

**MINUTES
CITY OF ALVIN, TEXAS
216 W. SEALY STREET
CITY COUNCIL WORKSHOP SESSION
THURSDAY, FEBRUARY 1, 2024
6:00 PM**

CALL TO ORDER

BE IT REMEMBERED that, on the above date, the City Council of the City of Alvin, Texas, met in Workshop Session at 6:00 PM in the First Floor Conference Room at City Hall, with the following members present: Mayor Gabe Adame; Mayor Pro-Tem Chris Vaughn; Council members: Martin Vela, Keko Moore, Joel Castro, Glenn Starkey, Richard Garivey and Meagan DeKeyzer.

Staff members present: Junru Roland, City Manager; Suzanne Hanneman, City Attorney; Dixie Roberts, Assistant City Manager/City Secretary; Chris Thomas, Director of Administrative Services.

WORKSHOP BUSINESS

Discuss Economic Development and the process involved in creating an Economic Development Corporation.

Loren Smith of Olson & Olson Law Firm, presented this item. Mr. Smith explained that an Economic Development Corporation is a non-profit organization established by cities for the purpose of promoting economic development using local sales tax to encourage development through approved projects. There are two types of Economic Development Corporations, type A and type B. Both types can fund projects that create jobs related to manufacturing, research and development and distribution centers. Type A differs in that it also extends that focus to military, recycling, warehouse and corporate headquarters facilities and is more restrictive on how funds can be spent. Type B usually funds projects considered to be community development initiatives related to professional and amateur sports, parks, entertainment, tourism and housing. Type B can also be used for water supply and conservation programs if those facilities are approved by the voters. Type B is required to wait 60 days from the first public notice of the project before providing funds, and hold public hearings on all projects. In both types, the members are appointed by City Council. Type A must have a minimum of 5 members, serving terms no longer than 6 years, with no state-imposed residency requirements. City Council could appoint itself to a Type A EDC board. Type B is composed of 7 members, of whom 4 total can be city council members or officials, serving no more than 2 years with specific residency requirements. Bylaws govern the operations of an EDC with the Council approving programs, projects and most expenditures. EDC board meetings are subject to the Open meetings Act and may deliberate in closed session only to receive information from or offer incentives to a business prospect. An EDC is also subject to the Public Information Act with exceptions being submitted to the Attorney General per state law. Funding for EDC projects can originate from sales and use tax proceeds, bonds, grants, interest on project loans, user admission fees and real estate profits. Cities can allocate a portion of the sales tax to fund projects only by voter approval.

Council member Moore asked how an EDC is initially funded if an election has not been conducted yet to allocate sales tax. Mr. Smith explained the EDC could take a loan from the General Fund through the budget. Council member DeKeyzer asked a question related to bonds, Mr. Smith clarified those details would be up to the lender. Council member DeKeyzer also asked if, for our current purposes, is the creation of an EDC even necessary; are there other options to satisfy current goals. Mr. Smith explained other management districts or a branch of the City could be developed to accomplish those same goals. Council member Castro asked what an EDC can do that an Economic Development Director cannot. Mr. Smith stated the biggest difference is an EDC can collect sales tax specifically for its use, a Director as an employee is funded through the City budget.

ADJOURNMENT

Mayor Adame adjourned the meeting at 6:41 p.m.

PASSED and APPROVED the 7th of March 2024.

ATTEST:

Gabe Adame, Mayor

Dixie Roberts, City Secretary