

ORDINANCE NO. O-2019-002

AN ORDINANCE DESIGNATING A GEOGRAPHIC AREA WITHIN CITY OF LA MARQUE AS REINVESTMENT ZONE NUMBER TWO, CITY OF LA MARQUE, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND PROVIDING A SEVERABILITY CLAUSE.

WHEREAS, the City Council has received petitions (the "Petitions"), requesting that a contiguous geographic area in the City of La Marque (the "City"), be designated as a reinvestment zone under the provisions of Chapter 311 of the Texas Tax Code; and

WHEREAS, the Petitions were submitted by the owners of property constituting at least fifty percent of the appraised value of the property in the proposed reinvestment zone according to the most recent certified appraisal rolls for Galveston County, Texas, the county in which the proposed zone is located; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan, which provides that certain City of La Marque ad valorem property taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

WHEREAS complying with the requirements of Chapter 311, Texas Tax Code, a notice of the January 14, 2019, public hearing on the creation of the proposed zone was published on December 14, 2018, in the Galveston County Daily News, a newspaper of general circulation in the City; and

WHEREAS, at the public hearing on January 14, 2019, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code; and

WHEREAS, the City has provided all information and given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

WHEREAS, as of the date of this Ordinance, no other tax increment reinvestment zone is in operation within the City; and

WHEREAS, based on the latest certified values, the total appraised value of taxable property in the City and in industrial districts created by the City is approximately \$1,025,925,859 and

WHEREAS, based on the latest certified values, the total appraised value of taxable real property in the proposed zone and all other tax increment reinvestment zones previously created by the City is approximately \$71,283,550 and

WHEREAS, the total area within the proposed zone is approximately 73.1 acres, including property that is publicly owned and

WHEREAS, the City Council desires to further demonstrate its commitment and intentions by reserving funds approved for the benefit of the Zone in the Fiscal Year 2018-19 Budget in a segregated fund from the General Fund;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

Section 1. Findings.

(a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Council further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.

(c) That the City Council further finds and declares that the proposed reinvestment zone meets the criteria of Section 311.005 of the Texas Tax Code because the proposed zone is an area designated in a petition submitted by the owners of property constituting at least 50 percent of the appraised value of the property in the area requesting that the area be designated as a reinvestment zone.

(d) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

- (1) That the proposed zone is a geographic area located within the corporate limits of the City of La Marque; and
- (2) That the total appraised value of taxable real property in the proposed zone does not exceed fifty percent of the total appraised value of

taxable real property in the City and in the industrial districts created by the City; and

(3) That based on the latest certified values, the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area described in Exhibit A and depicted in the map attached hereto as Exhibit B to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Two, City of La Marque, Texas (the "Zone"). The City Council specifically declares that the Zone is designated pursuant to Section 311.005(a)(4) of the Texas Tax Code.

Section 3. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of nine (9) members. Position One on the Board of Directors shall be filled by the State Senator representing the area included within the Zone or his or her designee. Position Two on the Board shall be filled by the State Representative representing the area included within the Zone or his or her designee. The Mayor is hereby authorized to nominate and appoint the remaining seven (7) members of the Board to Positions Three through Nine, subject to the consent and approval of the City Council; provided, however, that Galveston County shall be entitled to appoint a director to Position Nine if Galveston County approves the payment of all or part of the tax increment attributable to Galveston County. Failure of Galveston County to appoint a director by December 31, 2019 shall be deemed a waiver of that taxing unit's right to appoint a director, and the Mayor shall be entitled to nominate and appoint persons to such positions, subject to the consent and approval of City Council.

The directors or their designees in Position One and Position Two shall be members of the board by operation of law pursuant to Section 311.09(b), Texas Tax Code. The initial directors appointed to Positions Three, Four and Five shall be appointed for two-year terms, beginning January 1, 2019, while the directors appointed to Positions Six, Seven, Eight and Nine shall be appointed to one-year terms, beginning January 1, 2019. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position Three is hereby designated to serve as the chair of the Board of Directors for a term beginning January 1, 2019, and ending December 31, 2019. Thereafter, the Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair

for a term of one year beginning January 1, of the following year. The City Council authorizes the Board of Directors to elect from its members a vice chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Council for its approval. The City hereby delegates to the Board of Directors all powers necessary to administer, manage and operate the Zone and prepare and implement the project plan and reinvestment zone financing plan, subject to approval by the City Council, including the power to employ any consultants or enter into any reimbursement agreements payable solely from the Tax Increment Fund established pursuant to Section 6 of this Ordinance subject to the approval of the City Manager, that may be reasonably necessary to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations.

Section 4. Duration of the Zone

That the Zone shall take effect immediately upon passage of this Ordinance, provided however, that the deposit of tax increments into the Tax Increment Fund established pursuant to Section 6 of this Ordinance shall not commence until January 1, 2020, and termination of the operation of the Zone shall occur on December 31, 2050, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full.

Section 5. Tax Increment Base

That the Tax Increment Base of any taxing unit participating in the Zone through property tax increments is the total appraised value of all real property taxable by such taxing unit and located in the Zone as of January 1, 2019, the year in which the Zone was designated a reinvestment zone (the "Tax Increment Base").

Section 6. Tax Increment Fund

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments (as defined by Chapter 311 of the Texas Tax Code) received by the City or Zone plus other revenues identified in the project plan and the reinvestment zone financing plan to be approved by the Zone and the City shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be

maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. All revenues from the sale of any tax increment bonds, notes or other obligations hereafter issued for the benefit of the Zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Texas Tax Code.

Section 7. Severability

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person to set circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 8. Open Meetings

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the Time required by law preceding its meeting, as required by the Open Meetings Law, Texas Government Code, ch. 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof 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 9. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on January 14, 2019, and the publication of said notice, are hereby ratified, and confirmed.

[EXECUTION PAGE FOLLOWS]

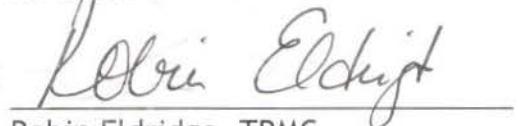
PASSED AND APPROVED by City Council of the City of La Marque, Texas ON FIRST READING this 14th day of January 2019.

PASSED, APPROVED AND ADOPTED by City Council of the City of La Marque, Texas ON SECOND AND FINAL READING this 11 day of February, 2019.

CITY OF LA MARQUE, TEXAS


Bobby Hocking, Mayor

ATTEST:


Robin Eldridge, TRMC
City Clerk

APPROVED AS TO FORM:

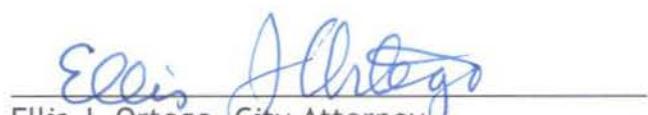

Ellis J. Ortego, City Attorney

Exhibit A

TIRZ No. 1 Boundary

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, A, B, C, D, E, F, and, G of the Omega Bay Subdivision in the S.C. Bundick League and the J.C. League, Galveston county, Texas.

Exhibit B

TIRZ No. 1 Map

