following the bid opening and will consult with each department involved to arrive at a mutual agreement for recommendation.
9. If the expenditure involves any federal funds, before the award the vendor and any subcontractors must be verified on the Excluded Parties List System. Purchasing will perform the function.
10. Any expenditure over \$50,000 must be approved by City Council. Purchasing will assist in the agenda item; the responsible department will place and present the item for recommendation for City Council approval. Agenda items should be sent to Purchasing for review before placing item on the agenda.
11. Upon approval by the City Council, Purchasing will be responsible for the signatory of any contracts and obtaining payment and performance bonds and proper proof of insurance.
12. After execution and review of contract, the responsible department will issue the notice to proceed and coordinate the start of work with contractor.

Formal Bids for Construction (In-house): All rules apply as mentioned above with the following exceptions:

1. Bid documents too large to send electronically, must be provided on CDs or flash drives for purchasing staff to make available to the potential bidders. It is preferred the CD or flash drive contain one (1) pdf document with the specifications and drawings/plans; however two (2) files, one (1) for specifications and one (1) for drawings and/or plans will be accepted.

Formal Bids for Construction (Consultant): All rules apply as mentioned above with the following exceptions:

1. The consultant shall provide electronic documents to the Purchasing office
2. The consultant shall send out the Notice to Bidder and provide electronic documents either through CD or ftp site at no charge to potential bidders. A listing of all vendors that request the solicitation shall be provided to Purchasing at the time of opening.
3. The consultant shall create and verify a bid tabulation and may be required to assist in the evaluation process with the City
4. Purchasing shall facilitate and/or participate in at least one (1) preliminary meeting with the end-user and consultant. More meetings may be mandated if the consultant is preparing solicitation documents for the City. Purchasing should receive and review solicitation documents at least one (1) week prior to submitting the advertisement to the paper for publication.

Requests for Qualifications (RFQ): Texas law specifically exempts contracts for professional services from the competitive bidding requirements. TX LGC §252.022(a)(4): “a procurement for personal, professional, or planning services”.

A city is prohibited under state law from obtaining certain professional services through competitive *bidding* such as the services of: certified public accountant; architect; land surveyor; physician, surgeon, or optometrist; planner or professional engineer; state certified or stated licensed real estate appraiser; or registered nurse.”

The Texas Attorney General has provided an opinion as follows:

- Professional services have been described as those services which are: mainly mental or intellectual rather than physical or manual
 - Those disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence
- Op. Tex. Att’y Gen. Nos. JM-1038 (1989); JM-940 (1988); MW-344 (1981)

Although competitive bids shall not be obtained, neither the law nor Attorney General Opinions prohibit the City from soliciting qualifications from professional service providers and evaluating the responses to determine the top-rated firm. The City utilizes a Request for Qualifications (RFQ) to obtain qualifications and experience for professional service firms. Since this solicitation is based only on the qualifications of the respondent; price is not requested or considered.

The end-user submits information to Purchasing staff detailing the project and list of qualifications. Purchasing will follow the same procedures as above; however the timeline may need to be extended to allow meetings between the committee and top-rated firm(s). Formal RFQ solicitations will not be opened publicly, only the names of the respondents are read aloud.

A minimum of three (3) City staff members shall comprise an evaluation committee to review and evaluate the returned responses, based on the requirements specified within the RFQ. The committee selects the top-rated firm and meets with them to discuss the project and negotiate a firm price. If a price cannot be agreed upon, the negotiations will terminate and the next top-rated firm will be contacted and negotiations proceed. At no point, may the first firm be re-considered. The process continues until the City and a firm reaches an agreement.

Once the City determines and contracts with the top-rated firm for a particular service, that same entity may be hired for like projects; however, once a contract has terminated, it is advisable to issue new solicitations for qualifications periodically to ensure the best vendor is performing the right services for the City.

If an agreement is reached, the City Manager may award if under \$50,000; if \$50,000 or above, City Council approval is required. **The City Manager or Assistant City Manager must approve all new agreements over \$5,000.**

Requests for Proposal (RFP): This type of solicitation is used for services not described in Texas Government Code, Chapter 2254, Subchapter A – Professional Services, high technology projects, and in complex projects best procured through this process. The process is very similar to the method described for Request for Qualifications, with the following exceptions:

- The proposal must include price as part of the evaluation criteria; however, the percentage shall not exceed 50% of the total evaluation criteria.
- The evaluation committee must score according to the percentages of the criteria stated in the solicitation.
- Purchasing will total all evaluation scores and compile one final score sheet.
- The committee may chose to interview the top rated firms.
- After the interviews, firms are allowed the opportunity to submit a “best and final offer” (BAFO) and the committee may once again score the firms to select the firm that best meets the need of the City

Annual Solicitations: Annual contracts that extend for a period of one (1) or more years may be obtained through quotes, formal bids, or request for proposals. Annual solicitations must include a term, including the start and termination date and a specific number of years. Annuals may include additional option years for renewal upon consent of both parties. Option years should be renewed with the exact same terms as the original award, if possible. Exceptions may include documented and verified federal wage increases, manufacturing product increases, or circumstances beyond the vendor's control. All renewals shall be processed and issued by the Purchasing Division with prior consent of the end-user department.

Any commodity that is purchased through-out the year and exceeds \$25,000 should be considered an annual contract and awarded through the Purchasing office with the appropriate solicitation method.

When expenditures exceed \$50,000 and require Council approval, the agenda item shall contain the following items:

- Term and option years renewals, if any
- Annual Budget
- Amount of the recommended bid
- Not-to-exceed annual dollar amount to be spent, if less than total of recommended bid

Annual contracts should provide good estimated quantities based on the prior year and include an allowance for unforeseen circumstances.

Be aware that any increase or decrease to an annual contract must comply with the rules pertaining to change orders.

EXEMPT PURCHASES

Exemptions from competitive solicitations are specific exceptions that relieve the City of the need to bid or seek proposals of an item or service.

Emergency Purchases: An emergency purchase is defined as follows: TX LGC §252.022

- A procurement made because of public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality; or, A procurement necessary to preserve or protect the public health or safety of the municipality's residents; or,
- Procurement necessary because of unforeseen damage to public machinery, equipment, or other property.

Sole Source: Procurement of items available from only one source. Two (2) forms of documentation are required prior to the issuance of a purchase order for sole source items:

- Memo from the department director stating why this particular product is the only one that may be considered, and
- Letter from the manufacturer stating they are the only maker of this *product* and sole supplier. If available through a single distributor, the manufacturer must specify the supplier and why. Examples may include territories, marketing assignments, etc.

Proprietary Source: Procurement is only available from one source due to the fact that it must be compatible with another item. Example: parts for a John Deere tractor

Cooperative Purchasing Agencies: An agency that follows all rules and regulations of competitive solicitation requirements to obtain pricing for specific items and/or services. Although departments are encouraged to research and use these agencies, purchasing staff should be notified of the intent to procure items through this method and review required documents *prior* to Council award or the issuance of a Purchase Requisition. POs will be distributed by the Purchasing office and must be sent to the vendor *and* the

cooperative agency for the order to be valid. The City recognizes and has agreements or memberships with the cooperative agencies listed below; however the list is not all inclusive and other agencies may be utilized.

- Houston Galveston Area Council (H-GAC)
- State of Texas
- BuyBoard
- U.S. Communities

Piggy-Back Purchases: When procurement is obtained through an interlocal agreement with another city or public entity by utilizing their competitive solicitation. The solicitation must contain wording that other entities may be allowed to enter into agreements with the awarded vendor. Both the inter-local agreement and specific expenditure, if \$50,000 or above, must be approved by Council.

CONTRACT ADMINISTRATION

Purchasing Staff is assigned the undertaking of contract administration of all City contracts and work with the vendors as the liaison; however, departmental assistance is essential for the completion of these tasks. Purchasing responsibilities include:

Provide administration all city-wide contracts, for example, janitorial services, office supplies, etc.

- End-users must notify Purchasing staff of any issues regarding city-wide contracts
- Feedback on any type of annual or term contract is imperative to ensure specifications and expectations are met
- Vendors must be allowed the opportunity to remedy any issue

Maintain a centralized list of all written contracts/agreements

- End-users shall forward all contracts/agreements to the Purchasing Office for inclusion on the centralized list if not originally handled by Purchasing Staff.
- Includes maintenance agreements for security systems, etc. that may be better served by a city-wide annual contract
- Monitor the centralized list to ensure maintenance contracts and/or term contracts are renewed in a timely manner

Manage the preparation, approval process and execution of contract document

- After a contract is awarded by City Council, Purchasing will notify vendor of award and initiates contract process
- Purchasing will manage the contract execution process and will receive performance and payment bonds (when applicable) and verify certificate of insurance
- Acts as primary liaison for the City with Counsel in the development and review of contract documents

DISPOSAL OF CITY SURPLUS

The Purchasing Division is responsible for the sale and/or proper disposal of surplus or obsolete City property including vehicles, equipment, office furniture, or any other item that is determined to be of no further use to the City. Each Department Director shall review their department's assets each year and determine if any item should be sold through auction or properly discarded.

Auction: Purchasing works with a licensed auctioneer to conduct online auctions throughout the year as determined by need.

- Purchasing staff will notify departments of an upcoming auction and a deadline to submit a list of items for auction.
- Departments must provide a list with the following information:
 - Complete description
 - Condition of the item and any known defects
 - Pictures, if applicable, including front and side views of vehicles and equipment
 - Storage location for bidder viewing
 - Completed VIS form for vehicles and equipment
- A master list of all items will be compiled and sent to departments for review; departments may request an item be removed from the auction list and transferred to their department
- Proper forms for fixed asset disposal must be completed and submitted to the Accounting Division
- Departments are responsible for storage of items until sold and picked up by the successful bidder.
- The Purchasing Manager may declare any item not sold or picked up to be of no value and recommend disposal

Disposal: Items that are broken and non-repairable and/or have no dollar value may be properly disposed. Usable items shall not be discarded; employees shall not remove discarded items from City property. The procedures below must be followed:

- Purchasing staff must be notified
- Items should be recycled, if possible
- Proper forms for fixed asset transfer must be completed and submitted to the Accounting Division
- Proper disposal must be in compliance with any laws and regulations
- Contact IT to assist with disposal of hi-tech equipment as they use an outside source to wipe the drives and provide certification of proper disposal

Employee Ineligibility: City employees are not allowed to bid on any item at City of La Porte auctions.

DEFINITIONS

Addendum: a written change to a Bid, Quote, RFQ, or RFP during the solicitation process

Agreement: a formal, written document between the City and vendor providing goods or services, describing the scope of work and term of the contract. Agreements over \$5000 must be signed by the City Manager or Assistant City Manager

Bid: a formal written offer of a price by a vendor to the City to furnish specific goods and/or services in response to a solicitation

Bid Award: an award of a bid for which funds have lawfully been appropriated by the City Council

Bid Bond: An insurance agreement in which a third party agrees to be liable to pay the City a certain amount of money in the event the successful bidder does not execute the contract documents, furnish required bonds or insurance, or proceed with performance. The bid bond, naming the bidder as principal, is given to the City at the time of bid.

Bid Deposit/Cashier's Check: a guaranteed check furnished in lieu of a bid bond at the time of bid submittal.

Bidder's List: recommended or suggested vendors for a specific solicitation.

Capital Improvement Project (CIP): any public improvement the City undertakes, including the construction or reconstruction in whole or in part of any building, road, highway, street improvements, physical plant, structure or facility necessary in carrying out the functions of the City government. It does not include any routine maintenance, operation or repair of existing structures, buildings or real property.

Change Order: a modification, deletion or addition to an executed contract by means of a formally executed document signed by both parties. A change order shall not exceed 25% of the original contract.

Consultant Services: An outside person or firm with education and experience in specific area of proficiency to provide expert advice and/or perform technical services requiring an elevated level of knowledge and skill. A Request for Qualifications should be used to select the best professional within their field of expertise. Once the City determines and contracts with the top-rated consultant for a particular service, that same entity may be hired for like projects.

Construction: the process of constructing a building, structure, road or drainage utilities; altering, repairing, improving or demolishing any structure or building; or other improvements of any kind.

Contract: (a) a deliberate verbal or written agreement between two or more competent parties to perform a specific act or acts; or (b) any type of agreement, regardless of what it is called, for the procurement or disposal of goods, services or construction, usually for exchange of goods or services for money or other consideration.

Contractor: any person having a contract with the City

Debarment: the exclusion for cause of a vendor or contractor from bidding and/or receiving a contract to do business with the City. Federal and/or grant funds require a vendor search for debarment prior to award of contracts.

Demolition: the removal or destruction of any structure or building and appurtenances thereto, road or drainage utility.

Designee: a duly authorized representative of a person.

Historically Underutilized Business (HUB) Program: affirmative action program to increase the participation of disadvantaged or businesses normally used; includes minority and women owned businesses.

Emergency Purchases: procurement that is made in response to a requirement when the delay incident for complying with all governing rules, regulations and procedures would be detrimental to the health, safety and welfare of the City and/or its citizens.

Employee: a person employed by the City who is drawing a salary or wages directly from the City.

End-User Department/Division: the department/division within the City government, that requests and utilizes goods and/or services, procured according to the Purchasing Procedures Manual.

Goods: any tangible property other than services or real property.

Formal Bid: the solicitation document that is used for competitive sealed bidding for procurement of construction, goods and/or services and award is based on the lowest responsible bid or best value for the City.

Item: a separate single unit, article, product, material or service.

Payment Bond: a form of security, required on contracts over \$50,000, executed subsequent to award by a successful bidder that guarantees the payment of debts to persons furnishing services or materials on account of the contract work and/or payment of other responsibilities of the contractor; provided prior to contract execution.

Performance Bond: a form of security, required on contracts over \$100,000, executed subsequent to award by a successful bidder that guarantees the proper performance of the contract; provided prior to contract execution.

Procurement/Purchase: the buying, purchasing, renting, leasing or otherwise acquiring of any goods and/or services for public purposes in accordance with the laws, rules, regulations and procedures intended to provide for the economic expenditure of public funds. It includes but is not limited to all functions which pertain to the obtaining of any supplies, materials, equipment and/or services including construction projects and Capital Improvement Projects, as defined herein, required by any department/division or agency of the City government regardless of the source of funds.

Procurement Card (P-Card): an instrument used to purchase goods/services in accordance with established procedures.

Professional Services: any certified public accountant; architect; land surveyor; physician, surgeon, or optometrist; state certified or stated licensed real estate appraiser; or registered nurse as defined under TX LGC 252.

Proposal: an executed formal document submitted by an offeror to the City stating the good(s) and/or service(s) offered to satisfy the need as requested in the Request for Proposal or quote solicitation.

Purchase Order: the City's document used to authorize a purchase transaction with a vendor. It should contain provisions for construction, goods and/or services ordered; applicable terms as to payments, discounts, date of performance and transportation; and other factors or conditions relating to the transaction. Acceptance of a Purchase Order by a vendor shall constitute a contract, except instances in which a Purchase Order is issued only as an internal encumbrance document.

Purchase Requisition (PR): System generated and approved document submitted to purchasing to request a Purchase Order.

Quote or Informal Solicitation: written solicitation request and/or response offered to the City by a vendor for furnishing specific goods and/or services at a stated price, under \$50,000.

Request for Proposal (RFP): a solicitation for goods and/or services for which the scope of work, specifications or contractual terms and conditions cannot reasonably be closely defined. Evaluation of proposal is based on stated criteria and shall state the relative importance of all evaluation factors; other factors may be considered as stated in the RFP.

Request for Qualifications (RFQ): may be a formal or informal request to solicit qualifications and experience for specific services. Responses are evaluated and a top responder is selected. Price may not be known or considered during the evaluation process. Once a top respondent is identified, City staff negotiates a firm price and the City Manager or Assistant City Manager sign an agreement with the individual or firm.

Services: the furnishing of labor, time and/or effort by professionals or contractors, wherein the submission of goods or other specific end products other than reports, studies, plans, advisories, contractual documents or other documents relating to the required performance is incidental or secondary.

Sole Source: the only existing source of the only item which meets the needs of the user department/division as determined by a reasonably thorough analysis of the marketplace.

Specifications: a concise, descriptive statement of a set of requirements to be satisfied by a product, material or process used in a solicitation to illustrate the goods and/or services to be purchased or otherwise acquired.

Successful Bidder: vendor awarded the contract through solicitation, regardless of the method used or dollar amount.

Vendor: an actual or potential provider of goods or services.